

BUSINESS VIEW

Saskatoon and District Chamber of Commerce

CHAMBER APPLAUDS GOVERNMENT ON FORMATION OF COMMISSION ON EDUCATION FINANCING

-expresses concern over competitiveness of provincial taxation system

The Saskatoon and District Chamber of Commerce congratulates the province of Saskatchewan regarding its appointment of Mr. Ray Boughen to the new independent Commission on Financing Kindergarten to Grade 12 Education. Mr. Boughen's thorough background in municipal governance, administration, as well as education will be of tremendous benefit to the commission.

The Chamber is also pleased that the completion date for the Commission, to be set later this year, is expected to be prior to the end of 2003.

However, a May 2nd 2003 media release issued by the provincial government states "maintaining tax competitiveness" as a guiding principle for the Commission, a statement that is factually incorrect. The comparison below between the cities of Red Deer and Saskatoon illustrates Sas-

katoon's property taxes are significantly higher, and thus non-competitive with Red Deer in both residential and commercial properties.

	Red Deer	Saskatoon
Residential \$100,000 Fair Value		
City	\$ 545	\$ 771
School	462	1085
Library	37	93
Total	\$1044	\$1949

	Red Deer	Saskatoon
Commercial \$100,000 Fair Value		
City	\$1074	\$1707
School	701	2405
Library	37	206
Total	\$1812	\$4318

	Red Deer	Saskatoon
Residential \$200,000 Fair Value		
City	\$1090	\$1542
School	923	2170
Library	75	186
Total	\$2088	\$3898

	Red Deer	Saskatoon
Commercial \$200,000 Fair Value		
City	\$2148	\$3414
School	1402	4810
Library	75	412
Total	\$3615	\$8636

These comparatives are particularly troubling from the context that Alberta education property tax loads are above the Canadian average education property tax loads. Furthermore, the average per student annual expenditure in Saskatchewan is approximately 15% lower than in Alberta. This means that the larger education property tax bill in Saskatchewan is not solely the result of an over expenditure by local school boards. Rather the larger comparative and competitive education property tax bill in Saskatchewan is the result of provincial education grant policy.

Many of the principles stated in the provincial government's recent media release 'Commission on Financing K-12 Education' are supported by the Saskatoon and District Chamber of Commerce, but the suggestion that the study could maintain the current lack of tax competitiveness jeopardizes a critically important review of a tax system that, in the Saskatoon Chamber's view, punishes success and is sacrificing investment in our province thereby costing our province jobs and careers for young graduates.

MAY 2003

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Watch for a full listing of SABEX, Athena® & UST / Innovation Place Award winners in the June edition of BUSINESS VIEW.





A VIEW FROM OUR
PRESIDENT
Dan Anderson

Ideas and innovation can be very exciting, and very beneficial for a society. Sometime in the last decade the world crossed a threshold to the information age. We had been on the verge for many years, but the efficient networking of computers and the meteoric rise of the internet created a medium for the exchange of creative thought unparalleled since the invention of the printing press. There have been growing pains. Though some believe the demise of dot.com will herald a return to the 'security' of the industrial age economy, it is evident that the world has passed beyond this point and will not return.

Many believe that we have embarked on the third great revolution of our history on earth, one that will have an impact equally profound as the agricultural and industrial revolutions. This may be so. Certainly the effects will not be fully evident for years to come. The most current revolution has created the medium for an explosion in creative thought as collaborators across the globe can now communicate efficiently and instantaneously at minimal expense.

This is all good news for Saskatchewan and Saskatoon. We are very adept in the world of email, online discussion forums and teleconferencing. More importantly, we are very prolific generators of ideas and innovation. These skills will enable us to maximize the potential of our catalyst institutions which include, among others, the University of Saskatchewan and its affiliated research institutes, SIAST, the many tenants at Innovation Place and the emerging CLS synchrotron. There are already numerous successes on this front, and I will comment on some of these next month. For the moment I think it is important to once again encourage all levels of government to work with the business and academic community to develop a sustainable environment for success. The most recent *Competitive Alternatives Study* confirms our global competitiveness in the technology industries. The opportunity is great, but the window is small. We must take advantage of it now to position Saskatoon as a key player in the future.

