

Issue in Focus

January 2016

2015 Pre-Budget Survey Report

Core Issue: To prepare to provide input to the Minister of Finance for the 2016/17 Provincial budget, the Saskatchewan Chamber of Commerce conducted a survey of its membership in December 2015. The results of this survey are summarized below.

Key Findings:

77 businesses people responded to the 2015 Pre-Budget survey

- The top three issues identified by survey respondent were:
 1. Infrastructure Investment
 2. Managing and Encouraging Sustainable Growth
 3. Regulatory Efficiency and Simplification
- Infrastructure investment ranked number one when respondents were asked to evaluate the government's recommended priorities overall.
- Reducing expenditures for government operations/size was the cost reduction most frequently supported by respondents, followed by reducing immigration costs
- 49.35% of respondents were comfortable or very comfortable with the province's current debt level.
- Increasing infrastructure investments, lessening regulatory burdens, and improving the availability of labour were identified as the best ways to encourage businesses to invest more capital and create new jobs in Saskatchewan.
- Only 32.88% of respondents indicated that government involvement in private ventures is a significant or very significant issue in terms of restricting capital investment, growth, or competition, down from 40.86% last year.

Pre-Budget Survey 2015

In December 2015, the Saskatchewan Chamber of Commerce surveyed businesses to gain a more in-depth understanding of their priorities heading into the 2016/17 Provincial Budget as well as to gauge potential topics for the upcoming provincial election. 77 business people responded.

Priorities

For the betterment of their business, respondents ranked the following revenue priorities for government action:

2015 Results

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

2014 Results

1. Personal Income Tax Reform
2. Corporate Income Tax Reform
3. Property Tax Reform
4. PST Reform
6. Other

Other (in order of frequency)

- Labour market training investments/incentive
- Caution and certainty regarding carbon tax, cap and trade or technology fund solution
- Changes to Crown and Government purchasing directive
- Liquor privatization
- WCB Rates
- Advocacy for the energy sector

For the betterment of their business, respondents ranked the following expenditure priorities for government action:

2015 Results

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

2014 Results

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

Other (in order of frequency)

- Investing in innovation
- Public communication
- Investment in IT infrastructure and renewal
- Nursing home care
- Road

- Expenditures to attract head offices and businesses
- Revenue sharing with Cities and First Nations

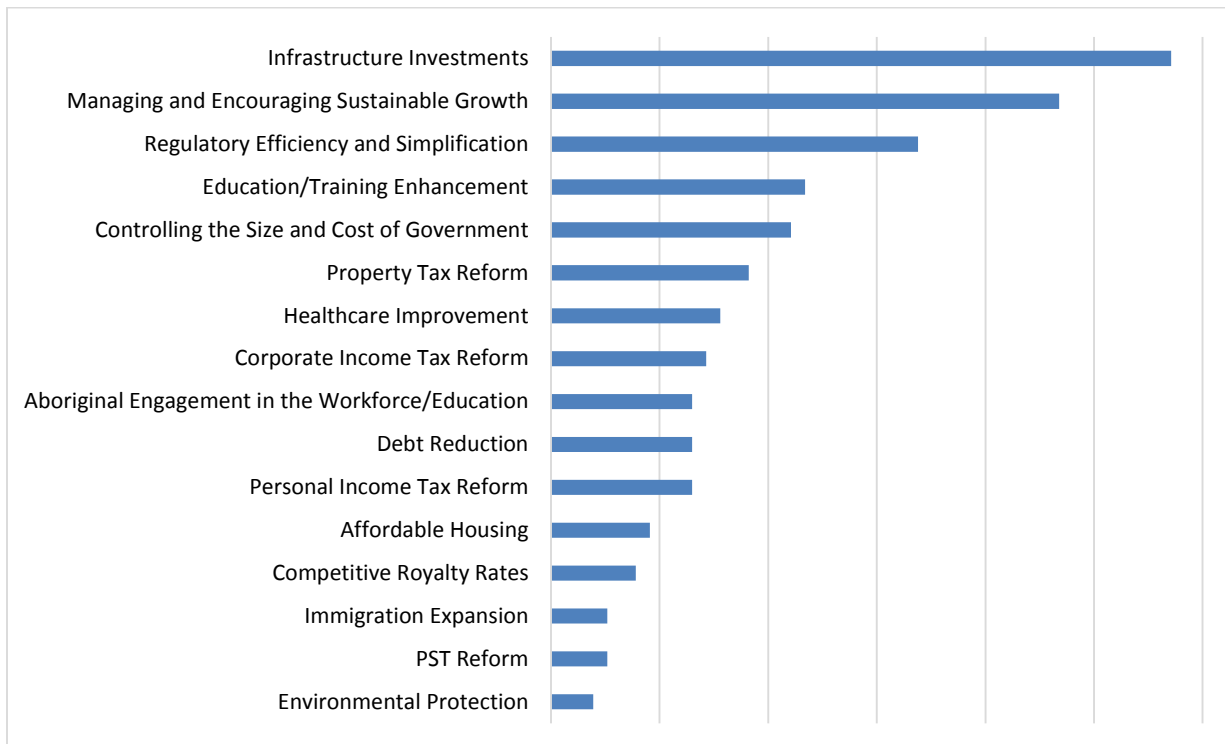
For the betterment of their business, respondents ranked the following priorities for other government action:

