



Greater Halifax  
Economic Strategy Review and Renewal

Sector Consultations  
Summary Report  
July 2010

## Planning for Prosperity – Together

The renewal of Halifax Regional Municipality's economic strategy is the single most important economic development initiative currently before us. Our current economic plan, *Strategies for Success: 2005-2010*, expires this fall, and all three levels of government and the private sector agree that a renewed Economic Strategy for 2011-2016 is immediately required to profoundly, positively and profitably transform the economy in Greater Halifax with benefits for the entire region.

The Greater Halifax Partnership is leading this review and renewal process, working in partnership with Halifax Chamber of Commerce, Halifax Regional Municipality (HRM), the Mayor's Economic Advisory Committee, Nova Scotia Business Inc., ACOA, Nova Scotia Department of Economic and Rural Development, sector representatives and the community. With this strategy, we are focusing as never before on the growth of key sectors and aligning public and private interests to drive economic development in our city and all of Atlantic Canada.

The process began in late April with a review of existing research and is broken into four phases ending March 31, 2011 with the creation of the next strategy. The timeframe is ambitious; we must complete the task to coincide with government budget planning cycles which will be developed over the winter months. As part of Phase I, we are drawing on the insight and expertise of a wide-variety of individuals. In June and July, the Partnership held 13 consultation sessions with business and community leaders from key economic sectors and groups. To complement this work, the Halifax Chamber of Commerce held three sessions in June with members from the business community, as well as Chamber board members, past presidents and board chairs and those involved in the 2004 Economic Summit. Summary reports of each sector consultation session, as well as the Chamber's consultations, are available for download from our website.

Approximately 250 people (10 to 25 per session) attended the Partnership's consultation sessions. During the sessions, participants reviewed and provided feedback on a draft list of HRM's economic opportunities and challenges, two proposed visions for the upcoming Economic Strategy, and four potential priority areas with accompanying strategic goals. This report outlines the summary findings for all thirteen sessions and proposes revised opportunities and challenges as well as ideas for the vision and priority areas.

## Objective

The Greater Halifax Partnership is leading the development of HRM's new five-year economic strategy that will spell out:

Challenges/opportunities, a vision, priority areas and strategic goals for economic policy and programming initiatives through 2016 and;

Action plans to support the implementation of each of the goals that outline:

- roles and responsibilities of the three levels of government and the private sector;
- tasks, timing, costs, and anticipated financial contributions;
- the measures that will be used track progress and measure results.

## Phases

1. Phase I: April 15 – July 15 – Critical assessment of current Strategy and initial consultations on challenges and opportunities, vision, priority areas and strategic goals.
2. Phase II: July 15 – September 15 – Reworking of challenges and opportunities, vision, priority areas, strategic goals, outcome measures and implementation.
3. Phase III: September 15 – December 15 - Further consultations and on-going engagement on outcomes of Phase II and the development of action plans.
4. Phase IV: January – March 31, 2011 – Finalizing strategy and action plans, launch of the Economic Strategy and agreement for on-going engagement.

## Summary Points

Based on what we heard, the following points emerged as the key challenges, opportunities, and priorities that should be addressed and included in the next economic strategy:

- High levels of Taxation, Inertia and Resistance to Change, Overdue investment in the Downtown Core and Population/Talent issues are the top areas of concern.
- Our Vision should be broad, aspirational and focus on Halifax's assets and accomplishments. It should reference innovation, quality of life, creativity/culture, diversity, and an international outlook.
- The Economic Strategy should focus on achieving Halifax's role as the hub city for the province and region.
- There is a need for a more international focus in business, export, tourism and marketing efforts.
- Alignment between all levels of government, the public and private sector and between sectors is key. Everyone has a role to play in the implementation of the strategy and should work together on common priorities.
- An increased focus on sustainability and green issues is needed
- Improving the business climate and strengthening entrepreneurship are vital; need for reduced regulation and taxation.
- Improved transportation systems are needed.
- A focus on "high value jobs" is important, but there is some debate over what this means exactly – Is it high-wage, knowledge-based, office jobs? Specific sector growth? or Significant economic contribution to the region? A clear definition of the term will underpin the Economic Strategy.