The action this will require is open to debate. Whatever it may be, a recent study of North American cities by economic development analyst Richard Florida concludes that there is statistically relevant "evidence of [a] strong relationship between creativity and employment in knowledge-intensive economic activity". Knowledge industries are at the heart of the information age. To be successful we must encourage, celebrate and reward creativity and the success that comes from it. This is the key to attracting and retaining a skilled workforce. It is the key to a vibrant local economy.

The Saskatoon Chamber is working hard to build a business environment in which local companies can continue to create innovative products and services for the global marketplace, and earn a profit doing so. Innovation represents one of Saskatoon's greatest opportunities, and we must always foster and then capture those ideas that lead to innovation.

REMEDIES FOR CANADA'S
AGRICULTURAL HEART

Food for Thought -
Water - The Economic Driver

by C.M. (Red) Williams, PAg

At a recent conference in Saskatoon, Agrivision hosted a number of speakers who addressed the proposition that water is the economic driver of the future for this province. Wayne Clifton, of Clifton and Associates of Regina gave the noon address and drove home the issue that we needed a 50-year plan for water use.

If that seems a little long range, just remember that it is 50 years since the plans for the Outlook irrigation system was developed, and that is not yet fully activated. A 50 year plan would most likely recommend another 150,000 acres under low pressure piped water extending on the west side of the Saskatchewan River as far north as Asquith. But it would also take into account the requirements for Saskatoon as it increases in population to 500,000 and the many industries and municipal water requirements for a wide swath of the center of the province.

Other conference speakers indicated that we are only using a small fraction of the waters from Diefenbaker Lake that have been allotted for irrigation. A speaker from Alberta's irrigation industry gave an insight as to the time it takes to fully develop a system because the land, management practices, but most importantly the people need to accommodate to the new approach.

Aside from the other smaller irrigation developments in Saskatchewan, an irrigation development 150 kms long and 25 kms wide along the Saskatchewan River, with a 25 km wide strip on either side with ancillary industries such as livestock would be an enormous economic driver. It will attract billions in investment and 300,000 people.

You will all know that the Chamber has been taking an active role in supporting the proponents of the new Saskatoon downtown casino, and has been doing this as part of the YES Saskatoon organization of business groups. It looks like there will be a referendum vote on this matter, and that the vote might be held as early as August of this year. We are therefore now preparing for the upcoming campaign that will culminate in the referendum vote. Some of our Members have previously contacted us offering assistance in our efforts to win support for the new casino. A successful campaign will require assistance from a large number of people. We encourage any of our Members and others to contact the Chamber office if you are able to assist in this effort. Any support that you could give, through participation on one of our Committees, through financial support for the campaign, or in any other way, would be greatly appreciated. As well, and in keeping with the theme of the above message, if you have any ideas in connection with this effort, please contact us. No idea will be either too small or too large for us to consider. Some of the best ideas are those that are the most simple. Best regards.

EDUCATION PROPERTY TAX INCREASES HAVE TO STOP

- property tax increases hurt our ability to retain and attract job generating investment

The increases to the education portion of property taxes are costing Saskatoon and Saskatchewan jobs and investment. The Province of Saskatchewan must stop downloading these costs onto the local property tax payer. Saskatchewan's education grant tax formula has to stop punishing success, particularly in Saskatoon.

The education property tax increases in Saskatoon are hard to understand for business property tax payers when the Saskatoon Public School Board is experiencing a decline in student enrolment and the Catholic School Board student enrolment is relatively stable. Both school boards need an identical tax increase, despite the student enrolment decline. This indicates that all school boards have to do a better job of explaining their situation to Saskatonians. We intend to see this happens.

