



November 17, 2015

Ms. Valerie Payn  
President and CEO  
Halifax Chamber of Commerce  
32 Akerley Suite 100  
Dartmouth, NS B3B 1N1

Dear Ms. Payn:

Thank you for sending the Halifax Chamber of Commerce Provincial Note for 2015. Firstly, I want to acknowledge the significant contribution of the Halifax Chamber of Commerce in working to create a positive business environment and grow and nurture the skilled workforce, including support for recruitment of immigrants. These are key priorities that Government has also identified as essential for Nova Scotia's future prosperity.

With respect to the three priority areas that you have identified for Government:

**1. Putting Nova Scotia's finances on a sustainable footing**

The Government continues to focus on achieving sustainable finances. Our recent September Budget forecast showed that there is no change to the Government's balanced fiscal plan with an expected surplus in 2016-2017. This is despite the continued global and Canadian economic uncertainty which has led to provincial tax revenues being below expectations.

Government will continue to be vigilant on spending and take action where possible to meet the fiscal plan targets. The Chamber is correct in identifying that in order to eliminate the deficit, Government must control its single largest expense – labour costs and this is a key focus of government in this fiscal year.

As a result of public sector wages growing faster than the economy over the previous 3 years, we had less money available to spend on government priorities. This is why we have put in place a wages freeze for MLAs and non-unionized public sector workers for the next three years. We have also ended the public service award bonus for non-unionized employees, which went to employees at retirement and amounted to one week's salary for each year of full-time work, up to a maximum of 26 weeks. Government has provided a framework for cooperative gains bargaining as part of the collective agreement discussions with unionized staff. It is only within this framework that government can achieve the required expenditure restraint to put Nova Scotia on a fiscally sustainable footing.

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We agree with the Chamber that that the first priority of Government is to achieve stable and sustainable public finances. It is only at this point, can we look at the tax mix and changes to the tax system. The Department of Finance and Treasury Board is continuing to assess all the recommendations of the Tax and Regulatory Review related to the tax system. This independent Review underlined that tax reform requires a longer-term perspective over a 10-year period, and the Department is currently looking at options for the Working Group that will best suit these objectives.

Our Government continues to use the affordability for Nova Scotia taxpayers as a key criteria for our decisions and welcomes the support from the Chamber in this approach.

## **2. Prioritizing youth retention programs**

The Province has provided support to promote careers in the skilled trades through the Youth Apprenticeship Program that will assist youth in developing the skills and gain the experience they need to prepare for jobs in Nova Scotia. I would also like to emphasize that the Province established the Apprenticeship START Program to encourage employers to register and employ new apprentices from the following under-represented groups - Women working in non-traditional trades, Persons with Disabilities, Immigrants, Aboriginal and African Nova Scotians.

The Province has made significant investment in higher education through programs and initiatives such as the Strategic Cooperative Incentive Initiative (SCEI) and the Student Career Skills Development Program. Both programs aim to assist businesses and organizations to recruit and retain university and community college students.

Additionally, the Province is working to reduce the cost of education and help students repay debt by eliminating the interest on the provincial portion of student loans and creating graduate scholarships. The government has eliminated interest on provincial student loan funding to make it easier for students to live and work in Nova Scotia.

Lastly, I do want to bring to your attention that Labour and Advanced Education (LAE) and Education and Early Childhood Development are partnering to create a Transition Task Force - a deliverable under Nova Scotia's Education Action Plan. The Transition Task Force will identify existing gaps in helping youth access and succeed in post-secondary education and/or work. It will develop recommendations to align resources and efforts to assist students in identifying their career goals and creating and/or improving academic pathways to assist them in achieving those goals.

## **3. Creating a common sense regulatory environment**

We welcome your support for the work we are doing on regulatory reform. We notice particularly your comments about the establishment this year of the Office of Regulatory Affairs and Service Effectiveness, led by Fred Crooks, as well as the need for firm targets for regulatory reductions, tracking progress and increasing information sharing among departments.

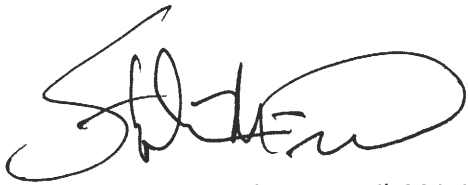
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We note as well, the five principles which the Chamber outlines as to how government should regulate. These positions of the Chamber are very well aligned with our approach to regulation. The Chamber believes that the objective should be to have the most business-friendly environment in Canada. We agree. We are convinced that better regulation, including harmonization of unnecessary differences with other Provinces, is an important avenue to achieving a significant competitive advantage for Nova Scotia. That is why we have made it a priority.

The work of the Office of Regulatory Affairs and Service Effectiveness is now well underway. I understand that the Chamber and that Office have had preliminary discussions about the agenda for regulatory reform and that a presentation by the Office to the Chamber's committee on regulation is planned for December. The Office considers the Chamber an important private sector partner for its initiatives and you can expect to be hearing more from the Office, as well as action on some of those initiatives, this Fall.

Thank you again for writing on these important issues.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephen McNeil', with a large, sweeping flourish at the end.

Honourable Stephen McNeil, M.L.A.  
Premier

Copy to: Honourable Randy Delorey, Minister of Finance and Treasury Board  
Honourable Kelly Regan, Minister of Labour and Advance Education and  
Minister Responsible for Youth  
Fred Crooks, Chief Regulatory Officer, Office of Regulatory Affairs & Service Effectiveness