



Halifax Chamber of Commerce
2020 Provincial Issue Note

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Premier MacNeil & MLA's

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2020 Issue Note Introduction

Each year, the Halifax Chamber of Commerce submits an Issue Note to the Municipal and Provincial governments. These documents outline many of the issues that are affecting our members and the business community. COVID-19 has had a strong impact on our membership and the broader community; therefore, our 2020 Issue Note will focus significantly on what the provincial government can do to provide support to entrepreneurs, business owners, and employees during this unprecedented time. While our [2019-2023 Strategic Plan](#) pillars will still be prevalent in our discussions, we want the emphasis to be on the things we can do now, that will encourage growth, sustainability, and stimulation of the economy. This document provides questions to the province that will help us to create our Pre-Budget submission that will provide recommendations to hopefully resolve the issues facing our business community.

Who are We?

The overall goal of the Halifax Chamber of Commerce is to create value and prosperity for our over 1,750 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 are 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 member's prosperity and economic growth of the Municipality.

In a non-covid-19 year, we host numerous in-person events that focus on the betterment and sustainability of our business community. Our signature and annual events often feature local entrepreneurs and 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. The Halifax Chamber has since moved many of our events online, including multiple webinar series, virtual networking, and now within the current health protocols, have begun in-person and hybrid events.

¹ <https://www2.gnb.ca/content/gnb/en/corporate/promo/covid-19/recovery.html#red>

Thank You

On behalf of our membership, we wanted to say thank the province and their staff for their hard work and dedication to the [Nova Scotia Business & Labour Economic Coalition](#) (NSBLEC). Our members were pleased with the quick changes that were implemented to make it easier to do business during a pandemic. Initiatives like the allowance of alcohol with take-out meals, the Small Business Impact Grant, and the Small Business Loan Guarantee had a positive impact on our membership's ability to operate. We hope this relationship continues and we are always happy to have the Province on our NSBLEC calls.

Creating a Frictionless Business Environment

A Plan of Action

The business community, having already gone through so much uncertainty and turmoil, could use some predictability. From March through July, the provincial government made unexpected and almost surprise-like changes, amendments, and updates on decisions like openings, closings, no masks, masks, etc. While we were grateful for the conversations that occurred during the NSBLEC calls, our Chamber members were often given little to no notice about the changes, leaving them scrambling to pivot or adapt. With the potential for a second wave, we expect the provincial government will provide our members with a plan or phased approach to shutting down or changing rules. While New Brunswick's colour-coded level¹ approach couldn't eliminate the impacts of a business needing to shut down, it did create predictability that helped businesses plan for the worst. New Zealand's Alert Levels Summary is another good example of how changing the rules can occur with predictability².

Question: Will the Province's "Walk-Back" plan include a phased approach for predictability?

Question: Will the province commit to ensuring announcements are given with ample time for a business to respond appropriately?

² <https://covid19.govt.nz/alert-system/>

Liquor laws and Other Regulations

One of the great changes the provincial government made was allowing the sale of liquor with take-out. We hope that this change becomes permanent, as businesses have told us this has created a new revenue source and has had a positive impact on customer retention. The provincial government made this change swiftly after hearing how it would help businesses through the public health mandated changes and closures, and we believe this is a catalyst for the need to review and overhaul current regulations which could benefit our business community and increase the potential for economic growth.

Question: Is the provincial government currently reviewing regulations to determine which are outdated, which need amendments, and what new regulations would provide better clarity and predictability for Nova Scotian businesses?

Question: What regulatory and process changes, made during and because of COVID-19, will you be keeping?

Testing

Businesses rely on customers and clients to be sustainable. The Atlantic Bubble has helped to keep COVID out, but it has also had a great impact on the provinces financials. The Federal government recently purchased almost 8 million rapid tests³, potentially speeding up the time for positive case determination. We know the province has over 60,000 of these tests but the province has yet to say where and how these tests will be utilized. Given the effects the 14-day quarantine has on business, one way to use the rapid tests is at the border. It may be more appealing to visit Nova Scotia if you only have to quarantine for 5-7 days, or it might bring better confidence in Atlantic Bubble residents to know that visitors have been tested early after arrival.

Question: Will the provincial government utilize the rapid tests or the longer PCR tests(currently being tested at Calgary airport)at border areas, like the airport and land crossings to secure the border?

³ <https://www.thechronicleherald.ca/news/local/halifax-rapid-covid-testing-company-encouraged-by-federal-commitment-503493/>

⁴ <https://www.thestar.com/news/canada/2020/10/02/feds-province-announce-new-housing-benefit-for-low-income-households-in-nova-scotia.html>

Question: Will these test reduce the 14-day quarantine period?

