

2019 PROVINCIAL BUDGET SCORECARD

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The Greater Saskatoon Chamber of Commerce has represented the voice of Saskatoon business since 1903. Our membership makes up 19% of the commercial businesses in Saskatoon; 99% of those businesses are small- and medium-sized enterprises (SMEs).

Based on feedback from our membership, the following indicators are being scored to assess how the provincial government's budget aligns with the mandates of competitiveness, efficiency and growth for local businesses within the province, and specifically Saskatoon.

TAXATION

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Corporate Tax:

The Saskatoon Chamber is pleased corporate tax rates remains stable at 12 percent.

Personal Income Tax:

Reducing the first-tier rate provincial income tax rate to 9 percent (a Canada West report recommendation) over time would help address the needs of lower income workers in the province.

Provincial Sales Tax (PST):

We applaud the provincial government's commitment to achieve a balanced budget in three years. We expect this position will allow the provincial government to make future strategic investments. The Chamber is disappointed that the PST on construction has not been pulled back in 2019.

Property tax assessment and education property tax reform:

In 2017, the CD Howe Institute issued an overall "D" grade on property tax transparency in Saskatchewan. Very few improvements have been made in this area due to the current tax policy structure being too complex and not transparent.

TRADE & TRANSPORT

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The provincial government has been laser focused in promoting Saskatchewan's assets, building relationships and opening doors for our province in other parts of the world. In 2018, leaders of our provincial government made it a priority to visit key trading partners such as the USA, China and India. Amidst an unstable global trading environment, these activities are applauded by the Greater Saskatoon Chamber of Commerce.

Saskatchewan is a land-locked province, therefore access to multiple methods of transportation for commodities, as well as connections to diverse markets is essential for business to prosper and grow. The Chamber is disappointed to see a low amount of investment into transportation infrastructure for the province in the near term.

The provincial government will be entering into a three-year functional study for the Saskatoon Freeway. Construction is not expected to begin for 10 to 15 years. The Greater Saskatoon Chamber of Commerce will be working with the province to target a shorter completion date around this project.

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FISCAL MANAGEMENT

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Saskatchewan's balanced budget, zero increase to operational debt, and low Debt to GDP ratio of 14.8 places our province as a leader in Canada. This speaks strongly for our province's strong fiscal management in spite of low resource prices and federal regulatory uncertainty.

Now that a balanced budget has been achieved the focus needs to shift to addressing Saskatchewan's borrowing debt of \$21.7 Billion.

UTILITIES

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Electricity

- Saskatchewan business pays 8.88 cents/kwh for electricity. This puts Saskatchewan 3rd highest in the country after Prince Edward Island and Nova Scotia. Residential rates are 2nd highest in the country after Prince Edward Island. It is important to consider how these costs effect the competitiveness of Saskatchewan business.
- Combined with the Saskatchewan government's commitment to emission reduction, reducing electricity rates in our province needs further consideration and work.

Natural Gas

- Natural Gas costs in Saskatchewan fall below the national average by over 10%. This allows our province to retain a competitive position in the market.

Telephone

- Telephone costs in Saskatchewan fall below the national average by over 20%. This allows our province to retain a competitive position in the market.

REGULATORY

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Red tape costs businesses, residents and the government \$300 million and thousands of hours in lost time every year. Saskatchewan's efforts to reduce red tape and modernize regulations in the province through the introduction of the 'Help Cut Red Tape Initiative' is to be applauded. The program will make it easier to report red tape to government, while providing valuable perspective from the public on how the province may offer services more effectively. We look forward to seeing the outcome of this initiative.

We are pleased to see our government working with other provinces, such as Ontario, to sign Memorandums of Understandings (MOU) to show leadership within Canada on reducing internal trade barriers and exploring opportunities for greater regulatory harmonization.

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WORKFORCE DEVELOPMENT

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A fundamental aspect for attracting and retaining business is the availability of a skilled and ready workforce. The Greater Saskatoon Chamber of Commerce is pleased to see movement towards better aligning workforce training and skills development for future needs that includes programs to engage Indigenous people, women, youth and new immigrants.

The Saskatchewan government has been pro-active in alleviating local labor shortages by working with business to consider immigration programs and policy.

INNOVATION

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The provincial government has made strong strides with regards to innovation as a result of work being done through Innovation Saskatchewan and the direct attention and investment in the technology sector.

The Greater Saskatoon Chamber of Commerce would like to see the government expand their innovation efforts by supporting research and development in new or fledgling markets as well as capital investments and support of enlisting businesses.

INVESTMENT

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In the midst of a national crisis of uncertainty, the provincial government has been doing a good job of creating a stable investment environment. However, the provincial government should direct additional resources and efforts into marketing and branding our province globally in an effort to attract foreign and domestic investment. This will result in building and growing modern, liveable communities that foster business development and attract further investment.