

February 23, 2022

Hon. Chrystia Freeland

Deputy Prime Minister and Minister of Finance

Department of Finance Canada

90 Elgin Street

Ottawa, ON K1A 0G5

*Delivered via Email*

**Re: 2022 Federal Pre-Budget Consultations**

Deputy Prime Minister Freeland;

On behalf of the Greater Charlottetown Area Chamber of Commerce (GCACC) and its 1100+ members, I write to you in addressing our recommendations to the federal government as part of your 2022 pre-budget consultations. This past year has been another challenging and frustrating time for many of our members as COVID-19 remained a factor. We enter this year focused on the recovery and need Canadian business policy makers drafting the budget to be mindful that the overall effects and impacts of the pandemic remain.

We appreciate your government's work in supporting businesses throughout the pandemic and investing in key initiatives that enable recovery, such as childcare agreements, diversity and inclusion programs, immigration supports, and a solid rollout of COVID-19 vaccinations and boosters across the country. There is work to do, but our Chamber is encouraged by the federal government's balanced approach to finishing the fight against COVID-19. Below you will find our 2022 federal pre-budget recommendations.

***Managing COVID-19***

The Chamber recognizes and appreciates the federal government's implementation of critical COVID-19 support programs for businesses throughout the pandemic. Programs such as the Canadian Emergency Wage Subsidy (CEWS) and the Canadian Emergency Rent Subsidy (CERS) have been lifelines for many businesses over the past two years. While we hope businesses can recover and move away from COVID-19 support programs, we recognize that targeted and tailored programs may need to be present for businesses in the hardest-hit sectors. Moving forward, we encourage your government to ensure sufficient and timely policy, communications, and resources to effectively manage and live with COVID-19 to keep Canadians safe and businesses open.

### ***Continued immigration supports***

Immigration growth continues to spark both cultural and economic growth within our province. The Chamber welcomes your government's commitment to bring 1.2 million newcomers to Canada by 2024. Prince Edward Island has been leading the country in terms of population growth per capita, and we look forward to welcoming many more new Islanders to our province in the coming years. With such aggressive immigration targets, we ask that the federal government provide financial assistance for program and service delivery supports (e.g., PEI Connectors) to ensure PEI has the necessary settlement services and infrastructure for newcomers starting their lives in PEI.

### ***Airline and airport support***

Consistent and reliable air travel will be crucial for PEI and Atlantic Canada's recovery post-pandemic. Without air routes servicing our region, there is minimal opportunity for tourism, immigration, or economic growth. We have heard from our members that cargo flights have been severely limited recently. It is becoming challenging for these businesses to receive vital supplies for the production and distribution of their products. We are asking your government to provide support and leadership to ensure Islanders and businesses are not severed from the rest of Canada due to the significantly impaired operations of airlines and our Island's only airport. We see great opportunity in the Charlottetown Airport within 2022 as passenger airlines have shown strong interest in flying to Charlottetown carrying both business and tourist travellers, but we need cargo routes to remain.

### ***Federal Employee return-to-work transition***

Veteran's Affairs Canada (VAC) headquarters in Charlottetown, PEI, has approximately 1,800 employees across various office spaces. This daily commuter and foot traffic contributes significantly to the economic wellbeing and vibrancy of our business community. Many VAC employees dine, shop, and access services in our capital region. Since the onset of the COVID-19 pandemic, most federal government employees in PEI have been working from home as part of a federal government directed policy. We certainly recognize the importance of protocols, particularly early in the pandemic; however, with governments across Canada beginning to ease public health restrictions, we believe there is an opportunity to re-integrate VAC workers back to the office as a way to re-stimulate the downtown economy.

### ***Employment Insurance Reform***

Pre-pandemic, our Chamber joined many others nationwide in advocating for a sustainable and modern Employment Insurance (EI) program. As consultations for Employment Insurance began in 2021 and continue across the country, our view of a successful Employment Insurance program is one that focuses on delivering its main priority: to act as a temporary income support that facilitates an individual's speedy return to the workforce. We encourage your government to ensure any updates to the EI program focus on its primary mission and to include potential reforms needed to respond to current and future workforce needs.

### ***Getting back to balance***

Our Chamber recognizes that deficit spending was required to ensure the safety and security of individuals and businesses throughout the pandemic. As a result of the high government spending and a range of other issues, Canada is experiencing high inflation, that has been acute in Charlottetown, dramatically impacting the cost of living for Islanders. The Greater Charlottetown Area Chamber suggests tackling the rising inflation numbers by building a plan that returns the Federal Government to a balanced budget in the years to come.

The building of this plan would ease the uncertainty within certain areas of the business community as our members want to know what measures the federal budget will need to take, overtime, to return to balance. The plan should lay forth clear policy steps, and what taxes and fees, if any, will need to go up to achieve the goal. We want the government to be clear with the state of our country's financial position. Transparent forecasts will give businesses advance notice to prepare for change and will signal to investors that Canada has a long-term plan.

We thank you for considering our recommendations ahead of the federal government's budgeting process. We look forward to working with you in the future as we move towards economic recovery and eventual growth.

Sincerely,

A handwritten signature in blue ink, appearing to read 'R. Godfrey', is positioned above the typed name.

Robert Godfrey

*Chief Executive Officer*

CC: Hon. Randy Boissonnault, Minister of Tourism and Associate Minister of Finance; Hon. Lawrence MacAulay, Minister of Veteran's Affairs and MP for Cardigan; Sean Casey, MP for Charlottetown; Heath MacDonald, MP for Malpeque; GCACC Board of Directors