

2022 - 2023 Provincial Pre-Budget Submission

Presented to:
Hon. Allan MacMaster
Nova Scotia Minister of Finance

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TABLE OF CONTENTS

The Halifax Chamber of Commerce	3
Executive Summary	3
2022 - 2023 Recommendations	4
Optimizing the Size of Government	7
The Budget	7
Public Accounts	7
Budget Allocation	7
Net Debt to GDP	8
The Auditor General's Report	8
Local/Social Procurement	9
Better Paycheque Guarantee	10
Digitization	10
Housing	11
Capped Assessment Program	11
Bill 63	11
Municipal Powers	12
The Rent Cap and Housing Supply	12
Support for Communities	13
Our People	14
Immigration & Our Workforce	14
Student Career Tools	15
Trades and Apprenticeship Programs	16
DEI & A	16
MLAs	16
Sector and Business Support	17
Tourism and Hospitality	17
The Nova Scotia Business and Labour Economic Coalition (NSBLEC)	18
Loyalty Program	18
Net Zero Sustainability	19
Red Tape and Regulations	20
COVID-19 Changes	20
FOIPOP	20
Conclusion	21
Sources	22

THE HALIFAX CHAMBER OF COMMERCE

The overall goal of the Halifax Chamber of Commerce is to create value and prosperity for our over 1,800 members and their over 65,000 employees. Through our 2019-2023 Strategic Plan, we are providing the services businesses need, hosting events that will help them learn, and advocating for the conditions in the economy that enhance their prosperity. Our task forces — Fostering Private Sector Growth and Accessing a Skilled Workforce — are currently working towards goals that aid in our members' prosperity and the economic growth of the Municipality. Our signature and annual events feature local entrepreneurs, immigrants, post-secondary institutions, and prestigious business organizations. Each year we provide our members the opportunity to hear the state of the Municipality and Province during luncheons and celebrate their successes at our Business Awards.

EXECUTIVE SUMMARY

While the past two years have been challenging for our members and all Nova Scotians, there have been actions, ideas, and outcomes that have resulted in positive change for the business community. The goal of this pre-budget submission is to reiterate the importance of those positive changes alongside recommendations that would provide value to our businesses, improve the lives of Nova Scotians, and increase our province's economic growth. Focusing on key issue areas, derived from conversations with our members, this submission highlights ways to ensure Nova Scotia remains the "place to be." The key issues this year are optimizing the size of government, housing, our people, sector and business support, and red tape reduction.

Ensuring our spending is efficient and effective and that we monitor our net debt to GDP can keep Nova Scotia on the right track to fiscal sustainability. Encouraging the newly created Housing Committee to keep their work open and transparent and supporting all our communities will boost our ability to house everyone who chooses to make Nova Scotia their home. Improving immigration standards and encouraging diversity, equity, inclusion, and accessibility within the province will promote Nova Scotia as a place to call home and provide our important businesses with the support they need to ensure their longevity and inspire a new generation of entrepreneurs. Finally, reviewing old regulations for potential updates and maintaining covid-related updates to red tape will provide relief for the business community that has and continues to suffer from COVID-19 and its relevant restrictions.

The Chamber has provided a list of recommendations. We hope you will consider our asks as each has been obtained through Chamber task force meetings, discussions with our members at round tables and events, and through the countless hours of calls with the Nova Scotia Business & Labour Economic Coalition.

2022 - 2023 RECOMMENDATIONS

Optimize the Size of Government

- Work with the Chamber to ascertain business-related best practices to determine if any could be utilized to reduce costs or make processes and/or programs more efficient/effective.
- Work with Nova Scotia Business & Labour Economic Council (NSBLEC) to quickly determine the needs and gaps of the sectors most impacted by the pandemic and those that will continue to struggle to recover through the 2021/2022 budget year.
- Work with the federal government and organizational partners to continuously improve our immigration numbers.
- Work towards the reduction of costs to ensure that our province's debt levels are gradually reduced as a percentage of GDP.
- Increase the monies provided to small businesses in Nova Scotia to assist in Covid recovery, as the last amounts provided were in the 2019/20 budget.
- Provide the public with a line-by-line explanation for the expenditure of COVID-19 funding, including health care, business support, and the procurement of PPE.
- The Government of Nova Scotia updates its 2016 Sustainable Procurement Policy to include a dedicated pillar recognizing the importance of economic and social considerations beyond mere purchase price in all procurement decisions, with specific, measurable goals under the pillar.
- The Government of Nova Scotia adopts a policy of preferential procurement from Nova Scotia businesses whenever possible to support the economic development of our communities.
- The provincial government works to connect small local suppliers with the tools and programs that already exist to help them scale up their business and be ready to fulfill procurement contracts. One possible way to do so could be to create a dedicated webpage with these resources, linked to the government's procurement website.
- Speak and meet with local businesses to determine the sentiment for the Nova Scotia Loyal Program, and gauge interest in reinvesting the tax funds back into employees.
- Provide details of the Nova Scotia Loyal program costing, including administration and the potential for the subsequent loss of funding, for government-provided services.
- Schedule a meeting with the Chamber to discuss local procurement for government digitization projects and increase awareness of the business community's pain points and ideas for solutions.