### Project Governance

- The HRM Mayor and Council own the initiative and will approve the final product
- The Mayor's Economic Advisory Committee will provide high-level advice on the review and renewal

A Steering Committee, chaired by Paul Kent, President and CEO of the Greater Halifax Partnership, provides guidance to the project management office and includes:

- Andrew Boswell, Halifax Chamber of Commerce
- Wayne Anstey, Acting Chief Administrative Officer, HRM
- Stephen Lund, President and CEO, Nova Scotia Business Inc.
- Dick Miller, Chair, Mayor's Economic Advisory Committee
- Valerie Payn, President, Halifax Chamber of Commerce
- Ian Thompson, Deputy Minister, Nova Scotia Department of Economic and Rural Development
- Peter Hogan, Vice President, Atlantic Canada Opportunities Agency

The Project Management Office (PMO) is housed at the Partnership and managed by Allan Cocksedge under the direction of Paul Kent, President and CEO. Partnership staff are contributing to the work of the PMO as well as Jim Donovan, Manager of Economic Development, HRM.

Consultation participants were asked to review, discuss and rank a list of potential opportunities and challenges for Greater Halifax according to priority, whether they felt the lists were accurate and complete, and what revisions they might propose. Top opportunities and challenges were determined based on quantitative and qualitative feedback.

The opportunities and challenges will continue to evolve based on additional research and subject matter consultations.

### Opportunities

Participants were in general agreement with the five opportunities listed in consultation materials. In addition to these, three others emerged. They were the quality of life and unique “vibe” Halifax has that attracts people to the city; our stable and diversified economy; and leadership on sustainability issues.

**From the Point of View of your sector, which opportunities are the most and least important?<sup>1</sup>**

Opportunities	Most Important				Least Important
	1	2	3	4	5
Hub City Strategy	19	5	5	1	1
Alignment	17	6	1	4	0
High Value Jobs	16	12	3	0	1
High Education Level	9	12	4	5	0
Concentration of Post-secondary institutions	10	9	9	1	0

### Top Opportunities

#### HRM as Hub City

Halifax is Atlantic Canada's economic hub and has been identified by the Conference Board of Canada as one of nine Canadian hub cities. There was almost unanimous acknowledgement of Halifax's unique role as the economic engine for the entire province. A goal of the Economic Strategy should be to establish Halifax as the hub city of Atlantic Canada. Instead of debating Halifax's role as the hub, everyone should focus on resolving the urban-rural divide and countering an attitude that “city growth impoverishes rural regions.” To capitalize on this opportunity, we will need to clearly communicate how investing in Halifax benefits the entire region.

<sup>1</sup> Participants at each session were divided into small groups. Each group completed a feedback form from which qualitative and quantitative data was recorded. The tables in this report reflect group rankings, not individual feedback.

## Alignment

Fiscal and economic challenges provide a motivation to align priorities and spending to focus on growth in high value sectors. We have an opportunity to increase alignment between the public and private sectors, and between sectors, to work towards achieving common goals.

## High Value Jobs

Halifax has critical mass in high-value sectors like Finance, Insurance, Real Estate, Digital Industries, Oceans, Life Sciences, Aerospace and Defence and others. For example, Halifax is one of the largest centres for ocean research in the world. We have the personnel and infrastructure, but we need to market our assets better in order to grow the sector. The Halifax Gateway has the potential to be a large economic driver if governments and stakeholders can agree on the vision, priorities and resources to build it. Growing key economic sectors will attract talent and drive economic development and growth here and throughout the region.

Many sectors identified the need for a clear definition of the term high-value. What is a high-value job or sector? For example, many tourism jobs are lower wage or seasonal jobs but contribute significantly to our economy and quality of life. Various skilled manufacturing jobs are high-paying, but are they considered high-value? Additionally, we should also recognize the contribution of the social economy – the volunteer sector - to the overall social and economic prosperity of Halifax.