Promoting the Growth of Halifax as a Major City

Affordable Housing

We are happy to hear that the province and the federal government are collaborating to provide \$120 million to provide direct support to low-income housing across Nova Scotia⁴. Affordable housing was a constant topic of discussion during our “Meet your Candidate” webinar events for HRM’s councillors candidates and it remains a high priority for our membership. The only difference is that while we do support the efforts taken to provide aid for low-income earners, we also need strategies for new-home buyers, new professionals, and recent graduates, to find housing. We have heard from our members that buying a home in Nova Scotia can be a roadblock to staying here after education or for employment. With housing prices up 11.5% and with a 1% vacancy rate⁵, it can be a challenge to find a place to live. It is time to relay greater powers to the municipality, to ensure quicker development approvals which should hopefully increase the vacancy rate and drive down prices

Question: Has the province looked at granting greater taxation powers to the Municipality, to increase development and spur the creation of new apartments and condos?

Question: Is the provincial government aware of the increase in the cost of living for Nova Scotians and what is being done to mitigate this? This is pretty vague? What do we want? Cost of living is down .5% this year.

Strategic Tourism Assets

Nova Scotia’s tourism industry is a huge economic generator for the province, bringing in \$2.6 billion⁶ in 2019. For obvious reasons, this will be much less for 2020, therefore we need to ensure the sustainability of not only our tourism operators but the tourism assets that drive tourists to our province. New

⁵ <https://www.saltwire.com/news/provincial/affordable-housing-a-hot-button-election-issue-in-hrm-506965/?location=nova-scotia>

⁶ <https://tourismns.ca/research/tourism-statistics/2019-tourism-performance>

Zealand is working to do just that. Their Strategic Tourism Assets Protection Programme (STAPP) is “intended to protect the assets in the tourism landscape that form the core of our essential tourism offerings to ensure their survival through the disruptions caused by COVID-19”⁷. Over 100 tourism businesses received funding to ensure their survival. There are many “assets” in Nova Scotia that could be considered essential to our tourism industry. Peggy’s Cove, Pier 21, the many vineyards are just a few examples of what drives tourists to Nova Scotia.

Question: The Nova Scotia Tourism Sector Financing Assistance Program is for less than 10 operators. What can be done for the hundreds remaining?

Question: Is the provincial government considering what tourism assets are vital to tourism and if yes, what programs will be available to those operators?

Hibernation Assistance

Some businesses may have been better off going into ‘hibernation’ until case numbers decreased, and restrictions eased. Programs, like New Zealand’s Business Debt Hibernation,⁸ allowed businesses to put their debt payments on hold for seven months. This delay of debt also included government protection against insolvency from creditors and helped mitigate some of the costs that couldn’t be paid with dwindling revenue. Delaying some costs in conjunction with employee’s CERB could have potentially allowed some businesses to pass through the height of COVID without reopening or adjusting their business model.

Question: What options did the province investigate to make it easier for businesses to delay current debt payment costs?

Halifax Downtown Core

While the broad Nova Scotian economy has been severely affected by COVID-19, no area has been more impacted than downtown Halifax. While rural Nova Scotia saw employment improvement on September 20 vs September 19, Halifax saw a 44% increase in the number of people unemployed vs a year ago. HRM accounts for over 50% of the province’s population and had 19.2 Billion in GDP in 2019. With many organizations and government staff

not returning to the office, restaurants at half capacity and still not seeing customers during the daytime hours, hotels at 30% occupancy, virtually no tourism, and business travel...the downtown core is suffering disproportionately and will need significant focus and support to ensure the entire province recovers economically from the pandemic.

Question: Will the province mandate its workers back to the office and create the necessary safe environment to allow it to happen?

Question: Will the province provide more support for organizations to provide programming support to animate the downtown, build trust and get people back out shopping, eating, and enjoying the attractions available to them?

Our Skilled Workforce

Schools

Our schools are still open and operating. The Chamber is thrilled that we have been able to keep COVID out of our schools in a significant way, and for the most part, out of our province. We are, though, concerned for parents if we must go to a hybrid learning environment. We are not disagreeing that this approach would be safer for all, but rather wonder how this will impact our business community and parents/guardians in general, in their ability to work at the office/workplace or effectively work from home? Does the government expect this to impact their own employees’ ability to return or continue to work from their offices? Small businesses in the downtown core are struggling to operate with the current levels of workers returning to work. Losing more may put many in jeopardy.