Housing

- Remove the Capped Assessment Program but continue to have tools in place to protect those who would become vulnerable when the CAP is dissolved.
- Ensure the Housing Committee engages with the public and with the Halifax Regional Municipality for input and feedback on plans and recommendations.
- Ensure the decision process and decisions made by the Housing Committee are open and transparent and committee members are accountable for those decisions.
- Remove the rental cap to ensure that it does not inhibit the creation of new units and/or deter landlords from making necessary upgrades to their units.
- Continue to work with the federal and municipal government to increase the supply of affordable units in Nova Scotia.

- Work with developers to bring awareness to their main development concerns which could be solved by changes to provincial regulations.
- Engage in discussions with the business community on ways the provincial government can support our business community through grants or programs focusing on business districts, women in business, and new entrepreneurs.

Our People

- Review the ‘Occupations in Demand’ Immigration stream annually to determine if other sectors in demand of labour can be included.
- Meet with the business community and the Halifax Chamber to determine which jobs/careers will be most in-demand to ensure that Nova Scotia is not only bringing in individuals with those skills, but that our educational programs support the skills and training needed.
- Engage with the community to determine how best to celebrate and bring awareness to the people, places, and jobs that make Nova Scotia a desirable location to relocate.
- Amend the one year of relevant work experience to two years to achieve Permanent Residence status.
- Review and Target sectors that could also benefit from a tax break, further financial support and/or increased awareness of the sectors in need of labour.
- Increase the hours of weekly work permitted by foreign students to improve work experience and student retention and provide much-needed labour availability to our hardest-hit sectors.
- Work with the business community to ensure students have access to information around sectors most in need of talent and the path they can take towards employment.
- Expand funding to the One Journey Initiative program to support a greater number of placements and employment.
- Ensure that the “All Together” Plan updates are made public to increase awareness and subsequently accountability and transparency
- Keep a careful eye on the proportional representation of MLAs for those living in the Halifax Regional Municipality.

Sector and Business Support

- Significantly expand the tourism budget to allow for external as well as internal tourism promotion.
- Provide funds to attract domestic airlines to increase domestic routes. The HIAA is a critical economic generator for the province and the region and will need financial support to maintain its operations and recover the traffic lost to COVID.
- Meet with the Chamber and representatives from the Tourism and Hospitality sector to determine the supports needed to accelerate the recovery of the sector.
- The province needs to quickly launch the planned confidence campaign to get business and tourism travelers back to Nova Scotia.
- Ensure continued government participation during NSBLEC calls for open and collaborative communication and policy decisions.
- Ensure the business community is part of discussions and roll-out of the Nova Scotia Loyal Program.

- Ensure tourists and short-term residents are aware of and can utilize the program.
- Utilize other channels, like the Chamber of Commerce, to promote funding programs and the application process to secure such funding.

Red Tape and Regulations

- Continue reviewing current regulations at the current pace to ensure current businesses can thrive and new businesses are able to emerge as we continue through this pandemic and into the endemic phase of COVID-19.
- Continue to meet and speak with members of the NSBLEC for immediate and relevant recommendations to reduce the regulatory burden in Nova Scotia.

OPTIMIZING THE SIZE OF GOVERNMENT

The Chamber advocates for the optimization of government. The Chamber is asking the government to look for new ways to be more efficient and effective with the current level of financial resources. In the most recent Forecast Update from September 2021, tax revenue is down from Harmonized Sales Tax, Corporate Income Tax, Motive Fuel Tax, and Other Tax Revenue.¹ Given the diminished revenue sources, it is more crucial than ever for the province to reduce costs to ensure service levels are maintained and that those most impacted by COVID, like our business community, don't feel the brunt through increased taxes. With the reduction in revenue sources and the increase in expenses, it is no surprise to see an increase in our net debt to GDP ratio. A target of 30% has long been the goal from the One Nova Scotia report, and due to COVID, it looks like it is still a long way from realization.

THE BUDGET

Public Accounts

It is imperative that the provincial government look for ways to reduce costs, improve efficiency and remove duplication. The Chamber believes that through proper fiscal management, government can reduce the burden of taxation. In addition, we expect that government compares its costs to similar services in the private sector to ensure that it is operating effectively.

Recommendation: Work with the Chamber to ascertain business-related best practices to determine if any could be utilized to reduce costs or make processes and/or programs more efficient/effective.