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

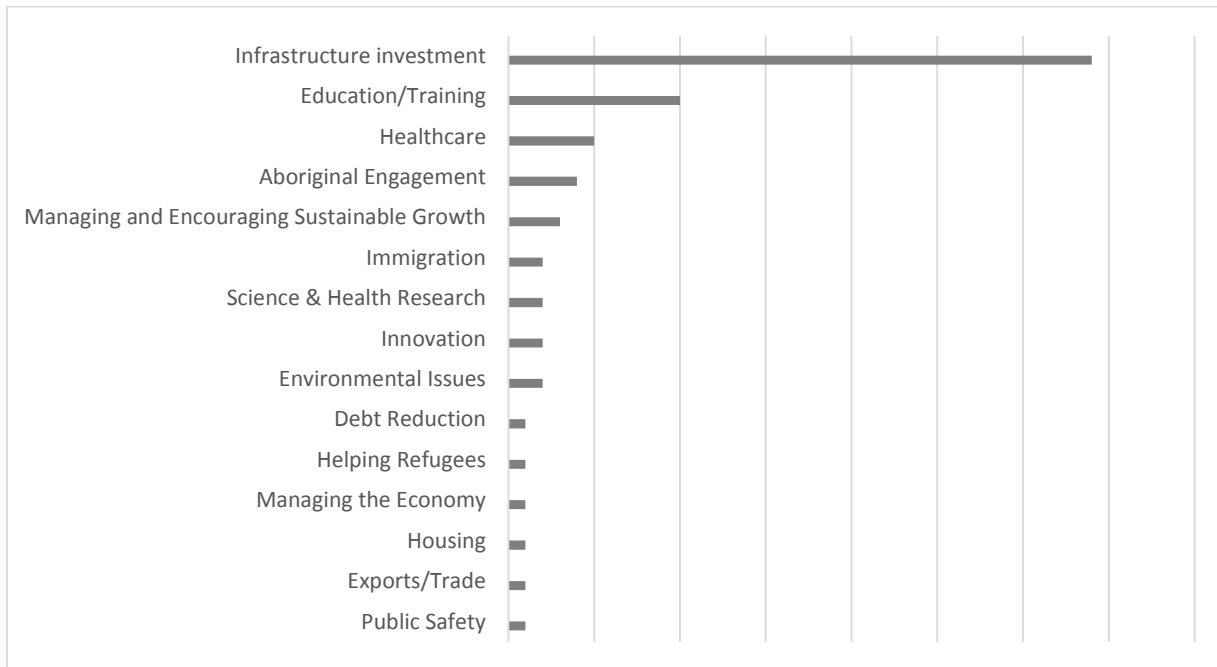
Other

- Investments in innovation infrastructure
- Advocate for the energy sector.

