

2016 Pre-Budget Survey Report

Core Issue: To prepare to provide input to the Minister of Finance for the 2017/18 Provincial Budget, the Saskatchewan Chamber of Commerce conducted a survey of its membership. The results of this survey are summarized below.

Key Findings:

- The top three priorities for government action identified by survey respondent were:
 1. Managing and Encouraging Sustainable Growth
 2. Controlling the Size and Cost of Government
 3. Regulatory Efficiency and Simplification
- Reducing expenditures for government operations/size was the cost reduction most frequently supported by respondents, followed by reducing health care costs
- When asked about their comfort with the government increasing provincial debt by borrowing more money in Budget 2017/18 for infrastructure investments 19% of respondents were extremely comfortable, 21% were somewhat comfortable, 5% were neutral, 29% were somewhat uncomfortable, and 26% were extremely uncomfortable.
- Investment tax incentives, increasing infrastructure investment and reducing regulatory burden were identified as the best ways to encourage businesses to invest more capital and create new job in Saskatchewan.

Pre-Budget Survey 2016

In November 2016, the Saskatchewan Chamber of Commerce surveyed businesses to gain a more in-depth understanding of their priorities heading into the 2017/18 Provincial Budget. 65 business people responded.

Priorities

Based on the priorities of their business, respondents ranked the following revenue priorities for government action:

2016 Results

1. Corporate Income Tax Reform
2. Property Tax Reform
3. Competitive Royalty Rates
4. PST Reform
5. Personal Income Tax Reform
6. Other (listed below)

Other:

- Cutting government expenditures
- Transparency and accountability of government
- Municipal government reduction
- Investment in commercialization
- Correct funding levels for education
- Harmonization of PST/GST

2015 Results

1. Property Tax Reform
2. Corporate Income Tax Reform
3. Personal Income Tax Reform
4. Competitive Royalty Rates
5. Other

Based on the priorities of their business, respondents ranked the following expenditure priorities for government action:

2016 Results

1. Infrastructure Investments
2. Debt Reduction
3. Education/Training Enhancement
4. Innovation
5. Healthcare Improvement
6. Other (listed below)

Other:

- Innovation and education of the next generation of citizens with particular emphasis on enabling First Nations children to catch up and get ahead

2015 Results

1. Infrastructure Investments
2. Education/Training Enhancement
3. Healthcare Improvement
4. Debt Reduction
5. Affordable Housing
6. Other

Based on the priorities of their business, respondents ranked the following priorities for other government action:

2016 Results

1. Managing and Encouraging Sustainable Growth
2. Controlling the Size and Cost of Government
3. Regulatory Efficiency and Simplification
4. Aboriginal Engagement in the Workforce/Education
5. Environmental Protection
6. Immigration Expansion
7. Other

2015 Results

1. Managing and Encouraging Sustainable Growth
2. Controlling the Size and Cost of Government
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5. Aboriginal Engagement in the Workforce/Education
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7. Other

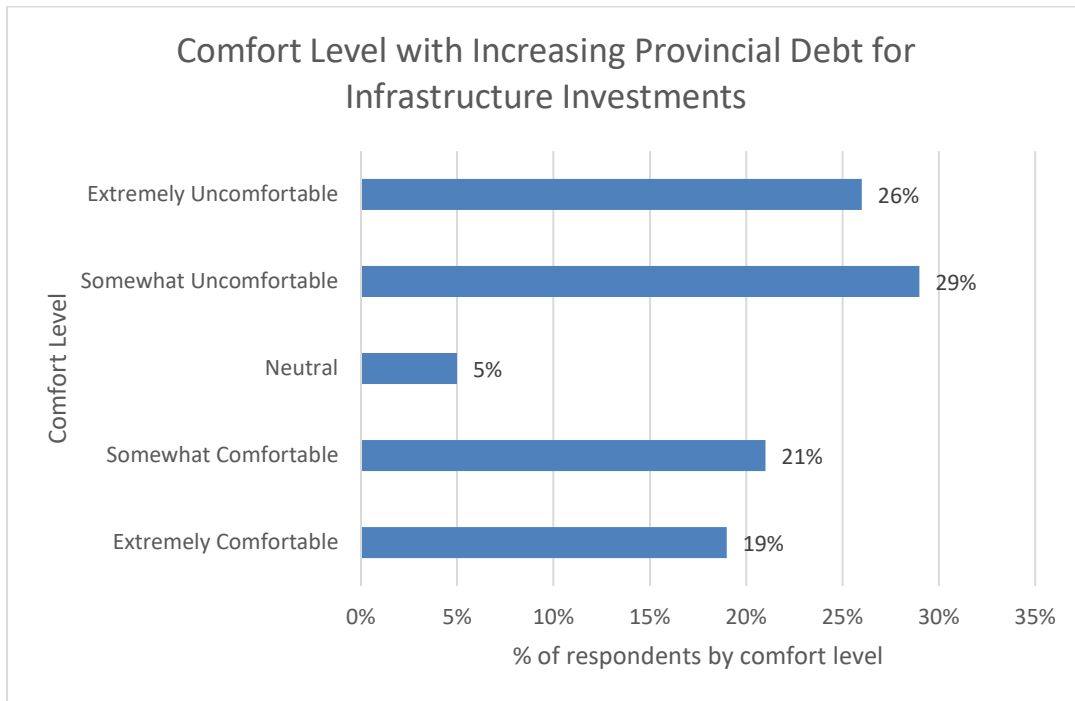
When asked where the provincial government should increase spending, the respondents provided the following (listed in order of frequency)