Budget Allocation

The most recent provincial budget highlighted the need for increased spending on Health Care and the current provincial government emphasized this need pre- and post-campaign. However, investing in the recovery of Nova Scotian businesses and ensuring they have the tools and supports they need to grow is equally important if we are to fund the social supports required. Over 90% of the increased departmental spending in budget 20/21 was allocated to Health & Wellness, Community Services, and Education and Early Childhood Development with virtually no new monies or supports identified for businesses and sectors most hurt by the pandemic.²

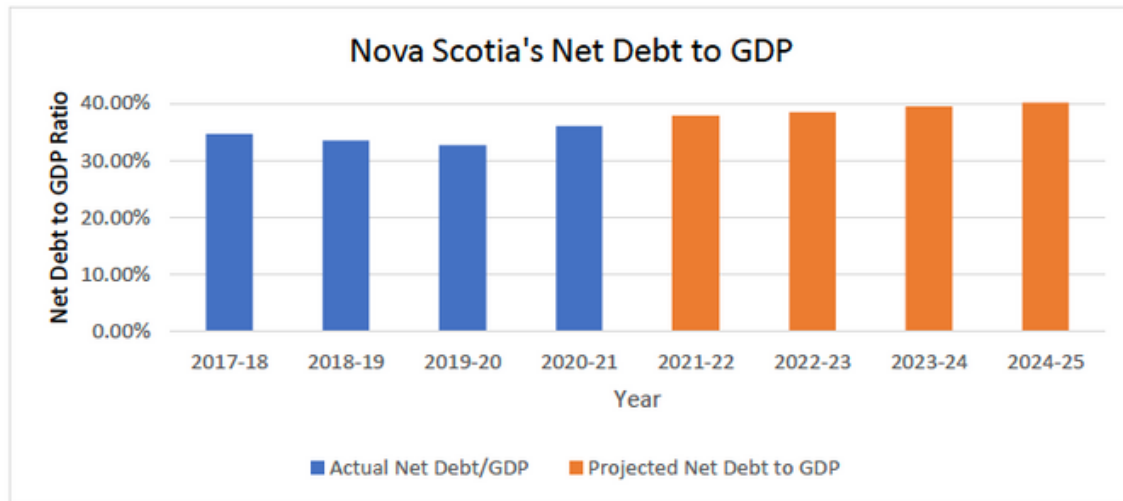
Recommendation: Work with Nova Scotia Business & Labour Economic Council (NSBLEC) to quickly determine the needs and gaps of the sectors most hurt by the pandemic and those that will continue to struggle to recover through the 2021/2022 budget year.

Another way to improve our economic condition without raising taxes is to increase our tax base through increased immigration. The recent Budget Forecasts states, "with positive net interprovincial migration expected to continue, Nova Scotia's population is expected to return to its pre-pandemic pace of about 1 percent annual growth after year-over-year population growth slowed to 0.4 percent in late 2020 and early 2021."³ We implore the government to continue working with the Federal government and with organizations like ISANS to encourage immigration to our province, thus increasing our available pool of funds, without having to increase current levels of taxation.

Recommendation: Work with the federal government and organizational partners to continuously improve our immigration numbers.

Net Debt to GDP

Our Net Debt to GDP ratio is currently sitting at 36.0%, and as you can see from the chart below, it is projected to increase well past the One Nova Scotia goal of 30%.⁴ Our ability to pay down our debts is declining each year, and while this is to be expected for the unexpected COVID costs, it is concerning that the ratio is expected to increase over the next five years.

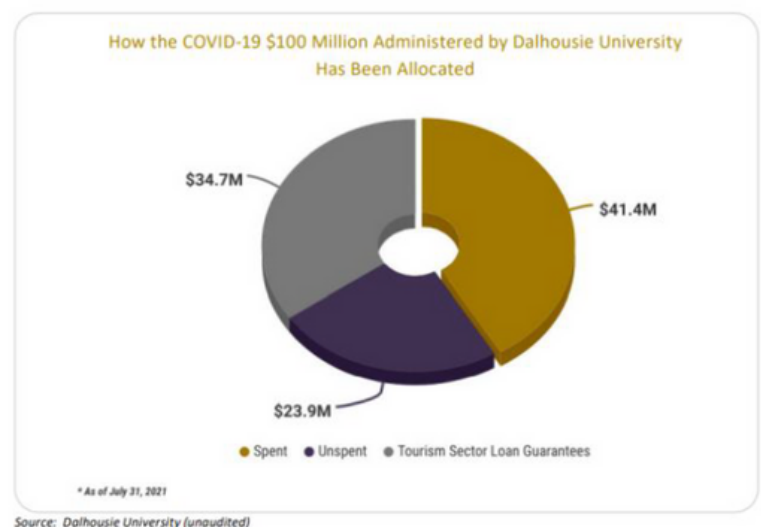


Question: Does this expected increase in our Net Debt to GDP concern the province and what is the current thinking for the potential to see a change for the better into the projected years?

Recommendation: Work towards the reduction of costs to ensure that our province's debt levels do not rise to unachievable amounts.