### Other key opportunities include:

- **High Education Levels:** Halifax has among the highest post-secondary education levels of any city in Canada. Education levels drive economic growth. Research by the US based CEOs for Cities shows that education levels in cities accounts for almost 60% of economic growth.
- **Concentration of Post-secondary Institutions:** Halifax's critical mass of post-secondary institutions presents a huge opportunity to draw people to the city, to create an educated workforce, to act as a hub of research and innovation, to export education and training services, and to expand high value industries.
- **Quality of Life:** Halifax has a reputation as a great place to live and raise a family and is built around the ocean. Our creative, cultural and natural assets, our lifestyle and location provide opportunities we can maximize. Using Halifax's reputation for a having a good quality of life to draw talent, business, and jobs to the region was a major theme throughout consultations.
- **Stable and Diversified Economy** - Our diverse economy helped us weather, and insulated us from, the recession and continues to accelerate growth in Greater Halifax and throughout the region.
- **Leadership on Sustainability Issues** - In 2009 and 2010, Corporate Knights ranked Halifax Regional Municipality as the #1 and # 2 sustainable medium-sized city in Canada, respectively. HRM has adopted an approach to sustainability that encompasses a variety of projects that are reproducible and provide measurable benefits to other levels of government, citizens and the environment.

## Challenges

Participants generally agreed with the challenges; however they were expanded and discussed in much more detail. For the purposes of this summary, Challenges have been grouped into six major areas of concern based on the feedback received during consultations. They are:

- Downtown Core
- Taxation, Regulation and Entrepreneurship
- Talent Attraction and Retention
- Alignment, Inertia & Resistance to Change
- Global Focus and Marketing
- Transportation

**From the point of view of your sector which challenges are the most and least important?**

Challenges	Most Important				Least Important
	1	2	3	4	5
Taxation	26	4	1	0	0
Inertia/resistance	20	5	4	0	1
Overdue Public and Private Investment in the Downtown Core	19	7	4	1	0
Partnership and Alignment	21	4	1	1	1
International Focus	19	7	4	1	0
Regulation	14	7	5	4	0
Population Growth	12	7	6	2	0
Demographic Shift	11	9	6	1	0
Productivity Growth	10	9	8	1	0
Missing the Green Wave	8	7	5	6	2
Myths on Growth Drivers Need Correcting	8	2	6	5	0
High Carbon Dependence	6	9	6	3	1
Other: Focus on neighbourhoods / communities	2	0	0	0	0
Other: Decreasing disparity between rich and poor	1	0	0	0	0
Other: investing in children and youth	1	0	0	0	0

## **Top Challenges**

### **Downtown Core**

The state of the downtown core – closed businesses, empty lots, lack of densification, etc. - was the single most important issue for participants. Every sector commented on the importance of an attractive, vibrant, dynamic and successful downtown in attracting and keeping business and talent.

There is an urgent need for capital investment and revitalized infrastructure in the downtown core and transportation sector. Evidence of a strong infrastructure system and booming development projects will give businesses the confidence to invest in Halifax.

Downtown is our showroom and needs to inspire confidence in those businesses considering setting up shop. The poor state of the downtown actually discourages companies from choosing Halifax. If the core is fixed, other benefits will follow including:

- Increased interest from businesses
- Expanded talent pool
- Increased economy and tax base
- Improved national and international reputation

### **Taxation, Regulation, Entrepreneurship**

After the downtown issue, taxation and regulation were the most highly ranked challenges. Many sectors felt that Halifax needs a more welcoming business climate to attract investment and keep business.

Nova Scotia has one of, if not the most, highly taxed populations in Canada. This prevents HRM from:

- Growing high wage sectors
- Attracting business
- Attracting and retaining talent

Political issues in the area of taxation can be challenging. For example, raising commercial taxes in order to maintain residential tax rates, or a lack of tax incentive programs that help companies set up shop. More tax incentive program could help expand industries and strengthen the economy.

Having an innovative and competitive tax strategy was identified as one of the most important economic drivers. We need to attract people and business to generate income and grow the economy, not increase taxes which has the opposite effect. As one participant put it, “you can’t save your way to prosperity.”

Government could also work better with industry when developing regulations, to ensure they consider sector growth as well as enforcement and compliance.

