



# Saskatchewan Small Business Owners' Priorities for the 2023-24 Provincial Budget

Presentation to the Minister of Finance  
Hon. Donna Harpauer

Brianna Solberg, Director of Provincial Affairs

December 6, 2022

**CFIB**

**CANADIAN FEDERATION  
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# 2023-24 Budget Recommendations

- **No new costs** for small business:
  - Continue with the small business tax rate reduction until 2024
  - Do not introduce employer-paid sick days or new paid holidays
  - Freeze education property tax mill rates at their new levels. Or consider a phase out program like the Government of Manitoba's plan
  - Once minimum wage reaches \$15/hour, return to stable, predictable increases based on the rate of inflation
  - Avoid any further SaskPower or SaskEnergy rate increases
- With all industrial carbon taxes now staying in Saskatchewan as of January 1, 2023, the province should use some of this tax revenue to help offset costs for businesses (specifically those in the agriculture and transportation sectors) who are still under the costly federal carbon tax
- If Saskatchewan intends to assume responsibility for the fuel charge portion of the carbon tax, ensure the plan is developed in consultation with the business community and returns a fair share of revenues to small businesses
- Legislate the Worker's Compensation Board's surplus refund policy and require the Board to refund 100% of its annual surplus to employers (example: Ontario)
- Continue to reduce costly red tape and continue to champion efforts to reduce barriers to inter-provincial trade. The large majority (80%) of Sask. small business owners believe governments should prioritize removing as many barriers as possible to the flow of goods, services and workers between provinces and territories. For example:
  - Registering for workers' compensation in one province/territory should permit workers to work in all provinces/territories
  - A professional license or certification granted in one province/territory should be automatically recognized in all provinces /territories (such as long-term care workers, other health care workers, etc.) (I.e., Bill 81)
  - Canadians should be allowed to order Canadian alcohol products (wine, beer and craft spirits) directly from any province/territory
- Continue to urge the federal government to keep fertilizer emission reduction targets *voluntary*, reduce the total tax burden on agri-businesses, and work with the federal government to improve business risk management programs (e.g. Agri-Stability)
- Take action to address labour shortages; for example: reduce the complexity, red tape, and cost associated with hiring newcomers, better promote existing hiring and training programs, and enhance training opportunities for groups that are underrepresented in the workforce
- If new COVID restrictions become necessary, immediately re-launch the Saskatchewan Small Business Emergency Payment (SSBEP) program

# State of Small Business Recovery & Current Challenges

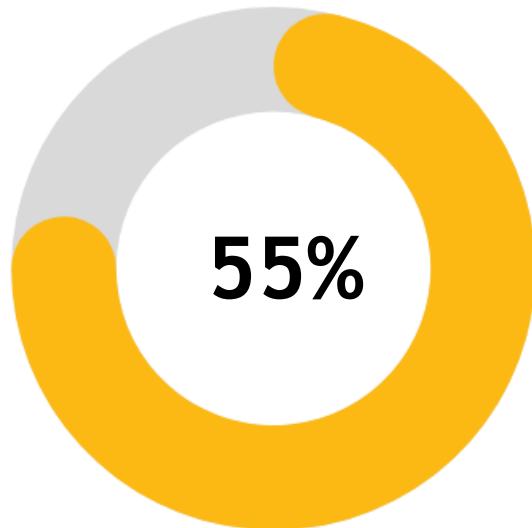
# Small Business Recovery Dashboard

As of November 17, 2022

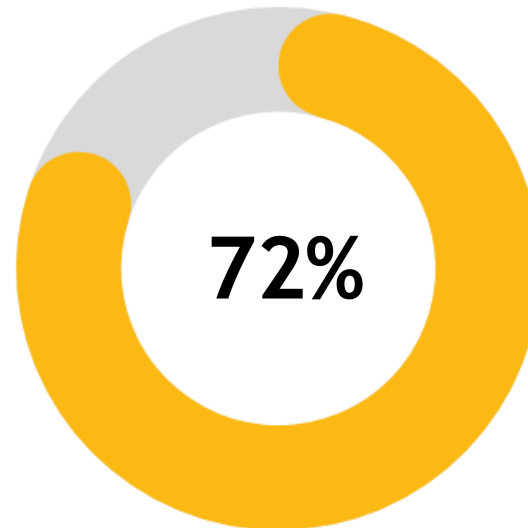
## Saskatchewan Small Businesses



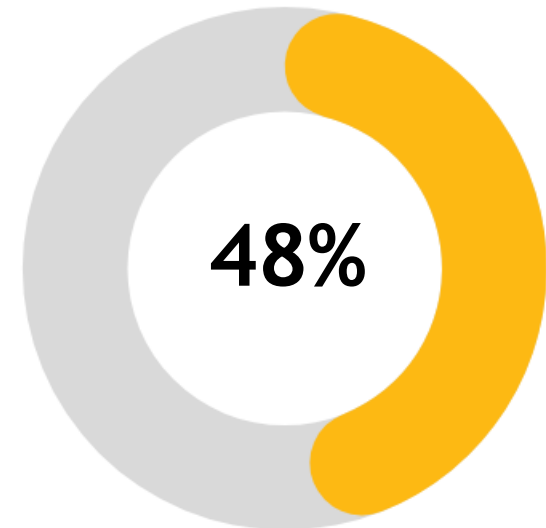
With pandemic debt



Still under pandemic stress

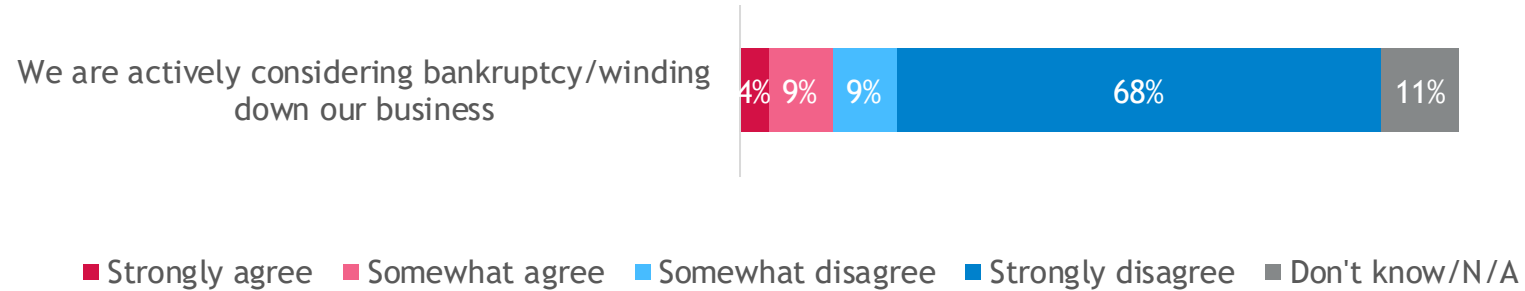


Less than normal revenues

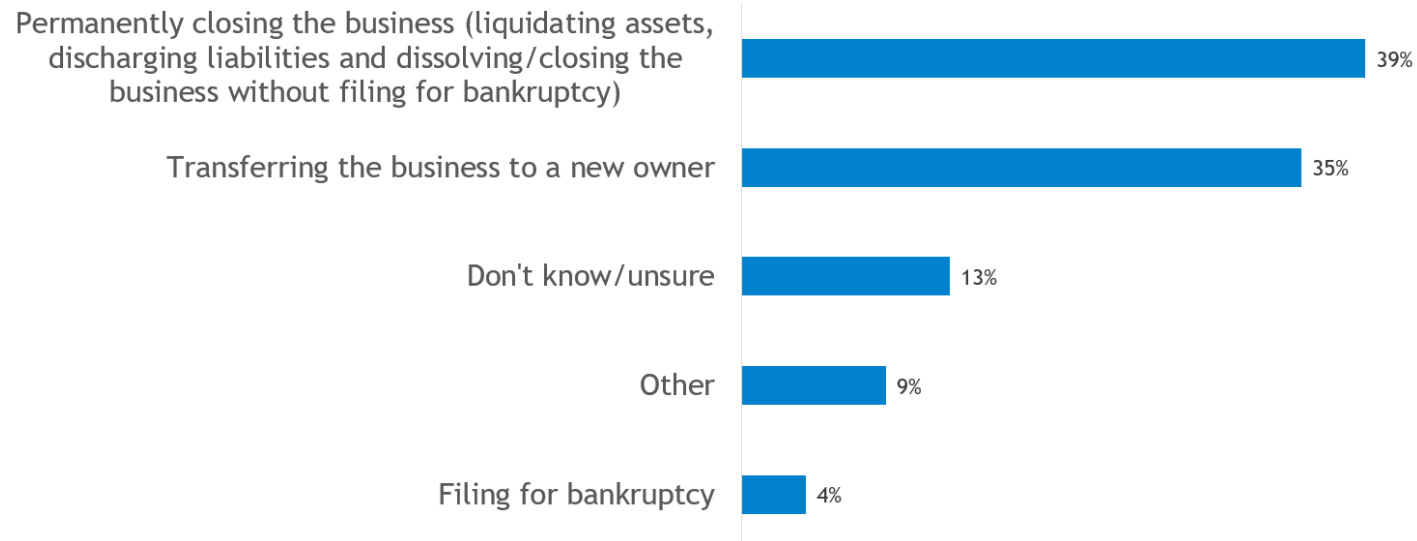


Source: CFIB, Your Voice Survey - November 17, 2022, Final Results, SK n=118.

