



HALIFAX CHAMBER
OF COMMERCE

2006 Issues Briefing Note

June 29, 2006



INTRODUCTION

The Halifax Chamber of Commerce is a best-practice business advocacy organization representing the interests of its 1,700 members and approximately 75,000 employees across HRM. The Chamber continuously strives to make metro Halifax an even better place in which to live, work and play. The health and prosperity of our capital region is very important to the health and prosperity of our Province.

The Chamber's provincial affairs goals are to further develop policy and an approach on issues of importance to our members within the purview of the Provincial Government. This includes, but is not limited to, provincial budget matters, regulatory review, transportation etc. The Chamber also aims to develop and maintain relationships with key decision makers within the Provincial Government structure and to communicate Chamber policy to those decision makers and to the Chamber membership.

The Chamber has implemented a government relations plan that defines the public policy outcomes that are important to our organization and sets out key initiatives that will be undertaken by the Chamber to achieve these outcomes. The principles guiding our plan are:

- the Chamber is politically neutral;
- the Chamber communicates its key priorities on a regular basis;
- there will be no surprises in any dealings with government;
- dialogue will be ongoing and meaningful; and
- Chamber advocacy will be consistent and regular.

It is in the context of these Chamber plans and priorities that we have developed this

submission. We look forward to on-going dialogue and a continued working relationship on these and any areas of mutual concern.

FISCAL ISSUES

The business performance of Chamber members is directly impacted by the current and future strength of our province and the Provincial Government's budgetary decisions. To that end, we submit to the Province our key considerations for your 2006/2007 budget as follows:

- Debt
- Program Spending
- Taxes

- Set improving and achievable Debt-to GDP targets and strategies (which would include reducing the debt and or increasing GDP);
- Legislate the regular application of sinking fund monies to the debt;
- Apply fiscal surpluses to the debt;
- Provide semi-annual updates to our adherence to the debt reduction plan;

- Work with departments to establish budgets and keep within their annual limits;
- Establish new health care spending controls as soon as possible;

- Continue with the plan of increasing the small business limit to \$400,000;
- Periodically inflation-adjust the small business limit;
- Increase the R&D tax credit to promote innovation and growth; and
- Develop an actionable plan to help businesses deal with rising energy costs.

HRM/URBAN ISSUES

Halifax accounts for 46 per cent of Nova Scotia's GDP and one fifth of the economy of Atlantic Canada. As the economic hub of Atlantic Canada, Halifax's prosperity is closely linked to the prosperity of the province and the region.

Halifax has recently reached some major milestones with the completion and passing of the regional plan, a new economic strategy – the city's first, its own immigration strategy, a cultural plan and more. We look for the province's support on these important initiatives in Halifax and look forward to working with both the province and the municipality in implementing them.

The elimination of the business occupancy tax will be a major leap forward for the business environment in our city and the Chamber appreciates and commends the province's leadership in bringing forward and passing this legislation. The eventual elimination of the tax will bring about a streamlined and simplified system and a more level playing field for business.

As the province continues to examine taxation, its impact on business and the economy and potential changes to the tax system, we strongly urge you to consult with all those who will be affected including in particular the business community and the municipal government here in Halifax.

TRANSPORTATION

Transportation is fundamentally important to business. Whether a business's needs are primarily movement goods to customers or getting employees to work, they need excellent transportation links. The Chamber actively participates in the Gateway Council, a group that addresses issues of bring goods and people into Halifax. We are also pleased to participate

on the Strategic Joint Regional Transportation Planning Committee – a group that addresses the transportation challenges of moving goods and people around inside of Halifax.

We also continue to support the provinces' efforts in advocating at the federal level for improved air access and air liberalization.

WORKFORCE

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

There has been good progress made on the immigration front in Nova Scotia recently. Including the development and first stages of implementation of the provincial immigration strategy, the Halifax Immigration Strategy, changes to rules relating to international students and a significant change to the Nominee program – the proposed family business stream.

But increasing immigration is just one piece of the puzzle—we need to get better at keeping newcomers. The Chamber is committed to working with partners to make our province more welcoming.

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.

The Chamber has produced a report looking at how individuals, business and government can contribute to improved health and health care in Nova Scotia.

The report recommends that the government establish and publish an integrated long-term plan for human resources, capital requirements, and information systems, that the government must also increase its investment in evidenced-based health promotion, such as tax incentives for workplace wellness initiatives; WCB Rate incentives for companies with workplace wellness programs.

Skills & Education

We are fortunate in Halifax to have a highly educated workforce – we must build on this strength and ensure that our education system, including P-12, post-secondary institutions, and other training programs are meeting the needs of both students and industry by developing in them the skills required by today's employers.

BUSINESS ENVIRONMENT

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. Concerns we hear from our members relate primarily to unpredictable or overly burdensome

regulations such as Sunday Shopping regulations – which continue to be a priority for our members.

ENERGY

In the spring of 2005, the Chamber opposed the potential regulation of the retail gas market in Nova Scotia—arguing that in a sufficiently competitive market regulation ultimately only adds costs to the end user. We continue to be concerned about the effect of gas regulations, particularly to the overall business environment.

Chamber members and volunteers are increasingly recognizing the growing importance of renewable and sustainable energy sources.

DEFENCE

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.

EQUALIZATION

We have encourage the federal government to keep in mind the following principles when considering both the equalization formula itself and future budgets:

1. The Offshore Accord is a bilateral agreement with the Federal government and is not part of Federal Equalization.
2. Equalization needs to take into account a needs-based assessment, not just revenues.
3. Equalization should create incentives for economic growth and prudent fiscal management/debt reduction. Equalization should not create disincentives for economic growth.
4. Equalization needs to be based on a fair, objective provincial average.

CONSULTATION

The Chamber feels that consultation is an important part of any new or changed legislation, regulations or policies. We appreciate the care some government departments currently take in many of their consultations. For example, we frequently receive communications from the Department of Environment and Labour on various regulatory and legislative changes and while we are not always able to respond directly to requests for input, we appreciate the opportunity to do so and to pass this information along to our members so they may respond directly.

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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