

PROVINCE OF SASKATCHEWAN



11-12

PLAN FOR 2011-12

ENTERPRISE
SASKATCHEWAN

PLAN FOR 2011-12

Statement from the Minister



Saskatchewan's economy continues to show unprecedented strength. Due to our indomitable spirit and by virtue of our diverse strengths and competitive advantages, Saskatchewan is predicted to be among Canada's top provinces for economic growth in 2011 and 2012.

The world is discovering that an investment made in Saskatchewan, whether it is one dollar or a billion, is a smart one and a safe one. There is, in fact, an advantage to doing business in Saskatchewan - the *Saskatchewan Advantage* - and it offers key strategic assets in almost every sector and portfolio.

Enterprise Saskatchewan (ES) has a mandate to promote the growth of our economy and assist in the continued diversity and development of our competitive advantages by creating the conditions for further economic growth. We are dedicated to ensuring this agency is properly positioned and equipped to excel in its role. The successes we have achieved are characterized by open communication, teamwork, and actions that are transparent and consistent. Each employee is responsible for taking personal ownership of agency values.

ES continues to focus on supporting the government's vision by aligning our mandate to three goals:

The first goal is to sustain economic growth for the people of Saskatchewan. We continue to work with partners and stakeholders to address the challenges of growth and development, and anticipate upcoming challenges by being forward-thinking and proactive.

The second goal is to secure Saskatchewan as a safe place for people to work and live so that people will be confident in the future, experiencing the benefits of a healthy economy and trusting that growth will continue to be sustained.

The third goal, to ensure the government's promises are fulfilled in a manner which is transparent and accountable to the people of Saskatchewan, underlines our accountability to the stakeholders of this province.

It is my great pleasure to be a part of Enterprise Saskatchewan. ES is led by a strong and capable board of directors with a breadth of knowledge that gives them tremendous insight into the provincial economy. The board's recommendations reflect their deep commitment to the province's future; their leadership to the organization helps to ensure the successful delivery of strategic objectives. The board is supported by a team of employees whose talent, vision, and work ethic is second to none. Removing barriers to growth, increasing competitiveness, attracting and creating investment, and pressing the Saskatchewan advantage wherever possible is a profoundly important and meaningful undertaking – one ES employees take very seriously. The work we do here and now will be the very foundation for greater and more successes for our province and our people in the future.

Saskatchewan has what the world needs, with a government fully supportive of ensuring we supply those markets through innovation, growth, and expansion. Our economy offers a high quality of life backed by a diversity and depth of resources and commodities which are relatively unmatched, while also being geared toward removing barriers to growth and streamlining regulations wherever possible. With the strategies detailed in this plan for 2011-12, we at ES look forward to what we can achieve together in the future and to communicating our existing and emerging opportunities to the businesses and investors who can not only benefit from them, but work with this province to build upon them.

I will report on the progress made toward this Plan and my **Mandate Letter** commitments, within the financial parameters provided to Enterprise Saskatchewan, in the Agency's annual report.

*Hon. Jeremy Harrison
Minister of Enterprise
Minister Responsible for Trade
Deputy Government House Leader*

Response to Government Direction

Government's plan for the upcoming year is described in the *Government Direction for 2011-12: The Saskatchewan Advantage*. The 2011-12 Budget supports this plan by maintaining and improving our quality of life through enhanced public services and creating more opportunities for all Saskatchewan citizens. Responsible fiscal management means finding the right balance between debt reduction, tax relief, investing in short-term capital infrastructure projects, and matching program spending to long-term, sustainable revenues.

Meanwhile, Government continues to promote effectiveness and efficiency throughout the public service; is continuing with its four-year plan to reduce Government's footprint; and has adopted a "Lean" culture of continuous improvement in the delivery of programs and services.

Plans for 2011-12 support the fulfillment of Government's **vision for a secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all**. Government's goals and priorities for the upcoming year are described in the *Government Direction* document, as well as in each ministry plan.

