

HRM's Review and Renewal of the Economic Strategy 2011 – 2016

Life Sciences Consultation

Wednesday, August 4th, 2010

8:00 – 11:00 a.m.

BioScience Enterprise Centre, 4th floor Boardroom

Champion: Brian Lowe, ImmunoVaccine Inc.

Facilitator: Michael Hodgett, Deloitte

Participants

- Chris Barden, DeNovaMed
- Bob Cervelli, Origin Biomed
- Alan Critchley, Acadian Seaplants
- Colin Deacon, Bluelight Analytics
- Kathryn Garden, DementiaGuide
- Tom Gillis, Sampling Technologies Incorporated
- Brian Lowe, ImmunoVaccine Inc.
- Marli MacNeil, BioNova
- Michael Scott, Precision BioLogic
- Robert Orr, Ocean Nutrition Canada

Observers

- Allan Cocksedge, Greater Halifax Partnership

Session Recorder

- Krista Hall, Greater Halifax Partnership

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Introduction – Brian Lowe

1. Project Overview
2. Participant Introductions

Consultation Overview – Michael Hodgett

1. Meeting Flow
2. Data Collection Overview
3. Ground Rules

Participant Feedback

Opportunities and Challenges

1. What is your overall reaction to the opportunities and challenges

- Long on challenges short on opportunities
- Not strategic enough; requires more focus
- Taxation strategies are required as a component of the economic growth strategy. This is mostly a provincial issue.
- Investment was a third point under taxation. This is an important issue on its own. Immigration is the same. There should be more attention given to these areas.
- Valid – glad someone is aware of important issues
- Fear that solutions might be quick fixes that are expensive and not effective – bureaucratically cumbersome
- Biggest challenge is lack of vision and courage (leadership) among elected officials
- There should be sector specific opportunities, challenges, etc. presented to get sector specific data.
- The most important challenges are inertia/resistance and partnership and alignment
- Choose the top three and focus

2. Is the list complete? If not, what is missing?

- Important to have a good sector focus and include global competitiveness
- Investment attraction
- Focus on productivity and vibrancy versus growth and development
- Immigration
 - Most effective immigration strategy was run by Industry Canada in the 50's when immigration was tied to growth sectors
- Investment was a third point under taxation. This is an important issue on its own. Immigration is the same. There should be more attention given to these areas.

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- What is the goal? Should we focus on building a more vibrant economy or a bigger economy. What are the indicators for vibrancy? We need smarter growth.
 - Engagement between higher education and industry
- 3. Is the list accurate? If not, what revisions would you propose and why?**
- Focus on high growth sectors. High value jobs are an outcome of growing high-value sectors.
 - Branding and marketing for hub city - city needs to brand and market itself better
- 4. From the point of view of your sector, which opportunities and challenges are the most important/least important and why? ** Note:** There were two tables of participants. Each Table = x

From the Point of View of your sector, which opportunities and challenges are the most/least important and why?	Most Important				Least Important
	1	2	3	4	5
Hub City Strategy		x		x	
High Value Jobs	x	x			
Alignment	x	x			
High Education Level	x	x			
Concentration of Post-secondary institutions	x	x			
Demographic Shift			xx		
Population Growth		x	x		
Taxation	xx				
Regulation		x		x	
Inertia/resistance	x	x			
Missing the Green Wave		xx			
Productivity Growth		x	x		
Partnership and Alignment	xx				
International Focus	xx				
Myths on Growth Drivers Need Correcting		x		x	
Overdue Public and Private Investment in the Downtown Core		xx			
High Carbon Dependence		x		x	

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Vision Statements

1. What is your first reaction to the draft vision statements?

- Don't like either
- Not actually vision statements. A vision statement is a brand – it should be short and simple. The next layer (goals, objectives and strategy) is how to achieve the vision. These elements shouldn't be in the vision.
- Too wordy – can't include everything in a vision statement. It won't magnetize people.
- Preference for #1 but both statements require revision
- We constantly over market our quality of life. There are other places that have a great quality of life as well.
- There is a distinction between creative and innovative – creative speaks to an energetic city. Innovation speaks more to the business side. You don't want to lose the creative aspect while driving the economic engine.
- Measurement is critical but not in a vision statement

