

Party Leaders Respond to CFIB's 2007 Leaders' Survey on Small Business Issues

Roads and Infrastructure

CFIB members from across the province have raised their concerns with the state of Saskatchewan highways. Many business owners continue to ask, "When will my highway get fixed?"

1. What is your plan to improve Saskatchewan's roads and infrastructure?

Saskatchewan Liberal

Saskatchewan Liberals commit to adhering to the current Fuel Tax Accountability Act to ensure that money raised from the gas tax is spent on transportation and highways infrastructure, ensuring that the over \$300 million per year raised in gas tax is spent on roads.

In our platform we have also committed to using \$400 million from the sale of Saskferco to improve municipal infrastructure. Saskatchewan must be able to move its export goods to market. By helping to fund initiatives such as the Pacific Gateway project, the South Bridge in Saskatoon and the Inland Container Port project, Saskatchewan businesses become more competitive in a global marketplace.

We need to be strategic about our investments in roads. Unlike the Saskatchewan Party's plan to repave 11,000 km of road, we believe it is more prudent and practical to focus on key priorities. For example, oil road maintenance and rebuilding must be a priority to keep our oil and gas industry robust.



In the 2007-08 budget, our NDP Government provided funding for the largest budgeted infrastructure program ever at \$534.8 million. This includes support to complete twinning Highways 1 and 16 West, rebuild rural highways, and continue twinning Highway 11 north of Saskatoon.

Saskatchewan New Democrats believe that a strong and prosperous Saskatchewan depends upon an efficient and comprehensive transportation network. New Democrats are ready, willing and able to continue their current leadership in this area. In its innovative strategy *Transportation for Economic Advantage*, our New Democratic Government laid out its plans for the transportation network - an unprecedented \$5 billion investment over the next 10 years - to meet the current and future needs of our vibrant economy.

In addition we have passed legislation *The Fuel Tax Accountability Act* which requires 100 per cent of road tax to be devoted to highways spending.



A Saskatchewan Party government will dedicate all of the fuel tax collected in the province to highways, roads and transportation infrastructure, as part of a minimum four year \$1.8 billion commitment to rebuilding Saskatchewan's highways and roads that will include:

- Establishing a rolling five-year plan for the province's road construction and maintenance program to improve the safety of the province's highways and invest in infrastructure that supports economic growth.
- Placing an emphasis on quality construction and the implementation of new highway construction technology designed to meet the demands of Saskatchewan's climate and large scale truck traffic.
- Negotiating with the federal government to increase federal funding for road, highway and infrastructure investment, to push funding beyond the minimum \$1.8 billion Saskatchewan Party Commitment.

In addition, a Saskatchewan Party government will dedicate \$140 million over four years to municipal road and highway infrastructure from the proceeds of the provincial government's sale of its share in the New Grade upgrader.

A Saskatchewan Party government will also provide \$300 million in five-year interest-free loans through the Saskatchewan Infrastructure Growth Initiative, to assist municipalities in developing the infrastructure needed to meet the demand for new housing, commercial and industrial construction.

Competitive Tax Environment

Tax competitiveness is not a one-time issue – Saskatchewan needs to be competitive on all of our tax rates.

2. What measures will you take to make Saskatchewan's small business corporate tax rate and threshold the most attractive in Canada?

Saskatchewan Liberal

Saskatchewan has traditionally had a reputation for having 'high taxes'. However, since the Vicq Commission on Business Taxation, the province has become much more competitive. Given the cost structure in our province Vicq found that we should have investments three to four times greater than is currently the case.

Saskatchewan Liberals commit to ensuring that our taxation policies render us competitive with our neighbors.



As our New Democratic government delivered 14 consecutive balanced budgets, a concerted effort was made to provide tax relief to Saskatchewan families and businesses. Beginning with the 2004-05 Budget, the focus has been on providing quality healthcare and education while relieving the financial burden on our tax base.

The findings of the independent Business Tax Review Committee, chaired by Jack Vicq, provided the impetus for sweeping reforms to provincial business taxes. Specific tax reductions this year include:

- reducing the general Corporate Capital Tax (CCT) rate on existing capital from 0.3 per cent to 0.15 per cent on July 1, 2007 and fully eliminating it on July 2008;
- reducing the general Corporate Income Tax rate from 14 per cent to 13 per cent on July 1, 2007 and reducing it further to 12 per cent on July 1, 2008; and
- increasing the small business threshold from \$400,000 to \$450,000 on July 1, 2007, and increasing it further to \$500,000 on July 1, 2008.