The Combined Business Group is embarking on a public education campaign concerning education property tax facts for Saskatonians so that our citizens will, in the future, be better able to form opinions as to why school taxes are increasing in Saskatoon despite a declining student base. This will include a series of education property tax facts to be published in many of our Combined Business Group's respective newsletters. This information will also be shared with educators, parents, and the general public. The first Tax Fact will be distributed in June and will start to identify the provincial government policies and the school board decisions that are helping to drive education property taxes up in Saskatoon. This information series is being developed to ensure that the public understands the complexities which the recently announced Provincial Education Property Tax Review Commission will be addressing.

The Education Property Tax Commission's terms of reference must address the following issues in order to improve Saskatoon's ability to attract investment, create jobs for our

young people, and improve education. The Commission must:

- 1) Develop a plan to make Saskatoon and Saskatchewan education property tax competitive with Alberta and British Columbia for owners of business property, farm property, resort property and for home owners.
- 2) Develop a plan to change the education grant formula to ensure that assessment growth no longer "punishes the success" of a community with a growing tax base.
- 3) Develop a plan for the province to fully fund the cost for special needs students that are now integrated into our school system.

While we do not expect each of these plans will "fix the system" overnight, each of these problems must be addressed for Saskatoon and Saskatchewan to achieve what we know to be the significant but not yet realized potential of this great city and our province. The Combined Business Group knows that the provincial grant formula needs to be addressed at the provincial level, but the Combined Business Group will continue to press for sustained and improved expenditure discipline at the local level of our school boards. This expenditure discipline is critical at the school board level in order to retain and grow the job generating investment base needed to provide employment opportunities for our young graduates. Saskatoon continues to need more taxpayers, not more taxes.

COMPENSATION SURVEYS STILL AVAILABLE

Western Compensation & Benefits' Consultants 2002/03 Compensation Surveys are still available for purchase. The surveys provide analysis regarding compensation paid in various Western Canadian cities, including Saskatoon. Saskatoon and District Chamber of Commerce members are eligible for discounted prices.

Detailed information is available at www.wcbc.ca or call 1-800-781-2411.

Saskatoon and District Chamber of Commerce - Board of Directors

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COMMITTEE TOURS FOOD CENTRE

• submitted by *Tanja Grabowski, Riviera Motor Inn*

The Future Opportunities Committee of the Saskatoon and District Chamber of Commerce recently toured The Saskatchewan Food Industry Development Centre (Food Centre) located at The University of Saskatchewan. Our tour guide was Mr. Dan Prefontaine, the President of the Food Centre. We learned the background of the Centre and then went on a site tour. The Food Centre offers one-stop, full service assistance to food processors wanting to add value to their products for both domestic and international markets.

Because of the Food Centre's partnership between Saskatchewan Agriculture Food and Rural Revitalization, the Saskatchewan Food Processors Association and the University of Saskatchewan, and the range of expertise that each partner contributes, the following are some of the services provided to food processors throughout Saskatchewan: product development, interim processing, quality assurance and quality control, training and education, and market and business development services.

The Food Centre has been established for interim processing and consists of a federally inspected commercial kitchen and pilot plant. The plant is monitored by the Canadian Food Inspection Agency and is HACCP certified in dairy, processed foods, and meat. These facilities provide equipment needed to process on a larger scale and allow processors to access export markets. The Food Centre is available to food processors from all sectors and all sizes, from prospective entrepreneurs who want to test the feasibility of turning a favourite recipe into a marketable product, to medium and larger sized existing processors who do not want to interrupt their daily operations to test new product ideas. If you fall into any of these categories it is well worth the time to research the Food Centre and see how you can benefit from their expertise.

As a committee, we were impressed with what has been accomplished by the Food Centre with a very limited budget and the wide range of people and companies that use their services. It was also an education to see the high standards that are kept and maintained in operating a facility of this nature.

The food processors are charged a fee based on the facilities that are used, however the Food Centre provides the processors the opportunity to fine tune, standardize, produce, and market their product to test its viability without having to invest substantial amounts of money for capital expenditures.

It is their mission to "assist in the development and continued growth of a dynamic food processing sector by providing an extensive understanding of markets and support mechanisms for technology and human resource development."

