



**HALIFAX CHAMBER OF COMMERCE**  
**Speaking Notes**

**TO:** Patrick Sullivan, President and CEO

**DATE:** October 17, 2017

**SUBJECT:** Speaking Points for House of Commons Standing Committees on Finance  
Presentation

**PREPARED BY:** Kathleen MacEachern, Policy and Research Analyst

---

## **INTRODUCTION**

Good morning, my name is Patrick Sullivan and I am the President and CEO of the Halifax Chamber of Commerce. The Halifax Chamber of Commerce is a best-practice, business advocacy organization that continuously strives to make Halifax an even more attractive city in which to live, work, and play. Together, the approximately 1,600-member businesses and their over 65,000 employees, act as a single powerful voice through the Chamber to promote local business interests.

Halifax is one of the most economically dynamic cities in the country. Recently, the Innovation Minister, Navdeep Bains, named Halifax as the winning Atlantic region for our “Ocean Supercluster”, incorporating digital technologies in aquaculture, fisheries, offshore oil and gas and clean energy. Nova Scotia is a province rich in history and culture and together with our drive for prosperity through our multitude of educational institutions, economic sectors and as mentioned superclusters of innovation we continue to strive to make Halifax a vibrant and successful community.

We appreciate the opportunity to address the House of Commons Standing Committee on Finance today and will address your questions in order.

## **COMMITTEE QUESTIONS** (questions are included for reference only)

### **1. What federal measures would help Canadians to be more productive?**

Halifax is facing a significant challenge to generate a talented workforce that can not only replace the number of current employees who will be retiring over the next few years, but also to provide for future growth in our business community.

Our province and subsequently, country, cannot be completely productive without a full labour force driving economic growth. Ensuring that Canadians, and particularly those from underrepresented groups, have the skills they need to participate productively in the modern economy is a critical part of building the labour force our region will need to succeed in the future. The federal government plays a key role in skills training in Canada and it is important to ensure that existing programs provide effective training to Canadians.

As well, Nova Scotia has struggled to retain its youth and recent graduates in recent years, compounding our demographic challenges of building a productive workforce. To address this, the Federal Government could continue to increase supports for youth and recent graduates to take part in experiential education opportunities. This would help better prepare them for the workplace and increase labour force attachment and retention, thus replacing those retiring with highly skilled and educated graduates.

Halifax is a hub for innovation. As mentioned, Halifax recently was named an “Oceans supercluster” that continues to provide our province with productive and competitive resources and employment. The government has taken the initiative to invest in Nova Scotia’s Clean technology sector as well as the oceans sector. We ask that the government continue to invest in other sectors, such as Life Sciences, more specifically, preventative healthcare, which can increase workplace health and in turn workplace productivity.

## **2. What federal measures would help Canadian businesses to be more productive and competitive?**

When we speak to our members the overall tax burden is always a constant source of frustration and a deterrent for business productivity. Especially now, as the federal government has taken actions to make changes to the corporate tax policy. These proposed changes have caused undue stress for individuals as they leave many with uncertainty for their business future.

The proposed changes may have a significant impact on Nova Scotia’s economy and more specifically small businesses and entrepreneurs within Halifax. The changes could raise taxes, increase the administrative burden on SME’s, harm gender parity and provide negative impacts on family-run businesses. These tax changes may reduce the productivity of businesses in Canada as many individuals may delay important decisions or choose not to go into business at all.

While we were very pleased to hear October 16<sup>th</sup> announcement on the reduction in small business taxes to 9% by 2019 but we urge you think of the consequences that the uncertainty is having on Canadian business productivity and global competitiveness. We have heard additional announcements are coming this week, on topics such as; income sprinkling and transitional impacts that will undoubtedly have an impact on our members in Halifax.

Additionally, reducing regulation, providing timely customer service, consulting the business community early in the regulatory process, reducing red tape and continuing with fiscal responsibility will help make life easier for businesses.

Ensuring that Canada has the transportation and information technology infrastructure required to participate fully in the global economy is critical for productivity and competitiveness. Investing in trade-enabling infrastructure and improving the ability of companies in our region to export their products and services around the world is a key productivity goal for businesses and will help communities across the country.

#### **FURTHER INFORMATION FOR Q & A**

***IMPORTANT:*** Traditionally, members of the committee should be addressed through the Chair. For example, “Thank you Mr. Chair. I would like to reply to the member that...”

1. Do you plan to continue funding immigration for skilled workers in Canada? If yes, do you have an economic plan to retain immigrants in provinces, like Nova Scotia, who have a low immigration retention rate?

Immigration is also an important avenue to help the region manage its demographic transition and increase our workforce and economic growth. More immigration however, will only be as effective if they stay in the region. While Nova Scotia’s rate of retention has improved dramatically over the past few years we can still do better.

The federal government can help in this area by providing more funding for settlement services and ensuring that immigrants have the skills needed to succeed in the local labour market.

1. The government recently announced the reduction of small business tax from 10.5% to 9% by 2019. This is a positive outcome and one that will likely benefit many of our members, but what, if any, provisions have been made for larger businesses affected by

the changes to the Tax policy and small businesses still affected by the change in status quo?

Nova Scotia is currently the highest taxed province in Canada and with the large amount of red tape facing current and future businesses, the changes to Canada's tax policy may have a significant impact on Nova Scotia's economy. Adding more barriers in a climate ripe with roadblocks could hinder Nova Scotia's ability to support not only Halifax based businesses but those in rural Nova Scotia communities as well.

The ambiguity of the term "reasonable contribution", spousal efforts towards the business could be devalued if the proposed changes are implemented. The proposed changes would have an impact on Halifax communities. Small and large businesses support community identity, local investment, local jobs, entrepreneurship, local selections and the municipal tax base. The changes would hinder a business's ability to focus on these areas, potentially decreasing their opportunity for community investment.