

Memorandum to Hon. Tom Marshall, Q.C., M.H.A.
Re: Meeting with St. John's Board of Trade on November 10, 2009

Budgeting & Spending

The St. John's Board of Trade encourages continued prudent management of public funds. Government has taken responsible steps in managing the people's money. The Board encourages continued balanced budgets, competitive taxes and limits to growth in public sector spending.

The Board can support government in articulating messages of fiscal prudence and the benefits of debt reduction and controlled spending today to secure a strong future.

Competitive Environment

Elimination of the payroll tax would support business development and attraction, as the current tax puts local companies at a disadvantage against companies with head offices outside of the province, even when competing for work in this province. Businesses want to locate in competitive areas and the spin-offs are significant in terms of employment and wealth creation. Indirectly, local decision-making and community involvement can allow governments to free up resources for other priorities.

Other costs such as Workers Compensation premiums need efforts to ensure fairness that leads to competitiveness. Efforts have been undertaken to reduce the number of workplace accidents, by government as well as by the private sector and labour; now efforts must be undertaken to reduce the cost of the system to all parties.

Minimum Wage

In a little over six months, minimum wage will be \$10/hour. The Board wants to be directly engaged on plans for the minimum wage after 2010, to bring forward solutions on minimum wage.

Local Business Interests

The Board strongly supports maintaining and enhancing local ownership of business. Incentives, skill/knowledge transfer supports, and training and private sector expertise can support the transition of ownership of local businesses to up and coming local entrepreneurs. This would be consistent with the directions of the Youth Retention and Attraction Strategy.

Innovation and Diversification

By selecting a small number strategic industries and investing significantly in their success, we can diversify the economy and secure our future. Natural resources are finite, so a foundation must be laid to drive the economy of the future. Now is the time for focus on innovative industries which have demonstrated success and potential in international markets, which already have traction in bringing in new money and expertise to the province, and have high long-term potential in terms of employment, taxation, skills transfer, and high wages.