Questions 2, 3 and 4

Vision			
	Yes	No	Comments
Do the statements describe what we want to be in HRM?		x	Only partially
Are the statements valid?		x	
Do you see your sector's future represented in the statements?		x	

5. If not, what changes would you propose?

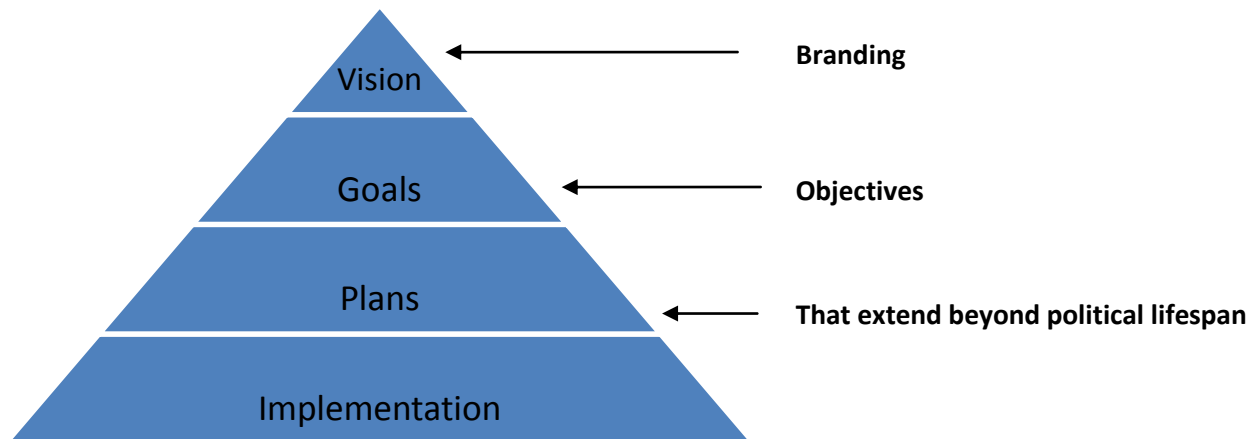
- It has to be different from everyone else's elevator pitch – there are lots of cities that are on the ocean, that have ports, etc.
- Focus on driving the economic engine(s) and the rest will follow
- "Smart" has not worked. Use "innovative"
- Vision should be:
 - Simple
 - Focused
 - Inspiring
 - Achievable
 - Should fit on a bumper sticker
 - Marketing agency should review the statement
- Vision should include:
 - Quality of life
 - Competitive
 - Innovative

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- International – need to have international in front of competitive, innovative, etc.

Alternate Visions

- “Halifax is a highly creative, innovative, internationally competitive hub city that optimizes economic growth in balance with social well-being” - (Social well-being alludes to quality of life)



Priority Areas and Strategic Goals

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

Priority Areas & Strategic Goals: Do you agree with the areas and goals? If not, what do we need to add, revise or remove?					
	Agree	Disagree	Add	Revise	Remove
More and better qualified people for high wage and more productive jobs	x				x
Development of a vibrant and attractive urban core as the primary economic driver	x				x
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity				xx	
Market and enhance assets of Halifax as a "Global City"	x				x

Plenary Comments

- Felt that all need to be revised/removed
- The priorities and goals don't reflect the earlier discussions on opportunities and challenges.

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- Didn't understand, or like, the goals and objectives. In some areas the goals didn't seem to fit with the priority area.
 - Goals need to support the vision, which is not clear
 - Leadership
 - Without leadership, vision, and the courage to implement nothing will happen – we lack visionary leaders at the municipal level. We need leaders/government that are willing to focus on one or two things and get them done. With our current leadership void nothing is possible
 - We need strong leadership that espouses a vision that people can rally around and then build achievable goals around that.
 - We need to be clear about the vision – where we're going. This has to drive everything else.
 - Worried by the way some of this was worded – For example, #3 “reducing commercial risk” – you don't go into business to reduce risk.