We all agreed that The Food Centre is another hidden Saskatchewan gem and more people need to learn about this impressive facility we have in Saskatoon.

If you have an idea for a product, a problem with your business or need training, the Food Centre is your "one-stop-shop" for assistance in food processing.

117-105 North Road Saskatoon, Sask. S7N 4L5
933-7555 www.foodcentre.sk.ca



Executive **Saskatoon and District Chamber of Commerce - Board of Directors**



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Ron B. Kocsis

FEDERAL AIR FEES AND SPECIAL TAXES ARE HURTING SASKATOON

The Saskatoon Air Services Group and the Saskatoon Airport Authority are calling on the federal government to provide immediate relief from the excessive fees and taxes imposed on Canadian air travellers that are harming travel and tourism in Saskatoon and other centres throughout Canada.

"The taxes and levies imposed on the air transportation industry by various government departments are standing in the way of Saskatoon's progress," stated Kent Smith-Windsor of the Air Services Group.

"Government fees and service charges are clearly discouraging people from travelling in Canada," says Todd Brandt, Acting Chair of the Saskatoon Air Services Group. "These fees are having direct effects on travel, tourism and hotel bookings in Saskatoon that will eventually be felt throughout our local economy. If Ottawa doesn't take action now, we will see major disruptions in air transport that will have an impact on the economy and quality of life in Saskatoon."

In Saskatoon, the travel and tourism industries provide jobs for over 13,300 people, generates \$368 million a year in sales from 1.9 million visitors.

"The Saskatoon John G Diefenbaker International Airport is one of the most important drivers of the local economy," says Robert Stromberg, Q.C., Chair of the Saskatoon Airport Authority. "I endorse the report of the federal government Standing Committee on Transportation and urge the federal government to quickly adopt the recommendations of the Committee. The Canadian Air Transport Security Authority should be wound up and a replacement organization covering all modes of transportation should be funded out of Government Revenues, not a charge levied on air travellers. The Air Travellers Security Charge should be immediately eliminated. Rental payments should be suspended. Airports could pass the savings on to air carriers. Excise Tax levied by both levels of government should be reduced. The Saskatoon Airport Authority constantly strives to improve the efficiency of our facility. The charges imposed by Government severely limit our ability to use our assets strategically."

"As a travel agent, I have definitely seen business decline as government fees and taxes have gone up," says Ed Buchholz of Uniglobe Travel. "When people see how much more their tickets cost after federal charges are added they are usually shocked and sometimes decide not to buy tickets. Government surcharges are literally driving our business away."

Examples of excessive federal fees and taxes include:

- \$270 million in annual airport federal rent payments, rising to \$500 million annually within 10 years. The federal government provides

MEMBERS IN THE NEWS ...

*Congratulations to **Larry van den Berghe** of **Strategies 2 Innovate**, for his achievement in the Toastmasters International Communication Program, earning the Competent Toastmaster Award.*

***Jeff Braid**, of **Braid Flooring Ltd.**, recently won the prestigious **Gordon S. Shipp Award** in Recognition of leadership, dedication and continuous lengthy service to the Canadian Home Builders' Association.*

***Interactive Tracking Systems Inc.** recently announced a planned expansion, doubling its call centre to accommodate increased demand for their phone surveys. The call centre will expand to 32 stations immediately and to 80 stations by the end of the year.*

***Horizon Computer Solutions** has expanded, opening a new branch office in Regina. In addition, Horizon recently announced a new partnership with **SaskTel Mobility**, offering more opportunity for their customers to stay connected with data and voice.*

nothing in return for this windfall, neither maintenance nor essential capital upgrades at these airports that a normal commercial landlord would be responsible for.