Question: What government supports will be in place if the “2nd wave” requires parents/guardians to stay home with their children for schooling purposes?

Diversifying our Workforce

It is often the case that many Nova Scotians and Canadians think our province’s GDP is heavily reliant on only a few sectors for economic growth, and in some way they are right. According to Statista, Nova Scotia’s GDP encompasses over 15 different sectors that all contribute to our GDP, with varying levels of

⁷ <https://www.mbie.govt.nz/immigration-and-tourism/tourism/tourism-recovery/strategic-tourism-assets-protection-programme>

⁸ <https://www.business.govt.nz/news/covid-19-support-for-small-businesses/>

GDP distribution. Currently, 12.38% of our GDP is accumulated through public administration⁹, 15.47% through real estate and rental and leasing, and 11.3% in health care and social assistance¹⁰. That is almost 40% of our GDP. While businesses were hit hard by the pandemic, the Chamber would like to see more emphasis on creating entrepreneurs in industries like Ocean Technology. With Canada's Ocean Supercluster in our backyard and the Nova Scotia Community College providing ample oceans-related courses, we believe our GDP can be increased with the addition of ocean technology businesses. The Ocean's Supercluster can provide economic growth in areas like aquaculture, offshore resource procurement, shipping, and ocean technology¹¹. The Federal and Provincial governments have provided significant levels of funding to support our Ocean's advantage through the SuperCluster, Ocean Frontier Institute, Deepsense, COVE, and others.

Question: Is the Province working with the Federal government to ensure the growth of our oceans supercluster and the business and job creation that result from increased participation?

Question: What are the tangible outcomes of the current investments in the Oceans sector and how does the province increase and amplify that benefit for all Nova Scotians.

Diversity & Inclusion

The Chamber would like to see the government provide electronic and public updates for the "All Together, An Action Plan for Diversity and inclusion in the Public Service"¹². While we are encouraged that the government has a plan for the next five years, we believe it would be better communicated to the public and therefore ensure accountability through the use of a public-facing dashboard, like the OneNS Dashboard¹³. The Chamber's Accessing a Skilled Workforce Task Force is focusing on amplifying the current status of the untapped labour force, and will be holding a panel discussion to increase the awareness and benefits of hiring employees from African Nova Scotian and black

communities, Indigenous communities and the disability community. We know that while a skills shortage is looming, there is a very large cohort of talent that is often wrongly overlooked, but ready and able to take on employment.

Question: Will the government provide public updates for the "All Together" diversity and inclusion plan?

Optimizing the Size of Government

Intraprovincial Trade

Ease of trade within Canada is now more important and relevant than ever. During the height of the pandemic, we saw provinces scramble to source medical supplies, like PPE, with some provinces having more luck than others. Interprovincial trade barriers in Canada are major roadblocks to trade for many goods and services and constrain our business's ability to ship and sell their products/services across Canada. It should be obvious now that regulations that inhibit the transfer of medical supplies across Canada do not benefit Canadians, nor do the rules for products like Wine or dairy or Dentists. Lifting restrictions in Canada would increase our country's GDP by 4%¹⁴, adding around \$80 billion to our economy. A boost to our economy would be extremely beneficial to all today. The Halifax Chamber is part of the Canadian Global City Council, a group representing nine of the largest Chamber's and Boards of Trade in Canada, who recently embarked on an initiative to showcase the negative effects of interprovincial trade barriers and what removing these regulations could mean for our country. Almost nine in ten Canadians support free trade between provinces¹⁵, and we ask that the province of Nova Scotia take swift action to do so.

Question: What is holding us, Nova Scotia, back from entering into free trade agreements with other provinces or the whole of Canada?

⁹ <https://www.statista.com/statistics/607879/gdp-distribution-of-nova-scotia-canada-by-industry/>

¹⁰ IBID

¹¹ <https://oceansupercluster.ca/>

¹² <https://beta.novascotia.ca/sites/default/files/documents/1-1540/action-plan-diversity-and-inclusion-public-service-2019-2024-all-together-en.pdf>

¹³ <https://www.onens.ca/>

¹⁴ <https://www.thestar.com/business/2020/07/29/free-trade-between-provinces-could-help-the-canadian-economy-bounce-back-business-leaders-say.html>

¹⁵ IBID

Question: What steps has the Nova Scotian government taken to reduce trade barriers between provinces?

Budgets & Spending

The Chamber would like to thank the provincial government for their work and dedication on reducing the corporate tax rate and small business tax, which will help many, if not all businesses, better weather through COVID and remain viable post economy recovery. We are though highly aware that the financial support for businesses was utilized from the previous fiscal years' budget and are concerned about what that may mean for our upcoming year's financials. The government has stated numerous times that there needs to be a balance between health and the economy. Thus far spending support has been disproportionately distributed to the health side of that equation.