 - Established new goals because none of these have strategic intent. Each of these areas will require focus.
 1. Regulatory and tax strategy
 2. Economic and investment strategy
 3. Urban planning strategy that builds communities
 4. Develop a strategy to build a globally competitive life sciences sector

 - Priority #1
 - Remove
 - Downtown – needs foresight. We need an urban plan.
 - Why do we need a vibrant downtown? Because it's what people are looking for when they are moving here.
 - Priority #2
 - Remove
 - Priority #3
 - Revise
 - “Development of an “ecosystem” of entrepreneurship to create a vibrant economic engine and improve productivity” → This will drive the other three priority areas
 - Goal #1 - Taxation – the tax rate is too high in the downtown core to build. For example, developers who want to build downtown have to pay tax on parking garages in their office buildings while those outside the core don't. This is an example of a tax revision that needs to be considered.
 - You could probably put a lot of things through that filter and you'd see change.
 - Our municipal framework is broken
 - Priority #4
 - Remove - Marketing plan comes after you develop a strategy. It supports your overall strategy. It's not a strategic goal in and of itself.

 - 2. Do you have any thoughts on how we organize to achieve these goals?**
 - Develop an economic strategy focused on sectors that will drive the economic engine. For example, universities are not drivers of high growth. They are enablers of an effective strategy. Pick high-growth sectors and invest in them.
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- We'll need strong, visionary, leadership to overcome inertia, allowing us to achieve our vision
- We need a longer term strategy (10+ years) with a compelling vision that people can rally around
- Goals should be prioritized on what is doable by the Greater Halifax Partnership

3. Which areas and goals are the most / or least important to the future of your sector and why?

Priority Areas & Strategic Goals: Which areas and goals are the most/least important to the future of your sector and why?	Most Important				Least Important
	1	2	3	4	5
More and better qualified people for high wage and more productive jobs		x			x
Development of a vibrant and attractive urban core as the primary economic driver			x		x
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	xx				
Market and enhance assets of Halifax as a "Global City"				x	x

Plenary Comments

- Felt that we need to redo this entire section – didn't feel industry and business was reflected in these priorities and goals. In fact, we felt excluded.

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

Priority Areas & Strategic Goals: Which areas and goals should we focus on right away in order to give momentum to the implementation stage?	
	Focus on Right Away
More and better qualified people for high wage and more productive jobs	No
Development of a vibrant and attractive urban core as the primary economic driver	No
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	Goal #1
Market and enhance assets of Halifax as a "Global City"	No

Plenary Comments

- Taxation and regulatory reform

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- Priority Area #3 – first priority
- Priority Area #1 - second priority

Comments Regarding Process/Materials

- Consultation materials are focused on the state of what is not what could be. There isn't a clearly articulated focus and strategy. It lacks strategic intent and clarity of purpose and reads like it was written by an economist.
- Entire document is problematic because it goes in and out of metrics, strategy, sub-strategies etc.
- You can't build a strategy by consensus. You need to develop a strategy and then get commentary. Start out with what you want to accomplish (the vision) and then talk about the opportunities and challenges and priorities and goals. Use the value of the sectors to get input on the draft strategy and why their sector should be chosen as a growth sector. We need to present a strategy people can align with.
- You need clear definition, articulation and communication to get people on side. Don't present people a list of problems.
- Rural/urban divide is a waste of conversation. This is a Greater Halifax strategy.
- Use metrics, use cases from other successful places around the world. Who is doing the competitive analysis?

