

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

Tourism, Culture & Hospitality Consultation

Tuesday, June 29, 2010

9:00 a.m. – 12:00 p.m.

Location: Compass Room, Four Points by Sheraton

Champion: Jeff Ransome, Marriott

Facilitator: Paula Harrington, Deloitte

Participants

- Jeff Ransome, Marriott Hotels
- Roberta Dexter, MPI Atlantic Chapter
- Nicholas Carson, Prince George Hotel
- Gary Powell, Grey Line
- Mark Boudreau, MT&L
- Cathy McGrail, Cruise Development, The Port of Halifax
- Bob Moody, Pier 21
- Gordon Stewart
- Pay Lyall, Destination Halifax
- Jerry O'Neil, ACOA
- Erica Beatty, Symphony Nova Scotia
- Grant MacDonald, TCL
- John Somers, Department of Tourism
- Angela Dennison, TCL
- Karen Fraser, Greater Halifax Partnership

Session Recorder

- Krista Hall, Greater Halifax Partnership

Observers

- Allan Cocksedge, Greater Halifax Partnership

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Introduction - Jeff Ransome

1. Project Overview
2. Participant Introductions

Consultation Overview – Paula Harrington

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?**
 - Not tourism specific. Tourism doesn't appear in the document.
 - Doesn't speak to our sector. As a result, participants are offering more of an individual perspective than sectoral. Doesn't "put meat on the bone" for our sector.
 - Document seems to have been written with the knowledge based industry in mind
 - Presumption / inference that tourism and culture sector is low-value. Dangerous statement about low-paying seasonal jobs. A healthy economy needs all kinds of jobs. If it's only about high-wage jobs, then this is short-sighted. Needs a more balanced approach
 - Many of these things are related. The list should be pared down.
 - Need clarity around definitions in order to get a clear consensus in the room
 - Some of the language is leading and fuzzy. Some of the logic is flawed. Pg 21-22 (seasonal workforce....) seems to polarize.
 - Many of these things are related – immigration and population growth, taxation and growth. Difficult to say if it's the cause or the effect. It's important to show how the opportunities and challenges are interrelated and how we can influence, change, or control these issues.
 - Economic results positive and are probably consistent with the trend of urbanization across the country
 - 79% say low crime rate is important so how does Halifax compare these days?
 - "People oppose tall buildings" Really? Interpretation 55% either completely or mostly support 10 stories or taller. Few questions about this interpretation of opinions.
 - Worst productivity – why and what does that look like?
 - Export performance is alarming

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

- High-value jobs – correlation and link between business events industry is missing. Business events offer an opportunity. Attract large groups to the city.
- Concentration of post-secondary institutions – universities also draw significant tourism/convention and research opportunities to the city
- High-paying vs low-paying jobs – we don't want a strategy that presents a vision that is one-sided. We shouldn't grow high-paying jobs at the expense of low-paying jobs. This sector supports low-paying jobs.
- Demographic shift – interesting opportunity. As the workforce retires from full-time roles there are many who want to return to an interactive, fun, less stressful role. Retirees offer alternate workforce and additional visitors.
- Needs an analysis of sectors with regards to contribution to the economy (number of jobs, tax revenue contribution)
- Priority sectors should be chosen based on contribution
- Didn't understand myths on growth drivers. For this sector, some of these myths are a reality.
- Tourism and immigration are missing
- Missed focus on quality of life and its relationship to immigration (talent attraction and retention), the absence and importance of culture to support, attract and retain youth and immigrants and high-value jobs; importance of tourism as an export industry.
- No, needs more emphasis on quality of life
- Crime rates, and addressing this, is important
- State of repair of infrastructure seems to be ignored
- Health care and quality of health in this province is missing

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

- Tourism definition needs to be expanded to include all visitors to our city - business visitors (e.g. conventions) spend a lot of money per visit, as well as leisure visitors (e.g. cruises, VFR)
- Section on international and exports needs revision. International - define as import replacement
- Tourism is an export industry. This should be highlighted somehow.
- No recognition of contribution of culture as it relates to life balance – to this place and sense of place.
- Definition of value – is it value relative to contribution or solely defined as high-paying
- Some listed as opportunities could be challenges
- More emphasis on the importance of brand – speaks to quality of life, general appearance of HRM, crime/safety.
- Alignment
 - Seems like a mask for cost-cutting. Need to be honest. Let's not use fancy language. Be clearer about what this means. Need more investment.
 - There is good alignment in government for this sector.

