

# Issue in Focus

December 2012

## Recap: The Saskatchewan Plan for Growth

**Core Issue** – In October 2012 the Saskatchewan Party Government released the "Saskatchewan Plan for Growth". This plan sets out core activities for the government to undertake to foster continued growth and sets goals for the province for years to come. Many of these activities overlap with the Saskatchewan Chamber's "A Growth Strategy for the New Saskatchewan" and other existing Chamber policies.

### Background

In the Saskatchewan Plan for Growth, the government is looking to achieve three objectives: sustaining economic growth; addressing the challenges that accompany growth; and ensuring that the benefits of growth are invested to build a better quality of life in the province.

With these objectives in place, the Saskatchewan Plan for Growth identifies six core activities the government can undertake to foster continued growth including: investing in infrastructure; developing a skilled workforce; ensuring competitiveness; increasing export trade; advancing the province's natural resource strengths through innovation; and maintaining sound fiscal management. Despite actively facilitating growth through these efforts the Government of Saskatchewan has committed in its plan, as well as in other policy position, to not directly intervening in the economy or undertaking direct investment in businesses.

### Overview

Policy/Activity Area	Saskatchewan Chamber Recommendation	Saskatchewan Party's Plan for Growth	Additional Information
Population Target	According to the Saskatchewan Chamber Growth Strategy the population in 2020 should be 1,263,000 to achieve a total population of 1.5 million by 2030.	The plan targets a population of 1.2 million people by 2020.	According to Statistics Canada, Saskatchewan's population was 1,079,958 on July 1, 2012.



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Labour Force Growth	According to the Saskatchewan Chamber Growth Strategy in 2020 772,000 people should be employed in the province to achieve a total workforce of 1.065 million by 2030.	<p>The Growth Plan outlines a goal of having 60,000 more workers in the province by 2020.</p> <p>This would reflect an approximate workforce of 600,000.</p>	According to the Statistics Canada Labour Force Survey for the week ended September 15, 2012, there were 540,800 persons employed in Saskatchewan during September 2012.
Business Tax	The recommendation from "A Tax Framework for Saskatchewan's Continuing Prosperity" supported by the Saskatchewan Chamber recommends reducing the general business tax rate to 9% by 2017-2018.	Under the plan, Saskatchewan will begin to lower its incorporated business tax rate from 12% to 10% over the next three years, starting in the 2013-14 Budget.	In addition to reducing the general business tax rate, the Chamber had recommended lower the small business tax rate. The government has already completed this part of the recommendation.
Infrastructure Deficit	The Chamber has been urging the provincial government to address the province's infrastructure deficit and to develop additional infrastructure to support economic growth.	To address the infrastructure deficit, the plan will invest at least \$2.5 billion in infrastructure over the next three years. This includes an immediate commitment of \$150 million, which will be pulled from the province's Growth and Financial Security Fund (GFSF)	As of July 2012, SUMA estimated that urban governments (including a village with a populations as low as 5 people to the largest cities) in Saskatchewan have amassed a cumulative infrastructure deficit that is close to \$3 billion.



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Infrastructure Investment Planning	<p>The Chamber has recommended that government base infrastructure funding on the potential for it to facilitate economic development. The Chamber recommended that the government develop an objective framework for evaluating future infrastructure investment that allows the investments that contribute the most to economic growth to receive priority funding.</p>	<p>The plan calls for the government to increase planning initiatives at the provincial, regional and municipal levels to ensure capital investments are strategically aligned to the province's economic growth, population growth and quality of life priorities.</p>	<p>To illustrate how this approach will operate an example provided by the government states that; "for example, Saskatchewan will continue to make strategic investments in infrastructure to realize the goal of doubling export sales by 2020."</p>
Public-Private Partnerships	<p>The Chamber is a strong supporter of P3s and has urged that government to establish processes and "value for money" evaluations to facilitate the utilization of P3s in Saskatchewan.</p> <p>The Chamber has also recommended that the government identify potential P3 projects and partners.</p>	<p>The plan establishes SaskBuilds as a new government organization to drive innovation in infrastructure financing, design and delivery, including public-private partnerships.</p> <p>SaskBuilds will also provide a central focus within the provincial government to co-ordinate infrastructure planning and delivery.</p>	<p>Early indications are that SaskBuilds will become responsible for determining the processes and criterion associated with the use of P3s</p>