- Infrastructure
- Innovation agenda
- Investment attraction/ business growth
- Education
- Debt reduction
- Power Infrastructure/Sustainable energy

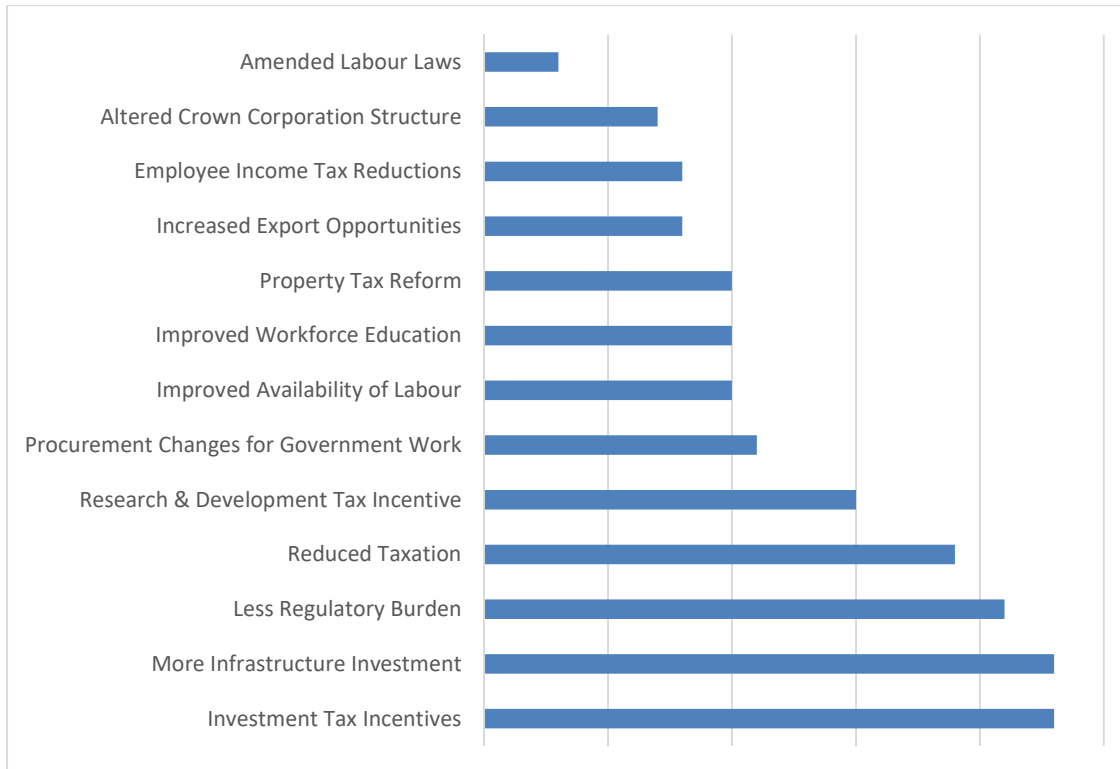
When asked where the provincial government should reduce spending, the respondents provided the following (listed in order of frequency)

- Reducing expenditures for government operations/size
- Healthcare
- Education
- Agriculture subsidies
- Immigration expansion
- Debt reduction
- Social programs

When asked about their comfort with the government increasing provincial debt by borrowing more money in Budget 2017/18 for infrastructure investments 19% of respondents were extremely comfortable, 21% were somewhat comfortable, 5% were neutral, 29% were somewhat uncomfortable, and 26% were extremely uncomfortable.



Respondents were asked what government-controlled changes would cause their business to invest more capital or create new jobs in Saskatchewan. The blue line represents the frequency of each response.



Respondents were asked what advice they would offer the provincial government to assist in the drafting of the 2017/18 Budget.

Recommendations included:

- Be more transparent with finances
- Get back to a balanced budget over time
- Develop an alternative plan to carbon tax
- Work to attract investment into the province to diversify the economy
- Reduce the number of cabinet members
- This is the time to borrow, until we get back on top of the commodity cycles and provincial revenues improve
- Reinvent the government structure, we have a high public sector employee to population ratio, we are over-governed