



Metropolitan Halifax Chamber of Commerce Key Issues of Concern

Meeting with Party Caucus
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Introduction

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. It is a lobby and advocacy group acting on behalf of its 1,900 corporate members, and its chief communications vehicle is *Business Voice* magazine.

In April 1999, the Chamber was certified to the ISO 9002 international quality standard, becoming the first Chamber in North America to receive this accreditation. With its roots dating to 1750, the Metropolitan Halifax Chamber of Commerce is also the first Chamber established in North America and in 2000 is celebrating its 250th anniversary.

The 1,900 corporate members of the Chamber employ over 50,000 people, representing more than one quarter of Metro Halifax's labour force of 199,000. As the voice of business, the Chamber works on behalf of small businesses and large corporations alike. Seventy-six per cent of Chamber members are organizations with 25 or fewer employees. The Metropolitan Halifax Chamber of Commerce has the largest membership of any Chamber in the Atlantic provinces and among mid-sized Canadian cities.

The Chamber consists of a number of key volunteer committees in the areas of Small Business, International Business, Retail, Oil and Gas, Government Affairs, and Transportation. Task forces and sub-committees are established on an issue-driven basis.

Some of the key areas of current concern for the Metropolitan Halifax business community include:

Finance

The Chamber's first *Cut Smart, Pay Less, and Reinvest in Priorities Report Card* (see attached), released on October 10, 2000 shows that, while revenues are ahead of projections, so is spending. Rather than using windfall revenues to improve our long-term financial situation, the government has decided to spend more than what it proposed to spend in the spring budget.

The Chamber remains fairly optimistic that the Province will be able to improve its overall grade of 49% before year's end. The efforts to privatize the Nova Scotia Liquor Commission, sell Sysco, and restructure departments are positive trends toward this goal.

In this first Report Card, the Province achieved mixed results in the six core areas the Chamber is tracking:

- 1) Agencies, boards and commissions -annual target is a reduction of 168. This means the Chamber wanted 66 eliminated between April 1 and August 31, 2000. Three have been eliminated. On any scale, this rates an F.
- 2) Commercial enterprises -annual target is to sell seven. This means the Chamber wanted three out of the Province's hands by August 31, 2000. They have sold one, stated they have

no intention of selling three others, and are still studying the final three. The 33% performance to date garners another F.

- 3) Reduce departments -annual target is to eliminate seven. Three should have been eliminated by August 31. Two have been eliminated, resulting in a 67% result with marked improvement expected at the next report: C.
- 4) Reduce public servants -annual target is a reduction of 1,600 positions, or 667 by August 31, 2000. Six hundred positions have been eliminated to date. This 90% performance rates an A-.
- 5) Reduce program spending -the Province said it would reduce program spending by \$116 million. Projecting August results to the end of the year, it appears the government will miss that target by about \$31 million. C+.
- 6) Reduce deficit -the government may well meet its deficit reduction target but only because of windfall revenues, most of which are being used for more spending. Had all of the windfall revenues been applied to deficit reduction, the year's deficit could have been reduced by \$168 million; instead, the government says the deficit for the current year will be \$125 million less than last year's deficit. C+.

Economic Development

The Chamber is encouraged by the Province's emerging framework for achieving Nova Scotian prosperity. It envisions a vibrant and growing Nova Scotian economy and community. It also recognizes that a strong social infrastructure can only be supported by a successful business sector.

The Province has clearly heard the business community, and indeed all Nova Scotians, in expressing the view that success must be based on collaboration among the key players in the economy, focusing on key sectors of our economy. Goals are to be set and progress toward them measured and reported on in an open and transparent manner.

In terms of strategic direction, we are pleased to see the business climate and key infrastructures head the list. The Chamber continues in the view that getting our economic house in order and creating a business friendly policy and regulatory climate is an important first step. Combined with investments in critical infrastructures and the skills of our workforce, Nova Scotia will be well positioned for continued growth.

The formation of Nova Scotia Business Inc. provides important opportunities for private sector participation in achieving business growth objectives. The Chamber stands ready to assist the Province in shaping this new vehicle and establishing appropriate goals and governance structures.

The Chamber expects that any funds brought to the table to encourage business development will be directed to developing infrastructure and Nova Scotians and not take the form of direct subsidies

to individual businesses.

In closing, the Chamber is encouraged by this important step forward. We are mindful that it is a framework, and encourage the Province to press ahead to deliver real results to Nova Scotia's business and citizens.

Immigration

In the early to mid-1990s, immigration to Nova Scotia grew significantly as a result of recruitment by government and private consultants. This was especially true for the business category of immigrant entrepreneur. As more newcomers settled in Nova Scotia, support services were developed in response to needs. A variety of innovative and effective programs provided an important bridge for immigrants to life in Nova Scotia.

By the end of the 1990s, immigration showed a dramatic drop. This was due in part to the national trend, but was more pronounced in Nova Scotia as the provincial government appeared to take a less active role in promoting the province as a destination for immigrants. Other provinces are now very actively seeking immigrants to boost their populations and contribute to their provincial economies. Nova Scotia has the experience and ability to welcome immigrants and to help them to integrate and participate in the economic development of our province, and needs to act quickly to make the most of its strengths.

An aggressive marketing plan involving all interested stakeholders and a well-developed provincial nominee program will be an important part of this strategy. Support services and public education programs are also essential to the success of an immigration strategy. Early and effective economic integration will maximize the benefits of immigration and ensure that those who come - stay.

In the current fiscal context, Nova Scotia needs to maximize immigration as an economic development tool without affecting the provincial bottom line. A coordinated and integrated immigration policy must be founded on an aggressive re-adjustment of current provincial spending, more effective use of existing federal funds, and be leveraged by the resources of key stakeholders in the private sector and the immigrants themselves.

