

SASKATCHEWAN PLAN FOR GROWTH



VISION 2020 AND BEYOND



Government of
Saskatchewan

Opening Message



Too often enterprise-oriented governments appear to seek growth for the sake of growth. This is a mistake – one that can cause governments to lose focus and discipline. The Saskatchewan Plan for Growth is about that focus and discipline. It sets out the Government of Saskatchewan's vision for a province of 1.2 million people by 2020. It is a plan for economic growth that builds on the strength of Saskatchewan's people, resources and innovation to sustain Saskatchewan's place among Canada's economic leaders.

Growth will be a result of continued investments in a competitive economy, infrastructure and a skilled workforce. Building on our agricultural and natural resource advantage, Saskatchewan will be a global leader in export and trade by 2020 and will invest in knowledge and innovation in the development of Saskatchewan's future economy. Capital investments in new projects and expansions will grow our economy, and Saskatchewan will continue to welcome newcomers from across Canada and throughout the world to live and work in our province.

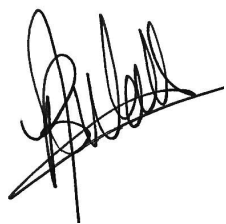
An expanding economy is the foundation for a growing and prosperous province. The purpose of growth is to build a better quality of life for all Saskatchewan residents. To this end, the Saskatchewan Plan for Growth outlines the government's direction to improve health care and education outcomes, while building growing and safe communities and improving the lives of persons with disabilities in Saskatchewan.

The Saskatchewan Plan for Growth reaffirms the provincial government's commitment to fiscal responsibility through balanced budgets and further reduction in government debt.

It is also time to think about Saskatchewan's future beyond 2020. At a date when debt has been fully retired, our province will have choices about how best to invest Saskatchewan's future resource revenue. It's time to begin considering those choices. To that end, the Saskatchewan Heritage Initiative will be established to examine how other jurisdictions have managed

their non-renewable natural resource revenue and to provide advice to the Government of Saskatchewan.

Saskatchewan is a province rich in resources with a growing population and a strong economy. We are truly blessed as a people and a province. The Saskatchewan Plan for Growth is a road map to sustain the growth we enjoy today and ensure we continue realizing our full promise as a province moving forward to 2020.

A handwritten signature in black ink, appearing to read 'Brad Wall', with a long horizontal stroke extending to the right.

Brad Wall
Premier of Saskatchewan

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Executive Summary

The Saskatchewan Plan for Growth sets out the Government of Saskatchewan's vision for a province of 1.2 million people by 2020.

The plan identifies principles, goals and actions to ensure Saskatchewan is capturing the opportunities and meeting the challenges of a growing province.

The Purpose and Principles of Growth

Too often, enterprise-oriented governments appear to seek growth for the sake of growth. This is a mistake – one that can cause governments to lose focus and discipline.

The purpose of growth is to secure a better quality of life for all Saskatchewan people.

The six core growth activities the Government of Saskatchewan can undertake to foster economic growth and address the challenges of growth have been and always will be:

- Investing in the infrastructure required for growth.
- Educating, training and developing a skilled workforce.
- Ensuring the ongoing competitiveness of Saskatchewan's economy.
- Supporting increased trade, investment and exports through international engagement.
- Advancing Saskatchewan's natural resource strengths, particularly through innovation, to build the next economy.
- Ensuring fiscal responsibility through balanced budgets, lower debt and smaller, more effective government.

Just as importantly, the Government of Saskatchewan will not directly intervene in the economy or undertake direct investment in businesses.

Key Goals and Actions

Some of the key targets and actions in the Saskatchewan Plan for Growth include:

- 1.2 million people living in Saskatchewan by 2020;
- \$2.5 billion invested in infrastructure over the next three years;
- Create SaskBuilds and transfer \$150 million into a new SaskBuilds Fund to drive innovation in infrastructure financing, design and delivery, including public-private partnerships;
- 60,000 more people working in Saskatchewan by 2020;
- Reduce the difference in graduation rates between Aboriginal and non-Aboriginal students by 50 per cent by 2020;

- Increase the cap on provincial immigrant nominees from 4,000 to 6,000;
- Lower the incorporated business tax rate from 12 to 10 per cent by 2015;
- Double the value of Saskatchewan's exports by 2020;
- Increase crop production by 10 million tonnes by 2020;
- Increase exports of agricultural and food products from \$10 billion in 2011 to \$15 billion in 2020;
- Continue to balance the budget every year;
- Cut the provincial debt in half from its 2007 level by 2017;
- Maintain a target amount of \$500 million in the Growth and Financial Security Fund with any excess amounts used to invest in infrastructure and reduce debt;
- Deliver on a targeted 15 per cent reduction in the size of the public service by 2013-14;
- Reduce surgical wait times to no more than three months by 2014;
- Lead the country in Grade 12 graduation rates by 2020;
- Eliminate the wait list for Adult Basic Education programs by the end of the government's current term;
- Invest \$344 million to add 12,600 new housing units by 2016;
- Eliminate wait times in emergency rooms by 2017;
- Provide a new "Saskatchewan's International Future Scholarship" to 20 Saskatchewan students annually to study business at an international institution if they return to Saskatchewan for at least five years after they graduate.

The Saskatchewan Heritage Initiative: The Use of Non-Renewable Resource Revenue in a Debt-Free Saskatchewan

To identify options and provide advice to the Government of Saskatchewan for how best to utilize Saskatchewan's non-renewable natural resource revenue after the province's debt has been fully retired, the Government of Saskatchewan will establish the Saskatchewan Heritage Initiative.

A Growing Saskatchewan



“Saskatchewan’s turnaround has been stunning. From 1996 to 2006 the province lost more than 1 per cent of its population, an indictment that saw young people leaving for opportunities elsewhere. But as the price of commodities rose over the last five years Saskatchewan grew by 6.7 per cent to pass the 1 million mark, as it did once before in 1986. More than a quarter of that growth was due to Canadians re-locating to Saskatchewan from other provinces.”¹

Saskatchewan is a comeback story. Following more than a decade of population decline and an economy that lagged behind the national average, Saskatchewan now ranks among the national leaders in provincial population and economic growth.

Last year, Saskatchewan’s real GDP growth was the second best in the country at 4.8 per cent, compared to the Canadian average of 2.6 per cent.² Job statistics from August show that Saskatchewan’s employment grew by over 20,000³, to an all-time high of nearly 550,000. Saskatchewan is once again forecasted to be among the national leaders in economic growth in 2013 and 2014.⁴

Today, at a time when Saskatchewan is fulfilling its promise more than at any point in our province’s recent history, we have an opportunity as a people to sustain our current momentum and develop a roadmap for Saskatchewan’s future.

A Vision for Saskatchewan in 2020

Saskatchewan will be a province of 1.2 million people by 2020. That is a foundational goal in the province’s growth plan. After decades of stagnation and decline, Saskatchewan communities are growing and will continue to grow because more young people are staying in Saskatchewan, more families are moving home and more new families from across Canada and around the world are choosing Saskatchewan as the place to be.

Agriculture and natural resources will continue to drive growth in Saskatchewan’s exports. As an export and trade intensive economy, Saskatchewan is a safe and stable supplier of food, potash and energy to emerging economies around the globe that are building higher standards of living for their people. Saskatchewan will also continue to engage the world through partnerships between provincial and international

1 Joe Friesen and Bill Curry, “Canada’s future is in the West: 2011 Census,” The Globe and Mail, June 19, 2012

2 Statistics Canada, *GDP by Industry*, CANSIM Table 379-0025

3 Statistics Canada, *Labour Force Survey*, August 2012

4 TD Economics, *Provincial Economic Update*, September 27, 2012; The Conference Board of Canada, *Provincial Outlook*, Summer 2012

post-secondary institutions and the creation of international engagement opportunities for Saskatchewan students.

Saskatchewan's agricultural and natural resources provide a strong foundation for success. But Saskatchewan's future economic success will depend increasingly on knowledge and innovation. Diversifying our economy is an imperative, but it must realistically be built on the platform of our province's agricultural and natural resource advantage.

The benefits of Saskatchewan's natural resource wealth will continue to be reinvested in both education and innovation to build the economy of tomorrow – the next Saskatchewan. Improvements in outcomes and achievement in the K-12 system will produce a more educated workforce and open new opportunities for more Saskatchewan people to engage in post-secondary education.

Innovation, particularly around Saskatchewan's agricultural and natural resource strengths, will continue to be a priority.

By 2020, energy in Saskatchewan will become cleaner through investments in clean coal and carbon capture and storage. New technologies being developed in Saskatchewan will benefit countries, such as China, that rely on coal as an energy source. Through enhanced oil recovery technologies being developed at the Petroleum Technology Research Centre at the University of Regina, Saskatchewan can increase its oil production.

Saskatchewan, which early in its history was the breadbasket of the world, will increasingly become a global leader in life sciences, supplying food and new crop varieties to a hungry world. Saskatchewan's past leadership as a source of nuclear innovation will be recaptured through new research in nuclear medicine, nuclear materials science and small/smart reactor technology research.

Saskatchewan also has an obligation to protect its natural environment and water resources. While Saskatchewan has an abundance of water, management of Saskatchewan's water resources and investments in water infrastructure will ensure future generations in our province benefit from enhanced water quality, clean drinking water and healthy lakes and rivers.

Saskatchewan's opportunities extend beyond our economy. The purpose of growth is to secure a better quality of life for all Saskatchewan people.

Continued growth will allow our province to undertake new investments to improve health care services and educational outcomes. Growth provides the means to make

communities safer, to improve the lives of persons with disabilities and create more opportunities for everyone to participate in Saskatchewan's prosperity.

As a province, we must also continue on a path to the retirement of government debt. There is no greater legacy we can leave our children and grandchildren than a growing, prosperous and debt-free province in which to build their future.

Growth brings opportunities, but it also brings challenges.

A growing population increases pressure on the province's infrastructure and creates more demand for housing. Investments in highways and public infrastructure, such as better internet and cellular connectivity for residents in rural and urban Saskatchewan, are necessary to manage the pressures of today's growth and meet increased demand moving forward.

While the supply of housing in Saskatchewan is increasing, more rental housing is needed. Low-income and moderate-income families also require access to affordable housing. The Government of Saskatchewan will continue to take action to stimulate new housing construction and create more affordable housing options to meet this growth challenge.

Saskatchewan's future growth requires employment growth. Today's labour shortage will increase unless we as a province can better match workers to jobs, training to the needs of employers and employees, and build skills in our workforce that will allow more Saskatchewan people to occupy jobs today and tomorrow.

There has never been a better time to be in Saskatchewan. But how we address our future opportunities and challenges has a direct bearing on Saskatchewan's future success.

Saskatchewan can be the place of opportunity in Canada, if not the world, in 2020 if we plan for it today.

Saskatchewan is well positioned for growth in the years ahead, and Saskatchewan people are no strangers to success, innovation and leadership.

Twenty years ago, pulse crops such as lentils and peas were a minor part of the province's agricultural production. Today, Saskatchewan contributes 58 per cent of the world's lentil exports and 55 per cent of the world's pea exports.

The Canadian Light Source is Canada's largest science investment, and Saskatchewan's International Vaccine Centre is Canada's first laboratory where researchers study live

pathogens that cause diseases affecting humans, plants and animals.

In the 1940s and 1950s, Saskatchewan was a pioneer in the use of radiation for cancer treatment. Working with Dr. Harold E. Johns, former Saskatchewan Lieutenant Governor Dr. Sylvia Fedoruk was one of four scientists involved in developing the world's first non-commercial cobalt-60 unit for the treatment of cancer. It is estimated that cobalt radiation had helped more than 70 million people worldwide by the end of the last century.⁵

Saskatchewan has demonstrated it can be a leader in Canada and the world.

The Saskatchewan Plan for Growth is a plan for seizing the opportunities we have before us to become a province of 1.2 million people by 2020. It is a plan to reap the benefits and rewards that come from growth, manage the challenges of growth and invest the dividends of growth to improve the quality of life for everyone who calls Saskatchewan home.

5 "Dr. Sylvia O. Fedoruk," The Canadian Medical Hall of Fame, 2009

The Opportunities and Challenges of Growth



Saskatchewan's opportunity in the next decade centres around the very real prospect of a growing economy and a much larger tax base that comes with that growth...[i]f Saskatchewan can reform and reduce its taxes in a strategic fashion to promote business competitiveness and investment, while maintaining critical social and infrastructure investment, then the province is sure to win the ability to lever even greater economic gains—emboldening a virtuous circle of future growth, prosperity, and opportunity.⁶

Virtuous Circles and Vicious Cycles

Today, Saskatchewan is experiencing a virtuous circle of growth. A strong economy is driving population growth, which in turn has led to a growing tax base and the ability of government to invest in measures to sustain economic growth and build a better quality of life.