High levels of regulation and taxation stifle entrepreneurial growth and drive business away. The Finance and Insurance sectors in particular identified taxation and regulation as the greatest challenges to reaching their growth potential. These sectors are important to the economic growth of our region. They have critical mass and employ a highly educated workforce, a fact that needs to be better communicated.

The link between population/business growth and taxes and regulation needs to be better understood.

### **Talent Attraction and Retention**

Most sectors identified talent attraction and retention as a significant issue that impacts almost every other challenge identified including:

- demographic changes
- talent shortages
- wage levels
- taxation
- immigration levels
- diversity and inclusiveness of the region
- marginalized communities
- education levels
- alignment between the education system and industry needs
- low productivity

**Immigration:** Immigration needs to be dealt with more specifically. We need improved accreditation policies that will make it easier for newcomers to work in their field and programs to retain international students and other immigrants who often leave Halifax for other Canadian cities. Many made the point that Halifax is a difficult town to break into on a professional and social level. We need to develop a more welcoming community so that newcomers will want to stay.

**Productivity:** Nova Scotia's low productivity levels have a great impact on the labour market challenge. A focus on jobs growth instead of growing key economic sectors, and a fiscal regulatory climate hostile to productivity improvement has negatively impacted productivity growth. To improve productivity, university and college graduates need to be ready for employment sooner than ever before. It was also recommended that more programs be put in place to make training and skills upgrading more accessible. Many participants commented on the productivity challenge but more thought is needed about how to address and reverse it.

### **Alignment, Inertia & Resistance to Change**

Aligning visions and priorities between all stakeholders is critical to establishing Halifax as a hub city and achieving the goals in the Economic Strategy. While almost every group said alignment between the three levels of government is important, increased alignment between sectors will help break down institutional barriers and encourage everyone to work on the same priorities. Right now, competing visions and priorities slow down economic progress and increase inertia.

Two areas for improvement include:

- Better aligning education and training to industry needs in order to create a skilled workforce for Halifax's growth sectors.
- The Halifax/Atlantic Gateway Strategy was mentioned as a prime example of an initiative that needs alignment and common understanding between all participants.

**Governance:** Governance was a major issue under Alignment. There needs to be more cooperation between levels of government, and their respective economic development plans so they complement each other and work towards common goals.

**Inertia:** Inertia and resistance to change are also part of the Alignment challenge. This issue is seen as a major impediment to attracting investment and growing business. There is a need to move from talk to action, to make progress on issues that have been outstanding for many years, and to provide leadership. Comments around "poverty of aspiration" and cynicism in the community speak to the need for improved marketing efforts.

### **Global Focus and Marketing**

We need to increase our focus on international markets. Halifax should shift from competing with Atlantic Canadian cities and broaden its horizons to a North American and global level. There is an opportunity to better market our successes in order to attract international investment and become a global hub. For example, we could better celebrate that:

- Halifax is a leader in several areas, such as sustainability, universities, and oceans research
- Halifax has unique attributes like our culture, quality of life and natural capital (ocean and nearby nature/parkland)

We have a strong trade alliance with the Caribbean and other markets, and there are several exporters on whose reputation and experience we can build upon. Our exporting strength lies not only in the products we export but also in the services we offer to international markets such as in the education and training sector.

## Transportation

There are two aspects to transportation-related issues:

**Public transit around the municipality:** Public transportation helps create vibrant communities. Having an efficient mass transit system is vital to attracting people to the region, revitalizing our downtown, and establishing Halifax as a hub city. The main challenge around public transportation is the low level of funding dedicated to it in Nova Scotia – the lowest among all provinces. Partnerships with surrounding municipalities were suggested as a means to create better transportation systems externally (getting to Halifax) and then internally (getting around Halifax).

**Large-scale transportation issues related to the sector and Gateway:** The Halifax Gateway is an important asset in increasing our international focus. An increased focus on Gateway could more clearly define Halifax’s “value proposition”, but lack of alignment and inertia are holding it back. Gateway is a prime example of misalignment between government strategies which creates confusion (i.e., the Gateway to Halifax, Nova Scotia or all of Atlantic Canada?). The transportation sector is a major economic driver locally, but challenges need to be addressed for it to reach its potential.