The latest round of business tax reforms implemented on July 1, 2007 realize a \$155 million tax reduction for Saskatchewan businesses for 2007, up from the \$95 million in tax reforms introduced last year, and estimated to reach \$190 million annually from then on.

Upon re-election an NDP Government will complete the most aggressive business tax cuts in Saskatchewan history further improving Saskatchewan's economic climate, encouraging further economic development and diversification and expanding employment opportunities for residents. In our next term, Lorne Calvert and the Saskatchewan New Democrats will continue to build a strong and prosperous Saskatchewan, where everyone benefits from our shared prosperity.



The Saskatchewan Party has committed to education property tax relief for businesses. A Saskatchewan Party government will establish Enterprise Saskatchewan, which will have industry at the table to identify and remove barriers to growth. Enterprise Saskatchewan will consistently act to measure and report on Saskatchewan's tax and regulatory environment to ensure that Saskatchewan's economy remains competitive within the new west.

As the only political party to make a submission to the 2005 Saskatchewan Business Tax Review Committee, the positive changes to business taxes that have been made in the past few years were based on Saskatchewan Party policies. We were pleased that the Saskatchewan government implemented our policies, but we believe that a plan is needed for a more sustained system of business tax review.

3. Will you make Saskatchewan's personal income tax rates competitive with Alberta's through all income ranges?

Saskatchewan Liberal

The first Vicq Commission on personal income tax rates made Saskatchewan taxation levels competitive. Our lowest marginal rate is competitive with Alberta. As our capacity allows, we must try to maintain tax competitiveness with Alberta and other jurisdictions. But education property tax reform must come first as it remains the most regressive tax in Saskatchewan.



In the past year alone, our NDP government has cut the Provincial Sales Tax (PST), capital taxes, corporate taxes, small business taxes, property taxes, income taxes and sales taxes. Our two per cent cut to the PST was the single largest tax cut in Saskatchewan history, and will provide approximately \$300 a year in savings for an average family. As well, with the indexing of the Personal Income Tax to the annual inflation rate, Saskatchewan residents will receive \$28.1 million in personal income tax savings in 2007.



A Saskatchewan Party government will create Enterprise Saskatchewan, a new public-private partnership between government, business, labour, First Nations, municipalities, post-secondary institutions and economic stakeholders. Enterprise Saskatchewan will be Saskatchewan's central economic development agency.

One of the roles of Enterprise

Our NDP government is working to benchmark Saskatchewan's competitiveness in relation to other jurisdictions to identify areas where improvements can be made. KPMG compared the cost of doing business in nine countries including the G7, Netherlands and Singapore. Moose Jaw and Prince Albert ranked sixth and seventh out of 128 cities studied by KPMG, and Saskatoon was the lowest cost jurisdiction among 21 featured cities from the North American Midwest. Provincial corporate tax reductions in 2006-07 made Saskatchewan's business environment even more competitive and contributed to business growth and more jobs over the last year.

New Democrats will keep working to ensure that life continues to be the most affordable for Saskatchewan people. When all taxes, charges and basic living costs are taken into account, we believe Saskatchewan is the most attractive jurisdiction in which to live, work and raise a family.

Saskatchewan will be to consistently act to measure and report on Saskatchewan's tax and regulatory environment to ensure that Saskatchewan's economy remains competitive within the New West. This will include personal income tax rates.

4. Will you finance a greater portion of education through general revenues rather than the current property tax system?

Saskatchewan Liberal

The Saskatchewan Liberal Party has proposed the boldest plan of any party to eliminate unfair property taxes. Our plan to fund education differently will eliminate education property taxes on your home. This will save the average Saskatchewan household \$1500 per year, or a renter one month's rent. It will also serve to protect homeowners from the potential of significant increases to their property taxes after the 2009 reassessment.

Our plan to eliminate education property taxes on your home will be phased in evenly over four years, and once fully implemented will cost approximately \$315 million year over year. We plan to finance it through redirecting 25% of excess oil royalty revenues (oil over \$50/barrel), 25% of budget surpluses and directing GDP growth.



Our NDP government recognizes that education property taxation is a concern to property taxpayers across the province, and will expand residential education property tax relief by introducing a 30 per cent refundable income tax credit for all education property tax paid on principal residences. Renters will also benefit from the credit. Commercial and industrial property owners will continue to receive the existing 10 per cent education property tax credit directly on their municipal tax bills. The 38 per cent education property tax credit on agricultural land and continues to ensure agriculture land owners will not pay more than 40 per cent of the cost of pre-K-12 education through property tax.