THE AUDITOR GENERAL'S REPORT

The Chamber read, with interest, the recent report from the Auditor General on the Value for Money of Early COVID-19 Relief Programs for Individuals and Small Business, etc. While we were pleased that support was provided and changes/alterations were made based on feedback during our NSBLEC sessions, we are concerned with the remaining and unused portion that cannot be returned to the province, along with the valuable interest that is now lost to business and early educational support programs.⁵



The Chamber was glad to see that Dalhousie had a clear understanding of its roles and responsibilities⁶ and that only minor errors were found. This is a positive outcome, especially as programs and services were “established very quickly”.⁷ We would hope this outcome would prompt the government to provide Nova Scotians with a full explanation and details of COVID-19 expenses, for increased transparency and accountability.

Recommendation: Allocate another \$50M to covid relief for small businesses and assist them in recovery.

Recommendation: Provide the public with a line-by-line explanation for the expenditure of COVID-19 funding, including health care, business support, and the procurement of PPE.

LOCAL/SOCIAL PROCUREMENT



One way to better incent small businesses in our economy is to create a holistic, localized procurement strategy. The provincial government spends billions each year on procurement, a significant portion of which goes to non-local businesses. Several studies have found that when a government chooses to procure goods or services from outside its region, a significant amount of money "leaks" out of the community, which could have otherwise benefitted the community. When a local business is awarded a procurement contract, it has a far greater multiplier effect than a non-local one. A comparative case study from British Columbia found that local businesses recirculate

upwards of 33% of revenue within a community, compared to non-local businesses which recirculated anywhere from 1% - 18%. That same study found that while a small business's entire payroll may be made up of residents, the same cannot be said for large companies whose head office may be in a larger city out of province. Other benefits to the economy associated with awarding local businesses with procurement contracts include a far greater likelihood of that business procuring from another local business, as well as other benefits local businesses bring to the economy, like a tax base, charitable giving, revitalized downtowns, and more knowledge and skills. Localizing procurement can have a transformative effect on our communities and economy more broadly. Given the benefits, the Halifax Chamber of Commerce believes all levels of government, along with the private sector, should actively work toward procuring goods and services from local businesses to support economic recovery and build strong communities.

Recommendation: The Government of Nova Scotia update its 2016 Sustainable Procurement Policy to include a dedicated pillar recognizing the importance of economic considerations beyond mere purchase price in all procurement decisions, with specific, measurable goals under the pillar, like that of Queensland, Aus.

Recommendation: The Government of Nova Scotia adopts a policy of preferential procurement from Nova Scotia businesses whenever possible to support the economic development of our communities.

Recommendation: The provincial government works to connect small local suppliers with the tools and programs that already exist to help them scale up their business and be ready to fulfill procurement contracts. One possible way to do so could be to create a dedicated webpage with these resources, linked to the government's procurement website.

BETTER PAYCHEQUE GUARANTEE

The Nova Scotia PC platform promised to implement a “Better Paycheck Guarantee” program that would see more money in the hands of employees, potentially positively impacting our labor shortage through the redirection of taxation funds. While the Chamber is tentatively supportive of this program, we have a few questions and recommendations to ensure that this program is viable for not only businesses but the government as well.

Question: How will this program, utilized at any level, affect current levels of government services, departmental programs, and our debt-to-GDP ratio?

Recommendation: Speak and meet with local businesses to determine the program sentiment and gauge interest in reinvesting the tax funds back into employees.

Recommendation: Provide details of program costing, including administration and start date.

DIGITIZATION

The Chamber recently met with the Chief Digital Officer for the province. After her presentation to our Fostering Private Sector Growth Task Force, we engaged in a great discussion around small and medium-sized businesses and their awareness and ability to bid for procurement projects and the necessity for further discussion around digital pain points for the business community. We hope that we can continue this conversation to find new avenues for our local business community and ensure an easier and smoother processes for government services and programs.

Recommendation: Schedule a meeting with the Chamber to discuss local procurement for government digitization projects and increase awareness of the business community’s pain points and ideas for solutions.

HOUSING

Ensuring Nova Scotia can supply people with a place to work, live, and play is the only way we are going to continue attracting and retaining talent. While we have seen, through the pandemic, that Nova Scotia is a desirable location for many from outside our province, it is becoming apparent that for some, the ability to live in this province is waning, due to rising housing costs and lack of housing supply. For the past three years, the Chamber has been advocating for an increase in municipal powers to support housing, for the review of and elimination of the Capped Assessment, and for increased support from the province in the location and development of affordable housing. While we are happy to see the province has taken steps to improve our livability, there is still room for improvement.

CAPPED ASSESSMENT PROGRAM

The Chamber has asked for several years that the Capped Assessment Program (CAP) be reviewed for effectiveness. The CAP distorts the property tax system, shifting more of the tax burden on first-time homeowners and renters, reducing the potential amount of municipal revenue, and impacting housing affordability. The more the residential tax ratio increases, the greater it impacts our members. It is noted that “if residential properties were taxed at market value, the city could lower the residential tax rate.”⁸ We hope that this reduction would also be reflected in the commercial tax rate to ensure businesses are treated fairly. We would still like to see protection tools in place for those with lower or fixed incomes who would be greatly impacted by the dissolution of the CAP.