# 13% of SK small business owners are actively considering bankruptcy or winding down operations; of those, only 4% would choose bankruptcy

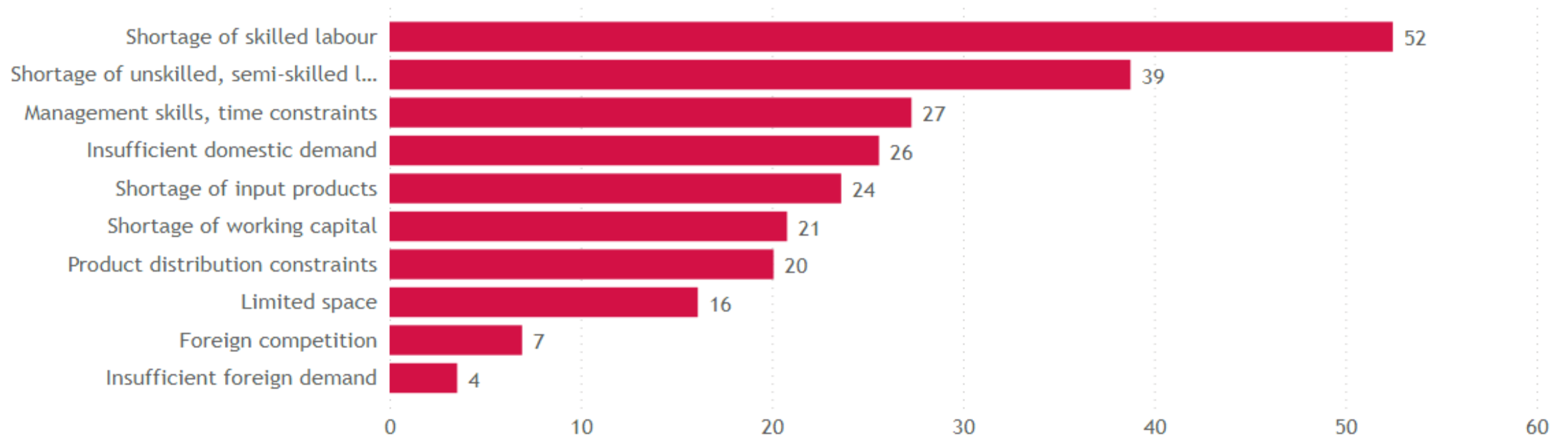


*You previously indicated that you are actively considering bankruptcy/winding down your business. If you were to make that decision, what is the most likely way it would happen? (Select one)*



# Limitations on growth: labour shortages top the list

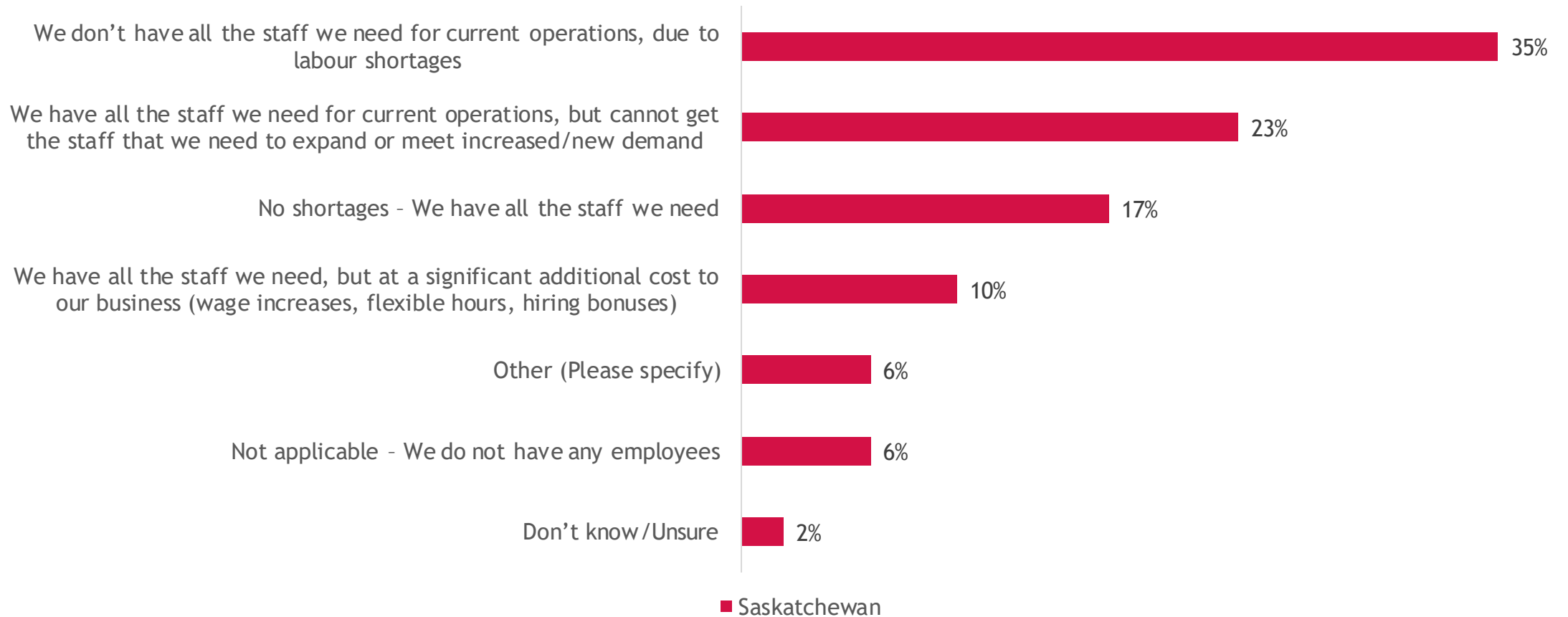
*What factors are limiting your ability to increase sales or production?*



Source: CFIB Business Barometer, October 2022. n= 752

# Majority of SK small business owners are struggling due to staff shortages

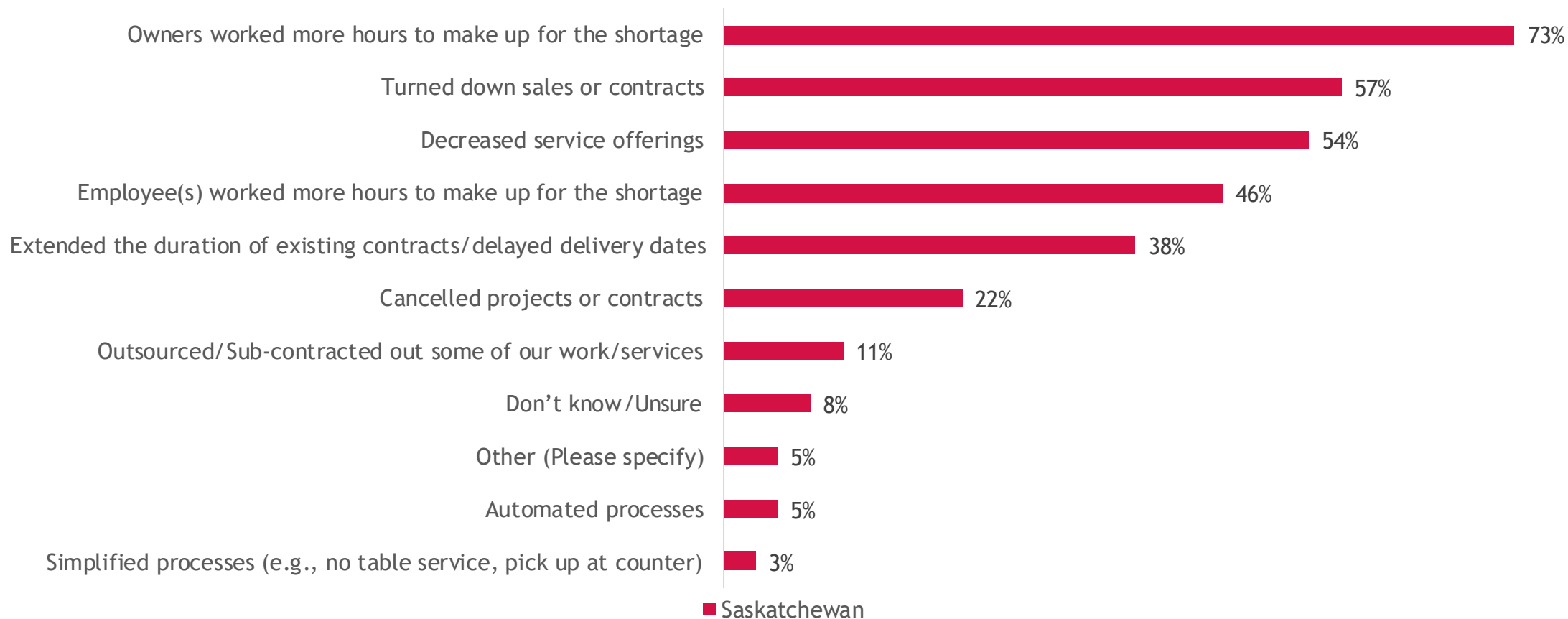
What impact, if any, have labour shortages had on your business? (Select all that apply)



