

Real Jobs for Nova Scotia

Chamber President and CEO Valerie Payn authored an opinion piece in The Chronicle Herald in late November entitled 'Do we want jobs or not'. The article expresses frustration with the negative attitude of some groups in Nova Scotia to the plan to provide a provincial payroll tax rebate to Projex Technologies Ltd. as an incentive to set up an office in Halifax.

Consulting Engineers of Nova Scotia (CENS) have been among the most vocal critics of this payroll rebate since it was first announced. As confirmed by NSBI, the rebate formula does not include a clear definition of what a 'new' job is that will qualify for such a rebate and there is no provision in the agreement for an independent audit of the rebate program to ensure that it is being administered fairly. A significant number of the staff currently working at Projex are not in fact new jobs for graduates or people from out of province but are experienced staff from already well-established local firms, hired away for higher wages partly due to the promise of subsidies through a provincial payroll rebate. As a volunteer association representing over 60 Nova Scotia companies and nearly 4000 employees in the consulting engineering industry in this province we feel it is entirely reasonable to have our concerns over this program addressed. At present, it appears that the government has chosen one outside consulting engineering firm and decided to provide it with generous taxpayer supported incentives to allow it to establish in Nova Scotia, grow and compete against existing Nova Scotian engineering firms that have and are continuing to grow in a very competitive market in this province. Our association represents over 20 firms that are also members of the chamber and employ over 2500 people in HRM. Over 30 of our firms are currently competing for engineering contracts outside of Nova Scotia, including 12 firms that regularly compete for work in Alberta, all without benefit of Nova Scotia government subsidies. By introducing a subsidized competitor into the industry, the government has upset the delicate competitive balance that exists in our industry.

The Nova Scotia consulting engineering industry has grown steadily each and every year for over a decade and now contributes over \$300 million to the Nova Scotia economy each year. In the past year alone, CENS member firms added 120 new employees without any company specific payroll rebates. Through a process of mergers and relocations, seven new firms have located in Nova Scotia in the past 5 years. Four of these firms regularly do work in Alberta. Additionally within the past 5 years, CENS has welcomed seven new startup firms here in Nova Scotia that have strengthened our association and our economy by employing local people in high tech well-paying careers. None of this growth required any direct government company specific subsidies. The industry has thrived due to the smart and strategic business decisions made by our member firms. We have been in contact with our members since the payroll rebate announcement was made and the opinion has been unanimous that payroll rebates are entirely unnecessary in a successful mature industry in the province and risk starting a dangerous precedent in the engineering consulting and other professional service industries. CENS attempted to express this opinion to the government several times in the months leading up to the payroll rebate announcement, offering to work with the government to promote the entire provincial consulting engineering industry as a whole, but were dismissed.

CENS is not against new engineering jobs for this province . Our tireless promotion of the industry and addition of new member firms along with the growth within our existing member firms and the consulting engineering industry as a whole is clear testament of this fact . What we are in support of is a fair and level playing field for all Nova Scotia Consulting Engineering firms so they can go and do business the best way they can , something for which we feel all chamber members should support. No business would support a government program that provides a financial advantage to one of its direct competitors. A competitive advantage is something private companies are able to offer their clients and not something our government should be doing by supporting and promoting one company above all the others in an industry.