Recommendation: Remove the Capped Assessment Program but continue to have tools in place to protect those who would become vulnerable when the CAP is dissolved.

BILL 63

The COVID pandemic has brought the need for affordable housing and housing affordability to the public forefront – but the broader economic issue facing Nova Scotia is a housing crisis. There is no question that housing affordability has become a significant issue in the HRM and the province more broadly. With a vacancy rate of 1.9% and over 43,000 households in the region spending over 30% of their monthly income on housing, it is clear more must be done to ensure people have access to a safe, affordable place to call home. It is also clear that these investments make smart economic sense. Jurisdictions across North America have seen a significant economic boost after investing in affordable housing. However, with a clear mandate both provincially and municipally to grow our population base to new highs through immigration and migration, positioning Nova Scotia as a safe place to work and play, we are facing a housing supply issue that must be solved to address the housing needs of current and future residents. Even immediate action will take years to bear fruit on the ground. Therefore, it is pivotal that the work of the new provincial housing committee is transparent, collaborative, and public. While the Chamber is pleased that the province is taking this situation seriously, we are concerned that the committees sweeping powers over that of the municipality will supersede the current work of HRM and remain behind closed doors when public consultations should be occurring.

Recommendation: Ensure the Housing Committee engages with the public for input and feedback on plans and recommendations.

Recommendation: Ensure the decision process and decisions made by the Housing Committee are open and transparent and committee members are accountable for those decisions.

MUNICIPAL POWERS

The provincial government recently made changes to the Municipal Government Act and the Halifax Regional Municipality Chart to “provide local governments with more planning powers to address affordable housing needs in their communities.”⁹ With this change, municipalities can utilize inclusionary zoning to require affordable housing within housing developments. The Chamber is pleased to see this change, as we have been continuously advocating for greater municipal powers for the Halifax Regional Municipality.

THE RENT CAP AND HOUSING SUPPLY

While capping rent increases is a short-term measure to support citizens during the pandemic, it can have the opposite effects for the long-term health of our housing sector. “Property owners all said the extension of the two per cent cap on rents would cause more harm than good, possibly forcing some apartment owners out of the business.”¹⁰ Considering inflation in Nova Scotia has risen over 5% in the past year,¹¹ many rental owners are concerned about their ability to renovate and/or bring units to code.¹² Significant planned 2022 municipal tax increases in Halifax will leave property owners struggling to make a moderate return while maintaining their properties. Like Premier Houston, the Chamber believes that our solution to this program is a greater supply of housing. While the rent cap may sustain Nova Scotians through the pandemic, it is by no means a long-term solution and should be viewed as a temporary measure until plans are in place to significantly increase the supply of housing.

To that end, the provincial government must work together with the municipality and the federal government to best utilize the funds distributed and collectively engage with all stakeholders. The Chamber is happy to see that the provincial government has pledged \$35 million and 1,100 units¹³ for affordable housing. This, coupled with the increase to municipal powers for inclusionary zoning, is a positive step for our ability to attract and retain more people to live and work in Nova Scotia.

Recommendation: Ensure the rental cap is a temporary measure that does not inhibit the creation of new units and/or deter landlords from making necessary upgrades to their units.

Recommendation: Continue to work with the federal and municipal government to increase the supply of affordable units in Nova Scotia.

Recommendation: Work with developers to bring awareness to their main development concerns which could be solved by changes to provincial regulations.

SUPPORT FOR COMMUNITIES

The Chamber is in support of the additional funds for municipalities. We agree that “municipal services are among the most important in our day-to-day life.”¹⁴ While we strive to bring awareness to the lack of municipal services for the business community, we know our members also own and rent homes, utilizing services and programs like Age-Friendly Community Grant project to help individuals and groups to connect, support healthy lifestyles, and subsequently improve the conditions for consumerism. The Chamber would like to see similar programs for our business community with input derived from employers and employees.

Recommendation: Engage in discussions with the business community on ways the provincial government can support our business community through grants or programs focusing on business districts, women in business, and new entrepreneurs.

OUR PEOPLE

The Chamber is in support of the ambitious goal of two million people in Nova Scotia by 2060.¹⁵ As mentioned in our Budget section, more Nova Scotians equates to a larger tax base, ultimately saving individuals from increased taxation and keeping service and program levels steady. For many, this goal may seem unachievable or lofty, and while we have work to do to ensure these people can find safe and affordable homes and well-paying jobs, we know that the alternative - not attracting newcomers - would impact not only our budget but also our local supply chains and our business' ability to find employees. Through immigration, an enhanced focus on our workforce needs, and ensuring a lens on diversity, equity, inclusion, and accessibility, we can grow our province- both in people and economic generation.

