

GANDER AND AREA CHAMBER OF COMMERCE

2015 PRE-BUDGET CONSULTATION

MARCH 2, 2015



“IN BUSINESS, FOR BUSINESS”

**PRESENTED BY: PHALLAN WHITE
CHAIR**

2015/16 Pre-Budget Consultation

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Minister O'Brien - the Gander and Area Chamber of Commerce is pleased to be present at the 2015 Pre-budget Consultation today.

Many changes have taken place in the Province over the past year...I am especially referring to the financial position of our Province. The Chamber understands this problem is not only unique to our Province as many others are facing similar situations.

The drop in the price of oil is the driving force behind the challenge we are currently faced with. For many years at previous Pre-budget Consultations the Chamber has urged Government to diversify their revenue streams as to not rely too heavily on the oil industry and to remain fiscally responsible when handling the Province's finances. Yet here we are today facing a \$1Billion deficit for 2014/15. The people of our Province need to know how we got to this situation when over the years the Province has been the beneficiary of over \$20 Billion in oil royalties.

The Chamber has no issues with the review called to look at a reduction in Electoral Boundaries; however reducing the number of MHA's and even the size of Cabinet will have no effect unless government reduces the size of the civil service, and particularly the middle and upper management. Reducing the Cabinet by eight is no good if there are still the same or more Deputy Ministers and Assistant Deputy Ministers. This layer of government has a particularly high level of expenses that never seems to get trimmed, and their salaries and benefits are expensive and growing more so.

There is no room to trim the frontline services as these areas were all reduced in the 2013-14 Budget to a point where any further reductions would cause serious implications to services.

The Chamber and many other groups fought to have the School Board office stay in Gander but was assured by the Minister, at that time, that this would see a major reduction in expenses for the Department of Education...well today the only thing that has changed is that the expenses of the Department has increased substantially as they continue to rent space in Atlantic Place. We thank you Min. O'Brien for your dedication to ensuring the new 4-6

Elementary School become a reality...the completion of this school is much needed with the current overcrowding at Gander Academy.

As a Chamber we urge Government to work closely with and listen to small and medium size businesses as they are the backbone of our economy. They will continue to be the grassroots long after the big corporations move on to new locations. When considering your strategic plan to overcome the fiscal challenge we ask you not impose actions that will see these businesses forced to make decisions on their future to offset Government's failure to diversify the economy.

In rural NL the fishery continues to be strong even through the many hurdles they face along the way with cuts in quotas and changes to processing regulations and we ask Government to continue to support the fishery.

Tourism continues to be a strong revenue generator for the Province and we ask Government to continue their support for this industry especially given that tourism now contributes in excess of \$1 Billion a year to the Province.

Minister O'Brien the Chamber will be continuing to monitor these Pre-budget Consultations and should the need arise; will look to submit further feedback to the 2015-16 Budget. I thank you for the opportunity to speak at this event and wish your government well as they face the challenges ahead of them and we ask that when finalizing the Budget to remain as fiscally prudent as possible. The Chamber commits to working with our MHAs and Government for the economic well-being of our area and the Province as a whole.

Phallan White
Chair