In the absence of sustained economic growth into the future, Saskatchewan will fall back into the vicious cycle the province experienced throughout previous decades.

Saskatchewan's vicious cycle in the past has included economic stagnation and population decline:

- Saskatchewan's GDP in 2001 was only 5.8 per cent higher than it was in 1997. This was the lowest growth in Canada. By comparison, Alberta's economy grew by 16 per cent over the same time period. Saskatchewan's GDP grew by 11 per cent from 2002 to 2006, the fourth highest growth in Canada and slightly ahead of PEI, Manitoba and New Brunswick, but well behind Alberta's growth of 21.2 per cent and B.C. at 15.8 per cent.⁷
- Saskatchewan's historical job numbers tell a similar story. In 1991, there were 453,300 people employed in Saskatchewan. Ten years later, employment stood at 460,600, a net increase of just 7,300 new jobs over the period. In fact, there were actually 3,800 fewer people employed in Saskatchewan in 2001 than there were in 1997.⁸
- As the economy lagged behind other provinces, net-outmigration of Saskatchewan people to other provinces increased. Saskatchewan experienced

⁶ Casey Vander Ploeg and Jack Vicq. *A Tax Framework for Saskatchewan's Continuing Prosperity*, Canada West Foundation, October 2010, pg v

⁷ Statistics Canada, *CANSIM Tables 379-0025*

⁸ Statistics Canada, *Labour Force Survey*, *CANSIM Table 282-0002*

net out-migration in every year from 1990 to 2006, and Saskatchewan's population shrunk from 1,002,713 in 1991 to 1,000,221 in 2001 before reaching a low of 992,122 in 2006.⁹

Today, strong economic growth is contributing to the largest population increases the province has experienced since 1921.

- In the past year, Saskatchewan's population increased by 22,154. This is the largest increase since Statistics Canada started keeping annual figures in 1921. Saskatchewan's population has grown by nearly 80,000 people over the past five years.
- In the second quarter of 2012, Saskatchewan's population increased by 6,851 people. Saskatchewan's population now stands at 1,079,958.
- Saskatchewan has experienced net in-migration to the province every year since 2007, driven by strong international immigration. Saskatchewan saw a net increase of almost 38,000 immigrants to the province between 2007 and 2011.¹⁰

Saskatchewan's population growth has been driven by strong economic growth. Saskatchewan's GDP grew from \$37.6 billion in 2007 to \$41.2 billion in 2011 – a growth of 9.6 per cent, which was double the GDP growth of either Alberta and B.C.

Real GDP at Basic Prices in 2002 Chained Dollars

<i>in \$ billions</i>	2007	2008	2009	2010	2011
Newfoundland and Labrador	18.2	18.1	16.4	17.4	17.9
Prince Edward Island	3.8	3.8	3.8	3.9	3.9
Nova Scotia	26.2	26.8	26.8	27.3	27.3
New Brunswick	21.3	21.4	21.3	22.0	22.0
Quebec	244.9	248.5	246.5	252.8	257.0
Ontario	489.7	487.7	471.9	487.0	497.0
Manitoba	38.1	39.5	39.4	40.3	40.7
Saskatchewan	37.6	39.3	37.7	39.3	41.2
Alberta	178.4	180.2	172.2	177.9	187.0
British Columbia	150.9	151.7	148.3	153.1	157.5

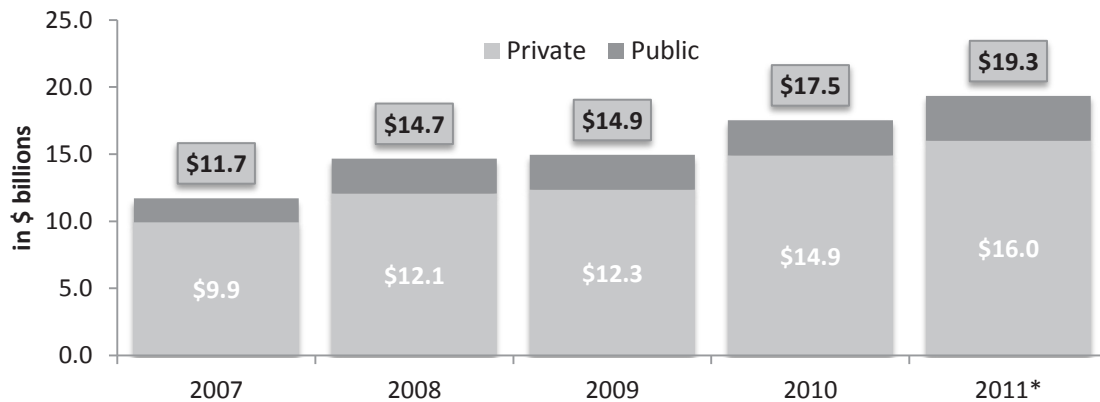
Statistics Canada, CANSIM Table 379-0025

9 Statistics Canada, CANSIM Table 051-0004

10 Statistics Canada, CANSIM Tables 051-0005, 051-0017

New private capital investment in Saskatchewan grew from \$9.9 billion in 2007 to \$16.0 billion in 2011, with a corresponding public sector capital investment increase from \$1.8 billion in 2007 to \$3.3 billion in 2011. Capital investment in Saskatchewan is expected to increase to a record level of \$20.2 billion in 2012.

Saskatchewan Private and Public New Capital Investment

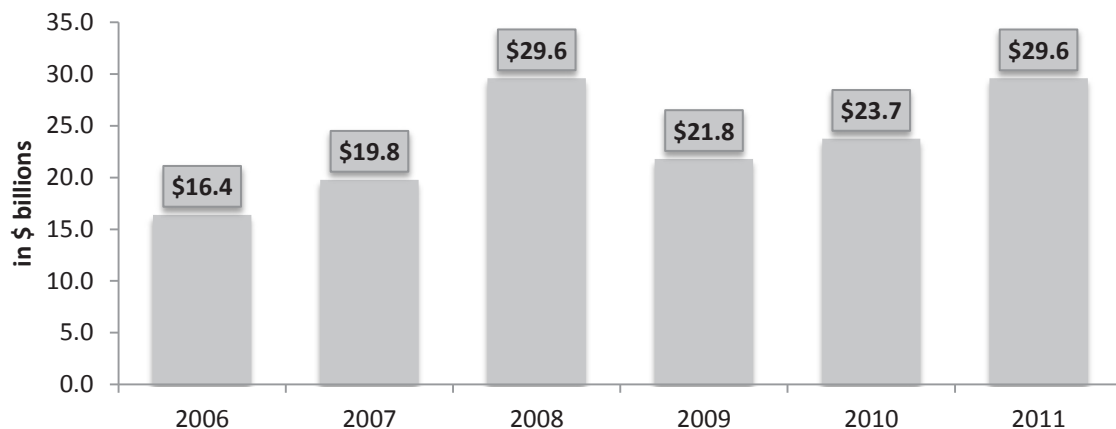


* preliminary estimates

Source: Statistics Canada, CANSIM Table 029-0006

The value of Saskatchewan exports grew from \$16.4 billion in 2006 to \$29.6 billion in 2011, and monthly export sales to date in 2012 have continued to expand.

Saskatchewan Export of Goods



Source: Statistics Canada, Trade Data Online

Employment in Saskatchewan grew from 504,400 in 2007 to 525,900 in 2011, an annual growth rate of 4.3 per cent. This is less than Alberta's employment growth rate of 5.2 per cent, but higher than the Canadian average of 3 per cent.

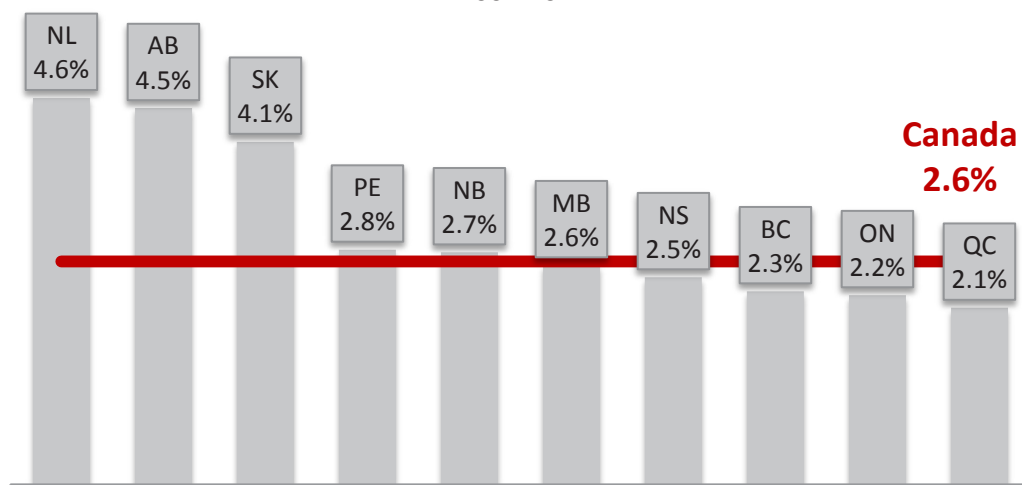
Employment by Province (000s)

	2007	2011
Newfoundland and Labrador	216.5	225.4
Prince Edward Island	68.7	72.0
Nova Scotia	448.0	452.8
New Brunswick	357.1	352.0
Quebec	3,834.1	3,953.6
Ontario	6,564.3	6,731.3
Manitoba	598.6	624.5
Saskatchewan	504.4	525.9
Alberta	1,991.3	2,094.1
British Columbia	2,222.6	2,274.7
Canada	16,805.6	17,306.2

Source: Statistics Canada, Labour Force Survey, CANSIM Table 282-0002

Average weekly wages in Saskatchewan grew from \$749 in 2007 to \$878 in 2011, a 4.1 per cent annual growth rate, which was the third highest in Canada and significantly higher than the Canadian average of 2.6 per cent. In 2011, Saskatchewan had the fourth highest average weekly wages in Canada.¹¹

Average Annual Growth Rate of Average Weekly Earnings 2007-2011



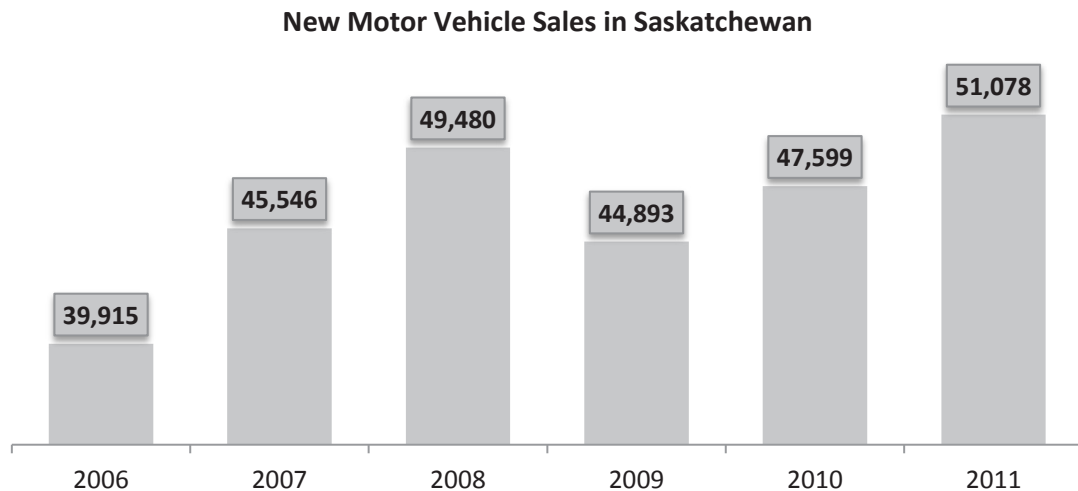
Source: Statistics Canada CANSIM Table 281-0027

Economic, population and wage growth has led to stronger consumer demand, which in turn is contributing to the province's economic growth. The value of retail trade in Saskatchewan jumped from \$11.6 billion in 2006 to \$16.2 billion in 2011, and per capita retail trade surpassed the Canadian average in 2007.



