

FOR IMMEDIATE RELEASE

PROVINCIAL BUDGET: 2016 REPORT CARD

Greater Saskatoon Chamber of Commerce issues “B” Grade

June 1, 2016

SASKATOON, SK – The Greater Saskatoon Chamber of Commerce has given the provincial government a “B” grade for the 2016/17 budget. This is the same grade the government received from the Saskatoon Chamber in 2015. Despite a forecasted deficit, the announcement of a clear commitment to return to a balanced budget within a short period of time will help build business confidence levels.

“Getting to a balanced budget in the near term is critical to sustain business confidence levels in our province. Continuing on the productivity path will be an important element of the deficit elimination task ahead,” stated Jason Yochim, President of the Greater Saskatoon Chamber of Commerce. “The newly announced innovation and growth-oriented tax changes, along with continued investments in infrastructure will help foster much-needed growth,” added Yochim.

“Unfortunately, steps to improve the property tax system have stalled. The system remains too cumbersome and is not competitive. We grade this component of our budget analysis as an ‘F’, the first failing grade issued by our Chamber since 2007,” stated Kent Smith-Windsor, Executive Director of the Greater Saskatoon Chamber of Commerce. “The Province must be more focused on developing a long-term plan to correct property tax and assessment policy flaws within Saskatchewan. The Canada West Foundation’s ‘A Change Today for Your Tomorrow’ document is a template to correct these shortcomings, but the Province has not yet moved on the report’s recommendations,” continued Smith-Windsor.

“A commitment towards adoption of the of the Canada West Tax reform report over time is all that stands in the way of across-the-board ‘A’ grades for this government. For too long, Saskatchewan has delayed assessment reform. The education property tax policy in place compounds this problem, harming the investment climate of our province,” stated Smith-Windsor.

“The government’s role is to build the public and tax policy base necessary to attain the level of business investment needed to capture our full potential,” Yochim concluded.

Please see the attached Budget Scorecard for detailed information.

For more information, please contact:

Kent Smith-Windsor
Executive Director
Ph: 306-664-0701

or

Jason Yochim
President
Ph: 306-343-3444

2016 PROVINCIAL BUDGET SCORECARD

The following scorecard grades the 2016 Saskatchewan Budget and assesses it in relation to the chief priority of youth employment growth and recommendations advanced in previously stated positions of the Greater Saskatoon Chamber of Commerce. The grades range from an 'A' (excellent) to an 'F' (unacceptable).

2016 Provincial Budget - Overall Grade

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

The Saskatchewan Chamber of Commerce has developed specific tax load targets with the help of the Canada West Foundation that are designed to establish a clear comparative advantage for Saskatchewan's investment climate. A competitive tax framework will build career opportunities for our youth and help Saskatchewan people improve their standard of living. The province has not yet developed a comprehensive provincial tax competitiveness plan.

The government's productivity agenda, infrastructure investments, and the newly announced growth-oriented tax initiatives warranted sustaining the "B" grade in spite of the projected short-term deficit.

Grading the Budget on Specific Items

1. Personal Income Taxes

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B	C	D	F
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Reducing the first tier rate provincial income tax rate to 9.0% (a Canada West report recommendation) over time would help address the needs of lower income working people in the province.

2. Continuing the long-term strategy of balanced budgets

<i>Good</i>	<i>Adequate</i>		<i>Poor</i>	<i>Fail</i>
A	B-	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

This government's long term commitment to balancing the books is of critical importance to future generations. Today's deficit announcement is supported by our Chamber because of the clearly stated commitment to return to balance within a defined period of time. The Government of Saskatchewan's productivity agenda has, and will continue to, secure our ability to balance the provincial budget while maintaining and improving public services.

3. Spending Control:

<i>Good</i>	<i>Adequate</i>		<i>Poor</i>	<i>Fail</i>
A	B+	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

This is a downgrade from previous years because of this budget's projected deficit, but the province's continued commitment to a productivity agenda places Saskatchewan in a clear leadership position in terms of government expenditure control. The government's productivity agenda will allow the province to improve infrastructure and services while still balancing the budget over a defined period of time.

4. Commitment to continue property tax assessment and education property tax policy reform

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B	C	D	F
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Comments:

This is the first failing grade issued in our Chamber's budget analysis since 2007. The current tax policy structure is too complex, is not transparent and does not encourage investment. Much like a broken watch, the current assessment system is almost correct once every four years. The current tax levels harm business expansion prospects in the province. This is a downgrade from the previous year as very little progress has been made on this file.

5. Commitment to improving the climate for opportunities and jobs for youth

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B-	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Saskatchewan can improve long term career prospects with better tax policy, such as that contained within the Canada West Report, "A Change Today for A Better Tomorrow."

6. Improvements to the Business Climate of Saskatchewan

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B-	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

We acknowledge that growth-oriented tax tools such as the innovation box and infrastructure investment will help, but a broad-based long term approach is still needed.

7. Responsiveness to the competitive pressures of the global marketplace

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A-	B	C	D	F
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

This government has aggressively promoted Saskatchewan's assets and defended our interests on the trade front. Such examples include lobbying for the reduction of interprovincial trade barriers and resolute support for the TPP. Tax policy changes and interprovincial regulatory streamlining would result in an A+ grade.

8. Provincial Sales Tax Policy:

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B	C	D+	F
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Comments:

The lack of harmonization of provincial sales taxes harms our competitiveness. "A Change Today for A Better Tomorrow" offers three alternatives to offset this competitive disadvantage. This government has not been given a failing grade simply due to the fact that the provincial sales tax policy remains ahead of Manitoba and British Columbia in terms of competitiveness.

9. Overall Economic Development Strategy:

<i>Good</i>	<i>Adequate</i>	<i>Poor</i>	<i>Fail</i>	
A	B+	C	D	F
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Saskatchewan must commit to building the best business climate in North America. A competitive sales and property tax regime, along with a strengthened government productivity agenda will improve our business climate and create more careers for our young people.

We commend the government for its ongoing commitment to infrastructure improvement to allow for future growth. Prospects for Saskatchewan remain strong.

Our Chamber expects more out of this government in terms of improved tax policy and regulatory climate, but a comparison to other jurisdictions shows that the Government of Saskatchewan is still performing better than all other provincial governments.

###