Financing the K-12 public education system in Saskatchewan is a shared responsibility. The provincial government provides funding from general revenues on an equalizing basis and school boards raise their remaining funding requirements from the property tax base. One of the strengths of our province's school system is that autonomous, locally accountable boards of education are responsible for the delivery of education programs in their divisions. The use of property taxes to partially finance education in Saskatchewan, as in some other provinces, is the traditional method by which boards have raised the local share of funds needed to cover the costs of providing education services. These revenues provide a consistent, stable source of locally administered funding that allows elected boards of education to make decisions about educational programs and services in their communities.



A Saskatchewan Party government will reduce the education portion of property taxes for Saskatchewan families by doubling property tax rebates over four years. This will provide significant relief to residential, commercial, and agricultural property owners. We will work with the people of Saskatchewan and school boards to find a long term solution to education financing in the province.

The Saskatchewan Party platform commits to funding a greater share of education from the general revenue fund, as opposed to local tax payers. A Saskatchewan Party government will reduce the amount of education property tax shouldered by people in Saskatchewan. In turn, we will increase K-12 operating funding to school boards by 20% over four years - a \$118 million investment in education.

5. Will you reject any proposal that would provide increased taxation powers to municipalities (such as a municipal fuel or hotel tax or even a sales or income tax)?

Saskatchewan Liberal

Saskatchewan Liberals will work for a long-term, stable funding source for municipalities, which keeps pace with GDP growth. Measuring economic



Our NDP government had no plan in place to provide increased taxation powers to municipalities. However, the cities have requested access to additional revenue



A Saskatchewan Party government will reject proposals that would provide increased taxation powers to

productivity, our cities continue to be a major economic driver of the province.

For that reason, Saskatchewan Liberals support the Federation of Canadian Municipalities campaign to commit one cent from every dollar raised by the GST to be dedicated to municipal infrastructure.

We also commit to making the gas tax fund permanent.

Saskatchewan Liberals are opposed to the Harper position that municipalities are strictly a provincial matter; our cities must now compete not only nationally, but globally.

sources, and we have agreed to explore with them a range of options and assess their feasibility. This process could take several years before any decision is made.

No change is contemplated, and no change would occur without consultation with all sectors, including the business community.

municipalities.

Balanced Labour Laws

Many local and national firms do not view Saskatchewan as 'open for business' from a labour legislation perspective.

6. Will you introduce a secret ballot vote in all union certification attempts?

Saskatchewan Liberal

Saskatchewan Liberals are in favour of maintaining the current labour management balance in Saskatchewan.



The Labour Relations Board's (LRB) practice of accepting support card evidence has been in existence since 1945 and has not changed during any period of the Board's history.

During the last review of *The Trade Union Act* in 1993-94, a three-person committee composed of representatives of business and labour reviewed the issue of representation votes. After careful consideration, the committee members concluded the process was fair and recommended that the current provision not be changed. This committee was chaired by Ted Priel, and was comprised of Mike Carr on behalf of business, and Hugh Wagner on behalf of labour.

Saskatchewan is not the only province that doesn't require secret-ballot certification votes. Neither do Manitoba, Nova Scotia, New Brunswick or Prince Edward Island. Five provinces in this country have secret-ballot certification, and five do not.



A Saskatchewan Party government will ensure democratic workplaces by requiring secret ballots on any vote to certify a union in a workplace and a 50% plus one result for successful certification.

7. Will you allow greater flexibility around hours of work and overtime and allocation of statutory holidays?

Saskatchewan Liberal

Saskatchewan Liberals believe the current legislation is working well.



The Government of Saskatchewan agrees that this concept could contribute to creating workplaces where the balance between work and family could be enhanced.

When possible changes to *The Labour Standards Act* are next considered, the Government hopes to discuss this issue with stakeholders. The Government of Saskatchewan does not intend to eliminate the holiday provisions contained in *The Labour Standards Act*.



The Saskatchewan Party Platform does not include any changes to the laws that would affect flexibility around hours of work, overtime or allocation of statutory holidays.

8. Will you require employees to give notice to the employer before quitting a job, as employers are required to give employees?

Saskatchewan Liberal

Employees who quit without notice risk not being able to gain good references for future employment, which we believe is disincentive enough.