Source: CFIB, Your Voice Survey - September 2022, Final Results, SK n=118.

# 73% of SK small business owners have been forced to work more hours to make up for labour shortages

Which of the following best describes your business situation regarding labour shortages (described here as difficulties hiring, retaining, or getting staff to work the hours needed)? (Select one)

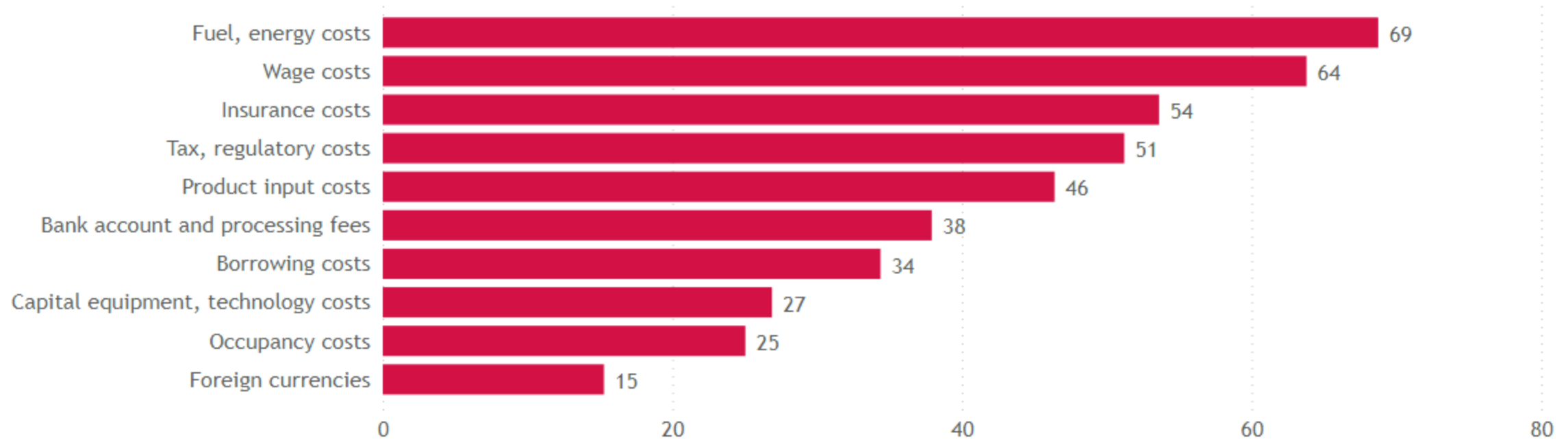


Source: CFIB, Your Voice Survey - September 2022, Final Results, SK n=118.



# CFIB Business Barometer®: fuel, wages, insurance are top cost constraints; “borrowing costs” at all time high

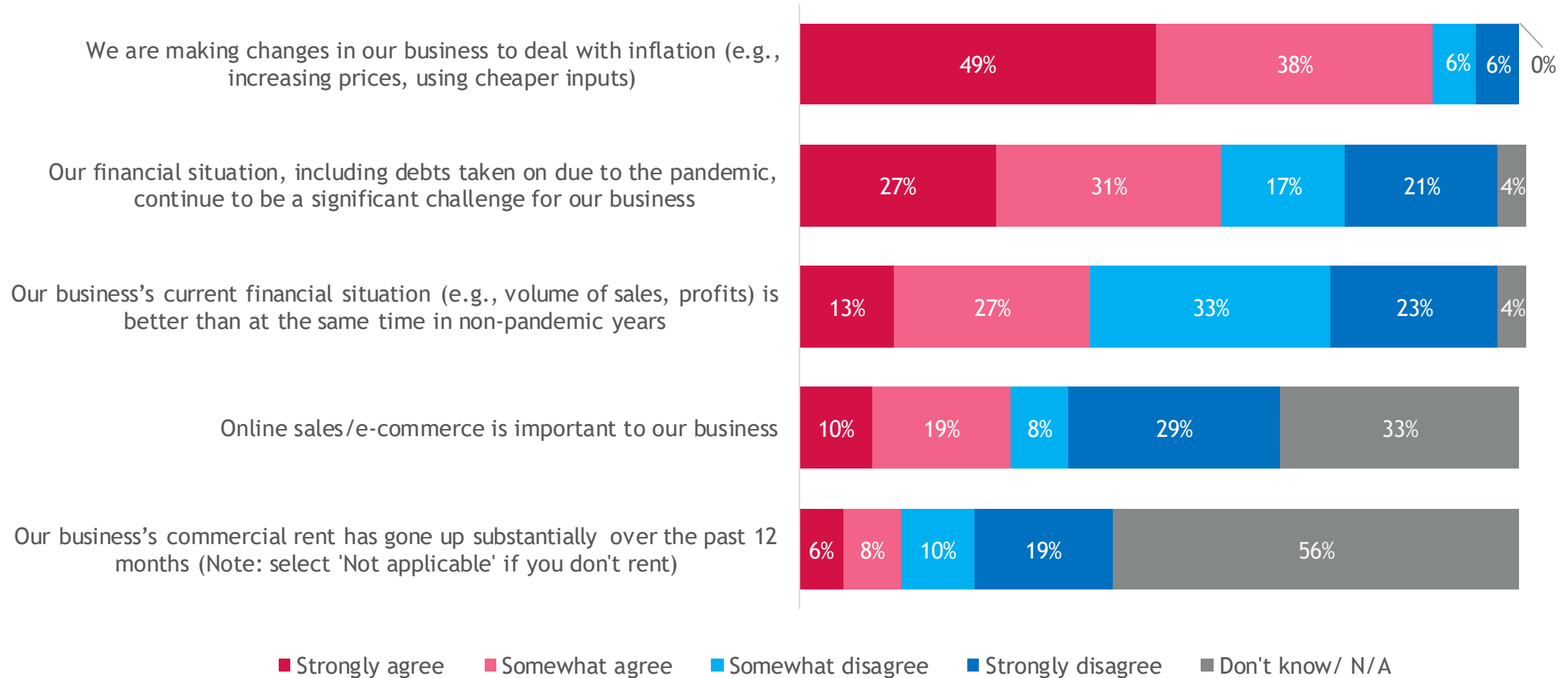
*What types of input costs are currently causing difficulty for your business?*



Source: CFIB Business Barometer, October 2022. n= 752

# 87% of SK small business owners have had to make changes to their business to deal with inflationary pressures

Please indicate the extent to which you agree or disagree with each of the following statements.



Source: CFIB, Your Voice Survey - September 2022, Final Results, SK n=118.

# Inflation and rising interest rates: a double whammy for small businesses



8.1%

In June 2022, the Canadian consumer price index rose to 8.1%, its largest yearly change since January 1983. Inflation fell slightly but remained very high in July at 7.6%.



In September 2022, the Bank of Canada raised its key interest rate by 75 basis points (0.75%) to 3.25%. This was the fifth consecutive increase this year. The key interest rate, which stood at 0.25% less than six months ago, thus increased by 300 basis points (3%) over the entire period.