IMMIGRATION AND OUR WORKFORCE

The Chamber is pleased to see additions made to the Occupations in Demand Immigration stream to include jobs that would benefit employers feeling the effects of the current labour shortage.¹⁶ We agree that “the tourism, restaurant, and hospitality sectors are critical to our economy. These changes will help these industries hire the workers they need to prepare for a busy tourism season.”¹⁷ It is our hope that this program, which allows employers to hire immigrants without the red tape that can slow the process and create barriers for both potential employees and employers.

Recommendation: Review the Occupations in Demand Immigration stream annually to determine if other sectors in demand of labour can be included.

To reach our goal of two million people in Nova Scotia by 2060, we will need to partner with the Federal government to ensure programs and immigration rules allow for more newcomers and faster, more efficient application processes and accreditation process. We are glad to see that the Atlantic Immigration Pilot Program will be made permanent, and that the provincial government will continue to meet with federal partners to acquire further supports to reduce red tape and increase immigration numbers and skills and training programs. The business community can also be a wealth of knowledge for government, understanding the skills and training that will be necessary for the in-demand jobs.

Recommendation: Meet with the business community and the Halifax Chamber to determine which jobs/careers will be most in-demand to ensure not only is Nova Scotia bringing in individuals with those skills, but our educational programs support the skills and training needed.

It is imperative that programming have the right funding attached. While the Chamber is proactive in our advocacy for efficient and effective spending, we are also aware of the need for targeted attraction campaigns. During the height of the pandemic, Nova Scotia immigration numbers declined due in part to border and travel restrictions and delays in processing times,¹⁸ but the attention our province received for swift COVID-19 support and healthcare protocols meant growth for our potential base of newcomers. It is time to capitalize on the positive view of our province. We are pleased that \$2.5 million has been earmarked for marketing investment and attraction of newcomers,¹⁹ but we would like to see partnerships with businesses and organizations and community engagement to determine how best to attract individuals and families.

Recommendation: Engage with the community to determine how best to celebrate and bring awareness to the people, places, and jobs that make Nova Scotia a desirable location to relocate.

While the influx of immigration is a positive step for our province, our members have made us aware that the process to receive Permanent Residency status could be improved to retain a greater number of those that stay in Nova Scotia for the year and then leave for another province. Increasing the need for one year of work experience in a relevant occupational field to two years would help grow an individual's network of friends, employers, and increase the likelihood of establishing roots in our province. It is the Chamber's opinion that a two-year work experience requirement would benefit our province and help retain those we attract.

Recommendation: Amend the one year of relevant work experience to two years to achieve PR status.

The Chamber prides itself on supporting students, recent graduates, and educational centres across Nova Scotia. Our strategic plan focuses on work-integrated learning and entrepreneurship development and on ensuring a lens of diversity, inclusion, and equity to achieve a well-rounded workforce. The Chamber is pleased to see that the government will be "doubling opportunities for high school students to take skills trade studies and updating the education curriculum to help youth find jobs that match the needs of their communities and eliminating provincial taxes on the first \$50,000 of earnings for workers aged 30 years and under in designated trades."²⁰ We are also happy that the ministerial mandate for Labour, Skills, and Immigration focuses on "working with businesses, the community college and the labour sector to modernize our apprenticeship programs, attract a mix of entrepreneurs and youth to all parts of our province."²¹ Even when the pandemic is a distant memory, there will still be a need to focus on ensuring our labour supply matches the demand.

Recommendation: Review and Target sectors that could also benefit from a tax break, further financial support and/or increased awareness of the sectors in need of labour.

Recommendation: Increase the hours of weekly work permitted by foreign students to improve work experience and student retention but also to provide much-needed labour availability to our hardest-hit sectors.

STUDENT CAREER TOOLS

The recent announcement of increased resources and tools for students to research and select a career path is a valuable tool that will enhance awareness of the broad breadth of careers and their subsequent needed skills and training. Given our current needs in the tourism, hospitality, and trade sectors, we are hopeful that the government might look to provide further information on the need for and ability to secure employment within those sectors.

Recommendation: Work with the business community to ensure students have access to information around sectors most in need of talent and the path they can take towards employment.

TRADES AND APPRENTICESHIP PROGRAMS

There is a specific need for labour in the trade sector. We hear about the struggle for talent regularly, and while it is occurring in other sectors, to achieve the housing unit numbers we need to support the targeted goal of two million people in Nova Scotia, increasing our talent pool of skilled tradespeople is vital to our successful population increase. The One Journey Initiative²² is helping talent find jobs, and we feel that this model can be expanded upon in financial support and open spots, given the availability of employment in several sectors across Nova Scotia.

Recommendation: Expand funding to the One Journey Initiative program to support a greater number of placements and employment.

DEI & A



The Chamber has taken initiative to create a diversity, equity, accessibility, and inclusion policy and action plan and has hired a community engagement specialist to ensure we are fully supporting all business employers and employees across our province. We are continuously updating our Board and members on the action items and outcomes of the plan. This not only increases the transparency of our plan but helps us remain accountable to the action items. In a similar fashion, the province has

has created the ‘All Together’ plan to set and accomplish new standards for diversity in the province. While the plan has a completion date of 2024, there has yet to be further announcement on the state of the phases or actions. We are hopeful that, even through a change in government, the plan and its subsequent phases can be accomplished to ensure diversity, equity, and inclusion in our workplaces and that the public is made aware of the work and successes of the plan.