Wrap-up – Brian Lowe

- Thanked participants for their input
- Meeting summary will be distributed shortly and published on the Partnership's website.
- As champion, Brian will keep everyone up to date
- Participants can provide further input by contacting [Allan Cocksedge](#) or by participating in the online discussion - <http://bit.ly/aUzYhd>

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APPENDIX – Descriptions & Questions

SECTION 1: OPPORTUNITIES AND CHALLENGES

Thinking about the opportunities and challenges below:

- What is your overall reaction to the opportunities and challenges?
- Is the list complete? If not, what is missing?
- Is the list accurate? If not, what revisions would you propose and why?
- From the point of view of your sector, which opportunities and challenges are the most important/least important and why?

OPPORTUNITIES

Hub City

- Conference Board identifies Halifax as one of 9 Canadian Hub Cities
- Halifax is Atlantic Canada's economic hub.
- Economic growth in Halifax drives an even faster rate of growth in the province and region
- Overall, the region benefits from growth in Halifax

High Value Jobs

- Halifax has critical mass in high-value sectors like Finance, Insurance and Real-estate, Digital Industries, Oceans, Life Sciences, Aerospace and others

Alignment

- Fiscal and economic challenges provide a motivation to realign priorities and spending....to focus on growth in high wage jobs and high value sectors

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 has among the highest concentration of post secondary education institutions and students in Canada
- The sector's value relates to its high wage direct jobs, its ability to act as a hub of research and innovation, and its role as a talent magnet
- As enrolment of Nova Scotia-born students declines because of demographics and high costs, the ability of these institutions to attract and retain international students has significant potential

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CHALLENGES

Demographic Shift

- A demographic profile close to the Canadian average within a province that has the oldest population in Canada
- Over 45,000 Nova Scotians will retire from the labour force and another 9,500 new jobs, all within the broader Halifax area, will be created by 2014
- Thus, 55,000 job openings between 2009 to 2014
- With population growth stagnant it is likely that wage pressure and the need for productivity investments will increase dramatically

Population Growth

- Up until the recent recession Nova Scotia had been battered by outflows of young professionals and skilled workers headed to areas of better economic growth and higher wages
- The population growth rate of Halifax dropped below the pace of major cities in neighbouring provinces
- Immigration has been limited, slower than past trends and slower than in neighbouring provinces

Taxation

- Personal taxation is higher in Nova Scotia than every Canadian province, with the largest differential at the high wage –high skill end of the spectrum
- Corporate taxation is the highest in Canada. Nova Scotia remains one of the last provinces to remove investment inhibiting capital tax
- Nova Scotia needs new investment to boost productivity and retain key companies (If a company is not investing it is dis-investing)

Regulation

- Major regulatory reform usually takes place without full consideration of the economic and business costs
- Regulatory costs affect business climate and ultimately the fiscal health of governments

Inertia/Resistance

- Sectors and groups benefiting from existing programming and current sector focus tend to resist change
- Some members of our elected leadership, the public sector, and implementing organizations may resist necessary change

Missing the Green Wave

- Nova Scotia is among Canada's most carbon dependent provinces
- Tidal energy is an area where Nova Scotia seems to have a competitive advantage

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Productivity Growth

- Nova Scotia has one of the worst productivity performances in Canada and Canada is among the worst in the G20
- A policy focus that put jobs growth ahead of quality jobs and a fiscal regulatory climate hostile to productivity improvement has hurt productivity growth

Partnership and Alignment

- There is little strategic alignment of economic development resources among federal, provincial and municipal governments and between agencies and departments of individual governments
- Lack of consensus in areas like gateway, infrastructure priorities, labour force policies and other areas has stalled progress

International Focus

- Nova Scotia has among the worst export growth of any province in Canada over the last decade
- Most business activity is focused on delivery of goods and services in local markets
- The value of externally oriented business and organizations as the key economic generators in our economy is not well understood by policy makers or business organizations