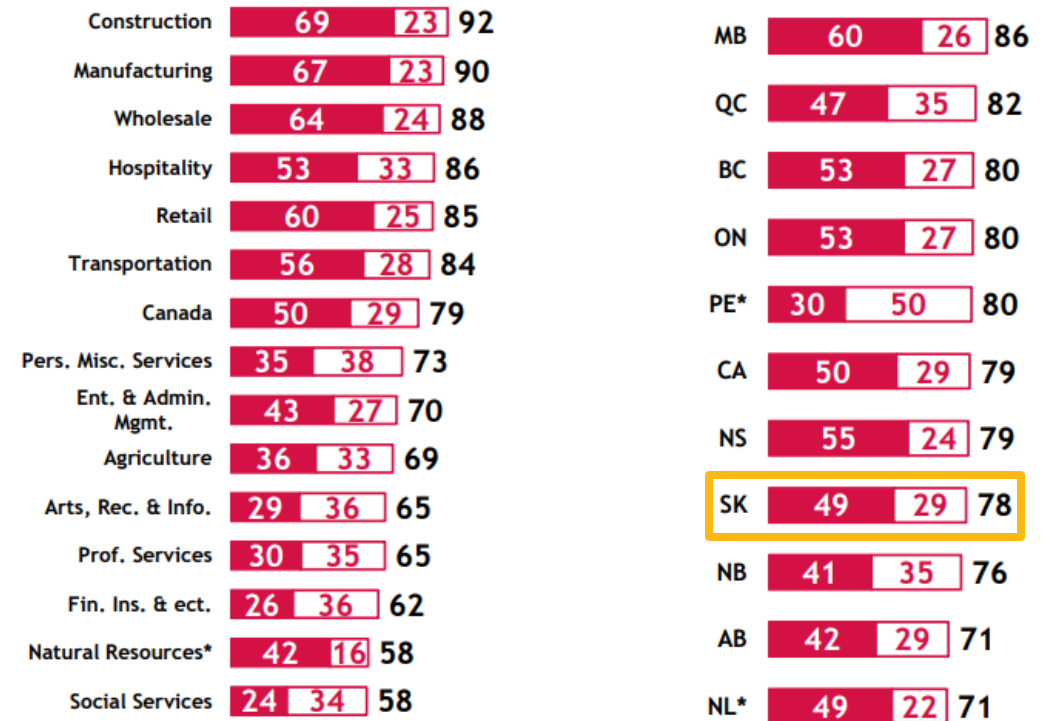


62%

Meanwhile, a majority of small businesses must contend with higher interest rates on commercial loans due to policy rate hikes while (62%) still hold pandemic debt.

**Impact:** Small business owners across all sectors have had to increase their prices more than usual to compensate for increased costs.

Price increases by Canadian small businesses in the past 12 months, by sector and province:

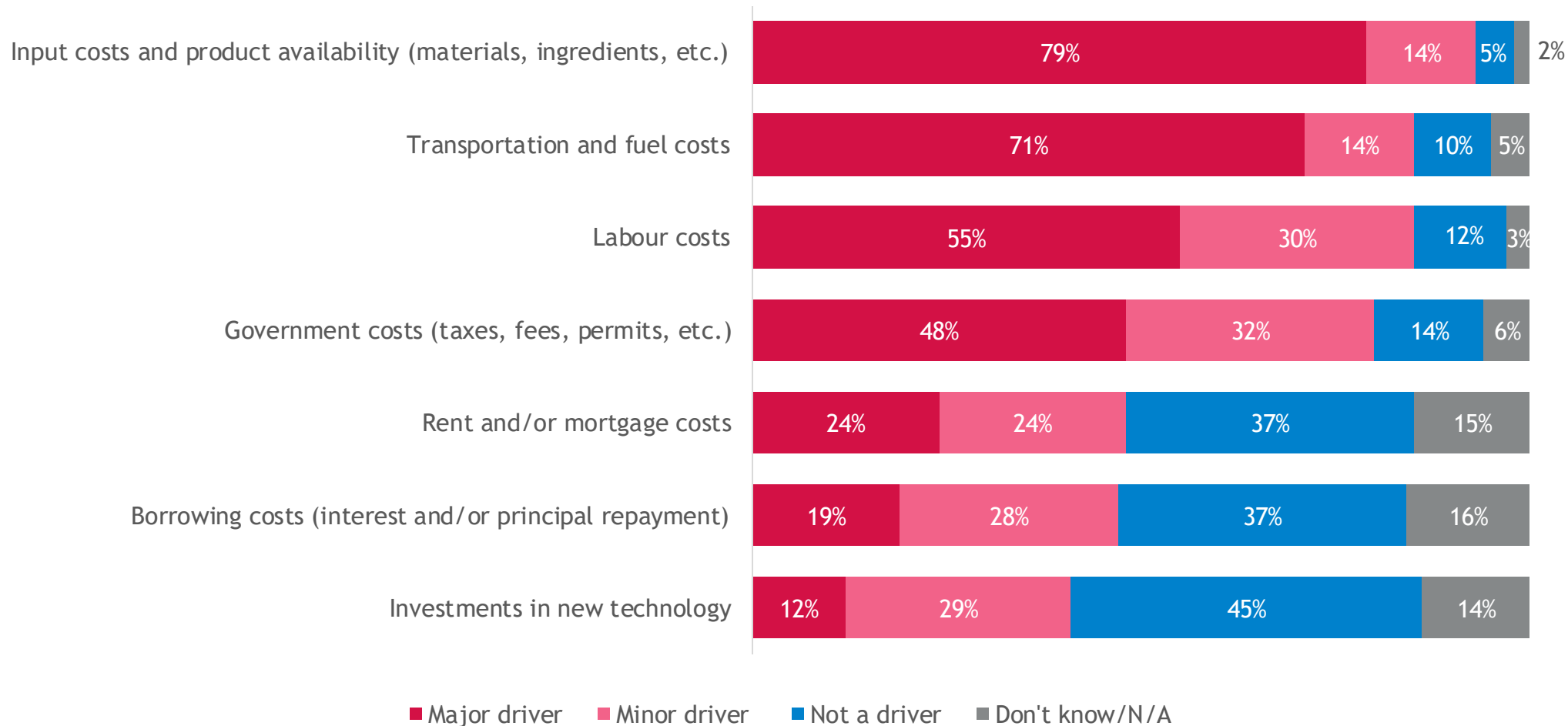


■ A lot more than in a usual year

□ A bit more than in a usual year

# Rising input costs, fuel costs driving price increases

Please indicate how much the following elements have driven your decision to raise prices in your business in the past 12 months. (Select one for each line)