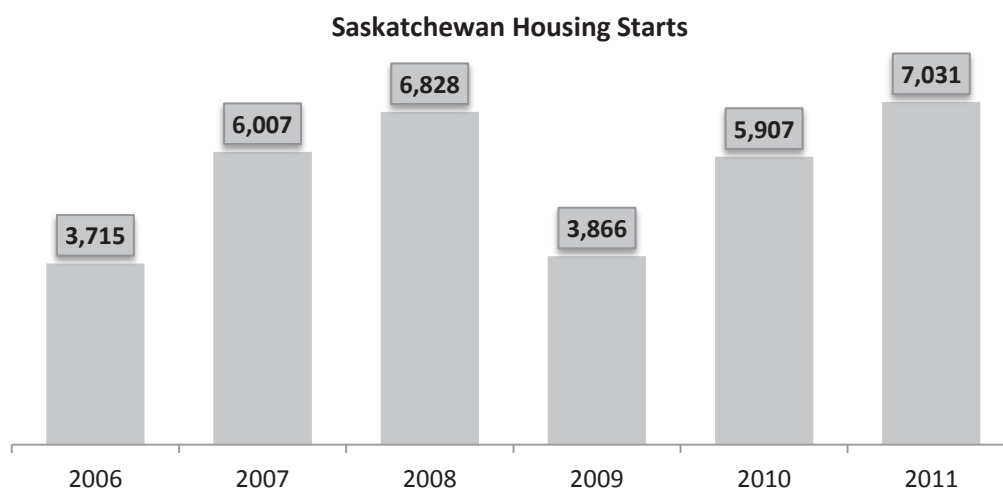
Source: Statistics Canada, CANSIM Table 080-0020

New vehicle sales, one of the signs of confidence in the economy, jumped from almost 40,000 vehicles in 2006 to over 51,000 vehicles in 2011.



Source: Statistics Canada, CANSIM Table 079-0003

Growth in Saskatchewan has been positively reflected in the growth in housing starts. In 2011, Saskatchewan saw 7,031 housing starts, up from 3,715 in 2006, an increase of almost 90 per cent.



Source: Canada Mortgage and Housing Corporation (CMHC). Preliminary Housing Starts Data

Sustaining Economic Growth and Addressing the Challenges of Growth

Governments play an important role in shaping the overall fiscal and economic framework for growth. Decisions about taxes, regulations and investments in physical capital, such as infrastructure, or human capital in the development of a skilled and educated workforce all impact on the success of an economy.

The primary driver of economic growth is the private sector. Rather than repeating the failures of past Saskatchewan governments that tried and failed to stimulate economic growth by picking winners and losers in the economy through direct investments in businesses, the Saskatchewan government will continue to foster an environment of opportunity in the province so that businesses and individuals can create growth.

Six core activities the Government of Saskatchewan can undertake to foster economic growth and address the challenges of growth have been and always will be:

- Investing in the infrastructure required for growth.
- Educating, training and developing a skilled workforce.
- Ensuring the ongoing competitiveness of Saskatchewan's economy.
- Supporting increased trade, investment and exports through international engagement.

- Advancing Saskatchewan's natural resource strengths, particularly through innovation, to build the next economy.
- Ensuring fiscal responsibility through balanced budgets, lower debt and smaller, more effective government.

Just as importantly, the Government of Saskatchewan will not directly intervene in the economy or undertake direct investments in businesses.

Investing in the Infrastructure Required for Growth

Effective infrastructure is the foundation for economic growth and improved quality of life. As James Brox, professor of economics at the University of Waterloo, succinctly describes it:

*"Public infrastructure has built this nation. We will not continue to be competitive if our viaducts are in danger of collapse and our water systems in danger of contamination. If we do not start shoring up our infrastructure deficit now, the cost in the future may be more than we can bear either physically or financially. This is a national undertaking and cannot be left to any one jurisdiction. Canadian competitiveness and our status as a developed country depend on modern, efficient, and well-maintained public infrastructure."*¹²

Past failures to adequately maintain and replace infrastructure in Saskatchewan are contributing to mounting infrastructure demands today, most notably on Saskatchewan's highways.

In 2007, Saskatchewan had the second oldest highways and roads in Canada, at an average age of 16.7 years compared to the Canadian average of 14.9 years. Saskatchewan bridges and overpasses had an average age of 23.3 years, water supply systems were an average of 15.1 years old, wastewater treatment facilities were an average of 17.6 years, and the average age of sewer systems was over 20 years.¹³

Saskatchewan is experiencing three infrastructure challenges that must be addressed concurrently.

The first challenge involves addressing the infrastructure deficit from the past. The second infrastructure challenge is to address the current growth in population and the economy that Saskatchewan is experiencing. The third infrastructure challenge is to prepare for future growth in the province. This will require infrastructure support for significant future economic drivers in Saskatchewan, such as the Global Transportation

¹² James A Brox, *Infrastructure Investment: The Foundation of Canadian Competitiveness*, Institute for Research on Public Policy 9 (Aug 2008), pgs 34-35

¹³ Statistics Canada, *Special Tabulation. Investment and Capital Stock Division*

Hub, and new or expanded large capital investments, such as potash mines. It will also require investments in social infrastructure, such as schools and hospitals, to support a growing population.

Public investment in capital infrastructure has increased dramatically since 2007. From 2002 to 2006, public capital investment totalled \$7.9 billion. From 2007 to 2011 it totalled \$12.9 billion – a 63 per cent increase.¹⁴

Yet even with these investments, more needs to be done to ease the growth pressures on Saskatchewan's infrastructure, including increased public capital investment, continued innovation in the delivery of new affordable housing options and the use of new approaches such as public-private partnerships to finance and deliver the infrastructure Saskatchewan will need moving forward to 2020.

Educating, Training and Developing a Skilled Workforce

In an era of globalization and new technology, jurisdictions that invest in human capital and knowledge through education and skills development will develop not only more productive economies, but citizens who are better able to realize their full potential.

As Saskatchewan's economy continues to grow, more people will be needed to work. The quality and efficiency of a labour market can encourage future growth and attract business investment. As Saskatchewan moves toward 2020, a wave of baby boomers will be transitioning from the workforce to retirement. Saskatchewan employers will be focusing on replacing those experienced workers at the same time as they fill the new jobs created through economic expansion.

Saskatchewan's Labour Force Shortage

Saskatchewan is experiencing a labour shortage that will continue to act as a barrier to the province's growth if left unaddressed. As the Conference Board of Canada notes about Saskatchewan's future labour force needs:

*Despite the recent inflow of talent from within Canada and internationally, there are not enough skilled people to do the available and potential work. The Conference Board projects that growth in the labour force will slow to around 0.5 per cent annually after 2015, putting a damper on the province's growth potential unless additional action is taken to grow the work force.*¹⁵

Saskatchewan requires a multi-pronged and activist strategy to address the province's human resource challenge, as the Conference Board of Canada has advocated. Not

¹⁴ Statistics Canada, CANSIM Table 029-0006

¹⁵ Glen Hodgson, "Saskatchewan has Limitless Opportunities – If It Can Find the Needed Workforce." The Conference Board of Canada, (June 2012)

only does Saskatchewan require more people to fill jobs, there needs to be better connections between job seekers and job opportunities, as well as increased skills development within Saskatchewan's workforce. Full engagement of First Nations and Métis people in the economy is at the top of the Conference Board's list. Other recommended actions include:

- Active and employment-focused immigration policies;
- Attracting and retaining more international students, who are a prime source of new talent;
- Continually encouraging Saskatchewan expatriates and other Canadian migrants to come to the province to work;
- Growing public and private investment in advanced and applied education.¹⁶

A Saskatchewan Labour Market Strategy

Developing an educated and skilled labour force is a shared responsibility between the provincial government, employers, schools, community-based organizations, post-secondary institutions and private-sector training providers.

Moving forward to 2020, Saskatchewan's labour force strategy will align the labour market activities of stakeholders around three themes:

- Workforce attraction;
- Workforce development; and
- Workforce retention.

Workforce Attraction

An increase in Saskatchewan's future labour supply can come from three sources: under-represented groups within Saskatchewan, workers from other provinces and workers from other countries. Saskatchewan will continue to move aggressively on all three fronts, recognizing that each of these sources present new opportunities for our province. Continued national and international job recruitment missions with employers will help to attract new workers from across Canada and around the world. Saskatchewan will also continue promoting opportunities online and working with the federal government to increase the cap on Saskatchewan's Immigrant Nominee Program.

While attracting new workers to Saskatchewan addresses part of the labour force challenge, Saskatchewan needs to increase participation in the labour force among under-represented groups. This will require increased attention to literacy, training and life skills development through programs such as Adult Basic Education and creating new training and apprenticeship opportunities.

¹⁶ Ibid.

Workforce Development

Saskatchewan's economic competitiveness is increasingly linked to the ability of our education and training systems to adapt to economic opportunity.

Of the job vacancies advertised on saskjobs.ca in 2011, 80 per cent required at least a high school education and 46 per cent required post-secondary education and/or management skills. Improving education completion rates, strengthening links between schools and careers, and ensuring greater coordination between post-secondary institutions and employers are needed to meet current and future labour force needs.

Workforce Retention

Concerns about employee retention make some employers reluctant to invest in training. While there is no simple solution to this issue, increasing the number of workers in Saskatchewan to meet the needs of a growing economy will reduce job vacancies and may have the effect of increasing productivity and skills development in the workforce as employee turnover is reduced.

Saskatchewan's Aboriginal Employment and Education Challenge

The disparity in education and employment outcomes between Aboriginal and non-Aboriginal people in Saskatchewan remains one of the province's largest challenges.

While Saskatchewan has one of the lowest unemployment rates in Canada, there continues to be a disparity between employment rates for Aboriginal and non-Aboriginal people in the province. In August 2012, the unemployment rate for Aboriginal people was 14.7 per cent, compared to 4.2 per cent for non-Aboriginal people.¹⁷

The employment disparity is driven by differences in education outcomes, specifically graduation rates between Aboriginal and non-Aboriginal learners. In 2010-11, over 72 per cent of Saskatchewan students graduated "on-time" (within three years of entering grade 10) compared to 32.7 per cent of self-declared Aboriginal students. The Saskatchewan Ministry of Education also tracks "extended time graduation," recognizing that some students require more time to complete Grade 12. The extended time graduation (five years after entering Grade 10) rates are 81.1 per cent for all students and 48.1 per cent for self-identified Aboriginal students.

The consequences of the education difference in financial terms are significant, as illustrated in a recent study by University of Saskatchewan professor Eric Howe.

In one example, Howe calculated that the lifetime earnings for a First Nations female in Saskatchewan who drops out of high school is \$202,279. Lifetime earnings more than double to \$479,788 if high school or its equivalency is completed and jumps to

17 Statistics Canada, *Labour Force Survey, August 2012*

\$757,689 with completion of a program at a non-university post-secondary institution. With completion of a bachelor's degree or higher, the lifetime earnings increase to \$1,382,858.¹⁸

The Government of Saskatchewan and the Federation of Saskatchewan Indian Nations signed a historic agreement in May 2011 to establish a joint task force to identify practical, grassroots solutions to improve education and employment outcomes for First Nations and Métis people in Saskatchewan. The work of the task force will be incorporated into Saskatchewan's labour force strategy moving forward to 2020.

Increasing Saskatchewan's Ongoing Competitiveness

Building a competitive business environment is one of the key roles the Government of Saskatchewan can play to foster economic growth.

Saskatchewan continues to rate as one of the most competitive places to do business in Canada.

KPMG's 2012 edition of *Competitive Alternatives: A Guide to International Business Location* ranked the cost of doing business in 133 cities in 14 countries. Four Saskatchewan cities were included in the survey, with Moose Jaw, Regina and Prince Albert placing in the top third and Saskatoon placing in the top half of competitive locations.¹⁹

In the Fraser Institute's *2010 Canadian Provincial Investment Climate Report*, Saskatchewan's provincial investment climate ranked second overall in Canada behind only Alberta. While Saskatchewan was the top-ranked province in the burden of regulation component of the survey and tied for first with Alberta in fiscal prudence, the province was tied for fifth in the corporate income tax component of the survey. One of the important areas where Saskatchewan significantly lagged behind other provinces was infrastructure, another important contributor to competitiveness.²⁰

Competitiveness includes a number of factors. Increased productivity measured through increased GDP per hour worked is one of the ways economies become more competitive. Innovation factors such as research and development expenditures and post-secondary graduates as a percentage of those employed also measure an economy's competitiveness.

Tax competitiveness is an area where governments can play a direct role in facilitating

18 Eric Howe, *Mishchet aen kishkayhtamihk nawut ki wiichiihtonaan: Bridging the Aboriginal education gap in Saskatchewan* Saskatoon: Gabriel Dumont Institute, (2011), pg 7

19 *Competitive Alternatives: A Guide to International Business Location*, KPMG, 2012

20 Charles Lammam, Alex Gainer, and Niels Veldhuis, *Canadian Provincial Investment Climate*, 2010 Report, Fraser Institute, (December 2010)

growth. The tax burden on individuals and families in Saskatchewan has been reduced since 2008 through increases to Saskatchewan's tax credits and personal exemptions. The small business tax rate was also reduced in 2011 from 4.5 per cent to 2 per cent.

However, Saskatchewan needs to continue to reduce taxes to remain competitive with other provinces. Saskatchewan's incorporated business tax rate at 12 per cent is two points higher than the rate in Alberta and B.C.