## Green Principle

While consultation materials suggested that Halifax may have “missed the green wave,” a number of participants felt strongly that this is not accurate (although work at a Provincial level remains a concern – especially reducing dependence on carbon-generated power). Participants recommended that a holistic view of sustainability be reflected in, and woven throughout, the Economic Strategy.

Participants were given two draft vision statements to consider. Most people did not like either, but preferred the first option which was a broader, high-level aspirational statement. Although neither statement was felt to accurately represent the full intent of the upcoming Economic Strategy, many elements in the draft visions were relevant.

Vision		
	Yes	No
Do the statements describe what we want to be in HRM?	11	11
Are the statements valid?	16	7
Do you see your sector's future represented in the statements?	16	9

Participants said the vision statement should be:

- Clear
- Simple
- Memorable
- Compelling

It should:

- Focus on accomplishments, not recognition from, or comparison to, others
- Be something all sectors can relate to
- Reference Halifax's uniqueness and quality of life
- Emphasize a global outlook
- Take Halifax beyond comparisons to other Atlantic Canadian regions and move towards being a North American hub.

Alternate visions suggested by participants tended to focus on innovation, creativity, a global/international outlook, diversity, and competitiveness. The words most suggested to include in the vision were:

Productive	Innovative	Vibrant
Smart	Global	Welcoming
Culture	Competitive	
Sustainable	Liveable	

## Priority Areas and Strategic Goals

The Economic Strategy will focus on a concise number of priority areas, strategic goals, and action plans. In order to get a sense of the top priorities facing community stakeholders, participants discussed four broad draft priority areas each with three to four strategic goals. Generally, people agreed with the four priority areas, but wanted to revise the statements.

**Do you agree with the areas and goals? If not, what do we need to add, revise or remove?**

	Agree	Disagree	Add	Revise	Remove
Development of a vibrant and attractive urban core as the primary economic driver	22	4	2	9	3
More and better qualified people for high wage and more productive jobs	17	7	0	13	3
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	16	3	0	20	1
Market and enhance assets of Halifax as a "Global City"	17	2	1	14	2
Other: Being Green	0	0	1	0	0
Other: Simplify and streamline the development approval and permitting process	0	0	1	0	0

Development of a vibrant urban core was ranked as the top priority, followed by a focus on attracting and retaining qualified people for high-value jobs. The priority area that generated the most discussion, however, concerned strengthening entrepreneurship and improving productivity. There is a very strong sense that this is a vital part of any economic development plan for the region; however it is a huge issue that will require a shift in culture to overcome inertia.

Participants were also asked to rank the importance of the priority areas to their sector, and which one should be implemented first. Developing an ecosystem of entrepreneurship was rated most important for most sectors, and was the second highest priority for immediate implementation – an indication of the widely-felt need for encouraging entrepreneurialism and improving the business climate.

In all cases, marketing Halifax as a “Global City” was rated lowest. Participants did not think marketing the city was unimportant, but that there is still work to be done in other areas before Halifax can position itself as a global city. Marketing needs to be improved and more coordinated.

**Which areas and goals are the most/least important to the future of your sector?**

Priority Areas & Strategic Goals	Most Important				Least Important
	1	2	3	4	5
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	14	5	5	2	0
Development of a vibrant and attractive urban core as the primary economic driver	10	8	5	3	2
More and better qualified people for high wage and more productive jobs	9	10	2	4	3
Market and enhance assets of Halifax as a "Global City"	5	6	10	6	2

**Which areas and goals should we focus on right away in order to give momentum to the implementation stage?**

Priority Areas & Strategic Goals	Most Important				Least Important
	1	2	3	4	5
Development of a vibrant and attractive urban core as the primary economic driver	12	3	1	2	0
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	11	4	3	1	0
More and better qualified people for high wage and more productive jobs	4	6	2	3	0
Market and enhance assets of Halifax as a "Global City"	4	3	5	4	0

## General Comments

- Discussion about the four draft priority areas underscores the alignment challenge – time and again the issue of working towards common goals, linking organizations and plans, and fostering partnerships came up.
- There is a need to tie priority areas and implementation plans to the Strategy’s opportunities and challenges.
- Improving the taxation system is necessary to encourage entrepreneurialism and attract people.
- The measurement and accountability piece – “the Report Card role” undertaken by the Chamber of Commerce in the existing Economic Strategy – was seen as a definite strength.