The NDP Government of Saskatchewan agrees that it is fair that employees provide notice to their employer of the employee's intention to terminate their employment. However, it would not be possible to practically enforce an obligation of an employee to give notice to his or her employer, prior to quitting a job. For this reason, the government has not enacted such an obligation in legislation.



A Saskatchewan Party government will not require that employees give notice to the employer before quitting a job.

9. Will you enhance an employer's ability to communicate with employees in a certification drive?

Saskatchewan Liberal

Saskatchewan Liberals believe the current labour legislation well crafted.



The NDP Government of Saskatchewan supports the right of employers to communicate with its employees, subject to the qualification that such communications cannot interfere with, restrain, intimidate, threaten or coerce employees in the exercise of their rights under *The Trade Union Act*.

The provision respecting communication with employees during an organizing drive has remained relatively unchanged since *The Trade Union Act* was first enacted in 1944. In 1983, the provision was amended to specifically allow employers to communicate with their employees. This amendment was removed in 1994; however, the intent was not altered. Employers remain empowered to communicate with employees, unless such communications interfere with an employee's statutory rights.



A Saskatchewan Party government will ensure democratic workplaces by ensuring freedom of information in the workplace during any unionization drive, by allowing unions and management the opportunity to fairly communicate with employees.

Shortage of Skilled Labour

Shortage of qualified labour is the fastest growing problem facing small business. Fully 64 per cent of CFIB members in Saskatchewan cited labour shortages as a concern. This is a complex problem involving all levels of government, professional associations, businesses and academic institutions.

10. What concrete initiatives will you undertake to address the growing shortage of skilled labour?

Saskatchewan Liberal

In keeping with our priority to maintain and extend the current economic boom, Saskatchewan Liberals have a plan to move training into the workplace through apprentice training tax credits.

The key component of the Liberal plan will provide a matching \$2,000 tax credit for up to 6,000 new apprenticeship spaces for Saskatchewan businesses in partnership with the federal government through the Can-Sask Training Program.

This investment is over and above the current SIAS-based training spaces.



It used to be that Saskatchewan had more people than it had jobs. What a turn around as a result of the hard work of business, working people and Government! Our New Democratic government is already taking a number of steps to alleviate the labour shortage. Our NDP government formed the Labour Market Commission - a unique business/labour/government partnership with legislative authority. The commission has been tasked to provide our government with recommendations to facilitate labour market attachment and ease the labour shortage. The commission will supply our government with advice on provincial, regional and sectoral labour market issues, and foster cooperation with First Nations and Métis organizations.

Our New Democratic government provides the highest per-capita funding to our post-secondary



Enterprise Saskatchewan will act as the lead agency for developing a long-term provincial labour force development strategy to ensure Saskatchewan has enough well-trained workers to fill jobs and sustain economic growth in or province. Enterprise Saskatchewan will:

- Facilitate direct partnerships between post-secondary institutions and industry to address training needs in growth sectors of the economy.
- Develop a long-term provincial initiative between First Nations, post-secondary institutions and industry to increase the number of First Nations workers in the labour force.

Saskatchewan Liberals also will invest more in K-12 schools, placing money from social services and justice onto the front lines, so there can be early intervention for at-risk youth. Teachers must be able to teach in a good learning environment, so that our young people can get the skills they need to enter the workforce.

institutions and skills trade centres of any province in Canada. We are committed to retaining our brightest and best, and are focused on attracting working families and graduates from around Canada to Saskatchewan.

Most importantly, our NDP government has provided funding for an additional 2,118 training opportunities in the 2007-08 Budget. This increase brings the total number of seats created since 2005-06 to 6,164, which exceeds our original commitment by over 750 seats.

We have forged groundbreaking partnerships with, and made record investment in, First Nations and Métis learners - including directly investing \$4.2 million to provide adult basic education and training for Aboriginal learners; providing training on-reserve for the first time ever; and purchasing mobile training labs to bring skills training to remote communities.

New Democrats will provide even more opportunities for young people in the future by providing a \$1,000 undergraduate university tuition cut, 10,000 new training opportunities and \$100,000 in income provincial tax-free for new post-secondary graduates who stay in, or move to, Saskatchewan for five years (saving up to \$5,500.)

A new \$6.3 million immigration strategy is partially a result of government working with industry and employers to enhance access to foreign skilled workers. The expansion of the Saskatchewan Immigrant Nominee Program will help to meet labour market needs, as well as make it more flexible for immigrants who want to own and operate a business in the province.

