

Memorandum to Hon. Danny Williams, Q.C., M.H.A.
Re: Meeting with St. John's Board of Trade on January 6, 2010

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 limited growth in public sector spending.

The Board will support government in promoting fiscal prudence 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 the province, even when competing for work in this province. Businesses want to locate in competitive areas and the employment and wealth creation spin-offs are significant. Indirectly, local decision-making and community involvement by the private sector can allow governments to free up resources for other priorities.

Further enhancing our province's competitive climate, which includes taxation, WHSCC premiums, economic diversification and a number of other topics, is a top Board advocacy priority for 2010. The Board will bring forward specific solutions to government in this regard.

CAT 3 ILS for St. John's International Airport

With the air access strategy and the recent addition of a London Heathrow flight, it is an opportune time to make an investment in St. John's airport infrastructure. The economic benefit is evident, with hundreds more flights and thousands more passengers able to pass through the capital city. It would also combat negative perceptions about our ability to do business.

Minimum Wage

Minimum wage will soon be \$10/hour. The Board wants to be directly engaged on plans for the minimum wage going forward. The Board believes the issue is really about a minimum standard, or quality, of living. In its 2009-10 pre-budget submission, the Board encouraged government to develop a comprehensive inventory of any policies that may have a negative economic impact on lower income earners. This inventory would determine ways to achieve social objectives at low public costs, and address important labour supply/availability issues.

Innovation and Diversification

By selecting a small number of strategic industries and investing significantly in their success, we can diversify the economy and secure our 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.