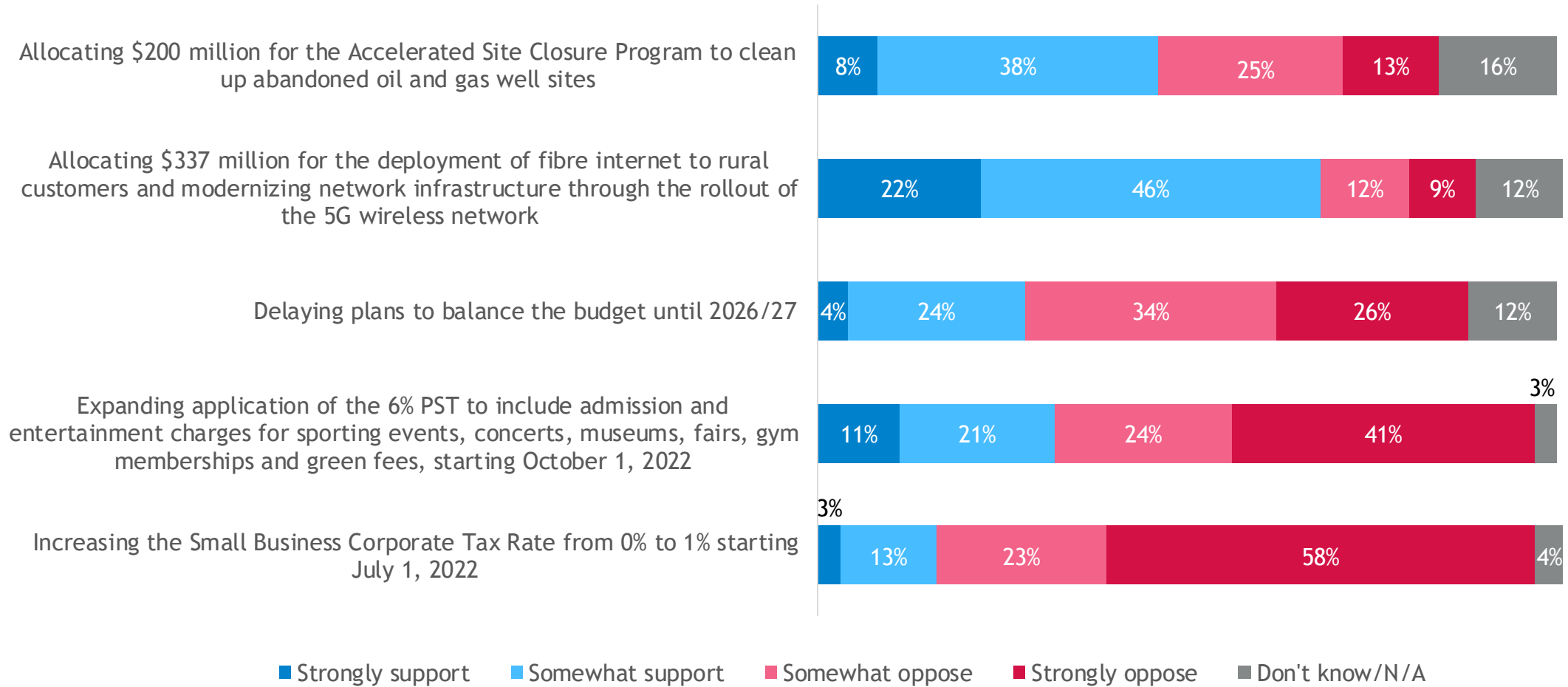


Source: CFIB, Your Voice Survey - June 2022, June 9-14, 2022, Final Results, SK n=137, CAN n=2,353.

# Small Business Budget Priorities

# Small business reaction to 2022-23 budget initiatives was mixed; greatest opposition to reintroduction of Small Business Corporate Tax

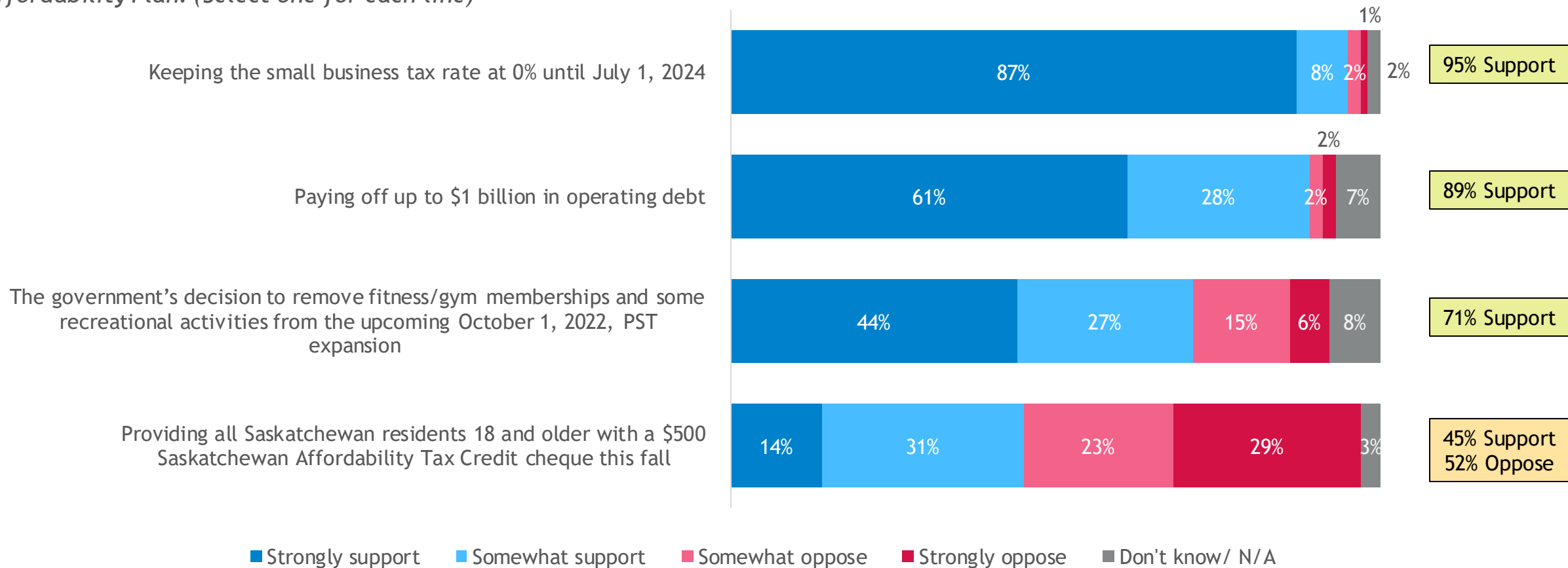
Please indicate the extent to which you support or oppose each of the following measures that were announced in the 2022-23 provincial budget that may impact your business. (Select one for each line)



Source: CFIB, Your Voice Survey - June 2022, June 9-14, 2022, Final Results, SK n=120.

# SK Small Business owners support most aspects of the Saskatchewan Affordability Plan

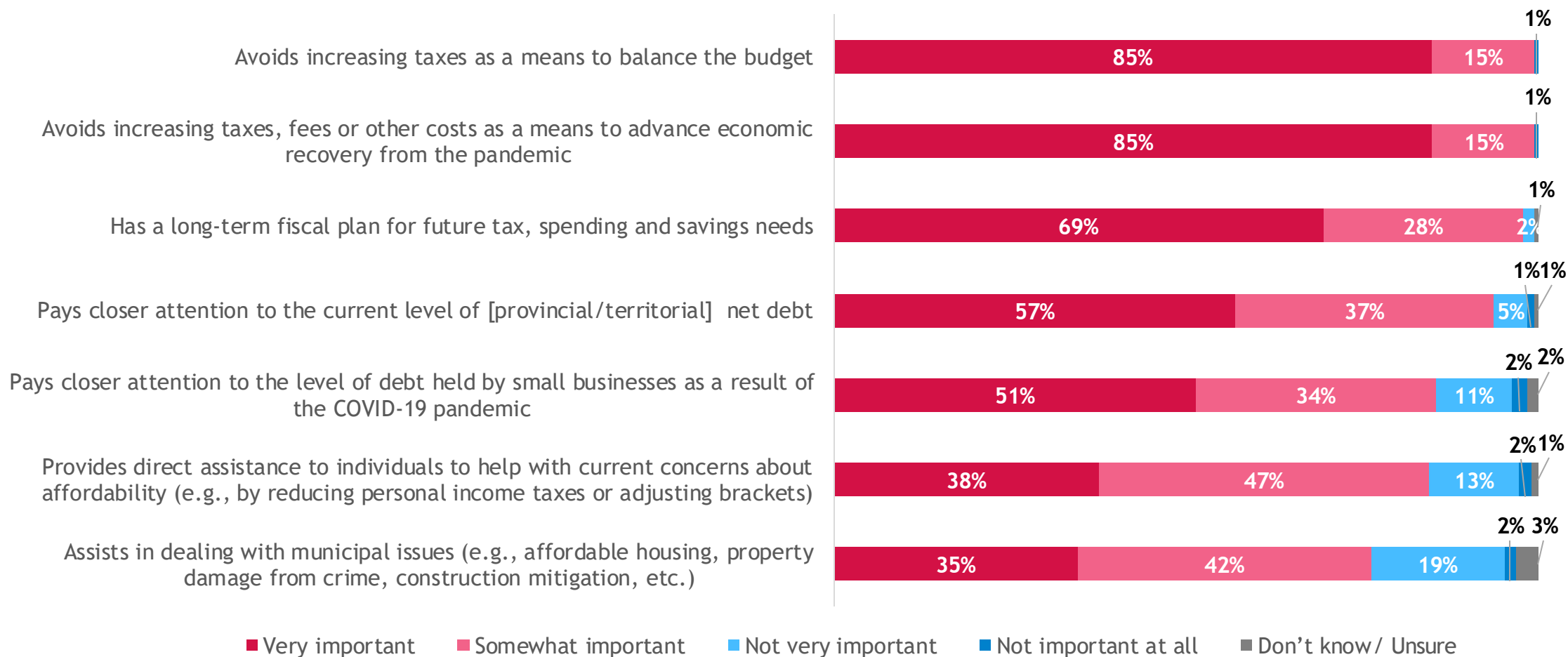
Please indicate the extent to which you support or oppose the following measures recently introduced as part of the Saskatchewan Affordability Plan. (Select one for each line)



Source: CFIB, Your Voice Survey - October 6, 2022, Final Results, SK n=101.