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4. Which opportunities and challenges are the most important/least important and why?

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	xxx				
High Value Jobs		xx			x
Alignment			x	xx	
High Education Level		x	x	x	
Concentration of Post-secondary institutions		xx	x		
Demographic Shift	xxx				
Population Growth	xx	x			
Taxation	xx	x			
Regulation	x		x	x	
Inertia/resistance		x	xx		
Missing the Green Wave			x	xx	
Productivity Growth			x	x	
Partnership and Alignment	xx				x
International Focus	xx	x			
Myths on Growth Drivers Need Correcting	x		x		
Overdue Public and Private Investment in the Downtown Core	xxx				
High Carbon Dependence		x	xx		

Plenary Comments

- Most opportunities and challenges were rated 1 or 2
- Alignment, regulation, productivity and growth were scored lower
- Hub City Strategy
 - One of the top priorities for the plan
 - We should support this strategy – taxation, regulation and investment in the downtown core
- Other top priorities
 - Partnership and Alignment
 - Investment in Downtown Core
 - High-value jobs, population growth/demographic shift
- Taxation
 - Disconnect between taxation and desire to retain/attract high paying jobs
 - Sometimes over-simplified
 - Work on a tax policy to create a system/balance
 - Nova Scotia tax and regulatory burden worst in Canada
- Inertia
 - Human dimension

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- Important challenge
- Extra energy
- Green Wave
 - Green is about perception
 - Important to image
 - Invest in it
 - May not be able to address
- Productivity
 - Ontario is a high, but don't want to make this the priority
 - Production is per capita
 - It will come from others
- International
 - Sustainability
 - Population is shrinking
 - Need to go outside
 - Need more visitors
 - Need immigration
 - Culture/tourism is an international export
 - Concentration of post-secondary institutions and international focus. See these as related.
- Myths
 - Stop listening to all
- Public and Private
 - Create an environment to attract private investment
 - Public /private – mask of debt
 - Viable revenue stream
- High Carbon Dependence
 - Issue for image/branding
- High Value Jobs
 - Accommodation and food service is 6% of the population

[Vision Statements](#)

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

- Vision #1
 - Achieving a quality of life that is the envy of the world will drive all other economic drivers. Knowing the end result will lead us to social and economic well-being
 - Like alternative #1 better.
- Vision #2
 - Didn't excite us. Not inspiring
 - Too quantitative and narrowly focused.
- Doesn't capture warmth or hospitality of the region. Doesn't capture our uniqueness.

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- Too cumbersome
- Too dependent on outside opinions. Don't worry about being recognized by others.
- Shorten the vision
- It should resonate with people
- Everyone in HRM should relate to this vision
- Feel there is a lot of work to be done to narrow/shorten the vision so it is memorable and resonates with people
- Practical, not inspiring
- Too specific
- If the vision were "a quality of life that is the envy of the world" the rest would follow

Questions 2, 3 and 4

Vision			
	Yes	No	Notes
Do the statements describe what we want to be in HRM?	x	x	<ul style="list-style-type: none"> • Too tactical and self-serving • Vision needs to be passionate so it ignites people • Yes, generally • No, not what we want to be • Need a passion statement that will ignite, inspire and engage • Not really –more economic versus a real vision
Are the statements valid?	xxx		<ul style="list-style-type: none"> • Somewhat in "quality of life" but that is about it • Yes, for the most part • Measurables are objectives and targets. Delete them from the vision statement
Do you see your sector's future represented in the statements?	xx	x	<ul style="list-style-type: none"> • Somewhat • Yes, "being the envy of the world" does resonate with the sector • Neither meets the tourism sector positioning

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5. If not, what changes would you propose?