- \$400 million for Canada's Air Traveller Security Tax – which is still among the highest in the world, even with the announcement in the Budget that the charge on domestic flights would be reduced to \$14 round trip (compared to \$7.65 in the U.S.). Enhanced security at Canada's ports and borders in the wake of 9-11 was paid for from general revenues – why should it be any different for air travel?
- \$70 to \$90 million annually for the special federal excise tax on aviation fuel. Other jurisdictions have withdrawn their special excise taxes, which is penalty on travellers.
- Over \$50 million in additional annual costs required to comply with federal security requirement in the wake of 9-11.

"We need our federal representatives to stand up for the future of this community by asking the Prime Minister, the Minister of Finance and the Transport Minister to relieve the excessive burden borne by air travellers and visitors to our community. We aren't looking for a handout, just a little more fairness."

Saskatoon and District Chamber of Commerce - Board of Directors



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Touche

Minding Your E-Business

"*Minding your E-business*" was a recent seminar sponsored by the Canadian Banker Association in co-operation with the Canadian Chamber of Commerce, the Canadian Institute of Chartered Accountants, and Industry Canada. This seminar addressed the security and privacy concerns of e-business and how they apply to the small business community. The seminar package includes information on what electronic commerce is, how it works, how to prepare your business for the e-commerce age, as well as the security and privacy matter seminar. A limited number of packages are available at the Chamber office.

BUSINESS VIEW

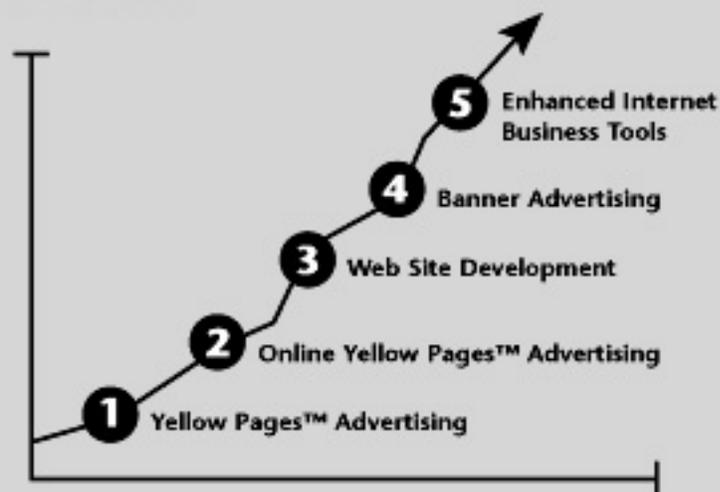
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Applications for Young Entrepreneur Awards now Available

BDC recently announced it will be accepting nominations for its annual Young Entrepreneur Awards until June 26th, 2003. Thirteen young Canadian entrepreneurs – one from each province and territory – will receive an award to recognize their accomplishments. All entrepreneurs who reside in Canada and will be between 19 and 35 years old on December 31, 2003 are eligible. Nominees must have at least two years experience.

For more information, please call 975-4822 or visit www.bdc.ca.

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Knowledge Industry



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Ted Farr
Rawlco Radio

Transportation



David Spearin
Logistics
Marketing Serv.

"Chamber on Business" Luncheons

Bill Compton

Plant Manager, ERCO Worldwide, A Division of Superior Plus Inc. (formerly Sterling Pulp Chemicals)

Wednesday, May 21st, 2003

Quality Hotel

"ERCO Worldwide - Providing & Utilizing Clean Environmental Technologies"

Tim Gitzel

President & CEO, Cogema Resources Corp.

Wednesday, May 28th, 2003

Quality Hotel

"OPPORTUNITY CREATOR SERIES"

"Business Building the Opportunity Base in Saskatoon in Saskatchewan"

Medy Chumaidi Djufrie

Minister Concillor for Economics, Consulate General of The Republic of Indonesia

Monday, June 9th, 2003

Willows Golf & Country Club

"Challenges and Opportunities in Indonesia"



BREAK FOR SUCCESS
Networking Breakfast

Tuesday, May 27th

Registration ... 7:15 - 7:30 am

Session ... 7:30 - 9:00 am

Park Town Hotel

South Dining Room

PRESIDENT'S



Tuesday, June 10th, 2003

Moon Lake Golf & Country Club

Shot Gun Start: 1:00 pm

Sponsor a Hole

Sponsor a Prize

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For more information call (306) 244-2151