Recommendation: Ensure that the “All Together” Plan updates are made public to increase awareness and, subsequently, accountability and transparency.

MLAs

The Chamber would like to remind the government of our previous recommendation from our 2019-2020 Pre-Budget Submission that stated, “the number of current Nova Scotian MLAs should not increase or should, in fact, decrease to reflect the economic realities of our province today and in the future.” While we cannot reverse the changes that have been made since this recommendation, we would like to ensure that as the percentage of Nova Scotians living in Halifax Regional Municipality increases, so too does the proportion of representation. In 2019, 47% of Nova Scotia’s population lived in Halifax, with only 43% of MLAs within that jurisdiction. This number will increase as our population increases in Halifax.

Recommendation: Keep a careful eye on the proportional representation of MLAs for those living in the Halifax Regional Municipality.

SECTOR AND BUSINESS SUPPORT

For many businesses, life has returned to “normal” - or, at least, business has resumed. Unfortunately, for some, especially those in the tourism and hospitality sector, the impacts of COVID-19 are far from over. These businesses, and truly all businesses, continue to need support from the government and Nova Scotians. The Halifax Chamber, through the Nova Scotia Business & Economic Coalition, will be watching and listening intently for the issues and needs of our business community and for their recommendations for programs, services, and funding options that can assist them through to the endemic.

TOURISM & HOSPITALITY

Throughout the pandemic, it has been clear that tourism and hospitality have been the hardest hit sectors in the economy. As we move into the endemic phase, this has not changed, and even the federal government has maintained and expanded supports for these sectors. With Nova Scotia’s successful yet conservative approach to COVID management, the recovery of the tourism/hospitality sector in this province has been the slowest in Canada, with September 2021 numbers showing Nova Scotia still having the largest year-over-year declines of any province in the country.



With the province having wound up the Crown Corporation that was Tourism NS and moving the entity back inside a government department, the Chamber is concerned that the sector may lose even more visibility and support. Labour shortages are at an all-time high, and hoteliers are telling us that properties will be offline in the summer of 2022 without significant access to new employees. Halifax’s international airport has been decimated during the pandemic; it is still only approaching 50% of its pre-pandemic daily volume and will only see one million visitors in 2021 versus the four million in 2019. Tourism NS’ focus was on Atlantic travel in 2021 but needs to quickly expand its efforts to getting national and international travellers to consider Nova Scotia as a destination in 2022. Business travel accounted for almost 500,000 visitors in Nova Scotia prior to the pandemic and is a crucial part of returning prosperity to the local economy.

Recommendation: Significantly expand the tourism budget to allow for National as well as Atlantic tourism promotion.

Recommendation: The HIAA is a critical economic generator for the province and the region and will need financial support to maintain its operations and recover the traffic lost to COVID.

Recommendation: Meet with the Chamber and representatives from the Tourism and Hospitality sector to determine the supports needed to accelerate the recovery of the sector.

Recommendation: The province needs to quickly launch the planned confidence campaign to get business and tourism travelers back to Nova Scotia.

THE NOVA SCOTIA BUSINESS AND LABOUR ECONOMIC COALITION (NSBLEC)

The Nova Scotia Business & Labour Economic Coalition was founded in mid-March of 2020 to become a point of contact for government as they make rapid decisions, to advocate for businesses and their employees at this challenging time, to ensure all Nova Scotians are heard and supported, and to eventually assist in the development of a recovery plan.

Halifax Chamber of Commerce President & CEO, Patrick Sullivan has chaired over 125 meetings, moving from three times a week early in the pandemic and through the fourth wave, to weekly, and now monthly. This group is comprised of businesses, not-for-profits, and the NS Federation of Labour, and it represents over 10,000 organizations and 200,000 employees. Regular and uninterrupted participation from all levels of government until Fall of 2021 is what has made the dialogue relevant and actionable. This forum has had many direct impacts on policymaking and implementation throughout the pandemic and is a prime example of how close collaboration between government and its stakeholders can add immense value to program creation and effectiveness. Maintaining this forum through the endemic phase and beyond will only continue to enhance policy making and programming effectiveness. We would be happy to host the new Ministers/Deputy Ministers at our NSBLEC meetings to keep the communication channels and curated relationships open and current.

Recommendation: Ensure continued government participation during NSBLEC calls for open and collaborative communication and policy decisions.

