

FOR IMMEDIATE RELEASE

PROVINCIAL BUDGET: 2017 REPORT CARD

Greater Saskatoon Chamber of Commerce issues “B-” for Grade

March 22, 2017

SASKATOON, SK – The Greater Saskatoon Chamber of Commerce has given the provincial government a “B-” grade for the 2017/18 budget. The clear commitment to return to a balanced budget within a short period of time will help build business confidence levels while the sales tax changes risk reducing investment levels in the short term.

“Getting to a balanced budget in the near term will help to sustain business confidence levels in our province. Government productivity will be important to sustaining services while cutting costs,” stated Kent Smith-Windsor, Executive Director of the Greater Saskatoon Chamber of Commerce. “Continued investment in infrastructure will help foster much-needed growth,” he added.

“The positive aspects of this budget are partially clouded by the sales tax policy changes announced today,” stated Smith-Windsor. “On the other hand, the Province focused on developing a long-term tax policy plan through the policy options consistent with the Canada West Foundation report ‘*A Tax Framework for Saskatchewan’s Continuing Prosperity.*’”

“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. On that basis, we have more work to do concerning the adoption of the Canada West Report, but we are moving in the right direction.” Smith-Windsor concluded.

Please see the attached Budget Scorecard for detailed information.

For more information, please contact:

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Executive Director

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2017 PROVINCIAL BUDGET SCORECARD

The following scorecard grades the 2017 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 developed specific tax load targets with the help of the Canada West Foundation. This tax framework is designed to establish a clear comparative advantage for Saskatchewan's investment climate. Over time, a competitive tax framework will build career opportunities for our youth and help Saskatchewan people improve their standard of living. This budget makes small moves toward the Canada West recommendations. The government's productivity agenda, infrastructure investments are positive. The consumption tax changes will create challenges for some components of the business community.

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 checked="" type="checkbox"/>	<input 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 plan to return to balance will pay longer term dividends to the province’s future. 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

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.

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

Very small improvements have occurred, but the current tax policy structure is too complex and is not transparent. The CD Howe Institute issued an overall “D” grade on property tax transparency in Saskatchewan.

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.” The changes announced today move Saskatchewan along that path.

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:

A balanced budget target date, income tax adjustments and infrastructure investment will help, but the sales tax policy changes will risk offsetting this positive.

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. Rigorously defending Saskatchewan’s interests, like opposing carbon taxes, recognizes the growing competitive pressure from the United States. Interprovincial regulatory streamlining would result in a much better 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Comments:

The lack of harmonization of provincial sales taxes harms our competitiveness. “*A Change Today for A Better Tomorrow*” offered three alternatives to offset this competitive disadvantage. The province is moving in the direction of lower income taxes and more reliance on consumption taxes. While painful in the short run, this change is sound tax policy.

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 income, 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 and balancing the budget. Longer term prospects for Saskatchewan remain strong. A comparison to other jurisdictions shows that the Government of Saskatchewan is still performing better than all other provincial governments.

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