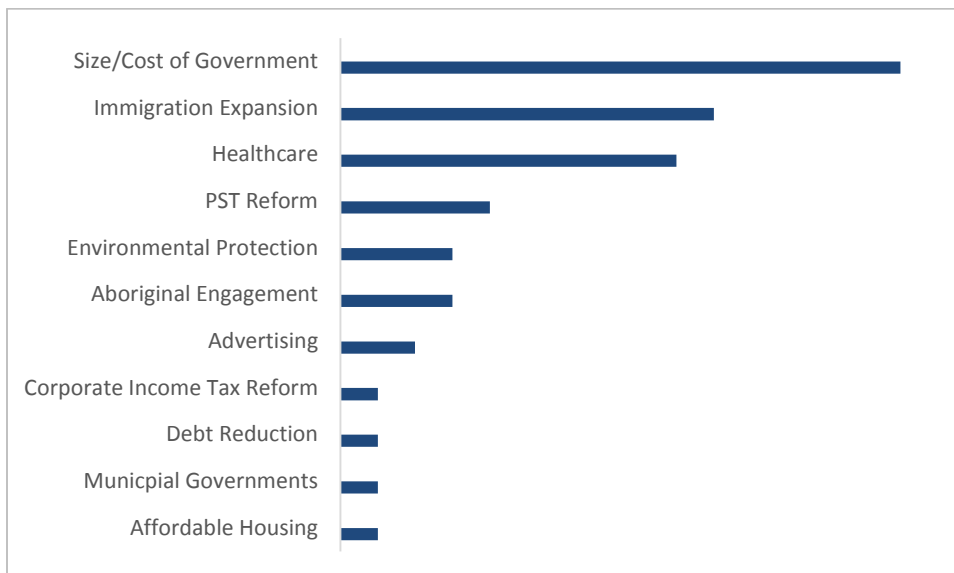
When asked to evaluate the government’s recommended priorities overall, the respondents generated the following ranking. The blue line represents a weighted degree of priority.



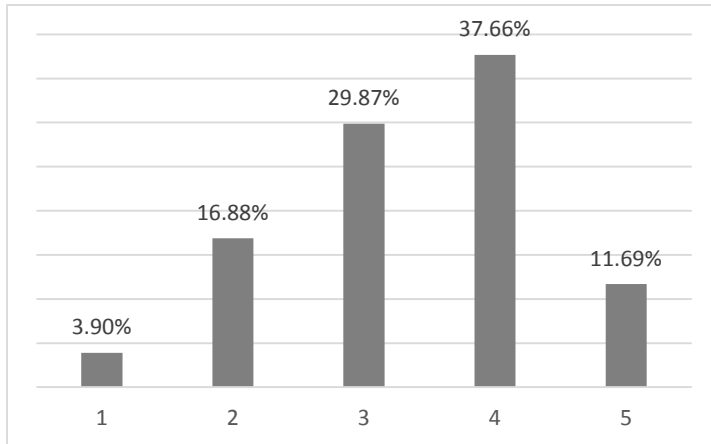
When asked where the provincial government should increase spending, the respondents generated the following ranking. The blue line represents the frequency of each response.



When asked where the provincial government should reduce spending, the respondents generated the following ranking. The blue line represents the frequency of each response.