LOYALTY PROGRAM

From the onset of the pandemic, the Chamber has been the leader in “support local” sentiment. We urged our members to order takeout when restaurants were closed to patrons; we promoted buying local for holidays; and when restrictions eased, we visited patios, walked through the aisles of local businesses, and encouraged others to do the same. All of this to say: the Chamber is thoroughly invested in supporting local. The Nova Scotia Loyal Program, mentioned in the Ministerial Mandate letter for the Department of Economic Development,²³ is a step in the right direction for the protection and promotion of our local businesses, but we do have questions and recommendations to ensure the intended goal of the program is understood and agreed upon business the business community.²⁴

Question: What statistics do you have to back the statement “When you’re looking at two products, one from here and one from away, we think people will spend a little more to buy local with this program”?

Question: How will every Nova Scotian (or other) be able to partake in the Nova Scotia Loyal program? Will there be more than one option, like both a card and an app?

Question: Other than individuals purchasing local, what does the business community receive from the Nova Scotia Loyal Program?

Recommendation: Ensure the business community is part of discussions and roll-out of the Nova Scotia Loyal Program.

Recommendation: Ensure tourists and short-term residents are aware of and can utilize the program.

NET ZERO SUSTAINABILITY

The provincial government has a strong mandate towards sustainability, which includes targets and expectations for the business community. It is one thing to encourage businesses to become “green,” but we hope the support is provided at all stages of transitioning or business inception. We hope that the mandate promise of working with the business community for feedback²⁵ is kept, as this will provide not only direction but awareness of the programs and supports.

The mandate promises the creation of a “funding navigator within the Department of Environment to help support businesses and individuals seeking to apply for federal funding programs.”²⁶ The Chamber is pleased to see this mandate expectation, but we are concerned that the navigator alone will not be enough to ensure all businesses are aware of and apply for funding.

Recommendation: Utilize other channels, like the Chamber of Commerce, to promote funding programs and the application process to secure such funding.

Transitioning to a sustainable, green business is the right thing to do, but it will require support. The Chamber, as usual, is open to partnering with the province to provide our members with communication and connections while working with federal and provinces funding programs.

RED TAPE & REGULATIONS

While providing financial support to the business community during COVID-19 continues to be an especially important part of keeping businesses viable, reducing red tape, and amending regulations to reduce barriers, it is also a vital part of creating a positive business environment. We are hopeful that the government will continue amending current regulations to better reflect the current business environment and make businesses processes smoother for our business owners.

COVID-19 CHANGES

While we know many of the programs and supports businesses have received during COVID-19 will be slowly eliminated, there were some regulation and red tape changes that we hope will remain. The government previously made changes that have supported our restaurant and bar operators, like “increasing the value of a bottle of wine allowed home with delivery” and “simplifying rules for operators who have both an eating establishment and a lounge licence at the same location.”²⁷ Changes like these have helped our business community continue operating during the pandemic and it is imperative that the government continue reviewing, amending, and/or eliminating current regulations that only create unnecessary roadblocks and barriers for current and new businesses. The Office of Regulatory Affairs and Service Effectiveness has recently announced 16 initiatives from 2020 that collectively are expected to save businesses over \$16 million²⁸ annually. It was also noted that over a ten-month period, over 130 regulatory actions were taken to reduce costs to businesses and ease the burden of operating.²⁹ We now know it is possible for government to move at a quicker pace and to lessen the regulatory burden on our business community; therefore, the Chamber hopes this process can continue working at the new pace, especially as we see the beginning of the endemic and the emergence of new businesses. It is also our goal through the NSBLEC to continue with the current collaborative and two-way approach to changes, amendments, and upgrades to the business environment.

Recommendation: Continue reviewing current regulations at the current pace to ensure current businesses can thrive and new businesses are able to emerge as we continue through this pandemic and into the endemic phase of COVID-19.

Recommendation: Continue to meet and speak with members of the NSBLEC for immediate and relevant recommendations to reduce the regulatory burden in Nova Scotia.

FOIPOP

The Chamber is pleased to learn that the “compliance rate for responses to requests under the Freedom of Information and Protection of Privacy Act (FOIPOP) is improving.”³⁰ The Chamber had previously advocated for an increase in awareness of the tool and an increase in compliance. We are also happy that the process has been digitized through the new online Information Access and Privacy Services Request Account. Government digitization is a key aspect of one of our Strategic Plan pillars and we hope to see more programs and processes transferred to digital platforms.

Question: What is the compliance rate goal for FOIPOP requests?

CONCLUSION

The Chamber would like to commend our public servants on the work they have done during COVID-19 and the communication and relationships developed through the Nova Scotia Business and Labour Economic Coalition. There is, though, still much to be done to ensure our business community can indeed grow and flourish. This submission outlines a variety of ways the government can support Nova Scotians through fiscal sustainability, housing options, reduced barriers, support for our most affected sectors, and ensuring all Nova Scotians are valued and heard. The Chamber would be glad to meet with you to discuss our questions and recommendations and to share the concerns we hear from our business community.

Sincerely,

Patrick Sullivan

A handwritten signature in black ink, appearing to be 'P. Sullivan', written in a cursive style.

President & CEO, Halifax Chamber of Commerce

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