



**METROPOLITAN HALIFAX
CHAMBER OF COMMERCE**

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For Immediate Release

Budget a Missed Opportunity

Metro Halifax, Nova Scotia – October 14, 1999 – The Metropolitan Halifax Chamber of Commerce says the provincial government has not gone far enough to deal with the serious financial problems facing Nova Scotia in the budget introduced today. “The government should be taking every opportunity to reduce spending and signal that it is serious about addressing the \$10 billion debt,” says Murray Coolican, Chamber President. “In spite of the fact that this budget is delivered so late in the fiscal year, the government should have seized the opportunity to begin its deficit reduction initiatives now.”

While the revised accounting policies introduced last month by the government have provided a more clear picture of the fiscal challenge, the government needs to take immediate steps toward solving the problem. Today’s provincial budget includes administrative savings of \$21.8M, but these are small compared to the \$497M deficit. The government has to cut spending by more than 12 per cent to be able to show a surplus.

Given the magnitude of the problem, the Chamber was looking to this budget for more evidence of initiatives to reduce spending. “Waiting until the 2000 budget will unnecessarily delay implementing measures designed to reduce overall spending,” Coolican says. In a recent poll of our members, 68 per cent strongly agree that the government needs to “establish priorities and allocate our scarce resources to meet those needs without running a deficit.”

To achieve the necessary spending reductions, there are some tough decisions to be made regarding where spending should be reduced. The decisions could be facilitated if the government established clear priorities developed in consultation with the public. The Chamber anxiously awaits the planned announcement next week of the government’s process for review and consultation.

The Chamber will be looking to the government to introduce its next budget on a more timely basis. The last few years, the budget has been delayed until April or May and then there is a further delay before it is approved. Ideally, the budget should be introduced prior to the beginning of the fiscal year. While the day-to-day operation of government is not necessarily affected, the effectiveness of the budget as a planning and management tool is reduced if it is not finalized by the start of the fiscal year.

The Metropolitan Halifax Chamber of Commerce is a voluntary, not-for-profit organization that represents business interests and provides vital leadership that benefits Metro Halifax and the Atlantic region. The 1,700 corporate members of the Chamber employ more than 50,000 people, representing over one quarter of Metro Halifax’s labour force of 194,000. As the voice of business, the Chamber works on behalf of small businesses and large corporations alike. Organizations with 25 or fewer employees represent 78 per cent of Chamber membership.

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