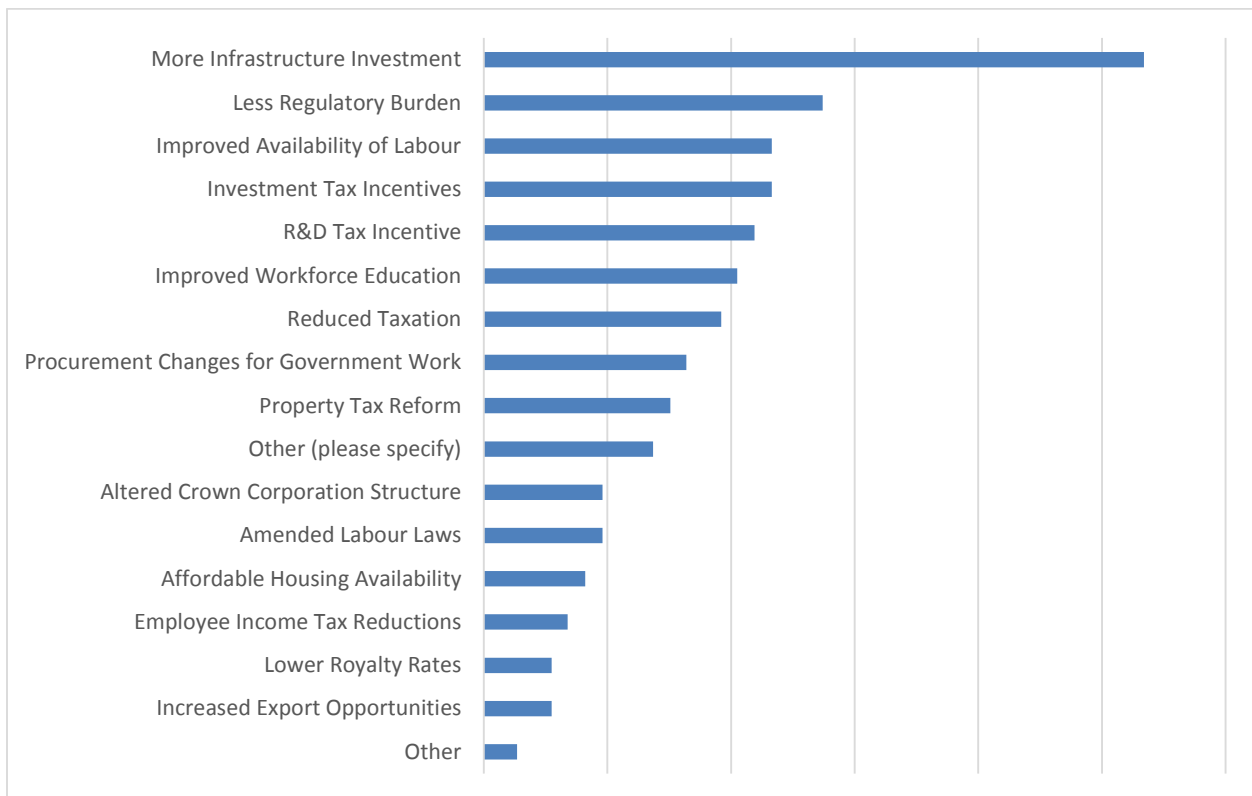


On a scale of 1-5 (1 being very uncomfortable and 5 being very comfortable), respondents were asked to rate their comfort level with the province’s current debt?

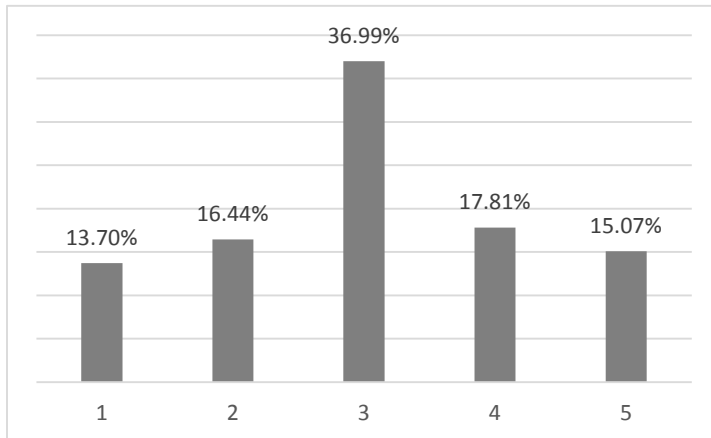


Only 20.78% of respondents expressed some level of discomfort with the province’s current debt level compared to 35.23% who expressed some level of discomfort last year. 49.35% were comfortable or very comfortable with it, compared to 27.46% last year. The largest percentage of respondents were comfortable with the debt level as opposed to last year’s most common rating of neutral.

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; on a scale of 1-5 (5 being the most significant) how significant of an issue is government investment in private ventures is in terms of restricting capital investment, growth, or competition.



This year 32.88% of respondent indicated that government involvement in private ventures is a significant or very significant issue, down from 40.86% last year.

When respondents were asked how they felt this situation had changed over the last three years:

- 38.36% of respondents indicated that they felt there had been no change
- 39.73% of respondents indicated that they felt government investment in private ventures is a lesser issue now than 3 years ago
- 21.92% of respondents indicated that they felt government investment in private ventures is a greater issue now than 3 years ago

Respondents were asked what advice they would offer the provincial government to assist in the drafting of the 2016/17 Budget.

Recommendations included:

- Focus on infrastructure development, keep investing
- Strive for a balanced budget but accept that sometime running a deficit is necessary
- Control expenses
- Understanding the varied nature of the province's key industries
- Prioritize
- Focus on training and development initiatives
- Do not increase taxes
- Be smarter with understanding the untapped potential of Aboriginal votes and workforce
- Improve government transparency