Connecting Saskatchewan to the World: Saskatchewan's Agriculture and Natural Resource Advantage and Innovation Future

Saskatchewan is a trading province. As the Saskatchewan Trade and Export Partnership (STEP) notes:

In 2010, Canadian international goods exports totalled \$398.8 billion, of which Saskatchewan exports accounted for 6% of the total. While this figure may not seem to be that impressive keep in mind that while Saskatchewan exports only account for 6% of Canada's total, the province is only home to 3% of the population.²¹

The *Saskatchewan State of Trade* indicates that in 2010, Saskatchewan was the highest per capita exporting province in Canada. In 2009, exports of goods totalled 39 per cent of GDP, the highest percentage in Canada. The value of Saskatchewan's exports grew to \$29.6 billion in 2011. Statistics from January to June 2012 indicate Saskatchewan exported \$16 billion worth of goods – a 16 per cent increase compared to 2011 and more than double the national average in the first half of 2012.

Saskatchewan's exports are built around agriculture and natural resources, specifically the core engines or "3 Fs" of food, fuel and fertilizer. These three areas represent over 23 per cent of Saskatchewan's GDP and are supported by portions of enabling sectors that include manufacturing, transportation and construction.

Agriculture

Saskatchewan's contribution to the global food supply is staggering. In 2011, Saskatchewan supplied:

- 58 per cent of the world's lentil exports.
- 55 per cent of the world's pea exports.
- 38 per cent of the world's canola oil exports.
- 34 per cent of the world's mustard seed exports.
- 33 per cent of the world's durum exports.
- Six per cent of the world's chickpea exports.

- Saskatchewan is also the second largest beef-producing province in Canada.²²

Saskatchewan's agri-food exports exceeded \$10 billion for the first time in 2011, and the province passed Ontario as the top agri-food exporting province in Canada.²³ Saskatchewan's agriculture industry is the most diversified industry sector in Canada.

Our province is home to almost a third of Canada's agricultural biotechnology industry, with more than 700 scientists working in 30 private and public research facilities. The Saskatchewan agricultural biotech industry is responsible for a number of world firsts, including: the development of canola; the University of Saskatchewan's discovery of an antibody that led to new tools to kill viruses and destroy toxins in crop seeds, and the development of a high gravity fermentation process that brewers and ethanol producers now use worldwide.

Saskatchewan people must always recognize and celebrate the crucial role our province plays as an international leader in the agri-food sector and the place Saskatchewan occupies as a source of food security to a growing world.

Oil and Gas

With production of over 460,000 barrels a day, the oil sector plays a major role in Saskatchewan's economy. As the second largest oil producer in Canada, Saskatchewan's oil industry has emerged due to new and innovative approaches in enhanced oil recovery. Whether in the heavy oil fields around Lloydminster or unlocking the trapped oil in the tight oil formations in the southeastern Bakken fields, Saskatchewan's oil industry has been a world leader in applying innovative techniques to expand the amount of oil that is recovered and produced.

2011 saw oil and gas sales of \$12.7 billion with exports topping \$10 billion, representing 23 per cent of total provincial exports. Estimates indicate that the oil and gas industry accounted for 33,200 person years of direct and indirect employment in 2011. The majority of our exports are to the United States, making Saskatchewan a key energy provider for the U.S. and an important source of safe, secure and reliable energy. Saskatchewan exports more oil to the U.S. than Russia or Kuwait.

Mining

Mining is increasingly important to the Saskatchewan economy, directly contributing approximately 20 per cent of provincial exports. According to Natural Resources Canada, the value of mineral production in 2011 was approximately \$9.2 billion – the second highest in Canada – up from \$6.5 billion in 2010 and \$5 billion in 2009.

²² Saskatchewan Ministry of Agriculture website, *Services for International Business: "Saskatchewan is a Leading Agri-Food Supplier to the World,"* <http://www.agriculture.gov.sk.ca/Supplier-To-The-World>
²³ Saskatchewan Agriculture Trade Update 2011 Year in Review

The expansion of the potash industry has already resulted in billions of dollars of new investment. Saskatchewan is the world's largest producer of potash and one of the largest suppliers of uranium. We have the richest uranium ore-grade deposits in the world, which makes international exports especially competitive. Saskatchewan exported over \$1 billion of uranium in 2011, a figure that is likely to increase with the new uranium trade agreement with China. In addition to these two key resource areas, Saskatchewan also has four producing gold mines and one of the world's largest diamond-bearing kimberlite fields.

Over 30,000 workers are directly and indirectly employed because of Saskatchewan's mining industry, and it is the largest employer of Aboriginal people in Saskatchewan.

Forestry

Forestry was the hardest hit industry in Saskatchewan during the worldwide economic downturn.

New operators are now in place for all existing forest facilities in the province. Anchored by the pending restart of the Prince Albert pulp mill, the industry is moving forward in a positive direction. New products such as dissolving pulp from the Prince Albert mill, and new First Nations and Métis partnerships across the north offer opportunities for northerners and northern communities. In 2011, the industry directly employed 2,600 people across northern Saskatchewan.²⁴

Agriculture, Natural Resources and Innovation

Saskatchewan's innovation strategy is focused on investments in and around Saskatchewan's agricultural and natural resource strengths to support increased production, development, sustainability and value-added opportunities for the current and future benefit of Saskatchewan's economy and the further development of expertise in areas such as nuclear medicine.

Private sector innovation has played a key role in expanding oil sector development in Saskatchewan. The Bakken oil fields are a recent example. Because oil trapped in rock formations was not recoverable in significant volumes and production, Bakken production had dwindled to a few hundred barrels a day as recently as 2001. With new innovations such as improved horizontal drilling, multi-stage fracking, carbon sequestration and a wealth of new equipment, production has expanded in the Bakken to over 60,000 barrels a day.

Saskatchewan is a world leader in agriculture innovation, as demonstrated by the remarkable increases in production throughout our history. New varieties of wheat, the development of canola and the introduction of new crops to Saskatchewan like lentils

and chickpeas are examples of Saskatchewan's agricultural innovation.

Given global population growth and a resulting increase in demand for food, Saskatchewan requires a focused and responsive agricultural and agri-food strategy that commits to increasing yields and maximizing the value-added opportunities from agriculture production.

Assisting to shape Saskatchewan's innovation future will be the development of the Sylvia Fedoruk Canadian Centre for Nuclear Innovation, the Institute for Global Food Security, and the completion of the Boundary Dam Integrated Carbon Capture and Storage Demonstration Project. The Boundary Dam project will produce 100 megawatts of clean base-load electricity, reduce greenhouse gas emissions by capturing and sequestering one-million tonnes of carbon dioxide (CO₂) per year, and will help to increase oil production through enhanced oil recovery.

Natural Resources and Diversification

Much of Saskatchewan's current economic success has been driven by increases in global commodity prices. Higher commodity prices have resulted in increased private sector investment, value-added processing and development of Saskatchewan's resources.

As Saskatchewan witnessed in 2009 with a record drop in potash prices, a downturn in demand for commodities can have a significant effect on the province. However, Saskatchewan is blessed with a diversity of natural resources. This diversity assists in mitigating the impact of price and production swings in any single commodity on the economy as a whole.

In a roundtable hosted by the Canada West Foundation on the subject of western Canadian diversification, it was noted that the general consensus about what diversification meant in the early 1980s and its purpose, "namely, the creation of provincial economies resembling that of Ontario," has changed in recent years. As participants commented: "Western Canada's reliance on resource based production has gone from a perceived weakness to an acknowledged strength."²⁵

The report contains two important observations on diversification. First, while some viewed growth as a more important objective than diversification:

[T]here was widespread consensus that the focus in either case must be on expanding and developing industries that are grounded in the region's resource base, or on cultivating new streams of products and services

²⁵ *Who cares about baskets? We've got eggs!: Diversification & Western Canada's Economic Future*, Canada West Foundation (February 2011)

*that have their origins in resource-based economic activity.*²⁶

Mitigating the effects of commodity swings is therefore not a matter of diversifying away from resource-based industries. Rather, the development of emerging industries that support our agricultural and natural resource sectors, through expanded value chain development and value added processes, will contribute to the increased diversification of Saskatchewan's economy.

The second important observation in the Canada West Foundation report concerns the need for greater diversification in export markets:

*The one measure of economic diversification which was considered to be an unqualified priority was export market diversification. In all four provinces, participants spoke of the tremendous opportunities for trade growth around the world, especially in China and other Asian markets. In their view, improving economic ties with these countries was critical to ensuring long-term growth and prosperity in western Canada.*²⁷

While Saskatchewan continues to access the United States as an export market, there are risks associated with a narrow focus on one market. As such, the Government of Saskatchewan is actively pursuing efforts to expand provincial exports to China, Asia and other new markets. As Don Drummond, former federal Deputy Minister of Finance, has commented:

*"If we look at the global economic scene, we see the emerging economies dominating the economic landscape. It's amazing when you think 22 years ago the emerging economies were one-third of the world economy. We project that in another 15 years they will be two-thirds. They'll have gone from one-third to two-thirds of the world economy over just a 40-year timeframe. Most of Canada does not tap into that, but Saskatchewan does."*²⁸

Emerging markets have needs that are well-aligned with our resource offerings, especially in the areas of agriculture, energy and mineral resources. Global demands for Saskatchewan's agricultural and resource products account for about 85 per cent of the province's total international goods exports.

Countries are looking for safe and reliable food supply chains. They depend on Saskatchewan to supplement their domestic food production - last year, 20

26 Ibid., pg 15

27 Ibid., pg 16

28 Don Drummond, quoted by Global News (April 27, 2010) "Saskatchewan Being Commended for How it Navigated its Way Through Economic Rollercoaster"

countries each purchased more than \$100 million worth of agri-food products from Saskatchewan.

In a world that desires energy and food security, Saskatchewan companies and exporters are ahead of the game in building bridges and developing new markets in new and emerging economies.

International Engagement

The Government of Saskatchewan will continue to ensure Saskatchewan strengthens its connection to the world. International engagement missions are an important part of the province's efforts to develop and sustain new markets for goods and services, in addition to strengthening existing trade relationships and promoting Saskatchewan as a place to invest and do business.

International engagement also involves building stronger partnerships between Saskatchewan's post-secondary institutions and their international counterparts, as well as developing new partnerships with companies around the globe to help build Saskatchewan's innovation future.

These types of partnerships will ensure the people of Saskatchewan are ready and have the skills, including language skills, and experience to take advantage of new opportunities. Just as we must ensure that more Saskatchewan students have the ability to benefit from international exchanges and exposure to international post-secondary experiences, we must also ensure that Saskatchewan continues to welcome more foreign students to our province. Attracting and retaining more international students is an important source of future immigration and population growth for Saskatchewan.

Fiscal Responsibility: Balanced Budgets and Lower Debt

The importance of maintaining balanced budgets in Saskatchewan now and into the future cannot be overstated.

Saskatchewan was the only province with a balanced budget in Canada this year. As nations around the globe debate the merit of austerity measures versus increased deficit spending in the hope of spurring growth, we as a province must be ever mindful of the fortunate position we occupy today. Balanced budgets are the foundation of economic growth, and all measures contained in the Saskatchewan Plan for Growth will be undertaken within a balanced budget.

Moreover, balanced budgets and spending discipline are the prerequisites to debt reduction. Saskatchewan currently enjoys the second lowest debt-to-GDP ratio in Canada, and in 2011 had its credit rating upgraded to AAA by Standard & Poor's for the first time in Saskatchewan's history. Standard & Poor's commented, "[t]he upgrade

reflects our favorable view of the province's low and declining debt burden, rebounding economy, strong liquidity and moderate support from the federal government."²⁹

The Government of Saskatchewan has paid down 44 per cent, or \$3 billion in debt since 2008 and will continue to make retirement of the debt a priority.

Future Policy Risks

Just as governments can take action to facilitate economic growth, so can government policies undermine the virtuous circle of growth.

Continued economic competitiveness and a plan to retire Saskatchewan's debt are fundamental to the province's future. Changes to these two policies and a lack of commitment to balanced budgets by any future provincial government in Saskatchewan would jeopardize the virtuous circle of growth the province now enjoys.

Future governments in Saskatchewan looking at the province's resource wealth might also be tempted to sacrifice long-term growth in resource production – and the attendant jobs and investment that accompany resource production – for the immediate benefit of more revenue gained through higher taxes. This would present a risk to Saskatchewan's future prosperity. In fact, the changes initiated by the previous government in Saskatchewan to encourage potash production helped to spur the new mining investments underway today in the province.

Canada, as a whole, also benefits and will continue to benefit from a strong Saskatchewan within a strong Western Canada. As Bank of Canada Governor Mark Carney noted in September 2012, "exports of oil and other commodities have brought greater wealth into the country, including generally higher incomes and greater economic activity."³⁰ Carney, as other commentators have done, dismisses the argument that rising commodity prices are causing a Canadian version of the "Dutch Disease." As Carney notes:

*"It's a very tidy argument that's appealing. Making commodities the scapegoat is tempting. But in the view of the Bank of Canada, it's an overly simplistic assessment and in the end it is dead wrong."*³¹

Decisions made at the federal level that would pit one region of the country against another – such as attempts by future governments to "re-balance" trade in the country at the expense of Western Canada's resources – must continue to be resisted by Saskatchewan governments.