Question: What does the government anticipate allocating for COVID specific business recovery support spending in fiscal 2021/2022?. Don't understand this question?

Grants, Loans, and Capital

The Chamber is happy with the quick turnaround of the provincial government to acknowledge and work toward filling the gaps of the federal program. Programs like the Small Business Impact Grant helped our business community and their employees weather through the worst of the storm, but many businesses are still being severely impacted by COVID-19 and will for years to follow. Tourism operators, businesses like hotels, and travel organizations will continue to feel the effects of COVID probably until there is a vaccine. Recently, the Tourism Sector Financing Assistance Program¹⁶ has been released and while we are encouraged to see support for a few large tourism operators, we wonder, if the guarantee is not needed, if businesses do not default on their loans, then what will come of the \$50 million earmarked for this program?

Question: The \$50 million earmarked for the Tourism Sector Financing Program if paid back by operators will provide a windfall for government in future years. Can the government not provide

additional funds to tourism and hospitality operators now, given this money is likely coming back.?

Conclusion

Our business community and the Nova Scotia Business & Labour Economic Coalition have both been extremely impressed and appreciative of the level of support and communication the municipality has shown during this period of COVID-19. While we do have some questions for the province, we are striving to keep the same relationships as we continue through the economic recovery. We want to ensure the survival of our local businesses and the significant role they play for our economic growth and attractiveness as a municipality and province. Our 2021-2023 Pre-Budget submission will delve further into issues, both COVID and non-COVID-related, and we hope that the answers you provide will aid us in our creation and development of our recommendations.

Questions for the Province

- ❖ Will the Province's "Walk-Back" plan include a phased approach for predictability?
- ❖ Will the province commit to ensuring announcements are given with ample time for a business to respond appropriately?
- ❖ Is the provincial government currently reviewing regulations to determine which are outdated, which need amendments, and what new regulations would provide better clarity and predictability for Nova Scotian businesses?
- ❖ What regulatory and process changes, made during and because of COVID-19, will you be keeping?
- ❖ Will the provincial government utilize the rapid tests or the longer PCR tests(currently being tested at Calgary airport)at border areas, like the airport and land crossings to secure the border?
- ❖ Will these test reduce the 14-day quarantine period?
- ❖ Has the province looked at granting greater taxation powers to the Municipality, to

¹⁶ <https://novascotia.ca/coronavirus/tourism-sector-financing-assistance-program/>

increase development and spur the creation of new apartments and condos?

- ❖ Is the provincial government aware of the increase in the cost of living for Nova Scotians and what is being done to mitigate this? This is pretty vague? What do we want? Cost of living is down .5% this year.
- ❖ The Nova Scotia Tourism Sector Financing Assistance Program is for less than 10 operators. What can be done for the hundreds remaining?
- ❖ Is the provincial government considering what tourism assets are vital to tourism and if yes, what programs will be available to those operators?
- ❖ What options did the province investigate to make it easier for businesses to delay current debt payment costs?
- ❖ Will the province mandate its workers back to the office and create the necessary safe environment to allow it to happen?
- ❖ Will the province provide more support for organizations to provide programming support to animate the downtown, build trust and get people back out shopping, eating, and enjoying the attractions available to them?
- ❖ What government supports will be in place if the “2nd wave” requires parents/guardians to stay home with their children for schooling purposes?
- ❖ Is the Province working with the Federal government to ensure the growth of our oceans supercluster and the business and job creation that result from increased participation?
- ❖ What are the tangible outcomes of the current investments in the Oceans sector and how does the province increase and amplify that benefit for all Nova Scotians.
- ❖ Will the government provide public updates for the “All Together” diversity and inclusion plan?
- ❖ What is holding us, Nova Scotia, back from entering into free trade agreements with other provinces or the whole of Canada?
- ❖ What steps has the Nova Scotian government taken to reduce trade barriers between provinces?

- ❖ What will the pandemic cost the government from a business support standpoint and is there more support to follow for the business community in fiscal 2021/22? Don't understand this question?
- ❖ The \$50 million earmarked for the Tourism Sector Financing Program if paid back by operators will provide a windfall for government in future years. Can the government not provide additional funds to tourism and hospitality operators now, given this money is likely coming back.
- ❖ Why did the government choose another loan program rather than provide the \$50 million in grants? I don't like this question. \$50M is a lot of money for a handful of operators. They wanted a loan.

Patrick Sullivan



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