Myths on Growth Drivers Need Correcting

- “Last mile” efforts at a fully “wired” province will have limited economic benefits
- Political and economic policies that emphasize geographic balance over economic opportunity constrain growth
- Traditional areas of government policy attention often focuses on low wage, low growth, seasonal, low skill, low productivity, but vocal industries
- Nova Scotia has missed most of the early stage green-tech opportunities. Most government efforts have been on the regulatory side which often have economic costs. Government investment in Green-tech industry has been limited
- Old style politics, which features urban rural divisions hurt economic growth
- It is likely that net new growth in Nova Scotia will be in the region surrounding and including Halifax

Overdue Public and Private Investment in the Downtown Core

- About 20% of land in the downtown core is vacant land
- Beyond basic maintenance, HRM has not invested in the Core since amalgamation in the mid-90s

High Carbon Dependence

- Adds cost burden to both individuals and companies
- Contributes to greenhouse gas problems

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SECTION 2: VISION

Thinking about the vision statements below:

- What is your first reaction?
- Do the statements describe what we want to be in HRM?
- Are the statements valid?
- Do you see your future reflected in the statements?
- If not, what changes would you propose?

Vision – Alternative 1

Halifax is recognized by the rest of the world as a more creative, innovative, internationally competitive, and globally-oriented hub city providing:

- Increased economic and social well-being not only to people in the HRM but also to Nova Scotia and the Atlantic region;
- More high value and sustainable jobs that will attract highly qualified people of diverse backgrounds and;
- A quality of life that is the “envy of the world”.

Vision –Alternative 2

Halifax is recognized around the world as a smart, international and competitive city where:

- X% of the 25-45 year-old population has completed post-secondary education;
- X% of the city's GDP is driven by international business;
- Is found the most competitive business environment in Eastern Canada and;
- X number of high-value jobs have been created.

SECTION 2: PRIORITY AREAS AND STRATEGIC GOALS

Thinking about the list of priority areas and strategic goals below:

- Do you agree with the areas and goals? If not, what do we need to add, revise or remove?
- Which areas and goals are the most/or least important to the future of your sector and why?
- Which areas and goals should we focus on right away in order to give momentum to the implementation stage?
- Do you have any thoughts on how we organize to achieve these goals?

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Priority Area #1: More and better qualified people for high wage and more productive jobs.

Strategic Goals:

1. Development and implementation of a comprehensive learning strategy to re-skill workers to a level that allows them to compete for high wage and more productive jobs.
2. Development and implementation of an enhanced external recruitment and retention strategy to attract and retain high skilled workers from the rest of Canada and internationally.
3. Design and implement an engagement strategy with the young professional community to ensure their active involvement with the design and implementation of economic development initiatives
4. Design and implement a "talent" strategy to ensure that all elements of the population participate actively in the labor market.

Priority Area #2: Development of a vibrant and attractive urban core as the primary economic driver.

Strategic Goals:

1. Develop and implement an aggressive strategy to attract significant private investment to the urban core to address the issue of downtown office and residential stock
2. Implement a 5 year public infrastructure improvement program including targeted service and maintenance improvements.
3. Develop a plan for the building of renowned cultural institutions.

Priority Area #3: Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity.

Strategic Goals:

1. Undertake a regulatory and tax review to identify and advocate the changes to the policies and regulations at all levels of government that impede economic growth in HRM.
2. Design an engagement strategy between the economic development organizations and the college, university and technical school community to identify and act in partnership on initiatives to support economic development, improve productivity and promote entrepreneurialism.
3. Develop and deliver a strategy for business attraction and retention that targets the creation of highly skilled jobs and limiting the exit of skilled and educated young people.

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Priority Area #4: Market and enhance assets of Halifax as a “Global City”

Strategic Goals:

1. Develop and implement an enhanced trade and investment strategy that builds on the current international market development activities underway.
2. Continue the development of an internationally competitive transportation system covering all modes that supports the efficient movement of goods and people.
3. Design and deliver a wide-reaching public relations and communications program designed to change the awareness and perception of the players in the HRM regarding the growth potential and opportunities in the international marketplace.