29 Stephen Ogilvie, "Province of Saskatchewan Upgraded to 'AAA' On Low And Declining Debt Burden; Outlook Stable," May 2011, Standard & Poor's Financial Services LLC

30 "Oil reliance a good thing, Carney says," Leader Post (September 8, 2012)

31 Ibid.

Similarly, a future federal carbon tax or carbon trading plan that is primarily a fiscal mechanism to transfer tax revenue from one part of the country to another must also be opposed.

Just as the wrong mix of policies will take the province backwards, so too are there substantial rewards of getting it right.

The Purpose of Growth

Despite the inherent benefits of growth evident in Saskatchewan today, growth is not an end in and of itself. Instead, growth is valued because it leads to a better quality of life. In *The Moral Consequences of Economic Growth*, Benjamin Friedman notes that:

“Greater affluence means, among many other things, better food, bigger houses, more travel, and improved medical care. It means that more people can afford a better education. It may also mean, as it did in most Western countries during the twentieth century, a shorter workweek, which allows more time for families and friends. Moreover, these material benefits of rising incomes accrue not just to individuals and their families but to communities and even entire countries.”³²

Further, Friedman argues that benefits of growth are not solely material:

“The value of a rising standard of living lies not just in the concrete improvements it brings to how individuals live but in how it shapes the social, political and ultimately the moral character of a people. Economic growth – meaning a rising standard of living for the clear majority of citizens – more often than not fosters greater opportunity, tolerance of diversity, social mobility, commitment to fairness and dedication to democracy.”³³

Growth is already paying dividends in our province.

As a result of growth, new hospitals and care facilities have been built or are in the planning stages. Growth has afforded the ability to repair or upgrade over half of Saskatchewan’s schools. Because of growth, the Government of Saskatchewan has been able to increase income benefits for persons with disabilities. Growth has afforded new measures to improve affordability for Saskatchewan residents, including removing more than 114,000 low-income earners from the provincial tax rolls.

³² Benjamin Friedman, *The Moral Consequences of Economic Growth*, (2006), pg 12
³³ Ibid., pg 4

By maintaining a virtuous circle, Saskatchewan will have more financial resources to lead the country in health and education outcomes, provide increased support to persons with disabilities and provide a better start in life for children and youth at-risk. Growth also provides the means to build an innovative and knowledge-based economy around our agricultural and natural resource advantage.

Growth is an Imperative, But Not a Given

With continued action to maintain a strong economy, Saskatchewan can succeed but growth should never be regarded as a given.

Kevin Lynch, former Clerk of the Privy Council in Ottawa, notes that while Canada is an extremely successful and prosperous country that ranks highly in the world as a place to live and do business, we cannot as a nation become complacent about our success. The same could equally be said for Saskatchewan:

“[S]uch outcomes are not preordained, nor should they be taken for granted. They depend on the quality of our policies and institutions as well as the quality of our human resources and our national endowments. And, in a profoundly globalized world, they depend not just on the direction of government policies and business strategies, but also on their flexibility and adaptability – speed matters in enhancing a country’s comparative advantages in today’s competitive and rapidly changing global marketplace. Indeed, Canada’s past experience with 27 years of continuous deficits and rising debt is a case in point of how policies can affect economic performance and national opportunity, in this instance for the worse.”³⁴

In planning for growth, three objectives become clear. First, the Government of Saskatchewan must continue to take action to sustain economic growth. Second, we must take action to address the challenges that accompany growth. Third, we must ensure that the benefits of growth are invested to build a better quality of life for Saskatchewan people. Future growth depends on the actions taken and the choices made moving forward to achieve these objectives.

Finally, the Government of Saskatchewan will start to explore options for the best long-term utilization of the province’s non-renewable resource revenues at a point in time when the province’s debt has been fully retired.

The Saskatchewan Plan for Growth: Vision 2020 and Beyond



Building the Infrastructure for Growth

Addressing the infrastructure challenge and building infrastructure for growth

Growing and Developing Saskatchewan's Labour Force

Employment growth of 60,000 people by 2020

Increasing Saskatchewan's Competitiveness

Saskatchewan's economy will remain among the most competitive in Canada in 2020

Advancing Saskatchewan's Natural Resource and Agricultural Advantage

Saskatchewan is a global leader in food and energy security and innovation in 2020

Connecting Saskatchewan to the World

Grow trade and investment and double the value of export sales by 2020

Fiscal Responsibility to Support Growth

Fiscal responsibility, balanced budgets, reduced debt and smaller, more effective government

Growth with Purpose: Building a Better Quality of Life for Saskatchewan People

Improving health care and education outcomes, building growing vibrant communities, protecting our environment and making Saskatchewan the best place in Canada for persons with disabilities

The Saskatchewan Heritage Initiative: The Use of Non-Renewable Resource Revenue in a Debt-Free Saskatchewan

Determining best options for Saskatchewan's non-renewable natural resource revenues after government debt is retired

Building the Infrastructure for Growth



Addressing the Infrastructure Challenge and Building the Infrastructure for Growth

A Foundation for Growth

The Government of Saskatchewan has taken action to upgrade Saskatchewan's infrastructure while meeting the challenges of growth and planning for new growth:

- With municipalities and the federal government, more than \$1 billion has been invested in Saskatchewan municipal infrastructure since 2008, and municipalities will receive over \$237 million this year in municipal revenue sharing – an 87 per cent increase since 2007. In 2013-14, municipal revenue sharing will grow to \$264 million.
- Since 2007-08, \$378 million has been invested in capital in Saskatchewan's post-secondary system, and \$24 million has been invested in student housing.
- Since 2007, over \$3 billion has been invested in Saskatchewan's highway network resulting in improvements to nearly 6,000 kilometres of provincial highways. This year, another 1,200 kilometres of highways will be improved, including another 350 kilometres of repaving.
- Since 2007, the provincial government has repaired or replaced 139 bridges and culverts.
- SaskTel has invested \$1.7 billion in capital expansion and upgrades since 2007.
- In 2011, SaskPower invested \$625 million in electrical infrastructure, and \$2.5 billion has been invested over the past five years.
- Over half of Saskatchewan schools have been repaired or renovated since 2007.
- More than 2,000 affordable housing units have been developed since 2007. There were over 7,000 housing starts in Saskatchewan in 2011, the most housing starts in one year since 1983.
- Planning is underway for a new Saskatchewan Children's Hospital in Saskatoon, a new hospital in Moose Jaw, replacement of the Saskatchewan Hospital in North Battleford and the new Plains Surgery and Outpatient Care Centre in Regina.

Moving Forward to 2020

SaskBuilds

Because of the rate of growth in our cities and large urban centres, it is important to realize the infrastructure demands in those cities ranging from major bypass projects to bridges are so large in scale that they will not be achieved through conventional means in a timely manner.

Additionally, the Government of Saskatchewan recognizes that in addressing municipal infrastructure needs moving forward, the infrastructure requirements and capacity of smaller communities to respond to infrastructure challenges, such as water infrastructure, will differ from the needs and capacity of larger centres.

It will require the innovation that only a SaskBuilds and partnerships can bring.

- The Government of Saskatchewan will establish SaskBuilds as a new government organization and create the SaskBuilds Fund to drive innovation in infrastructure financing, design and delivery, including public-private partnerships.
- The Government of Saskatchewan will transfer \$150 million from the Growth and Financial Security Fund to the SaskBuilds Fund and will continue to work with Saskatchewan municipalities to develop a municipal infrastructure program funded through SaskBuilds.
- SaskBuilds will also provide a central focus within the provincial government to co-ordinate infrastructure planning and delivery.

Investing in Infrastructure and Planning for Growth

- » The Government of Saskatchewan will:
 - Invest \$2.5 billion over the next three years in infrastructure.
 - Improve infrastructure planning by releasing a capital plan for the next fiscal year each fall.
 - Increase planning initiatives at the provincial, regional and municipal levels to ensure infrastructure investments are co-ordinated and aligned with future population growth and private-sector economic growth.
 - Ensure greater innovation and efficiency in both infrastructure design and

financing. With growing demand for new infrastructure, all stakeholders – the provincial government, school boards, health regions and municipalities – should look for new and creative ways to meet challenges and invest in future growth, such as the use of public-private partnerships and LEAN design.

- Ensure capital investments are strategically aligned to the province's economic growth, population growth and quality of life priorities. For example, Saskatchewan will continue to make strategic investments in infrastructure to realize the goal of doubling export sales by 2020.

A Growth Imperative

Responsibility for addressing the infrastructure deficit, managing the pressures of growth and ensuring future growth must be the business of all stakeholders in the province:

- » Private business has an important role to play as the engine of economic growth and the provider of innovative solutions to address infrastructure issues such as the shortage of affordable housing.
- » The Government of Saskatchewan will invest in the infrastructure needed to support health, education and quality of life priorities. Similarly, school boards and health regions must ensure their infrastructure planning aligns with the growth needs and priorities of the communities they serve.
- » The Government of Saskatchewan will continue to improve the province's provincial park network, while assisting communities with improvements to sport, cultural and recreational infrastructure.

Municipal Infrastructure Growth

- » The Government of Saskatchewan recognizes that municipalities require financial assistance from senior levels of government to leverage funding for new infrastructure development. Through municipal revenue sharing, SaskBuilds and a future Federal-Provincial-Municipal Infrastructure Agreement, the Government of Saskatchewan will assist municipalities with infrastructure investments to meet the opportunities and challenges of growth.
- » Large capital projects often strain the capacity and expertise of municipalities. The Government of Saskatchewan will assist communities by providing government expertise and assistance through the establishment of a multi-

ministry rapid growth team to support municipalities experiencing rapid growth.

- » The Government of Saskatchewan will support municipal and regional planning efforts to address economic growth opportunities and challenges with a focus on a regional approach to planning around our larger centres. The Government of Saskatchewan will also work with municipalities to develop new policies and a common framework to provide consistency and fairness in municipal land annexation agreements.
- » Municipalities control regulatory levers that impact on the timing, delivery and cost of infrastructure projects. Municipalities must move aggressively and proactively to remove barriers to growth, such as adopting a consistent approach to permitting for trucking and transportation while streamlining planning and approval processes to reduce unnecessary delays in the construction of new housing developments.

Housing

- » The Government of Saskatchewan will invest \$344 million to add 12,600 new housing units by 2016 to provide better access to safe, quality affordable housing to low-income and moderate-income earners through initiatives such as:
 - HeadStart on a Home: an incentive for developers to construct entry-level housing across the province.
 - Rental Construction Initiative: provides a matching grant to participating municipalities of up to \$5,000 per new rental housing unit. As of June 2012, there were 4,100 rental units in the program.
 - Affordable Home Ownership Program: a matching grant to participating municipalities of up to \$5,000 per entry-level home constructed. 800 homes targeted at moderate income households have been committed and 78 are complete.
 - Corporate Income Tax Rebate for New Rental Units: lowers the effective tax rate on rental housing income for new rental units by 10 per cent.
- » New housing initiatives:
 - To provide improved and more appropriate housing to Saskatchewan Housing Corporation (SHC) clients, the corporation will sell 300 government-owned single-family housing units in Regina, Moose Jaw and

Prince Albert and will reinvest the approximately \$53 million expected in proceeds from the sale to develop new medium-density multiple-unit housing for low-income and moderate-income families.

- The Saskatchewan Housing Corporation will sell undeveloped government-owned land adjacent to Regina's northwest city limit to create new housing developments, with the proceeds of the sale being directed towards the construction of new affordable housing units for low-income and moderate-income families.
- » The Government of Saskatchewan will continue to work with stakeholders across the province to support the Saskatchewan Housing Strategy, the objectives of which are to:
 - Increase the housing supply.
 - Improve housing affordability.
 - Support individuals and families in the greatest housing need.
 - Enhance strategic planning for housing.
 - Collaborate with stakeholders and communicate best practices.

Transportation, Utility and Economic Infrastructure

- » The Government of Saskatchewan will invest in the province's transportation system to meet the needs of a growing economy and support community growth, including:
 - Providing an additional \$50 million in 2012 to improve Saskatchewan highways.
 - Improving roads in northern Saskatchewan. In partnership with industry, the Government of Saskatchewan will fund half of the cost of the final road to connect Highway 914 in the Athabasca Basin. This crucial economic connection will significantly enhance transportation efficiency in the uranium industry in addition to offering an alternate route in and out of northern Saskatchewan.
 - Supporting the Roads to Resources program administered by the Saskatchewan Association of Rural Municipalities (SARM).