The Metropolitan Halifax Chamber of Commerce recommends that the Province of Nova Scotia:

- 1) Bring together stakeholders to act on Voluntary Planning's recommendation and "immediately develop an immigration policy and action plan and work with Ottawa to attract our proportionate share of newcomers."
- 2) Develop an effective immigration policy that reflects the overall fiscal position of the province and seeks to:
- 3) Clarify roles and accountabilities for immigration by:

- 4) Adopt a provincial nominee program that reflects the experience and lessons learned by other provinces. Some of the key pieces of this program should be:
- 5) Maximize the benefits of immigration by ensuring that support systems are in place to facilitate the early and successful entry of immigrants into the Nova Scotia economy.

Energy

- 1) In *Opportunities for Prosperity* the government has committed to the development of a gas and oil economic development strategy to ensure that Nova Scotia gains maximum benefits from the industry and that the growth of the industry is sensitive to other interests.

The Chamber would like to explore with the Minister how we might take an active part in the process of developing such a strategy.

There are three critical things that such a strategy needs:

- clear and measurable goals
- a solid strategy to deal with the Human Resource requirements of a growing industry
- clear accountability resting directly with an Energy Minister

These could include -- number of test drills, value of offshore bids for exploration, number or value of projects brought on line or product brought ashore, number of environmental, seismic or other preliminary tests. We need to measure the offshore activity and its growth over time to judge our success.

- 2) The Chamber is concerned by the growing pressure to create further moratoriums on oil and gas exploration in areas of the Nova Scotia offshore including off Cape Breton Island. The Chamber believes that the moratorium which has existed on Georges Bank for the past 12 years, and which has now been extended for another 12, has not fostered the necessary dialogue among the affected industries.

If the experience of the moratorium just passed offers any lessons, it is that we can expect no meaningful dialogue among the stakeholders until the current moratorium is about to expire. In our view the overall long term best interests of Nova Scotians are not being served by this approach. We believe that, instead of more moratoriums, the government and the stakeholders need a structure that will promote:

- a) Timely Decision-making
- b) Effective Industry Co-existence
- c) Ongoing Dialogue
- d) Long-Term Planning
- e) Balanced Regulatory Structures

The objective, in our view, ought to be to ensure that we achieve the maximum responsible gain from oil and gas development and that such gain is not outweighed by the loss to other

industries (like the fisheries for instance) or the environment.

The government should not require a separate or parallel regulatory process, like the Georges Bank Review Panel, to address offshore concerns. If the existing structure underneath the Canada Nova Scotia Offshore Petroleum Board does not sufficiently balance competing offshore interests then it should be amended so that it does. The fishery and the oil industry require clarity and confidence in the rules and the regulator - uncertainty hurts everyone.

- 3) The Chamber feels that it is critical for the issue of the offshore boundary between Nova Scotia and Newfoundland to be arbitrated and a decision reached at the earliest opportunity. Our Oil and Gas Committee believe that the best possible scenario for Atlantic Canada is a quick resolution of this debate and a co-operative approach to managing the entire East Coast resource.

Transportation

- 1) The Chamber continues to believe that the province has an important role as a facilitator for joint transportation initiatives like Halifax's Maersk/Sea-Land bid, and in continuing to pursue upgrades to the Port of Halifax and improvements in its rail links throughout North America. The community must build on our cooperative efforts in pursuit of the Maersk/Sea-Land proposal.

We are pleased that the government sees this as a priority issue. Commitment at the ministerial and deputy ministerial level is critical for progress to occur. The province should take every opportunity to outline for the community the government's vision and commitment to the future of the port.

It is important to maintain the all party support for Port growth that has been in evidence over the last year. We look forward to working in partnership with all three parties and the community stakeholders to support the Halifax Port Authority as it works to set a vision for the future of the Port of Halifax.

- 2) The aggressive growth plan for the Halifax International Airport is very welcome news for our community. The Chamber looks forward to continuing to work with the Province, the HIAA and other key stakeholders to promote continued growth in air service into our airport.

Deregulation of Retail Store Hours

Government should not be in the business of regulating store hours. (recognizing that exceptions exist for statutory holidays and labour standards). By allowing stores to open as the market dictates this will allow communities, particular industries and individual stores to make their own decisions on when, and when not, to be open - improving their ability to compete and their control on their own bottom line.

The Chamber heard resounding feedback to the most recent survey of our members on this retail issue in February of this year. 83% of 367 respondents called for the deregulation of store hours. A significant point is that more than two-thirds of our retail respondents supported deregulation.

These figures represented some significant shifts from an October 1997 Chamber poll when just one-half of respondents said government should get out of regulating store hours, and 60% of our retail members were opposed to deregulation. The 2000 poll results show support for deregulation across all segments of membership, including the tourism, wholesaling and manufacturing, service and retail sectors.

The issue of deregulated store hours is of significant concern to the business community and to the retail, tourism and hotel sectors in particular. There is a potential to grow new business from increased tourism and weekend shoppers from the Nova Scotian and Atlantic markets, and from international visitors. Estimates from the Hotel and Tourism industries indicate that deregulation has the potential to add up to \$21 million in shopping revenue for the province - 300 sustainable full time equivalent positions with 1,036 additional people working on any given Sunday.

The Chamber sees five key benefits from the deregulation of store hours:

- 1) A reduction in needless government regulation.
- 2) A means to meet the needs of customers while giving business more control on their operations and their bottom line.
- 3) Opportunities to draw in new tourist dollars.
- 4) New avenues for people who are looking for work.
- 5) Increased family time and reduced stress as people balance their weekends and maximize their productive time with family and friends.

For more information on the positions of the Metropolitan Halifax Chamber of Commerce, please contact Nancy Conrad, Policy Manager at 468-7111.