# Nearly all SK small business owners agree the provincial government should avoid increasing taxes, fees, and other costs

Please indicate how important it is to your business that your provincial government does each of the following. (Select one for each line)

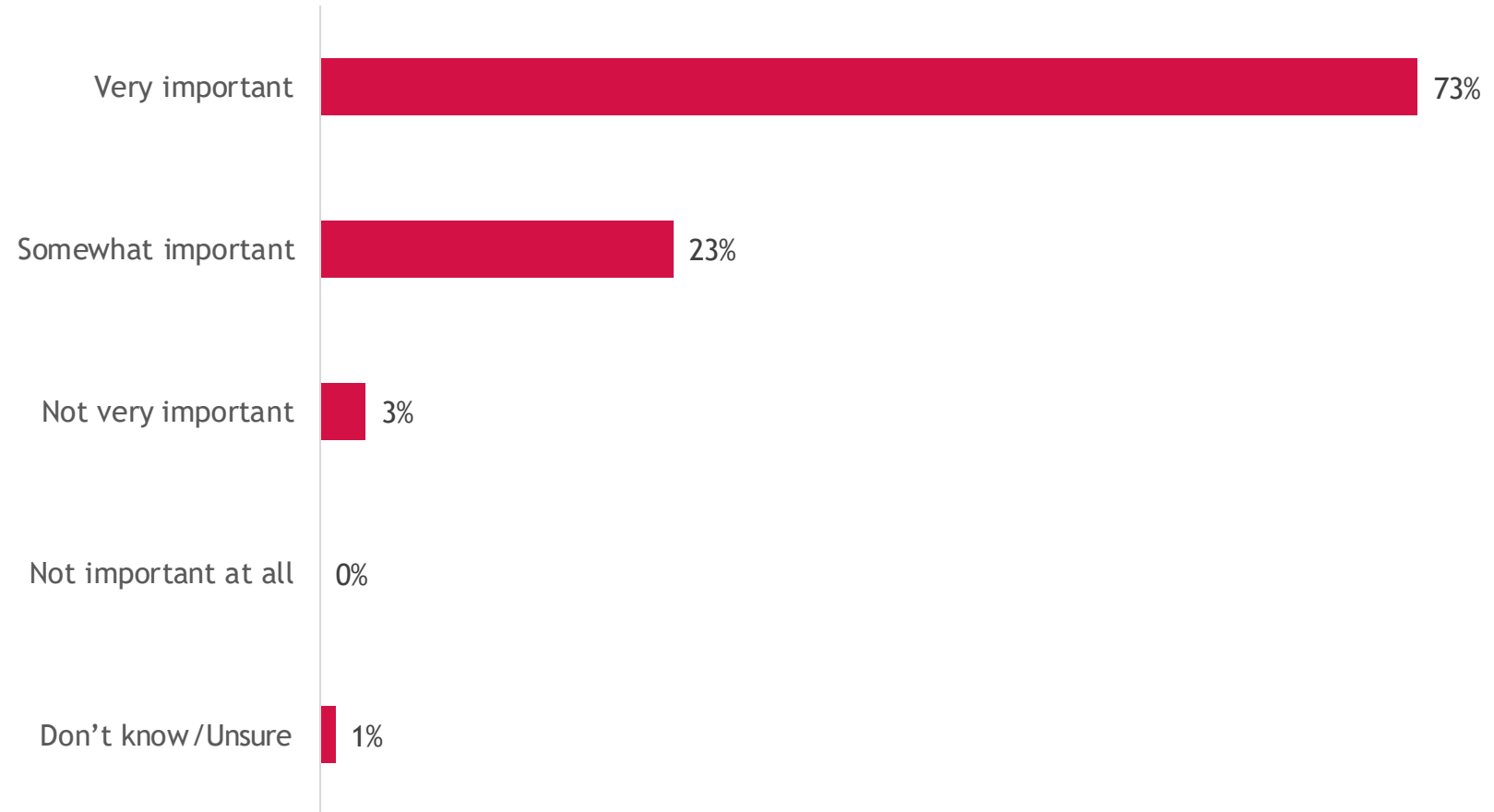


Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=185.



# Majority of SK business owners think it's important for the next budget to include measures to strengthen small businesses & the economic environment

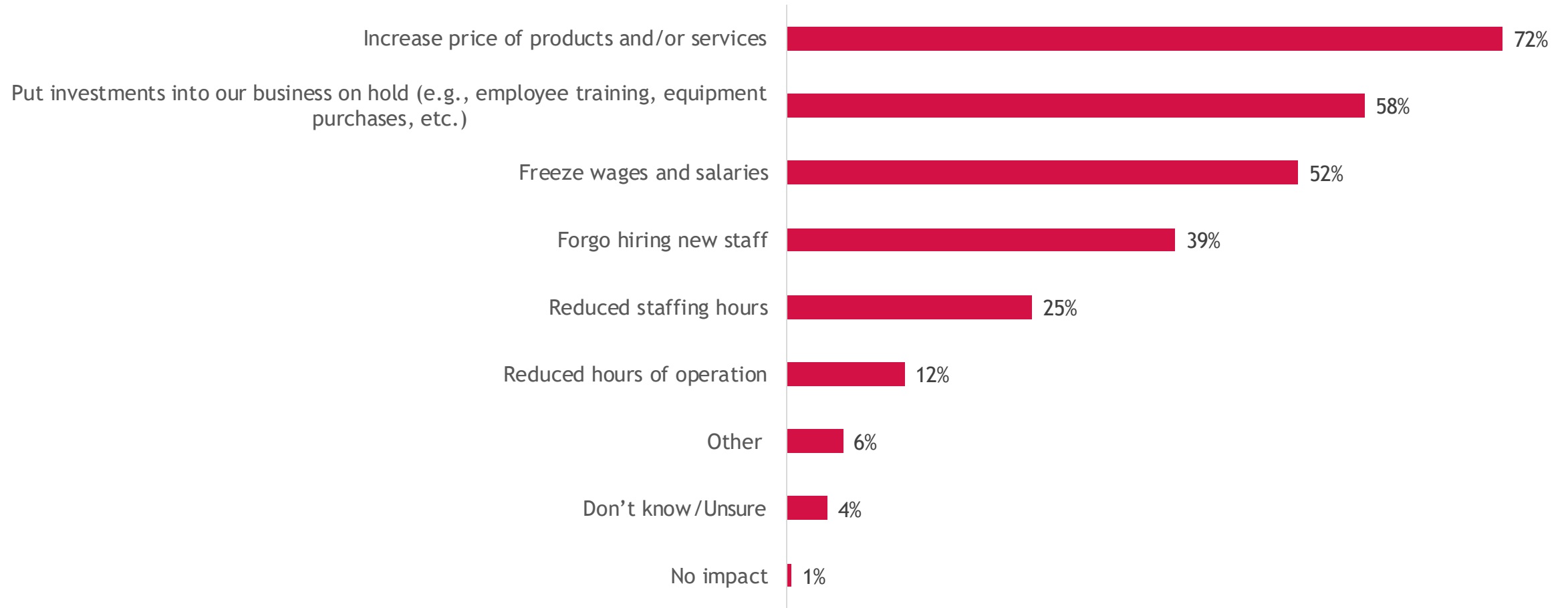
*How important is it to you that the next budget for your province includes measures to strengthen small businesses and the economic environment (e.g., shop local campaigns, business grants, investing in key infrastructure, etc.)? (Select one)*



Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=197.