- Investing in economic corridors and gateways to facilitate growth in export and trade and facilitate the movement of goods and services locally, regionally and internationally. Initiatives underway include construction of a West Regina Bypass, the Estevan Truck Bypass and the completion of Highway 11 twinning from Saskatoon to Prince Albert.
 - Transitioning the Global Transportation Hub into a full inland port operation to grow Saskatchewan's warehousing and logistics sectors.
- » SaskPower will maintain a diversified portfolio of power generation sources and pursue a dual strategy of upgrading its aging power generating capacity and transmission while ensuring the power system meets increased demands in a growing economy.
- » SaskEnergy will meet the needs of a growing residential, commercial and industrial customer base through upgrades to its capital network.
- » While recognizing that continued population and economic growth will continue to increase the number of new connects, SaskPower and SaskEnergy will reduce the time it takes to complete new connect requests.
- » SaskTel will meet growing customer demand, particularly for data and cell service, which requires an increase in bandwidth and cellular infrastructure. Over the next seven years, SaskTel will invest \$670 million to upgrade the broadband network and provide fibre to the home in the largest urban centres in the province.
- » Saskatchewan has the water capacity to meet the needs of a growing province and will invest in infrastructure to meet the growing demand for commercial water services. In 2011, SaskWater delivered 34.1 million cubic metres of water, a 78 per cent increase from 2007. SaskWater has started construction on a new water supply system to serve BHP Billiton's Jansen potash mine, with expected completion in 2015. SaskWater will explore the development of regional pipeline systems as part of its strategy to meet the needs of new industrial projects and expansions.

Growing and Developing Saskatchewan's Labour Force



Employment Growth of 60,000 People by 2020

A province of 1.2 million people by 2020 will require growth of 60,000 new workers. In addition, an aging workforce will result in more retirements through this period, which will require Saskatchewan to add new jobs to the labour force in addition to filling vacancies caused by retirement.

A Foundation for Growth

The Government of Saskatchewan has taken action to increase employment opportunities and build a skilled labour force:

- Apprenticeship funding has increased by 58 per cent since 2007, and the number of registered apprentices has increased by 43 per cent since 2006-07. The number of registered youth apprentices in Saskatchewan has increased by 71 per cent since 2006-07.
- 35,000 training opportunities will be funded this year, an increase of 6,000 since 2007-08.
- Almost \$200 million has been invested over the past five years in programs and services that directly support education and skills development for First Nations people, and the Government of Saskatchewan is also participating with the Government of Canada and five tribal councils to develop and deliver Active Measures employment initiatives.
- Saskatchewan Immigrant Nominee Program (SINP) nominations have increased by 140 per cent since 2007-08, and almost 32,000 immigrants have settled in 330 Saskatchewan communities since 2007.
- A skilled worker recruitment mission to Ireland has resulted in more than 280 job offers to date.
- Over the past five years, the Government of Saskatchewan has invested over \$3.5 billion in post-secondary education and skills training.
- The Graduate Retention Program is the most aggressive youth retention program in the country, offering up to \$20,000 in tuition rebates for post-secondary graduates who choose to live and work in Saskatchewan after graduation.

Moving Forward to 2020

The Government of Saskatchewan is currently engaged in the development of a new provincial labour force strategy to be released later in the fall of 2012. Building on this strategy, the Government of Saskatchewan will take action in the following areas:

Connecting Workers and Employers and Investing in Skills Training

The Government of Saskatchewan will:

- » Eliminate the current wait list for Adult Basic Education programs by the end of the government's current term.
- » Add 300 additional apprenticeship spaces in the province next year.
- » Introduce a "Talent Team" approach across government to proactively address critical labour shortages for large capital infrastructure projects.
- » In partnership with businesses and industry associations, develop a new agricultural professional operator program.
- » Work with Saskatchewan businesses, municipalities and industry associations to aggressively promote job opportunities in Saskatchewan with online tools and through active participation at five national and international job fairs annually, with a particular focus on filling jobs in sectors where Saskatchewan is currently experiencing or is expected to experience a labour shortage.
- » Create an online matching tool to better target a job seeker's occupational skills with job vacancies on the SaskJobs website.
- » Align programs provided by Saskatchewan's training institutes and workforce readiness activities to the current and future needs of employers in the province, while working with employers to increase the number of industry-sponsored training seats in Saskatchewan post-secondary institutions.

Improving First Nations and Métis Employment

- » Build on the report and recommendations of the Joint Task Force on Aboriginal Education and Employment and seek partnerships with tribal councils, individual First Nations and First Nation businesses to increase employment, businesses and engagement in the economy.

- » Recognizing that the first step in increasing employment of First Nations and Métis people in Saskatchewan is improving education outcomes, the Government of Saskatchewan will reduce the Grade 12 graduation disparity between Aboriginal and non-Aboriginal students in the K-12 system by 50 per cent by 2020.
- » Work with First Nations partners, employers and post-secondary institutions to build on promising programs underway that assist in transitioning First Nations students moving off reserve to pursue jobs and educational opportunities.
- » Build on successful programs such as the Northern Career Quest Aboriginal Skills and Employment Partnership and the Active Measures partnership together with tribal councils, post-secondary institutions, northern communities, training providers and the federal government to accelerate essential skills training and increase First Nations and Métis employment.

Increasing Immigration

- » Work with the Government of Canada to increase the cap on provincial immigrant nominees from 4,000 to 6,000.
- » Negotiate a Temporary Foreign Worker Annex with the Government of Canada to expedite entry of foreign workers into Saskatchewan to meet critical skill shortages.
- » Make the attraction and retention of international students a cornerstone of the province's international immigration strategy, with a goal of increasing the number of international post-secondary students studying in Saskatchewan by at least 50 per cent by 2020.
- » Increase settlement support services such as language training to assist in the attraction and retention of new Canadians to Saskatchewan.
- » Engage in five national and international job missions annually with a focus on attracting immigrants to Saskatchewan to fill jobs where Saskatchewan is currently experiencing or is expected to experience a labour shortage.
- » Create a SaskJobs international website to better assist immigrant job seekers in finding employment in Saskatchewan by listing jobs that are in occupations available through the Saskatchewan Immigrant Nominee Program (SINP) and employers that have been approved through the SINP.

- » Continue to build a welcoming environment for new Canadians by supporting multiculturalism in the province.

Increasing Saskatchewan's Competitiveness



Saskatchewan's Economy Will Remain Among the Most Competitive in Canada in 2020

Governments have an important role to play in maintaining a competitive environment for private sector economic growth. Competitiveness involves not only a competitive tax environment to attract and retain individuals and businesses to Saskatchewan, but also ensuring a balanced labour environment and a favourable regulatory environment.

A Foundation for Growth

- Saskatchewan residents have saved over \$300 million through lower personal income taxes since 2008, and 114,000 low-income Saskatchewan residents have been removed from the tax rolls.
- The Saskatchewan Low-Income Tax Credit was increased in 2008, providing almost \$50 million in additional benefits to about 275,000 lower-income households.
- Education property taxes have been reduced by over \$165 million or 22 per cent since 2008.
- The general corporate capital tax rate was eliminated on July 1, 2008, as part of the final stage of the phased corporate tax reforms introduced in 2006.
- Saskatchewan's personal income tax brackets and personal tax credit amounts have remained fully indexed to the national rate of inflation since 2007.
- The small business tax rate was reduced to two per cent in 2011, providing an estimated \$80 million in annual tax savings to small businesses.
- The Junior Achievement Company Program has been integrated into Saskatchewan high school classrooms.
- Saskatchewan has reduced the time loss due to injury rate by 20 per cent.

Moving Forward to 2020

Tax Competitiveness

Maintaining tax competitiveness is important for attracting and retaining businesses in Saskatchewan. Saskatchewan's incorporated business tax rate at 12 per cent is two points higher than Alberta and B.C.

While recognizing that Saskatchewan's personal income taxes need to remain competitive, the immediate priorities of the Government of Saskatchewan is to invest in infrastructure, reduce the province's debt and undertake tax reductions to ensure Saskatchewan's incorporated business tax rate remains competitive with Alberta and B.C.

- » Saskatchewan will begin to lower its incorporated business tax rate from 12 per cent to 10 per cent over the next three years, starting in the 2013-14 Budget.
- » The Government of Saskatchewan will explore and deploy the creation of new growth non-refundable tax credits to encourage new capital investment in the province's manufacturing and processing sectors.
- » Saskatchewan will continue to pursue personal income tax competitiveness, as it is affordable within a balanced budget.

Removing Red Tape and Regulatory Streamlining

Red tape creates unnecessary regulatory burdens on businesses in terms of time, costs and resources. It is important for government to reduce the administrative burden on business to foster growth and competitiveness.

- » The Government of Saskatchewan will continue to work through the New West Partnership to reduce inter-provincial barriers to economic growth in Saskatchewan.
- » Through a multi-year rolling strategy, the Government of Saskatchewan will:
 - Review all regulations for impacts and costs.
 - Reduce red tape that creates barriers to growth.

- » Saskatchewan will complete one-stop online business services and ensure all forms for business can be completed and submitted online, along with payment if required.
- » The Government of Saskatchewan will implement a new online permitting system, in conjunction with municipalities, for overweight transportation loads.

Competitive Investment Climate

Saskatchewan must remain a good place to invest and do business to continue to attract investment capital. The Government of Saskatchewan will:

- » Monitor Saskatchewan's tax system, including credits and incentives, to ensure they are effectively contributing to economic growth and making Saskatchewan a competitive place to start and grow a business by facilitating business attraction and investment expansion.
- » Actively encourage private investment from within Saskatchewan and beyond the province to ensure our natural resource advantages are developed for the long-term growth of our province's economy.
- » Identify opportunities to facilitate corporate presence and private-sector economic growth through continued canvassing of businesses for new ideas and introducing new growth tax measures to attract investment.

Attracting Visitors and Tourism to Saskatchewan

Visitor expenditures in Saskatchewan increased by 13.5 per cent from 2007 to 2010, the third highest growth in the country over this period. Growth has been supported by a strong Saskatchewan economy and Saskatchewan's growing reputation as a place to host major national and international events such as the 2010 World Junior Hockey Championships, the 2011 World Men's Curling Championship and the 2012 Brier.

- » Through Tourism Saskatchewan, the Government of Saskatchewan will increase the economic benefits to the province from tourism by:
 - Aggressively promoting the province as a tourist destination.
 - Developing a provincial strategy for major event hosting while supporting upcoming events such as the 2013 JUNO Awards, the 2013 Grey Cup, the 2013 Memorial Cup and the 2014 North American Indigenous Games.

- Strengthening tourism opportunities and improving Saskatchewan's parks and outdoor products, such as sustainably developing the lakefront potential around Lake Diefenbaker.

Labour and Employment Environment

A competitive business environment requires labour and employment laws that foster economic growth while remaining fair and balanced for both employees and employers. Reducing workplace injuries will lower health care and workers compensation costs, while improving business productivity.

- » Through development of a new Saskatchewan Employment Act, Saskatchewan will have a fair, balanced, competitive and growth-oriented employment environment.
- » To ensure better protection of Saskatchewan workers on the job, the Government of Saskatchewan will reduce workplace injuries, promote the importance of workplace safety and ensure workplaces are in compliance with health and safety regulations.

Entrepreneurship and Small Business

Small businesses play a central role in the Saskatchewan economy. Maintaining a competitive tax and regulatory environment and encouraging entrepreneurship will assist in growing the number of Saskatchewan small businesses.

- » Saskatchewan will continue to be one of the best places in Canada to start and grow a small business through competitive taxes, a continued reduction of red tape and measures to address the province's labour shortage.
- » The Government of Saskatchewan will ensure Saskatchewan students receive the information, education and experience needed to gain financial literacy, identify future career paths and learn how to start a business by:
 - Providing opportunities for youth in schools to receive career development and access entrepreneurship training, such as programs offered through the work of Junior Achievement.
 - Encouraging development of industry-education partnerships with school divisions to support career education in the classroom, such as through the work of the Saskatoon Industry Education Council.

- Expanding financial literacy education in the K-12 system and expanding post-secondary co-op and career development opportunities.

Productivity, Research & Development and Innovation

Research and development is a critical component of a robust innovation agenda.

- » The Government of Saskatchewan will support science and research activities through the province's post-secondary institutions and will focus the province's innovation agenda on priorities that include clean energy, innovative oil and gas initiatives such as enhanced oil recovery, mining, life sciences, crop sciences, value-added food processing and manufacturing.
- » Innovation Saskatchewan will collaborate with research and development agencies and the private sector to advance innovation in the development and expansion of Saskatchewan's primary industries and the expansion of value-added opportunities.
- » The Government of Saskatchewan will encourage productivity enhancement within government through techniques such as LEAN.

