



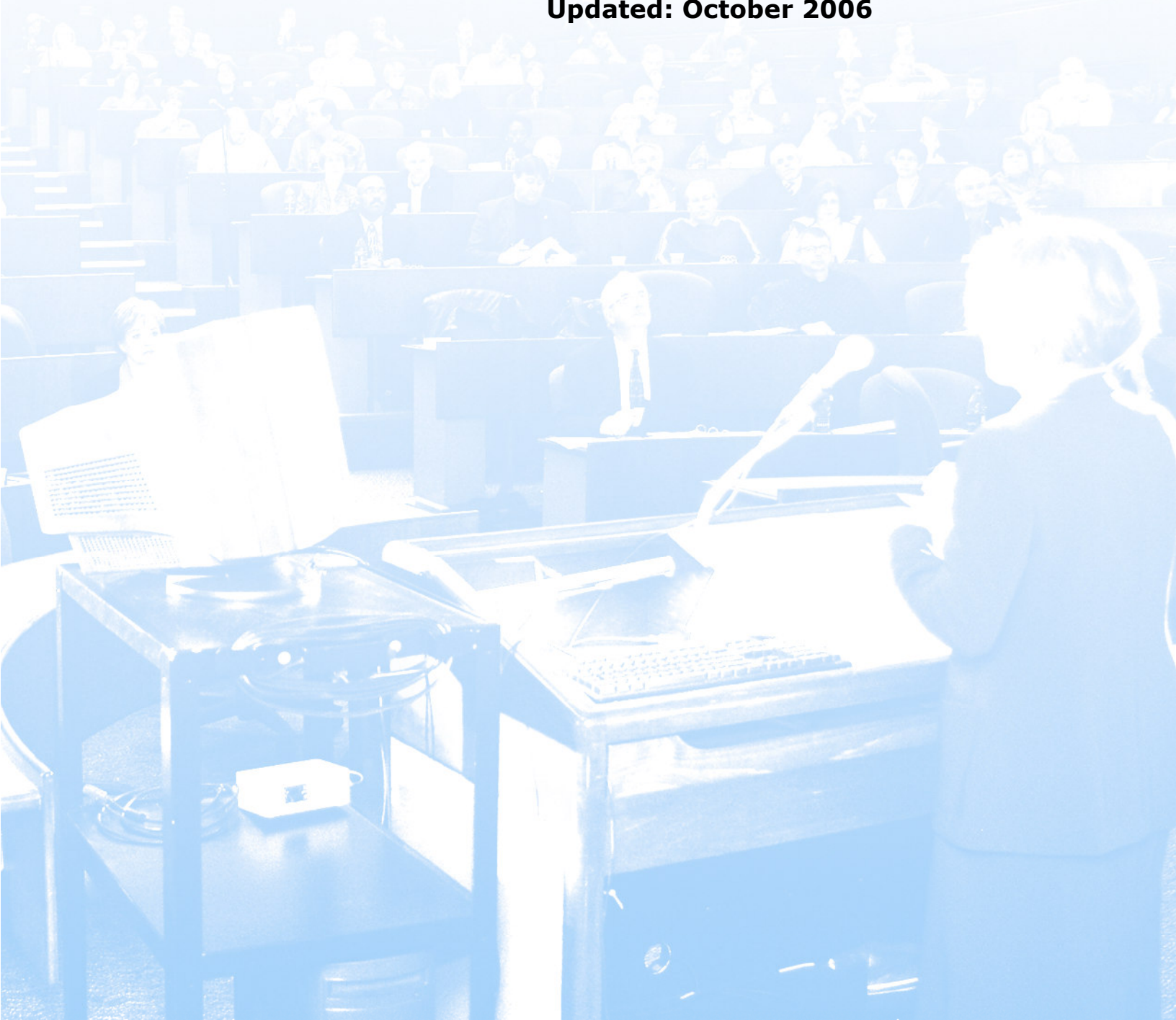
**HALIFAX CHAMBER  
OF COMMERCE**

**Note for Federal Ministers**

**Halifax Chamber of  
Commerce  
Member Issues**

**February 2006**

**Updated: October 2006**



**HALIFAX CHAMBER OF COMMERCE**  
**MEMBER ISSUES - 2006**

The Halifax Chamber of Commerce is a best practice business organization that continuously strives to make Halifax an even more attractive location in which to live, work and play. The 1700 Chamber Members employ approximately 75,000 people in Halifax - over one quarter of Metro-Halifax's labour force.

A competitive, vibrant and enabling business climate is essential to strong businesses and a strong economy. Some of the most important business climate issues facing our work force are:

- fiscal responsibility in government,
- workforce
- transportation
- cities
- economic development, and
- fiscal imbalance.