**Online Access to New Employees!
Free Job Listing Service!**

www.saskatoonwork.com is the local portal to jobs in Saskatoon. It's the official web site of the Saskatoon Labour Market Committee (SLMC) and links directly to SaskNetWork/SaskJobs, and other major Saskatoon job listings. It will link employers to SaskJobs where they can post their job openings. Hundreds of job seekers per day will view your job posting. Check it out on line. If you have questions or need more information, call Derrel Friesen of SLMC at 933-6279.

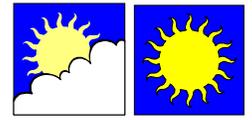
**Saskatchewan Aboriginal Employment
& Business Opportunities Inc.**

Online Aboriginal Career Centre:

- Free resume database
- Online job postings
- Training opportunities
- Resource centre

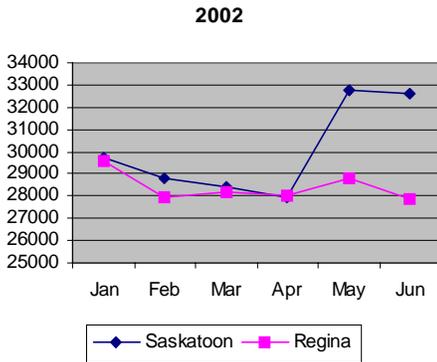


www.aboriginaljobs.com



AIR WATCH

NUMBER OF PASSENGERS BOARDING AIRCRAFT



Source: Air Transport Association of Canada

PLANES PER COMPANY

Number of Planes owned per company as of August 2000

Air Canada	165
WestJet	15
Canada 3000	15

Source: Air Transport Association of Canada

Building the Best Business Climate in Canada, Thereby Creating a City of Opportunity.

POLITICAL WATCH

POLITICAL CONTRIBUTIONS

5 Biggest Contributions received in Fiscal 2001 amongst all Political Parties

Amount	Political Party	Class
\$193,362	NDP	Trade Union
\$187,859	NDP	Trade Union
\$142,893	NDP	Trade Union
\$142,504	Liberal	Business/Commercial Organization
\$122,804	NDP	Trade Union

Source: Legislative Assembly of Saskatchewan

LEGISLATIVE ASSEMBLY MEMBERS

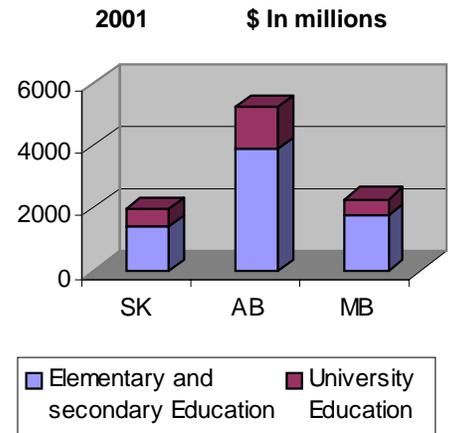
Member of the Legislative Assembly of Saskatchewan

NDP	29
Saskatchewan Party	25
Independent	3
Vacant	1

Source: Legislative Assembly of Saskatchewan

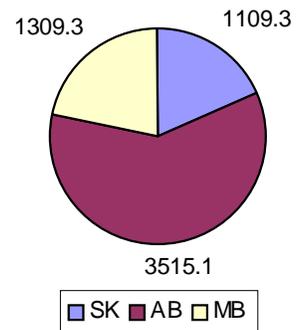
EDUCATION WATCH

EXPENDITURE BY PROVINCE ON EDUCATION



PROVINCIAL SPENDING

Provincial Funding for Education 2001 \$ In millions



Size Matters

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Tell your business associates about the work of the Chamber of Commerce.

Refer your leads to:

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E-mail: jsharp@eboardoftrade.com

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BUSINESS VIEW

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