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Debt Reduction	The Chamber supports debt reduction as a means to free up resources in the long-term and has recommended that debt reduction become a key component in the development of future budgets with a realistic “debt-free” date established and worked towards.	By 2017, the Government of Saskatchewan is planning to reduce the provincial debt by \$400 million to \$3.4-billion.	Assuming the rate of debt reduction continues to be the same after 2017, the provincial debt would be retirement in 2060.
Heritage Fund	The Chamber has encouraged a discussion regarding the future saving of non-renewable resource wealth. Looking for clarity regarding the guidelines for these types of funds, including how the fund should be used, what target balances are desired, and how these funds will be integrated into the budget.	The plan establishes the Saskatchewan Heritage Initiative which has a mandate to identify options and provide advice to the Government for how best to utilize Saskatchewan’s non-renewable resource revenue after the province’s debt has been fully retired.	“A Call for a New Saskatchewan Heritage Fund?”, a paper written with the support and encouragement of the Chamber’s Finance Committee provides some valuable background on the scope of this topic.
Aboriginal Education	The Chamber has recognized that the level of education attainment among the Aboriginal population is not acceptable, and as recommended that the federal and provincial governments form a comprehensive strategy in partnership with Aboriginal leaders and educational institutions to start bridging the education gap.	The plan recognizes the need to improve education outcomes for First Nations and Métis people in Saskatchewan and aims to reduce the Grade 12 graduation disparity between Aboriginal and non-Aboriginal students in the K-12 system by 50% by 2020.	In Saskatchewan, among students who started Grade 10, 81.1% completed Grade 12 within five years, comparatively among self-identified Aboriginals this completion rate drops to 48.1%.



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Youth Entrepreneurship/ Career Development	<p>The Chamber recommended that all secondary schools have at least one entrepreneurial studies class. Further, after a phase-in period, the completion of an entrepreneur course should be a mandatory condition of graduation.</p> <p>The Chamber has also sought for the government to provide resources to ensure that meaningful and effective Career Counselling is provided to every student. To assist with this, the Chamber encourages successful entrepreneurs to get more engaged in sharing their business stories and advice with students at the secondary school level.</p>	<p>Under the plan, students will be provided with opportunities in schools to receive career development and access entrepreneurship training, such as programs offered through the work of Junior Achievement.</p> <p>The government will also encourage the development of industry-education partnerships with school divisions to support career education in the classroom, and expanding post-secondary co-op and career development opportunities.</p>	
Youth Financial Literacy	<p>To improve financial literacy in the province the Chamber has recommended that a required course or course content be introduced into the secondary school curriculum that focuses on educating young people about the basics of personal finance, such as debt, credit, cash management, loans, and investing.</p>	<p>The plan aims to expand financial literacy education in the K-12 system.</p>	<p>Although no details are provided in the plan, the reference to expanded financial literacy is likely a re-announcement of the work of the Building Futures Project; an effort to integrate a basic economic and financial education, and enterprising skills and abilities, into the core K-12 curriculum.</p>



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Student Achievement	<p>The Chamber has been monitoring the province's performance on educational assessments with great concern. The Chamber as recommended that changes be made to the K-12 education system to improve the province's overall scores on national and international assessments.</p> <p>The Chamber has also called for a greater standardization of education across the province believing that a high school diploma should represent a standard level of education regardless of where it was earned.</p>	<p>As part of the plan, the government will develop a standardized assessment model and ensure school divisions consistently measure and report progress, while supporting instructional practices to achieve graduation targets.</p> <p>Further, to increase student achievement, the Government of Saskatchewan together with school boards and teachers will work to increase the number of Grade 3 students reading at "grade level" by 20% by 2015. By 2020 the plan also calls for the province to lead the country in Grade 12 graduation rates.</p>	

**Other Notable Elements of the Saskatchewan Plan for Growth**

As outlined above, many aspects of the Saskatchewan Plan for Growth overlap with areas of direct Saskatchewan Chamber of Commerce involvement, however; this does not apply to all elements. In addition to the more socially oriented targets, there are some sections of interest to the Saskatchewan business community not addressed in the matrix above. These include:

- An investment of \$344 million to add 12,600 new housing units by 2016;
- Doubling the value of Saskatchewan's exports by 2020 through additional promotion, partnerships and education;
- Increasing value-added production by establishing partnerships, promoting opportunities and encouraging investments.

To view the complete Saskatchewan Plan for Growth visit <http://www.gov.sk.ca/adx/asp/adxGetMedia.aspx?mediaId=1800&PN=Shared>