ISSUE	AREA	HALIFAX CHAMBER POSITION
<b>FISCAL RESPONSIBILITY IN GOVERNMENT</b>		Wise use of tax dollars, responsible spending on key priorities and an appropriate level of debt all help encourage a strong economy and enables business to operate with a sense of confidence wise use of tax dollars, responsible spending on key priorities and an appropriate level of debt all help encourage a strong economy and enables business to operate with a sense of confidence.
	DEBT	Pleased with the stated intention to continue to pay down the debt by a minimum of \$3 billion/year. The Halifax Chamber of Commerce (the Chamber) believes the federal government should also: <ul style="list-style-type: none"> <li>▪ bring down the debt to GDP ratio to below 25% by 2013.</li> <li>▪ continue to allocate the contingency fund, if not needed to cushion against unpredictable events, to debt reduction.</li> <li>▪ if the economy performs as forecast, the reserve for economic prudence should also be committed to debt reduction.</li> </ul> Allocate any unanticipated surplus arising at year-end to debt reduction.
	SPENDING	Spending pressures are ever increasing and will only

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		intensify with the demographic pressures the country is set to experience. It is essential that government not place an undue burden on the taxpayer by allowing spending to grow too quickly. The Chamber supports the position of the Canadian Chamber that spending should be tied to and not exceed inflation and population growth. Controlling costs is essential for fiscal sustainability and competitiveness. The Chamber was pleased to see the recent announcement of a reduction in spending.
	TAXES	The Chamber believes that taxes should only be cut with careful attention to their sustainability and impact on the broader fiscal picture. We underline in particular the positive economic impact of business tax cuts. In particular the Chamber is supportive of raising the small business deduction limit to \$400,000 and of a reduction in the small business tax rate. Furthermore we would see as positive tax changes that encourage more investment such as the elimination of the federal capital tax.
	OVERSIGHT AND REPORTING	The Chamber is supportive of initiatives and process changes that will increase the transparency of decision-making, improve communication among departments, and enhance accountability.
<b>WORKFORCE</b>		Demographic trends are such that by 2031 Statistics Canada estimates that seniors will account for approximately one quarter of the country's population. This is double the current proportion of 13%. Businesses are beginning to see the effects of this shift and many are already finding it difficult to find needed labour. Government will also face increasing pressure due to a decrease tax base relative to demands for services.
	IMMIGRATION	In order to counter this shift – to maintain the required supply of labour and to alleviate the pressure on government programs and services, we need to increase our population base. One way of doing this is to increase immigration. It is not enough however, to simply increase the number of immigrants in Canada. Government, businesses, stakeholder organizations and newcomers

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		must work together to ensure immigrants are well-integrated into the workforce and want to remain in Canada.
	HEALTH	Children today are the first generation in modern memory to be at risk of having a shorter life expectancy than their parents. With the intersection of demographic trends and health status, not only will finding efficiencies in the health care system be essential but improving the health of Canadians will be even more so. The costs of lower productivity and private health insurance are just two of the reasons it is important to businesses to have a healthier population. Furthermore as the population ages, a workforce that stays healthier longer can only be positive for a business community looking for skilled workers.
	SKILLS AND TRAINING	We are fortunate in Halifax to have a highly educated workforce – we must build on this strength and ensure that our education system, including post-secondary institutions, are meeting the needs of both students and industry by developing in them the skills required by today’s employers.
<b>TRANSPORTATION</b>		As one of the most important underlying conditions for business success, great transportation infrastructure is essential for the timely and cost-effective movement of goods and the efficient movement of commuters.
	AIR ACCESS	The Chamber believes that placing the needs of the regions ahead of those of regional carriers by allowing foreign airlines to provide service on routes not currently being serviced.
	NAS RENTS	The Chamber believes that elimination of airport rents would reduce the costs associated with operating an airport and ultimately the costs to businesses in the already heavily burdened airline industry.
	CUSTOMS & IMMIGRATION	The Halifax International Airport does not not have 24/7 access to Customs and Immigration Services. Having the Canadian Board Services Agency amend its scheduled hours of operation at the Halifax Airport to 24/7 would

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		reduce the costs to airlines of late night flight arrivals and increases the capacity to handle international flights at the airport.
	PORT	The Port of Halifax generates more than 9,000 jobs and \$670 million in employment income in Halifax and handles approximately 2,000 vessels in a year. Excellent intermodal links to and from the Port contribute to making best use of Halifax's superb port and existing port facilities. Recently the Chamber re-confirmed its support that the Port of Halifax's borrowing limits be determined through negotiation with normal commercial lending institutions, and not fixed by legislation.
<b>DEFENCE</b>		The Chamber recognizes the vital role the Armed Forces, in particular the Navy, play in our local business community. The Chamber is committed to working with the Forces to facilitate their needs and community integration.
<b>CITIES</b>		Canadian cities and communities are responsible for providing many goods and services to citizens and businesses.
	GAS TAX	In order to help cities meet the needs of their residents, particularly when it comes to the ageing infrastructure in many of our communities, the Chamber remains supportive of the transfer of the gasoline tax and is pleased to see continued support of this initiative.
<b>ECONOMIC DEVELOPMENT</b>		The Chamber believes the government's greatest responsibility to business is to create the conditions for economic growth and activity with a competitive tax system and a well-defined and streamlined regulatory system.
<b>FISCAL IMBALANCE</b>		The Chamber is supportive of the current dialogue on fiscal imbalance in Canada and will be communicating with our members on this issue.
	EQUALIZATION	We encourage the government to keep in mind the following principles when considering both the

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		<p>equalization formula itself and future budgets:</p> <ol style="list-style-type: none"><li>1. The Offshore Accord is a bilateral agreement with the Federal government and is not part of Federal Equalization.</li><li>2. Equalization needs to take into account a needs-based assessment, not just revenues.</li><li>3. Equalization should create incentives for economic growth and prudent fiscal management/debt reduction. Equalization should not create disincentives for economic growth.</li><li>4. Equalization needs to be based on a fair, objective provincial average.</li></ol>
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**CHAMBER ADVOCACY WORK**

More information about the Chamber and its advocacy work can be accessed by contacting the office or visiting the Chamber web site:

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