# If the provincial government were to increase taxes or costs, SK businesses would be forced to increase prices, hold off on investments, or freeze wages

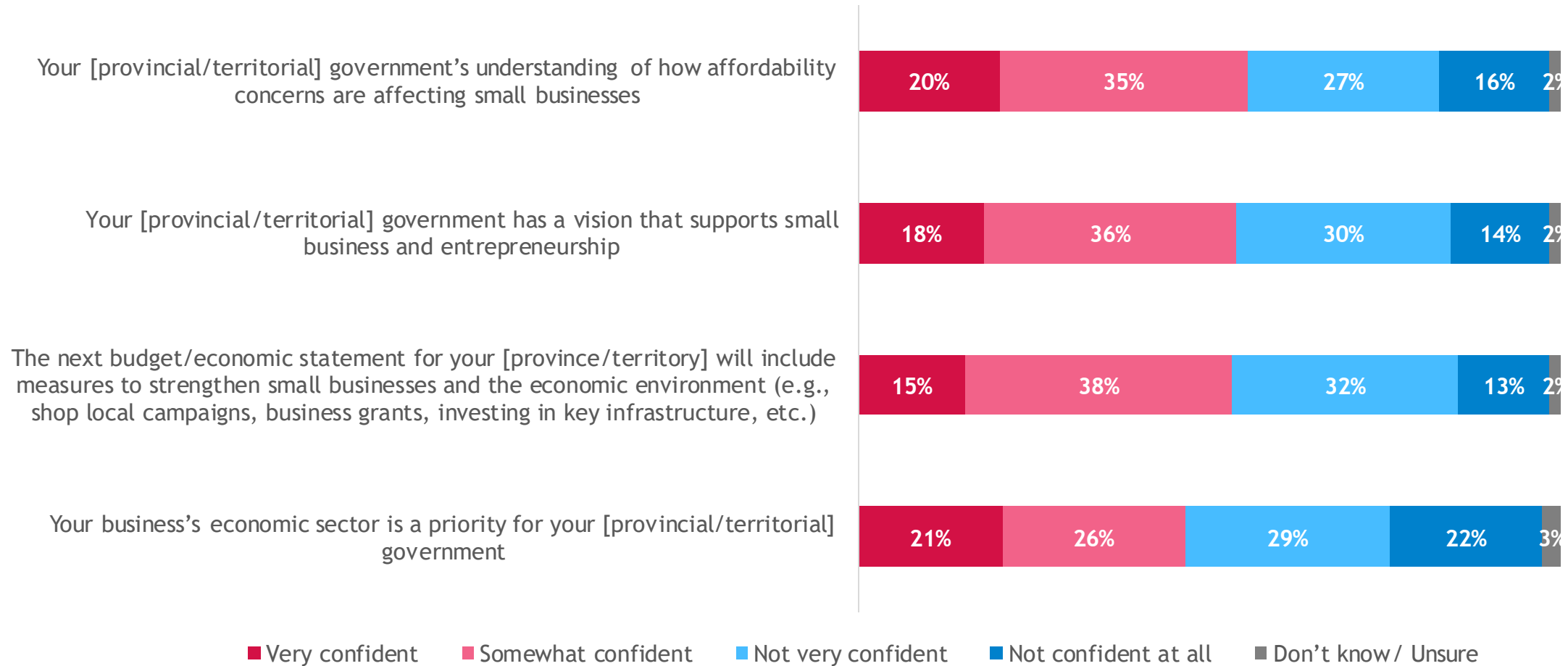
*If the provincial government were to increase taxes or other costs for your business, what would the impact be? (Select all that apply)*



Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=194.

# SK businesses have split opinions on the provincial governments' understanding of the impacts of affordability concerns

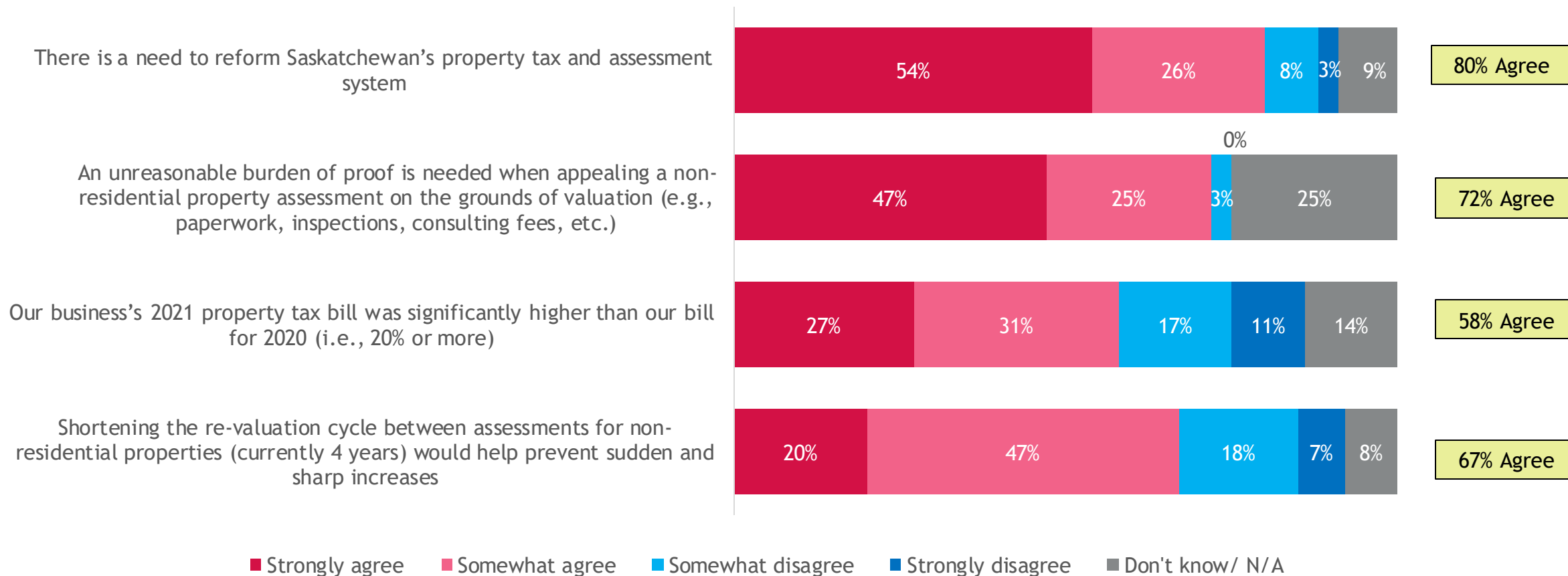
Please indicate your level of confidence in each of the following. (Select one for each line)



Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=184.

# Majority of SK small business owners believe there is a need to reform the property taxation and assessment system in Saskatchewan

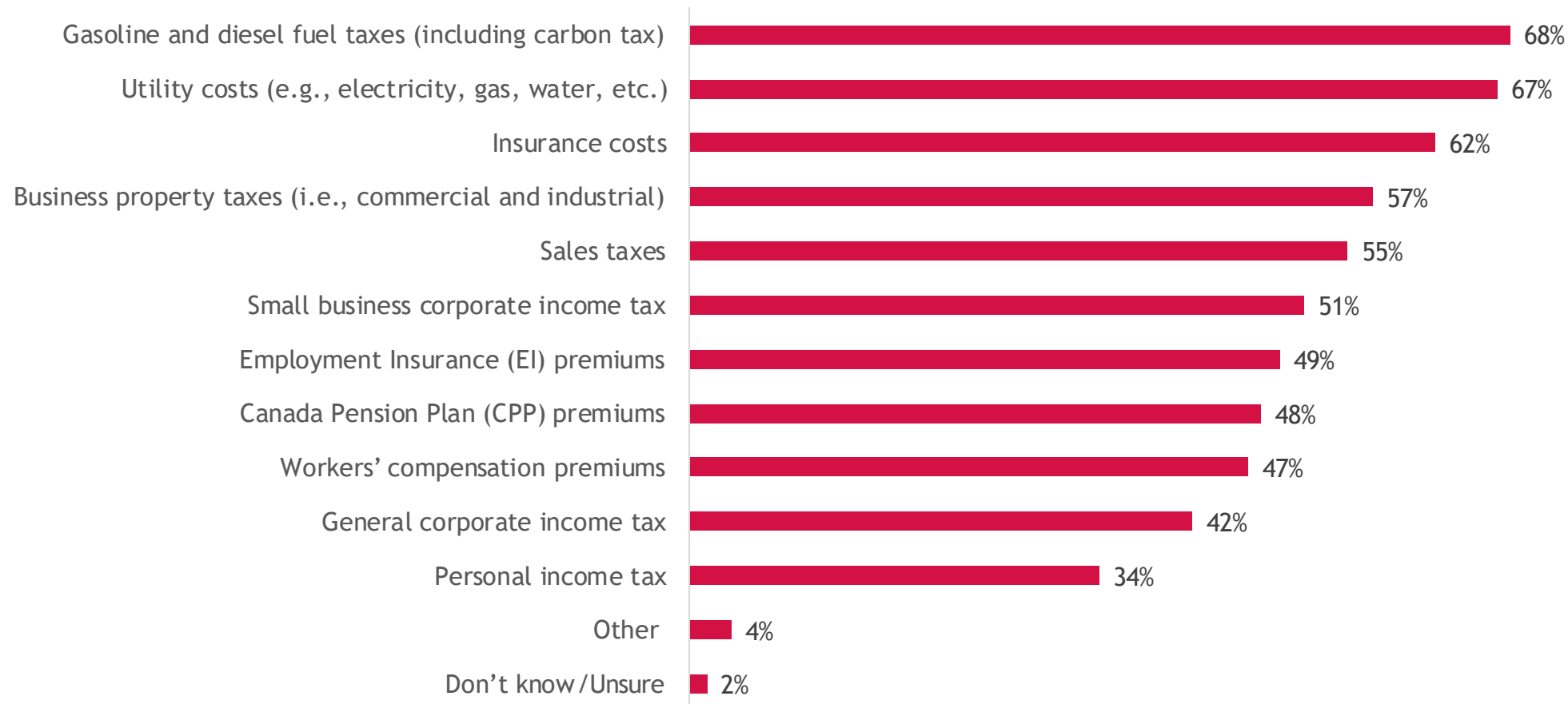
Please indicate the extent to which you agree or disagree with the following statements regarding the property tax and assessment system in Saskatchewan. (Select one for each line)



Source: CFIB, Your Voice Survey - October 6, 2022, Final Results, SK n=101.

