

January 13, 2020

Ministry of Finance
Room 312, Legislative Building
2405 Legislative Drive
Regina, SK
S4S 0B3

RE: Greater Saskatoon Chamber of Commerce 2020/2021 Pre-Budget Recommendations

Dear Minister Harpauer,

On behalf of the Greater Saskatoon Chamber of Commerce, I would like to commend the work of the MLAs and Ministers over the course of the last year on the new provincial growth plan *The Next Decade of Growth: 2020-2030*. The development of such a forward thinking and ambitious roadmap for the economic growth of the province provides a level of certainty for businesses, signaling the provincial governments interest to spur investment and incentivize growth for our province.

In an effort to assist the provincial government in preparation for 2020/2021 Budget the Greater Saskatoon Chamber of Commerce has detailed several recommendations and key insights on behalf of our membership outlined in the attached document. Prior to the creation of these recommendations a Pre-Budget Survey was conducted and circulated to our membership. In addition to the survey conducted, the following recommendations include insights from the Chamber's extensive ongoing engagement efforts with our membership.

The recommendations are broken into three pillars; creating a more competitive local business environment, creating efficient processes for doing business and creating opportunities for businesses to grow.

Thank you for the opportunity to contribute our recommendations for the development of the 2020/2021 Budget and we look forward to continued collaboration with the Government of Saskatchewan.

Sincerely,



Darla Lindbjerg
President & CEO

c.c. Premier Scott Moe
Saskatchewan Party- Cabinet Ministers

Recommendations for 2020/2021 Provincial Budget

- 1) Creating a more **competitive** local business environment:
 - a) Taxation
 - i) Corporate Tax: The Saskatoon Chamber encourages the Provincial Government to keep the corporate tax rate competitive with other jurisdictions. The Alberta government for example is looking to lower the corporate tax rate to 8 percent by 2022.
 - ii) Personal Income Tax: Reducing the first-tier 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.
 - iii) Provincial Sales Tax- The Chamber is pleased with the recent announcement of the reinstatement of the PST exemption for exploratory and downhole drilling activities. We encourage the government to consider more exemptions that are in line with the province's growth plan and are economically feasible.
 - b) Trade and Transport
 - i) Infrastructure: Saskatchewan is a land-locked province, therefore access to multiple methods of transportation for commodities and connections to diverse markets is essential for business to prosper and grow. The Chamber encourages increased investment into transportation infrastructure within this next budget cycle.
 - ii) Interprovincial Trade Barriers: The Chamber is pleased to see the collaborative efforts the Province has shown throughout this last year with other provinces. We encourage the government to show leadership within Canada to continue this work by reducing internal trade barriers and exploring opportunities for greater collaboration.
 - c) Fiscal Management
 - i) The Chamber applauds the government's efforts to balance the budget over the last year. In the Pre-Budget Survey sent to our membership the majority of respondents ranked the importance of maintaining a balanced budget between 8-10 on a 10-point scale (1 being not important at all and 10 being extremely important). In the same survey when participants were asked their preference on debt structuring the majority of respondents were comfortable with levels remaining the same.

2) Creating **efficient** processes for doing business:

a) Utilities

- i) **Power:** Variable electricity rates in Saskatchewan are \$0.16/Kwh. This places Saskatchewan as the 2nd highest province in the country after Nova Scotia for rates. It is important to consider how these costs effect the competitiveness of Saskatchewan's business.
- ii) **Natural Gas:** Natural gas costs remain below the national average. We encourage rates to remain competitive.
- iii) **Telephone:** Telephone costs in Saskatchewan fall below the national average. We encourage these rates to remain competitive.
- iv) **Small Modular Reactors (SMRs):** The Chamber encourages the province to invest into the research, development and eventual implementation of SMRs within the province.

b) Regulatory

- i) **Red tape:** Red tape costs businesses, residents and the government money and hours lost every year. The province's efforts to reduce the red tape and modernize regulations through the introduction of the "Help Cut Red Tape Initiative" is to be applauded. However, education on the tools available and more internal efficiencies will increase the ability of businesses and the government alike to operate in an efficient manner. We would also encourage the province to communicate with key stakeholders the progress of the Red Tape Initiative and the impacts it has had since its implementation.

3) Creating opportunities for business **growth**:

a) Workforce Development

- i) We encourage the government to invest in the development of programs and services that will align workforce training and skills development with future needs. This includes programs for indigenous peoples, women, youth and new immigrants.

b) Innovation

- i) The provincial government has made strides in regard to innovation, particularly with the work already being done by Innovation Saskatchewan and the collaboration undertaken with the private technology sector. The Chamber is encouraged to see a strong emphasis on innovation in the province's new growth plan and encourages to keep these forward-thinking development goals in mind when allocating funds.

c) Investment

- i) The provincial growth plan ambitiously targets foreign investment through the establishment of international trade and investment offices abroad. We encourage the province to move forward with this endeavor quickly to drive investment into the province and to strengthen trade relationships abroad. We also encourage the government to continue to promote and market the province abroad. This will result in building and growing modern, livable communities that foster business development and attract further investment.