- Keep it simple. Simply the vision to ignite a feeling. Even NASA is simple - “put people into space”
- Are there existing programs such as Come to Life that we can leverage? Perhaps we don't need to write a vision from scratch. How does Halifax capitalize on what exists?
- Alternate Visions
 - “Halifax is a creative and innovative globally-oriented hub city”
 - “Halifax is a creative, innovative hub city”
 - “Halifax is recognized as delivering a quality of life that is the envy of the world”
 - “Halifax is a world leader in the quality of life we provide. We are creative, innovative, internationally competitive and globally oriented.”
- Want to include the words – “business, culture, creativity, destination, welcoming”
- Eliminate “recognized” from the language
- Not excluded
- Cultural centre
- We want the vision to be more forward, competent, confident - “we are”
- Could use a mission statement to clarify Greater Halifax Partnership's actual role

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	Comments
More and better qualified people for high wage and more productive jobs		xx		xxx		<ul style="list-style-type: none"> • Immigration • What are “more productive jobs”? • Discriminates against tourism industry
Development of a vibrant and attractive urban core as the primary economic driver	xxx			xx		<ul style="list-style-type: none"> • Add tourism lens
Development of an "ecosystem" of entrepreneurship to reduce commercial risk and improve productivity	xx	x		xx		<ul style="list-style-type: none"> • Change to “Creating a positive environment to do business”
Market and enhance assets of Halifax as a "Global City"	x	x	x	xxx		<ul style="list-style-type: none"> • Not about marketing at all. We need to enhance our assets • Remove “global city”

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Plenary Comments

- Strategic goals were difficult to understand and very lofty
- Some things don't seem doable by the municipality. Need clarity around what's under our control and what isn't.
- Global is fine but are we even beating out the local competition?
- Add socially and vibrant quality of life
- Priority #1
 - Revise. Doesn't speak to the immigration piece. What are the more and productive jobs? More jobs is an improvement but what are productive jobs? Are tourism jobs considered to be less productive?
 - Revise. It's about qualified people and a sustainable jobs.
- Priority #2
 - totally agree
 - Agree with this. It needs to move forward.
- Priority #3
 - we want to simply create a positive environment to do business.
 - Didn't understand the question. Should read "facilitate entrepreneurship"
- Priority #4
 - It's about enhancing the assets not really marketing
 - We're not there yet to market ourselves as the hub. Let's agree on what hub city means, build the infrastructure and then market it

2. 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/lest 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		xx		
Development of a vibrant and attractive urban core as the primary economic driver	xxx					<ul style="list-style-type: none"> • Most important • Would do this if they could only do one thing.
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		xx			

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

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

- We need more clarity. Lot of mumbo jumbo words that aren't relevant to the tourism sector.
- Plan should be easily understood by all citizens. High school students are the business and social leaders of tomorrow. Have them understand the goals and everyone will understand them!
- Create and foster partnerships to accomplish goals – growing relationships among agencies that will be the agents of change
- 1. Municipality has to agree to the vision and plan with business
- 2. Province needs to buy-in and endorse the municipal plan
- 3. Federal government needs to endorse provincial / municipal plan
- 4. Sign a series of cooperative agreements amongst all groups in support of implementation and focus
- Stay Focused

General Comments / Questions

- If there's investment then culture will happen
- When we talk about a hub city and any vision for Halifax, we simply have to start acting like it. You don't become anything...you start acting like it and it will happen. It's a mind shift. We're not trying to be the hub city. We are the hub city. We need to start acting like it and getting buy-in from the ground up.
- If we're not going to develop a piece of land within 6 months then we should create temporary public places – green space in parking lots; art school could decorate
- Too much focus on high-quality jobs. Don't understand what they are. A job is a job. Less focus on this and more focus on creating an environment where developers can develop and then the jobs will come. Business creates jobs. We should focus on getting business in - removing regulation and red tape that hinders growth.

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Wrap-up

- Really good to hear everyone's feedback
- Jeff will bring this group's views to the Mayor's Economic Advisory Committee
- Reach out and answer further questions going forward.

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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 labourforce 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?

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

Strategic Goals:

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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.

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.

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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.