

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

Manufacturing Consultation

Tuesday, June 22, 2010

1:30 – 4:30 p.m.

Location: Four Points Sheraton, Capitol Room

Champion: Joe Fitzharris, Marener Industries

Facilitator: Janet MacMillan, MT&L

Participants

- Bo Thorn, Scanwood
- Craig Williams, ACOA
- Pam Rudolph, NSBI
- Darren Nantes, APC Coatings Ltd.
- Gary Johnson, Maritime Paper
- Kendal MacPhee, NSBI
- Michael Glister, Focal Technologies
- Robert McMahon, Satalantic
- Tom Galley, IMP Aerospace
- John Kavanagh, ACOA
- Ben Nasson, Helly Hansen
- Bruce Hennebury, Nova Scotia Department of Finance
- Sandra Greer, Amirix Systems Inc.

Session Recorder

- Krista Hall, Greater Halifax Partnership

Observers

- Allan Cocksedge, Greater Halifax Partnership
- Margie Casallas, Greater Halifax Partnership

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

Opening Remarks – Joe Fitzharris

1. Project Overview
2. Purpose of Consultation
3. Participant Introductions

Session Introduction – Janet MacMillan

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

Participant Feedback

Opportunities and Challenges

What is your overall reaction to the opportunities and challenges?

- They may not be reflective of the true challenges
- They are not clear
- Appears to be a bias against manufacturing. This list seems geared towards knowledge based companies.
- There needs to be more conversation around prioritizing the list because several were ranked 1 and 2. What are the top priorities?
- Where should investment be focused?
- Thought a lot were outcomes and not strategies. For instance, hub city. Is that a strategy or is it an outcome? If we do some of the other things we will be the hub.

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

- Immigration
 - Our immigration policy contradicts desire to grow the province through immigration. There is a lack of alignment. We need an immigration policy to support local businesses in attracting skilled labour.
 - Need an immigration policy that is relevant/unique to Nova Scotia and Halifax. A policy that would see Halifax as a destination for immigrants.
- Lack of “quality of life.” There’s a lot of research and discussion around quality of life and its correlation with economic development. They would have rated it as #1 if it had been on the list.
- Coordinating and promoting Infrastructure particularly related to Halifax being the gateway for Atlantic Canada

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

Is the list accurate? If not, what revisions would you propose and why?

- The list items are geared more towards knowledge-based companies and not manufacturing
- Seemed to be a challenge in interpretation (e.g. myths around growth drivers. Are they corrected myths?)
- Struggled with the term "high-value" – is it high-wage in terms of office jobs or can it be high-wage in trades

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			xx		
High Value Jobs			xx		
Alignment		x		x	
High Education Level		x		x	
Concentration of Post-secondary institutions		x	x		
Demographic Shift	x	x			
Population Growth			xx		
Taxation	xx				
Regulation	x		x		
Inertia/resistance	x	x			
Missing the Green Wave	x		x		
Productivity Growth	xx				
Partnership and Alignment	x				
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			

Plenary Comments

Top Opportunities and Challenges

- Taxation
- Demographic shift
- Regulation
- Inertia/Resistance
- Missing the Green Wave
- Partnership and Alignment
- Productivity, Growth

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

- International Focus
- Myths on Growth Drivers Need Correcting
- High Carbon Dependence

- Hub City strategy
 - Build business and let the hub happen
- Downtown Core
 - To attract people we need a vibrant core, a destination. It's not necessarily where we need our businesses to be.
 - Don't make it the overall priority.
 - Not as important to manufacturing sector.
- High value jobs
 - High value vs quality. We need a balance.
 - The high value jobs create a pool that allows people to grow and move. Ties in with creating the hub city.
- Partnership and Alignment
 - Should we be concerned that the government is leaving?
- High Education Levels and Concentration of Post-secondary Institutions
 - These two should complement each other
 - Perhaps consolidate post-secondary institutions to some degree
- Missing the Green Wave
 - Generate enough business for business
 - Has an impact on the younger population.
 - If there are regulations, we'll comply.
 - Proactive – carbon footprint could be differentiator
- International Focus
 - Must export
- Taxation
 - It's reality. Not a driver.