The New Democratic government has been marketing Saskatchewan's ideal quality of life and excellent career opportunities. Through our Saskjobs.ca website, our NDP government has been marketing employment opportunities throughout Alberta and Ontario. The results have been exceedingly positive, with ex-patriots returning home, and new residents building their future in Saskatchewan as a result of our growing economy and marketing campaign.

- Increase training and employment opportunities for apprentices, including reviewing the current journeyman to apprentice ratio in consultation with industry and labour.

A Saskatchewan Party government will provide an additional \$20-million over four years to food banks and community based organizations that provide life skills, development and employment training to under-skilled individuals.

A Saskatchewan party government will also launch the most aggressive youth retention plan in Canada by rebating up to \$20,000 in tuition costs for post-secondary graduates who stay in Saskatchewan for seven years after graduation.

Provincial Regulatory Burden

CFIB research reveals that government regulations impact smaller firms much more negatively than larger firms. Business owners want more accountability with respect to the regulatory burden imposed by government.

11. Will you publicly report the regulatory burden on business?

Saskatchewan Liberal

We agree with greater transparency and accountability at every level of government. This must also extend to businesses accessing government money.



Yes.



A Saskatchewan Party government will utilize Enterprise Saskatchewan, which will consistently act to measure and report on Saskatchewan's tax and regulatory environment to ensure that Saskatchewan's economy remains competitive within the New West.

12. Will you set clear numerical targets for the reduction of fees, forms and regulations on business?

Saskatchewan Liberal

Saskatchewan Liberals believe that government must strive for continuous improvement in smart regulation, and also strive for continuous improvement in providing more on-line services to increase productivity.



It is the goal of our NDP government to create a regulatory environment that is more client-sensitive, fosters economic development and assists small- and medium-sized businesses to remain competitive while at the same time protecting the public interest.

In 1996, our New Democratic government developed an action plan for implementing a regulatory reform program to eliminate redundant, outdated, ineffective or unnecessary government regulations. The target was to eliminate approximately 25 per cent of the volume of regulations.

All government organizations were required to review existing regulations to ensure they were still required, did not contain unnecessary red tape and co-ordinated with other agencies and levels of government.

Our NDP government established a Competitiveness Branch within Saskatchewan Industry and Resources. The Branch examines barriers to investment and growth through consideration of taxation issues, labour issues, regulatory reform, investment attraction, and incentive programs.



Enterprise Saskatchewan teams will review key sectors of Saskatchewan's economy, to identify barriers to growth and make recommendations to government for their removal.

Eliminate Government Intervention in the Economy

CFIB believes government's role should be to establish the infrastructure and environment for economic development to take place, rather than be a major player in the economy.

13. Will you introduce legislation to prohibit direct public sector investment in new or existing businesses?

Saskatchewan Liberal

We believe that government can play a positive roll as a catalyst in creating the conditions for economic prosperity. In Saskatchewan, from time to time that means pan-industry support for cyclical downturns. Government must, however, have a timely exit strategy for every investment.



For more than 60 years, successive Saskatchewan governments of varying political perspectives have used investment as part of their approach to promoting and fostering economic growth. Many of the province's largest, most successful private sector corporations have benefited from large government investment at some point in their history. It is clear that government's role, including that of providing significant risk capital, has been instrumental in the overall success of these operations.

There is healthy competition for deal flow, and entrepreneurs have reasonably good options for sourcing venture capital in nearly all stages of a company's life cycle, from very early stage technology development to expansion financing.

Investment Saskatchewan is the



The Saskatchewan Party does not feel legislation is required in this area. A Saskatchewan Party government will not expand or introduce new government competition with the private sector, while ensuring that Saskatchewan's Crown Corporations and their subsidiaries remain publicly owned and continue to be competitive in the products and services they offer.

government entity designed to fill the gap for venture capital in projects requiring capital of \$3 million or greater on commercial terms. In most financings, Investment Saskatchewan syndicates with other investors, some of whom are new investors to Saskatchewan, thereby increasing private sector capital invested in the province.

Along with building the venture capital industry, investments made through Investment Saskatchewan provide significant economic spin-offs to the province through its investee companies, including employment, local purchasing, taxes paid, and capital construction projects.

Investment Saskatchewan's mandate and investment management contracts require that any new investments be made purely on commercial terms. The investment decision making is at arms length from government. Grants, subsidies and preferential arrangements are not permitted through Investment Saskatchewan.