# Majority of SK businesses say fuel taxes, energy and insurance costs are the most harmful to the operation of their business

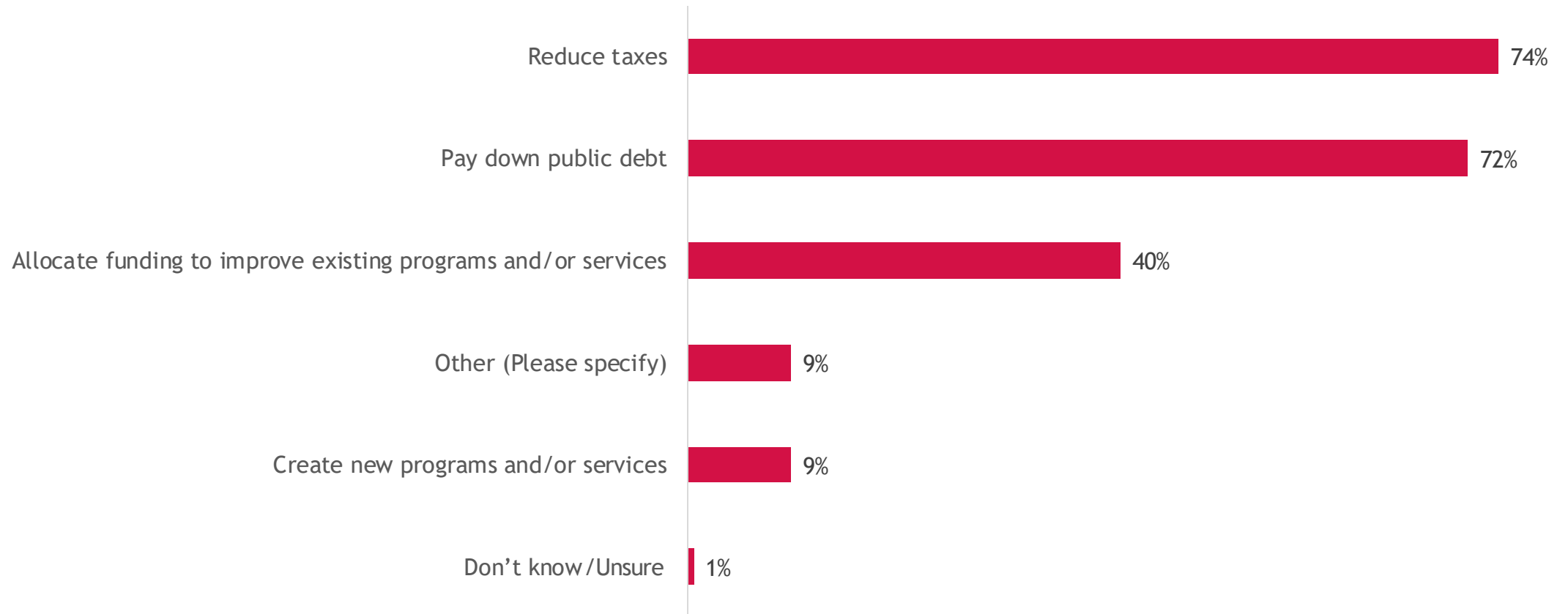
Which of the following taxes and costs are the most harmful to the operation of your business? (Select all that apply)



Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=193.

# Majority of SK small businesses support the provincial government using surplus money to pay down public debt or reduce taxes

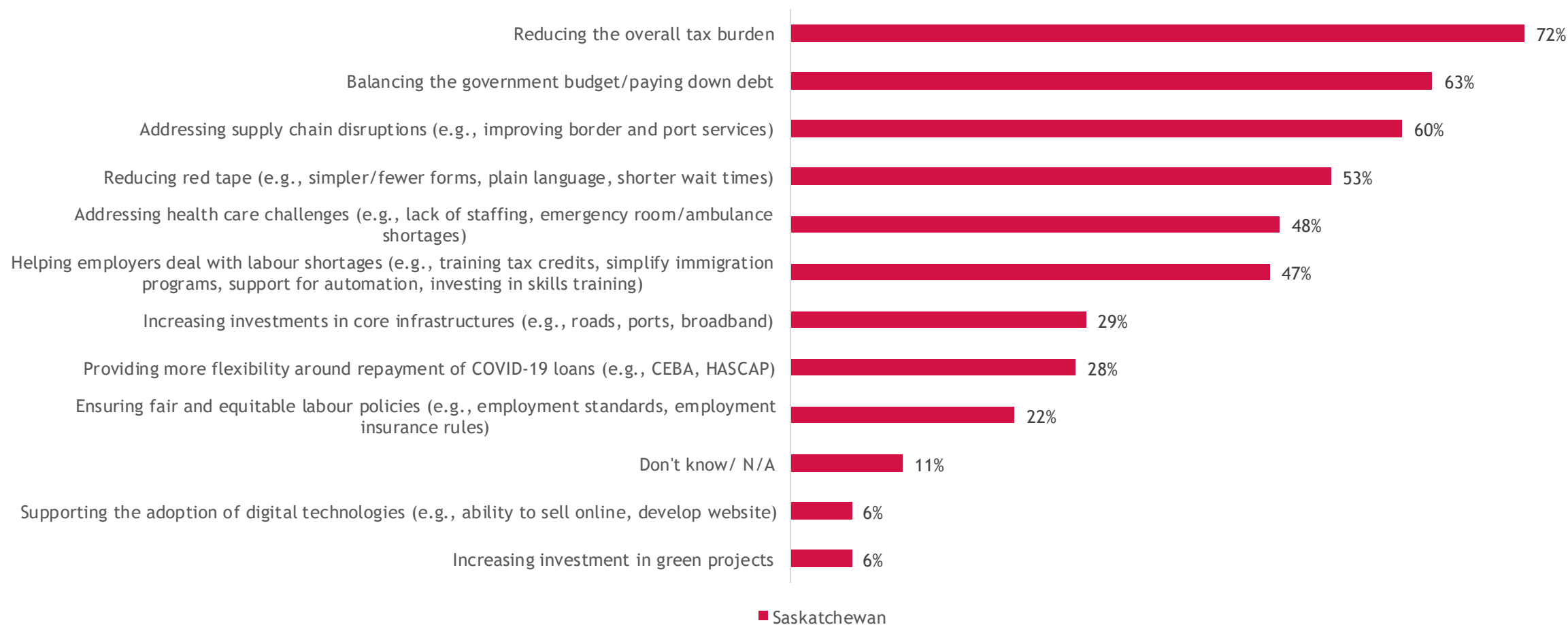
*Some provincial governments have recently found themselves with a budget surplus. Which of the following ways does your business support your provincial government spending surplus money? (Select all that apply)*



Source: CFIB, Your Voice Survey - October 6-31, 2022, Final Results, SK n=179.

# SK small business owners want governments to focus on reducing the overall tax burden and paying down debt

Heading into the fall, what would you most like to see governments focus on? (Select all that apply)



Source: CFIB, Your Voice Survey - September 2022, Final Results, SK n=118.

# Majority of SK small business owners would use tax savings to pay down their business debt, or increase employee compensation

*If governments were to reduce the overall burden of taxes and fees, what would your business do with the savings generated? (Select all that apply)*



Source: CFIB, Your Voice Survey - September 2022, Final Results, SK n=118.





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Questions?

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