Advancing Saskatchewan's Natural Resource and Agricultural Advantage



Saskatchewan is a Global Leader in Food and Energy Security and Innovation in 2020

A Foundation for Growth

The Government of Saskatchewan has invested in a strong agricultural and natural resource sector through a commitment to royalty regimes that encourage new investment and growth, historic levels of support for agricultural producers and investments in innovation based around Saskatchewan natural resource and agricultural advantage.

Since 2007-08, the Government of Saskatchewan:

- Introduced the four largest agriculture budgets in the province's history and the five largest crop insurance budgets and coverage levels in the history of the program.
- Increased funding for agriculture research by more than 50 per cent.
- Has undertaken construction of the Boundary Dam Integrated Carbon Capture and Sequestration Demonstration Project, the largest infrastructure project in SaskPower's history.
- Launched the Sylvia Fedoruk Canadian Centre for Nuclear Innovation and provided funding for construction of a cyclotron to advance research in the area of medical isotopes.
- Is establishing the Institute for Global Food Security at the University of Saskatchewan to bolster research and innovation in biosciences.
- Re-introduced the Mineral Exploration Tax Credit.
- Since 2007, direct employment in the oil and gas sector has increased by 5,000.
- Potash producers have committed \$13.9 billion for the expansion of existing potash mines and construction on the first new potash mine in over 40 years. Direct mine site employment in the potash industry has increased by over 1,500 jobs since 2006.

Moving Forward to 2020

Saskatchewan as a Global Leader in Food Production, Food Security and Food Innovation

The global population will increase to nine billion by 2050, requiring a doubling of food production. As the home to more than 40 per cent of Canada's arable land, Saskatchewan is poised to significantly increase the global food supply. Working with the Saskatchewan Trade and Export Partnership (STEP) and Saskatchewan's agriculture industry, the Government of Saskatchewan will open new markets for Saskatchewan's agricultural products, create more opportunities for producers and aggressively promote export opportunities for international cereal crops in the post-Wheat Board monopoly era.

The Government of Saskatchewan will invest in rural infrastructure to get agricultural products to market while strengthening rural connectivity, such as through pilot projects that use LTE platform technology.

Increasing Crop Production by 10 Million Tonnes by 2020

Saskatchewan will increase primary agricultural production, achieving significant growth in the livestock herd and increasing crop production by 10 million tonnes by 2020.

- » Maintain an attractive business climate for the agriculture industry and establish the infrastructure that will support crop and livestock development.
- » Ensure an efficient and effective science-based regulatory environment that enables economic growth while safeguarding public health and the environment.
- » Collaborate with the sector to develop and implement strategies that expand livestock feeding and field crop production opportunities to support value-added processing and export goals.
- » Provide effective business risk management programming that meets the needs of producers and industry.
- » Deliver ongoing investment in research, innovation and commercialization to increase sector competitiveness, production, product development and value-added processing.
- » Expand and deliver farmer-driven research and demonstration programming.

- » Expand irrigation infrastructure.

Increasing Value-Added Production

Capturing economic value beyond primary production through value-added processing and innovation attracts investment, creates new jobs and increases the sector's contribution to Saskatchewan's GDP.

The Government of Saskatchewan will:

- » Negotiate federal-provincial agriculture programming that supports our government's desire for a strong business climate based on partnerships and innovation.
- » Encourage industry activity that increases the value of Saskatchewan food, feed and bioproducts above the commodity price level.
- » Promote domestic and international investment in Saskatchewan's value-added sector that takes advantage of the growing global demand for food, feed, fuel and fibre.
- » Work with industry to capture economic opportunities for the agriculture sector arising from the new open market for wheat, durum and barley, as well as for the development of new value chains associated with the Global Transportation Hub.
- » Deliver research and commercialization-focused value-added programs.

Increase Exports of Agriculture and Food Products from \$10 Billion in 2011 to \$15 Billion by 2020

Saskatchewan's agriculture industry is dominated by export-oriented sectors, with over 96 per cent of farm cash receipts coming from cereal grains, oilseeds, pulses and non-dairy/poultry commodities.

The Government of Saskatchewan will:

- » Partner with industry on investment attraction, market development and regulatory harmonization initiatives to capture Saskatchewan agri-business opportunities.
- » Consult closely and routinely with industry groups and development boards in preparing Saskatchewan's negotiating position and to advocate Saskatchewan's

interests in all trade negotiations.

- » Ensure that the priorities of Saskatchewan's livestock and crop sectors are addressed in all bilateral free trade negotiations, and work with the federal government to promote Saskatchewan's interests in trade.

Establish Saskatchewan as an International Leader in Biosciences by 2020

Strategic investments in transformative knowledge and technology will ensure Saskatchewan's agriculture sector continues to make significant contributions to the provincial economy.

The Government of Saskatchewan will:

- » Establish the Global Institute for Food Security at the University of Saskatchewan to bolster research and innovation in the biosciences.
- » Collaborate with industry groups to develop a Crops Strategy – a set of priority initiatives and actions designed to improve sector competitiveness, increase production, develop new crops, and assist with value-added processing and product development in all of Saskatchewan's crop sectors.
- » Develop business-friendly policies identified by industry leaders at the Wheat Summit in order to encourage new investment in the biotech sector.
- » Although focused on wheat, Saskatchewan's participation in the multi-party Canadian Wheat Flagship Strategic Alliance Agreement supports wide-ranging research applicable to all cereal crops, ensuring producers have access to a profitable range of crops and choices as they plan their rotations.
- » Promote Saskatchewan's strengths in research infrastructure, crop development and advanced education to potential investors including global life-science companies.

Oil and Gas

In 2011, Saskatchewan saw \$4.5 billion in investment in oil and gas developments. With only 15 per cent of Saskatchewan's oil accessible through conventional methods, innovations in enhanced oil recovery will increase production and offset the natural decline in conventional oil production rates.

Saskatchewan will maintain its place as the number two supplier of oil in Canada and will

increase production by:

- » Maintaining a stable oil and gas royalty regime and a competitive tax and regulatory environment.
- » Increasing oil production through the further development of enhanced oil recovery (EOR) technologies.
- » Full deployment of the PRIME project, an online tool for industry to report specific volumetric, infrastructure, valuation and royalty-related information to government and industry partners to better manage royalties, lease administration and well data interfaces.
- » Completing and updating petroleum and natural gas regulations and their supporting processes to increase industry self-service and government response time capabilities.

Mining

Mining exploration and production is capital intensive, with significant investment required in exploration and construction of a mine before production can begin. Stable royalties, a competitive business environment and a skilled workforce will foster new commitments to mining investments.

Saskatchewan will grow mining production and exports by:

- » Maintaining a stable and competitive mineral royalty regime to attract investment and encourage development.
- » Fully developing the International Minerals Innovation Institute, which is jointly funded by industry and government to:
 - Develop industry-driven education and training programs to address labour force needs in the sector.
 - Conduct industry-driven R&D to address extraction, processing, environment and safety, exploration and marketing issues to ensure the continued expansion of the industry.

Energy and Mineral Innovation Technology, Research & Development

The Government of Saskatchewan will increase innovation in energy and minerals:

- » The Sylvia Fedoruk Canadian Centre for Nuclear Innovation will support nuclear research, development and innovation in Saskatchewan, focusing on nuclear medicine, material science, nuclear safety and small/smart reactor technology.
- » Saskatchewan will remain an international leader in the development and demonstration of carbon capture and storage technology.
- » Through the Petroleum Technology Research Centre, Saskatchewan will continue to be a leader in energy innovation and enhanced oil recovery technology.
- » Saskatchewan Research Council will continue to be one of Canada's leading providers of applied research, development and demonstration, and technology commercialization.

Forestry

The forest industry is a significant contributor to the Saskatchewan economy and an important source of employment in the north. Opportunities exist in domestic and global markets for Saskatchewan's forestry products to be further enhanced through additional innovation in product development and value-added processing.

- » Working in partnership with northern communities, the Government of Saskatchewan will support the re-emergence of the forestry industry by:
 - Providing a stable and efficient regulatory environment for the industry.
 - Maintaining competitive taxation and stumpage rates.
 - Fostering innovation and new product development including value-added processing.
 - Creating opportunities for co-generated green energy power production. Co-gen projects in Meadow Lake and Prince Albert will provide between 100 and 130 megawatts of green power.

Connecting Saskatchewan to the World



Grow Trade and Investment and Double Export Sales by 2020

A Foundation for Growth

- Saskatchewan is on track to pass B.C. for total exports in 2012, making Saskatchewan the fourth largest exporting province in Canada.
- In 2010, Saskatchewan exported about \$16.7 billion in goods and services to the rest of Canada, a 12.8 per cent increase since 2007.³⁵
- Since 2007, Saskatchewan's crude oil exports have grown by approximately 48 per cent, potash exports have increased by 127 per cent, wheat exports increased more than 10 per cent, canola seed exports grew more than 170 per cent, pulse crop exports increased 81 per cent, and canola oil exports increased by 449 per cent.³⁶
- In 2011, Saskatchewan exported more than \$10 billion in crude oil, approximately \$6.5 billion in potash, \$2.8 billion in wheat, \$2.2 billion in canola seeds, \$1.6 billion in canola oil and more than \$1.8 billion in pulse crops.³⁷
- In 2011, Saskatchewan exported more than \$29.5 billion in goods to international markets, an increase of nearly 50 per cent since 2007.³⁸
- Saskatchewan exports to China have almost doubled in value since 2007 and there has been a 66 per cent increase in exports to Japan. Saskatchewan's value-added manufacturing exports have also increased significantly – growing by approximately 200 per cent to China and more than 100 per cent to Indonesia since 2007.³⁹
- Saskatchewan is currently engaged with the federal government in negotiating a Comprehensive Economic Partnership Agreement (CEPA) with India – a major emerging export market for Saskatchewan.

³⁵ Saskatchewan Provincial Economic Accounts, *December 2011*

³⁶ Statistics Canada, *Trade Data Online*

³⁷ Statistics Canada, *Trade Data Online*

³⁸ Statistics Canada, *Trade Data Online*

³⁹ Statistics Canada, *Trade Data Online*

Moving Forward to 2020

Growing Exports and Engaging the World

In order to sustain economic growth, Saskatchewan must be proactive in engaging international markets and undertaking export market development initiatives to assist our province's exporters to enhance their business presence in countries with significant growth potential.

- » Working with the Saskatchewan Trade and Export Partnership (STEP), industry, municipalities, post-secondary institutions and the federal government, the Government of Saskatchewan will foster increased international trade and exports by:
 - Promoting opportunities in Saskatchewan.
 - Strengthening existing trade relationships.
 - Engaging new international markets.
 - Diversifying the province's trade base.
 - Supporting Saskatchewan businesses to connect to international markets for their products and services.
- » Saskatchewan's international export, trade and engagement strategy will focus on Saskatchewan's natural resource and agricultural strengths and their associated value-chains, including processing, manufacturing and innovation. Saskatchewan will seek international investment in greenfield projects and expansions that contribute to the growth of Saskatchewan's natural resource sector.
- » Saskatchewan will increase export market development and investment attraction missions in key markets to help inflows of international investment, outflows of Saskatchewan exports and strengthen strategic in-market relationships.
- » The Government of Saskatchewan will engage the federal government to ensure the Government of Canada's international engagement priorities reflect Saskatchewan's economic interests, such as the federal government's recent supplementary protocol to the Canada-China Nuclear Co-operation Agreement, which will facilitate expanded uranium sales to China over the next decade.

- » The Government of Saskatchewan will continue to improve export infrastructure to ensure goods can be shipped to market efficiently and effectively.
- » The Government of Saskatchewan will work to attract skilled workers, entrepreneurs and investment to the province from international markets, including the United States, the European Union, India and China.
- » The Government of Saskatchewan will work with STEP and the private sector to develop new international markets, particularly in the Asia-Pacific region and the Americas for Saskatchewan's products and services. To that end, Saskatchewan will establish an international in-market presence in at least five key markets by 2020.
- » The Government of Saskatchewan will support the New West Partnership's Shanghai Office to profile Saskatchewan and its economic strengths in China's financial and trade hub and connect Saskatchewan businesses to potential business partners in China while identifying export opportunities. With the exception of this strategic location, Saskatchewan's international engagement objectives will be achieved through trade missions and contracted in-market presence, not through the establishment of new trade offices.
- » The Government of Saskatchewan will increase in-market presence in China to enhance Saskatchewan's reputation in China as a province committed to developing long-lasting business relationships.
- » The Government of Saskatchewan will proactively promote trade liberalization to enhance market access globally for Saskatchewan products.
- » The Government of Saskatchewan will advance Saskatchewan's strong trade and investment relationship with the United States and be proactive in efforts to knock down protectionist policies that act as a barrier to flows of trade and investment across the U.S.-Canada border.
- » To better equip our students and business community to engage internationally, the Government of Saskatchewan will encourage the study of international languages in Saskatchewan business schools. The Government of Saskatchewan will work with the province's post-secondary institutions to increase the number of international students studying in Saskatchewan by 50 per cent by 2020.
- » The Government of Saskatchewan will establish the Saskatchewan's International Future Scholarship to provide 20 students annually with the opportunity to study business at an international institution if they return to Saskatchewan for at least

five years after they graduate.