## Specific Comments

### 1. *Strengthening and Defining the Urban Core*

Does the urban core include Dartmouth, Burnside, the region’s business parks, or is it just downtown Halifax? “Urban core” will need to be better defined in order to effectively build it.

Alignment on downtown priorities was seen as key, particularly as it relates to infrastructure and the convention centre, transportation and development.

### 2. *Attracting and Retaining Talent and High-Value Jobs*

Most of the discussion on this priority area concentrated on the need for attracting and retaining skilled people. Several ways of achieving this were mentioned, all of which could inform strategic goals for the issue:

- Working with the education system to increase the number of qualified people
- Attracting more immigrants
- Building a welcoming community and keeping people engaged (social capital)
- Stopping the out-migration of youth and graduates – not requiring 3-5 years experience
- Improving professional development – specifically mentorship - in the workplace
- Retaining international students.

Growing the number of high-wage jobs was seen as a secondary goal – “build it and they will come” was the general sentiment. By growing key economic sectors, the talent and business will come.

### **3. *Improving the Business Climate***

This priority area inspired the most amount of discussion among participants. The word “ecosystem” polarized people. Some felt it was unique and memorable while others found it confusing and unrelated to the issue it was describing. Participants suggested using “business climate” or “entrepreneurial culture.”

It was also felt there is a disconnect between the priority area and its strategic goals which focused on:

- Regulatory and tax changes
- Improved alignment
- Strategies for business attraction

Participants thought a strategic goal specifically focuses on entrepreneurialism should be added.

The issue of inertia and resistance to change was again a major theme. A change in thinking and in culture will be needed to increase competitiveness and productivity. Implementation goals should consider:

- More flexible and nimble ways of doing business, particularly in the public sector
- Encouraging a more entrepreneurial spirit
- Creating an environment that supports increased risk (“acquired” or “smart” risk were suggested as possible terms)

### **4. *Building and Marketing Halifax as a “Global City”***

The consensus around this priority area was that it is “necessary but not yet.” Participants felt that Halifax needs to build up its strengths before undertaking intensive marketing on an international scale. Work on the first three priority areas could get Halifax to a point where extensive marketing might not be as necessary, as the city’s reputation would precede it.

There was some debate about whether defining Halifax as a “Global City” is too ambitious. Halifax as a “Gateway” or “hub city” were possible alternatives. However, if Halifax is to increase its international investment and export, positioning itself as “global” could be useful and even appropriate, particularly if it helps to shift the city’s mindset to a more international view.

## *Next Steps*

In the coming weeks and months - based on feedback - we are recasting the statements of challenges and opportunities, vision and priority goals as well as consulting on the action plans, developing outcome measures and an implementation plan.

Each of us has a role to play in developing this strategy. Your ideas, insights and feedback will help to ensure that both the strategic direction and the eventual economic action plan reflect the true needs and interests of all.

We are hosting discussions on our economic strategy forum to gather additional feedback on what has emerged so far and to deepen our understanding as we work over the summer and fall to develop the economic strategy and action plans. If you were a participant in the initial consultations, this is a chance to hear what came out of the sessions and an opportunity to drill down even further. If you are new to the project, we encourage you to read the summaries, send us your input, and join the discussion.

Visit our website to view all the summary reports and find out how to ensure your ideas and thoughts contribute to a bright future for our city:

[www.greaterhalifax.com/economicstrategyrenewal](http://www.greaterhalifax.com/economicstrategyrenewal).



1969 Upper Water St.  
Purdy's Tower II, Suite 2101  
Halifax, NS  
Canada, B3J 3R7

Tel: 902.490.6000  
Toll Free: 1.800.565.1191  
info@greaterhalifax.com

[www.greaterhalifax.com](http://www.greaterhalifax.com)