



**Speaking Notes**  
**For Steve Power, Incoming Chair**  
**Provincial Pre-Budget Consultation**  
**8:30 a.m., January 13, 2012, Capital Hotel**

Good morning and thank you for this opportunity to discuss the province's finances in an open forum.

I will just speak for a few minutes on the Board of Trade's priorities for Budget 2012. Specifically, I will talk about the 3 D's – debt, demographics and diversification.

Let me start with debt.

Minister, we welcomed the province's decision in November to use non-renewable revenues to pay down debt. We believe debt to be substantial, not because it's a big number that's hard to conceive but because we can view it as investments that can't be made because we're spending it on interest.

Debt servicing costs roughly \$2 million per day. Meaning that by the time Monday rolls around, the money we spend on public debt charges could have:

- Tripled the \$1 million over the next two years for the Positive Action for Student Success program, which currently supports 250 disengaged or at-risk young people across the province so they stay in school, and,
- Grown the \$400,000 this year in interim funding to implement the first stages of the Provincial Strategy of the Inclusion of Persons with Disabilities by about six times.

But because of our past financial history and maybe some resistance to using our oil money to pay our outstanding bill in full, in the five minutes it takes me to deliver this presentation we will have paid \$1,400 on interest rather than important programs and services.

Using today's oil revenues to pay off the bills we have accumulated means three things. The province will:

- be better positioned to weather future storms,
- save money on interest payments, and
- be able to make sustainable investments in important public services for its people.

This isn't about numbers for the Board of Trade. We are business people, yes, but we are parents and children, friends and neighbours. Business is what we do but it's not who we are. We care

about the people around us and we think that advocating for debt reduction is a good legacy to leave.

Let me move to diversification, because that's directly related to the legacy we will leave based on our actions today.

Minister, you were quoted in a news article earlier this week that you were looking for ideas on diversification. That's something that the Board has talked about publicly and has talked about with you directly. So we wanted to come with some ideas; we would be happy to sit down with you afterwards and discuss them in more detail, but here are some initial thoughts.

In the immediate or short term, let's create the structure and environment:

- Recommend to the Premier that she appoint a Parliamentary Secretary for Diversification reporting either to herself or to the Minister of Innovation, Business and Rural Development.
- Appoint a Blue Ribbon Panel which will generate a diversification report, much like the Our Place in Canada commission process.
- Create a diversification sub-committee of Cabinet, consisting of yourself, the Minister of Natural Resources and the Minister of Innovation, Business and Rural Development.
- And adopt an Arctic Gateway strategy to take advantage of Labrador's booming economy and its natural geographic advantage to access Arctic opportunities.

Minister, we have some other ideas that we would like to bring forward to you but we think these are reasonable and strategic ideas that can be implemented in a timely fashion as a starting point.

Finally, I'd like to talk about demographics as it relates to labour market development. The new number one concern of our members is recruiting qualified employees. There are many facets as to how to address this matter and I know the province and business and labour are working on a number of fronts.

The province may want to consider, and may want to include these things in the Speech from the Throne and the Budget, things like:

- Immigration and temporary foreign workers will be part of the solutions and we need to ensure that the province's immigration office is adequately resourced to deal with the influx; if we know we are going to have labour shortages we need to put our resources into solving that problem;
- The province might consider working with the federal government to move its labour market opinion renewal timeframe from 12 months to 24 months, as other provinces have;
- Implement a provincial transportation strategy, which was in the Blue Book, to ensure that it's easier for the welder in Deer Lake to go to Long Harbour than it is to go to Fort MacMurray;
- Reduce taxes on jobs such as the payroll tax because that money is more needed and better spent in communities and will result in increased employment and wages, helping to attract workers;
- Concentrate recruitment and retention efforts on expats and international students; and,

- Control what we can such as spending within our means so that youth aren't turned off from a place where they know taxes will increase and public services will decrease 20-30 years from now.

Speaking of public services, we know that municipalities have a great deal of the burden in providing vital services, and we would encourage you consider their views, particularly that of our capital, as it is a regional and provincial centre that has unique cost-pressures.

Minister, we don't profess to have all the solutions but we know that you are listening. Hopefully some things that we have presented can be implemented with positive effects on public policy and our province's finances.

We would encourage you and your colleagues to consider these suggestions in the context of your regular decision-making and in Budget 2012.

We thank you for your time today and wish you luck as you meet with people and groups around the province so that Budget 2012 is another initiative that moves us closer to an even better province.

Thank you.

Steve Power  
Incoming Chair