[Vision Statements](#)

What is your first reaction?

- Too long
- Too wordy
- Too cliché
- Vision statement should tell your customers and employees what you want to be
- Don't get bogged down in the qualitative measurement
- Lot of subjective language
- Lot of "more" – too soft

HRM’s Review and Renewal of the Economic Strategy 2011 - 2016

- Vision #1
 - Good – mentioned quality of life
 - Can we measure the bulleted statements?
- Vision #2
 - Better – has metrics
 - Mixes strategic goals and vision
 - Thought high-level statement was valuable

Questions 2, 3 and 4

Vision			
	Yes	No	Notes
Do the statements describe what we want to be in HRM?	x		<ul style="list-style-type: none"> • The words in the statements however, they liked. They describe what we aspire to.
Are the statements valid?	xx		<ul style="list-style-type: none"> • Yes, they are valid.
Do you see your sector's future represented in the statements?	x		<ul style="list-style-type: none"> • Liked the words in the statements. They describe what we aspire to be.

If not, what changes would you propose?

- Would rather see us increasing GDP than be concerned about what percentage is international

Alternate Visions

- “Halifax is recognized around the world as a smart, international and competitive city providing a quality of life that is the envy of the world”
- “Halifax is recognized around the world as a smart, international and competitive 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”.

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

[Priority Areas and Strategic Goals](#)

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	Comments
More and better qualified people for high wage and more productive jobs	xx			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	x			xx		
Market and enhance assets of Halifax as a "Global City"				xx		

- Priority #1
 - Agreed with this statement.
 - Revise – “develop more flexible workforce that can be retrained to move into new jobs as manufacturing changes (new technologies often result in lay-offs).” They do this in Denmark and it works well. This allows employees to feel good about themselves and is also attractive to investing companies
- Priority #2
 - Disagreed with #2 - not applicable to growth of the manufacturing industry. Seems to be more reflective of knowledge based jobs.
 - Revise. Take out the word “primary.” We do see it as important. We need to have jobs for spouses of those working in manufacturing.
- Priority #3
 - Agreed with #3 but revised – “development of a business friendly culture to reduce commercial risk and improve productivity and growth”
 - Recognize that it is important but it should be revised. Don’t like the word eco-system
- Priority #4
 - Revise – “Halifax is the Gateway to North America.” This is a familiar statement as many businesses / organizations use it. We need consistent messaging.
 - Revise - Flip “market” and “enhance”. Build it first and then market.

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

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	Notes
	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			

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	Comments	Notes
More and better qualified people for high wage and more productive jobs	#2, #2		
Development of a vibrant and attractive urban core as the primary economic driver	#3, #4		
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	#1, #1		
Market and enhance assets of Halifax as a "Global City"	#1, #3		

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

Do you have any thoughts on how we organize to achieve these goals?

- Develop an implementation strategy for the implementation strategy
- Areas that were identified in the opportunities and challenges, and that the group thought were priorities, were not reflected in the priority areas and strategic goals.

Final Comments

- Select a few priorities and opportunities – don't try to do it all
- Need to cluster and prioritize
- Liked the measurement and accountability as was done with the chamber's economic report card
- Don't forget about the manufacturing sector. Don't get caught up with high-wage, high-tech jobs.
- How well coordinated is this process with the province? Won't Halifax's success negatively affect the rest of the province?
- Be careful that this strategy isn't seen to be a downtown development strategy. It needs to be cross-sectoral for the entire region
- From a manufacturing and processing standpoint, developing areas like Burnside is important. If these areas grow the downtown will also grow.
- How much of the employment is in manufacturing? It's 5%.

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

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

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

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

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

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

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

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?

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.

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

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.

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 op