

March 4, 2016

Honourable Brad Wall
Premier of Saskatchewan
Room 226
2405 Legislative Drive
Regina SK S4S 0B3

Dear Premier Wall:

Further to our discussion at Political Forum on the province posting a deficit in this budget, I forward the following considerations when determining the 2016/17 budget.

We have analyzed the debt to GDP ratio for Saskatchewan and compared to other provinces we are in a good position. While this is only one of the metrics to consider, it is used by many to value the standing of the economy and public debt.

We forward these considerations for you and Minister Doherty in your development of the next budget, specifically as it relates to infrastructure investments.

- To provide the best value for money and ensure some immediate stimulus effect, projects must be “shovel ready” but we also ask that you ensure they are “shovel worthy”. A focus on projects that have strategic economic benefit must take priority.
- Consider public sector projects that will trigger incremental private sector investment.
- Retain focus on the *Plan for Growth* objectives when determining projects so those goals can be achieved.
- Consider the construction period to take advantage of the most cost effective timeframe and project management.
- Invest in trade enabling projects that improve productivity and enhance export capacity.

The provincial budget which covers non-capital investment also needs to retain the tight control your government has shown over past budgets. We ask that you restrict non-capital expenditures to the combined rate of inflation plus population growth.

The members of the Saskatchewan Chamber of Commerce understand the current economic challenges but remain convinced the structure of our economy is well positioned to withstand the negative forces. In fact, we continue to add strength so when markets improve we will rebound faster than most other provinces.

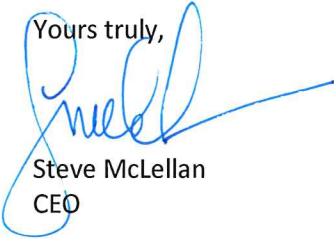
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Finally, the key to managing a deficit is clarity and having a firm plan in place to get out of it. Clarity is needed on where the money is coming from, where it is being invested and what changes and challenges are being experienced. A firm plan to get us into a surplus position with timeframes and a path to get us there is required to give the shareholders of the province – its residents – confidence deficits are a temporary reality.

We remain confident of your leadership on the provincial budget and hope you find these considerations useful.

Yours truly,



Steve McLellan
CEO

Cc Hon. Kevin Doherty, Minister of Finance
Saskatchewan Chamber of Commerce Board of Directors
Saskatchewan Chamber of Commerce Finance Committee