

Greater Summerside Chamber of Commerce 2016 Pre-Budget Submissions

AS PRESENTED BY THE GSCC POLICY COMMITTEE ON FEBRUARY 18, 2016
TO THE HON. ALLEN F. ROACH, MINISTER OF FINANCE & DEPUTY MINISTER
DAVID ARSENAULT



**GREATER
SUMMERSIDE**
CHAMBER OF COMMERCE

ABOUT THE GSCC

- ❖ **Summerside's voice of business since 1900**
 - ❖ Our Chamber brings together local business owners, professionals and community leaders who share a common goal — the economic development and prosperity of the Greater Summerside area

- ❖ **Broad and Diverse membership**
 - ❖ The GSCC boasts a membership of just under 400 local businesses, professionals and not-for-profit groups collectively employing over 4,000 people in the Summerside area
 - ❖ Our members range from some of the biggest companies/employers in PEI, to individuals just getting their start in business



MORE ABOUT THE GSCC

❖ Governance

- ❖ With only two full-time staff, the GSCC is a volunteer-driven organization, funded entirely through membership fees, corporate sponsorships and revenues derived from events & activities organized for members
- ❖ GSCC is a 10% shareholder in the Summerside Regional Development Corporation (Province of PEI: 75%, City of Summerside: 15%)

❖ Advocacy

- ❖ Through its Board of Directors and standing committees, the GSCC is an advocate for its member businesses, raising their issues and concerns at the municipal, provincial and federal levels
- ❖ Policy Committee is open to all interested GSCC members, and solicits member views through surveys, direct contact and via social media



THE WAY FORWARD

- ❖ **GSCC's major community forum initiative**
 - ❖ Our initial 2014 event started the conversation about what Summerside "could be"
 - ❖ The Way Forward 2015 identified four priority actions for our business community
- ❖ ***The Way Forward* action items (2015 edition):**
 - ❖ Joining with community stakeholders on a joint vision for Summerside
 - ❖ "Changing the story" to focus on our community's many positives
 - ❖ Connecting Newcomers into the business and social fabric of the city
 - ❖ Engaging the community's future leaders – Summerside 2030



RECENT GSCC POLICY PRIORITIES

- ❖ Electricity and energy issues – notably, involving the Summerside Electrical Utility
- ❖ Tax reforms to encourage and stimulate economic growth
- ❖ Encouraging development of sound “people strategies” for the greater Summerside area



GSCC ON ELECTRICITY

- ❖ We endorse the City of Summerside's efforts to grow our local utility, for the benefit of taxpayers and local businesses alike
 - ❖ We strongly support green power initiatives in our City and across PEI
 - ❖ At the same time, our Chamber is disappointed in the City's ongoing reluctance to leverage our utility to gain a competitive advantage in relation to Maritime Electric
- ❖ GSCC supports the City in its effort to gain easier and more affordable access to market power produced in Summerside to customers off-Island.



GSCC ON TAX REFORM

- ❖ In November 2015, GSCC Executive members Mark O'Keefe and Kelsie Montgomery presented to the Standing Committee on Education and Economic Development
- ❖ Our position: personal tax reforms are an effective way to stimulate the Island economy, and to address our perceived provincial skills shortage, with minimal impact on the bottom line for small business



ON TAX REFORM, GSCC SUPPORTS:

- ❖ Adjusting the basic personal exemption upwards to allow small business owners and their employees alike to enjoy increased after-tax income
 - ❖ Small businesses would retain capital funds to provide for business growth
 - ❖ Mitigates the perceived need for additional increases to minimum wage
- ❖ Making PEI more affordable to middle-income earners is critical for economic growth
 - ❖ The great Island MYTH: it is cheaper to live in PEI than elsewhere in Canada
 - ❖ Currently, earners in the middle income brackets pay between 16% and 19% more provincial tax in PEI than the national average



ADDITIONAL GSCC TAX POSITIONS

- ❖ To offset middle class tax breaks aimed at young professionals and skilled workers, PEI should consider a new top tax bracket
 - ❖ Currently, the highest tax bracket on PEI starts at just under \$64,000 (lowest in Canada) vs. \$150,000 in Nova Scotia and \$130,000 in New Brunswick
- ❖ Incentivize economic growth through tax relief
 - ❖ Consider corporate tax breaks for companies that achieve tangible metrics in such areas as employment growth
- ❖ GSCC on HST
 - ❖ Historically, our membership was divided on the introduction and implementation of the HST, with members in the residential construction industry being particularly concerned of the tax's impact
 - ❖ There is no appetite amongst GSCC members for an increase to the HST at the present time, and we encourage a full review of existing exemptions to the HST



THE WAY FORWARD: PEOPLE

- ❖ Demographic challenges are perhaps the most daunting challenges facing PEI as a whole

- ❖ We perceive several key challenges for Summerside:
 - ❖ Shortage of attractive economic opportunities for young Islanders who wish to remain or return home to build their careers
 - ❖ Attracting and retaining Newcomers to the province, to the City of Summerside

SUMMERSIDE IS MORE THAN IT SEEMS

- ❖ While only a small City, we service a large regional population
- ❖ Our City boasts amazing amenities for a community our size
- ❖ Two key underutilized areas in the greater Summerside area: 1) Slemon Park and 2) Waterfront



JUST SOME OF SUMMERSIDE'S ASSETS:

- ❖ Holland College Waterfront Campus & Marine Training Centre
- ❖ CFB Summerside facilities – most notably the longest runway east of Montreal
- ❖ City of Summerside Electrical Utility and Wind Farm
- ❖ But... the public and private sectors collectively aren't doing an adequate job selling Summerside



WELCOMING NEWCOMERS

- ❖ Summerside faces the same challenges in attracting newcomers as rural PEI
 - ❖ PEIANC presence slow to emerge
 - ❖ GSCC believes that the provincial government's approach to immigration must extend beyond the capital city
- ❖ We recognize that the business community itself has a significant role to play in welcoming new Canadians to our City

CLOSING COMMENTS

- ❖ The GSCC supports the provincial government's objective of achieving a balanced budget in the coming fiscal year
- ❖ The GSCC does not support budgetary actions or initiatives that will harm the local business climate simply to achieve balance
- ❖ The GSCC encourages the provincial government to recognize the opportunities that exist in Summerside, and to partner with our organization and other local stakeholders to help achieve our vision of prosperity



THANK YOU!



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