- » The Government of Saskatchewan will forge deeper diplomatic relationships with key trade, export and investment markets, including increasing diplomatic delegations to Saskatchewan.

Fiscal Responsibility to Support Growth



Fiscal Responsibility, Balanced Budgets, Reduced Debt and Smaller, More Effective Government

No jurisdiction can maintain long-term economic growth without balanced budgets. Operating deficits increase government debt, leading to increased debt-servicing costs and reducing the money available for other programs and services. Conversely, balanced budgets allow for increased debt retirement, lower debt servicing costs and additional funding that can be directed towards priorities such as infrastructure.

A Foundation for Growth

- The Government of Saskatchewan has continued to balance the budget. Saskatchewan was the only province with a balanced budget this year.
- Government debt has been reduced by \$3 billion or 44 per cent since 2007.
- Government has gotten smaller, with the public service reduced by approximately 10 per cent over the past three years.
- Saskatchewan became the first province in Canada to implement a LEAN approach throughout the public service, resulting in significant savings as well as streamlined and more timely processes for citizens to receive services.

Moving Forward to 2020

Commitment to Balancing the Budget and Retiring Debt

Saskatchewan has the only balanced provincial budget in Canada in 2012, and government debt has been reduced by 44 per cent since 2007.

- » By 2017, the Government of Saskatchewan will have cut the province's debt in half from its 2007 level.
- » The Government of Saskatchewan will continue to balance the budget.
- » The Government of Saskatchewan will maintain a target amount of \$500 million in the Growth and Financial Security Fund with any excess amounts used to invest in infrastructure and reduce debt.

Smaller, More Effective Government

Countries around the world are increasingly being challenged to offer public services within available fiscal capacity. The Government of Saskatchewan is committed to meeting public demands for better client service by focusing on core government programs and more efficient delivery of programs through a smaller, more efficient public service.

- » The Government of Saskatchewan will continue to deliver smaller, more effective government:
 - Deliver on a targeted 15 per cent reduction in the size of the public service by 2013-14.
 - Continue to undertake productivity improvements in the delivery of programs and services through the adoption of methodologies such as LEAN.
 - Undertake a multi-year program review beginning in the next budget cycle as part of an ongoing process to ensure the programs and services delivered by government are being delivered as efficiently and effectively as possible and are aligned to the government's priorities.
 - Develop a two-year plan to require third parties that receive significant provincial funding such as health regions, school boards and post-secondary institutions to demonstrate financial efficiencies such as joint supply purchasing, shared back office services, LEAN initiatives and workforce adjustment targets that can be directed towards supporting front-line services.
 - Continue to review government programs, services and activities to ensure they are not creating undue barriers to private sector growth while exploring alternative service delivery options for public services that could be provided by community-based organizations or the private sector.

Growth with Purpose: Building a Better Quality of Life for Saskatchewan People

Too often, enterprise-oriented governments appear to seek growth for its own sake. This is a mistake – one that can cause governments to lose focus and discipline. The purpose of growth is to secure a better quality of life for Saskatchewan people.

Growing Vibrant, Safe Communities

With continued growth comes the opportunity for the Government of Saskatchewan and communities across our province to build and improve upon the great quality of life we enjoy today.

Saskatchewan residents have the opportunity to enjoy and participate in a broad and diverse range of cultural, recreation and sport activities our province has to offer, from music festivals, live theatre and art galleries to amateur sport and fishing Saskatchewan's pristine lakes.

A growing population means more Saskatchewan residents will enjoy the opportunity to participate in these experiences. The Government of Saskatchewan will continue to support activities that contribute to vibrant and active communities. New initiatives such as the Active Families Benefit and the Community Rink Affordability Grant are assisting families to participate in sports and recreation opportunities in communities throughout the province. With continued growth, the Government of Saskatchewan can invest in further measures to allow more people to enjoy the Saskatchewan experience.

The Government of Saskatchewan will continue to build safer communities. Saskatchewan communities experience some of the highest crime rates in Canada. Since 2007, the Government of Saskatchewan has added 200 new police officers and increased the number of prosecutors to reduce the number of dangerous repeat offenders in our communities. However, greater enforcement is only part of the solution. The Prince Albert Community Mobilization Partnership is making strides in proactively identifying problems and sharing information between community agencies, health and education providers and the police to address issues before they become criminal matters. This approach is making a difference in reducing crime in Prince Albert, and the model will be expanded to other communities in Saskatchewan.

A Healthy Saskatchewan

Saskatchewan was the first province in Canada to provide medical care to all citizens

regardless of their ability to pay. But where the health care debate 50 years ago centred on the single question of the ability of individuals to pay for health care services, today the questions are multiple involving access, quality, timeliness and the sustainability of health care spending. Saskatchewan can and should be a national leader in making progress on these fronts.

The Government of Saskatchewan has made progress in recruiting and retaining the health care providers needed to ensure greater access to health care services in Saskatchewan. Since 2007, Saskatchewan has added 200 doctors and there are 940 more nurses practicing in our province. Saskatchewan now has one of the best nurse retention rates in Canada.

Today, Saskatchewan is reducing health care costs through greater efficiency and the application of LEAN techniques. The Government of Saskatchewan's goal is to ensure that health care spending does not grow at a greater rate than the economy grows.

Saskatchewan is also reducing wait times for surgery through a combined approach of public and private sector delivery of publicly-funded services. Surgical wait times will continue to be reduced so that by 2014 no one waits more than three months for surgery.

Moving forward, the Government of Saskatchewan will undertake new actions to ensure Saskatchewan people enjoy better health care. The Government of Saskatchewan has committed to eliminate wait times in emergency rooms by 2017 and improve access to primary health care. By 2017, there will be a 50 per cent improvement in the number of people surveyed who say, "I can contact my primary health care team on my day of choice."

As Saskatchewan's population ages, there will be an increased need to strengthen community supports for seniors through stronger primary health care and innovative approaches to home care services, as well as improving the continuum of care for seniors, including home care, housing, personal care homes and long-term care.

All residents of Saskatchewan must continue to experience improvements in health care outcomes. Saskatchewan will implement innovation sites modelled on Nova Scotia's Collaborative Emergency Centres (CECs). These sites will use a team-based approach to increase access to primary care and emergency care in rural and remote settings. The Government of Saskatchewan is also introducing new incentives to provide loan forgiveness for new doctors, nurses and nurse practitioners working in rural and northern communities, and will explore expansion of this model to itinerant physicians who practice part-time in smaller communities.

Health services for northerners and First Nations people in our province will continue to be improved. Saskatchewan will make progress on reducing chronic diseases such as diabetes, which is particularly prevalent among Saskatchewan's First Nations people.

The Government of Saskatchewan has undertaken significant capital investments in health care since 2007 and will continue to do so with completion of a new Saskatchewan Children's Hospital, new residential supports for individuals with severe and complex needs in conjunction with a new Saskatchewan Hospital in North Battleford, the new Plains Surgery and Outpatient Care Centre in Regina and a new hospital in Moose Jaw.

Improving Education Outcomes

The Government of Saskatchewan has invested a record \$500 million in school capital since 2007. Over half of Saskatchewan schools have been upgraded or renovated. The provincial operating grant to school boards has increased by 21 per cent since 2007 because of reductions to education property taxes. Overall funding to school divisions increased to \$1.74 billion this year. The provincial government now pays for more than 65 per cent of the cost of K-12 education, compared to 51 per cent in 2007.

A growing economy requires a well-educated and highly skilled workforce. High school completion is the foundation for further education, training and employment opportunities. Saskatchewan's Aboriginal population is young and growing, which makes it essential to reduce the graduation rate difference between First Nations and Métis students and their non-Aboriginal peers to ensure greater labour market participation in the province.

Moving forward to 2020, the Government of Saskatchewan will improve education attainment and graduation rates while producing high student achievement.

By 2020, the Government of Saskatchewan's goal is to ensure Saskatchewan leads the country in graduation rates and the graduation disparity between First Nations and Métis students and their non-Aboriginal peers has been reduced by 50 per cent.

Working with school boards and teachers, the Government of Saskatchewan will develop a standardized assessment model and ensure school divisions consistently measure and report progress, while supporting instructional practices to achieve graduation targets. By 2014, all school divisions will provide supports and services to teen parents to help keep them in school to graduation. By 2015, there will be an expansion of alternative credentials for high school completion, through partnerships with school boards, teachers, training institutions, business and industry.

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 per cent by 2015. Grade 3 reading levels are considered a leading indicator of future student performance. Measures to increase student achievement will also require aligning improved curriculum, assessment, instructional methods and supports to meet future needs of all students while increasing parent engagement in schools.

At-risk children and youth will continue to require additional support. The Government of Saskatchewan will expand pre-kindergarten programs with an emphasis on improved support for children at-risk, in addition to increasing early learning and childcare spaces in Saskatchewan. The Government of Saskatchewan will continue to improve support for children and youth with Fetal Alcohol Spectrum Disorder and Autism Spectrum Disorder. Building on successful initiatives like the St. Mary’s school project in Saskatoon, the Government of Saskatchewan will continue to co-locate health and community services to provide more integrated and co-ordinated supports for children and youth at-risk to connect them to school and education opportunities.

Making Saskatchewan the Best Place in Canada for Persons with Disabilities

Just as Saskatchewan’s opportunities will provide the foundation for future population and economic growth, so we must as a province be mindful that the benefits of growth should provide everyone in our province with the opportunity to realize his or her full potential.

For persons with disabilities, this means not only securing an adequate living income, but reducing barriers to accessible housing and transportation, increasing opportunities to participate in employment and education, and providing respite for families and caregivers.

The Government of Saskatchewan will undertake development of a new provincial disability strategy in consultation with members of the disability community and support workers with the goal of making Saskatchewan the best place in Canada for persons with disabilities.

Securing Saskatchewan’s Water Future

Provincial growth brings an increasing demand for water and water services to satisfy domestic, agriculture, business, industry, environmental, recreation and power generation needs. Saskatchewan will manage its abundant water resources to ensure continued availability for growth, access to clean drinking water, availability for recreation and overall quality as part of sustaining a healthy natural environment.

The Government of Saskatchewan has already taken action to improve water management, including addressing provincial flooding and pressures on Saskatchewan’s

water infrastructure.

Last year, the Government of Saskatchewan committed to invest in a 10-year infrastructure renewal plan to ensure all government-operated water infrastructure is safe and reliable. In 2011, the Government of Saskatchewan initiated a five-year Boreal Watershed Initiative to ensure water quality impacts from upstream land-based uses are measured and monitored.

The recently released 25-year water security plan and the establishment of a Water Security Agency for the province will ensure Saskatchewan manages its water supply to support growth while protecting and enhancing water quality in its lakes and rivers and responding effectively to floods and droughts.

The Saskatchewan Heritage Initiative: The Use of Non-Renewable Resource Revenue in a Debt-Free Saskatchewan



The revenue from non-renewable resources provides Saskatchewan people with immense opportunities.

The Saskatchewan Plan for Growth outlines the priorities of the Government of Saskatchewan to 2020 to build infrastructure that will maintain economic growth and address the challenges of growth, make Saskatchewan's business environment more competitive, invest in skills development for a growing labour force, foster innovation around agriculture and natural resources, and to continue to retire debt.

A lasting legacy we can leave for our children and grandchildren in Saskatchewan is a debt-free province. To this end, the benefits of Saskatchewan's non-renewable resources received by the provincial government will continue to pay down debt.

At the point in the future when Saskatchewan's debt has been fully retired, Saskatchewan will face choices about how future non-renewable resource revenues should be invested for the long-term growth and benefit of Saskatchewan people.

There are examples from across Canada and around the world of how other jurisdictions have addressed this issue.

Former Alberta Premier Peter Lougheed established the Alberta Heritage Savings Fund to ensure a portion of the province's non-renewable resource royalties were invested for the long-term benefit of the Albertans in areas such as research. Later Alberta governments utilized the fund to invest in infrastructure.

In 1990, Norway established a fund with the proceeds of the country's petroleum revenues that is now the world's largest sovereign wealth fund. All investments of the fund are made outside Norway with the government allowed to spend no more than four per cent of the fund's return annually.

The Alaska Permanent Fund is a constitutionally established fund in the State of Alaska funded by mineral sales and royalties. Alaska residents are paid an annual dividend based on the five-year performance average of the fund.

To identify options and provide advice to the Government of Saskatchewan for how best to utilize Saskatchewan's non-renewable resource revenue after the province's debt has been fully retired, the Government of Saskatchewan will establish the Saskatchewan Heritage Initiative.



Government of
Saskatchewan

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