The Plan for 2011-12 communicates a high-level framework for the Agency's key activities in the upcoming year. All ministries and agencies will report on results achieved or not yet achieved, in their annual reports, to honour Government's commitment to keep its promises, and to ensure greater transparency and accountability to Saskatchewan people.

Mission Statement

Enterprise Saskatchewan provides leadership as the central coordinating agency of the Government of Saskatchewan for economic development. In partnership with key stakeholders, Enterprise Saskatchewan advances a transformative sustainable economic growth agenda and develops a culture of innovation and entrepreneurship that encourages investment and population growth, creating prosperity for all Saskatchewan residents.

Strategies and Actions

Government Goal – Economic Growth

Sustain **Economic Growth** for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

Strategy

E1 Increase economic growth by engaging stakeholders to better position Saskatchewan in a competitive global economy

Key 2011-12 Actions

- E1.1. Work with the Enterprise Saskatchewan Board, Sector Teams, and Strategic Issues Councils to develop strategic recommendations to remove barriers to growth, reform government, identify alternative forms of service delivery, and enhance competition.
- E1.2. Work in collaboration with other ministries and agencies to ensure Saskatchewan's resource royalties, new growth tax incentives, utility rates, corporate, personal, and property tax structures support continued economic growth and investment.
- E1.3. Improve coordination of ministries and agencies in economic development activities through increased communication and the use of interministry working/coordinating groups, the Major Projects Coordination Strategy, the Red Tape Reduction Initiative, the Provincial Economic Strategy, regional economic development plans, provincial infrastructure capital plans, and Sector Team strategies.
- E1.4. Work with partners in the various regions of the province to achieve greater regional economic coordination and a more integrated approach to economic development.
- E1.5. Assist the Ministry of Advanced Education, Employment and Immigration in creating a provincial labour market strategy that builds partnerships among industry, labour, First Nations and Métis people and organizations, Enterprise Regions, and training institutions to help close labour market supply and demand gaps.

Strategy

Key 2011-12 Actions

E2 Leverage stakeholder relationships to increase investment in Saskatchewan

- E2.1. Implement a proactive marketing approach in key national and foreign markets:
 - E2.1.1. Redesign marketing materials and strategies;
 - E2.1.2. In conjunction with Intergovernmental Affairs, establish co-located foreign trade offices with Alberta and British Columbia under the New West Partnership International Cooperation Agreement; and,
 - E2.1.3. Make greater use of Foreign Affairs and International Trade Canada consular services for marketing and investment attraction.
- E2.2. Implement an international investment attraction strategy that coordinates efforts with other government agencies, non-governmental organizations, and industry to attract and accelerate investments from abroad.
- E2.3. Organize investment attraction missions to priority markets in partnership with key stakeholders including Saskatchewan Trade and Export Partnership (STEP).
- E2.4. Identify stronger coordination mechanisms between the provincial government and local Enterprise Regions to attract and manage large investments.
- E2.5. Support Enterprise Regions in their activities to foster business retention, expansion, and an improved business environment.
- E2.6. Participate in national and international events and trade shows with the goal of attracting investment to fill gaps in the current supply chain for key industries.
- E2.7. Attract eight to 12 new corporate investments and at least two major head office expansions.

E3 Foster economic development by modernizing regulations and enhancing service delivery

- E3.1. Work with other partners to expand and enhance one-stop online services such as **Saskbiz**, **BizPaL**, Canada-Saskatchewan Business Service Centre, a Regulatory Information Database, and the Information Services Corporation Business Portal.
- E3.2. Work with other ministries, Crown agencies, and industry stakeholders to enhance service delivery for gas, electrical, and plumbing permits, licenses, and inspections.
- E3.3. Facilitate the adoption of new service-level commitments and standards for ministries and agencies that deal with business.
- E3.4. Harmonize regulations affecting trade, investment, and labour mobility by working with Saskatchewan regulators and the governments of Alberta and British Columbia under the New West Partnership.
- E3.5. Implement a red tape reduction initiative that identifies regulatory barriers, enhances regulatory reviews, and increases accountability through public reporting.

E4 Enhance the economic impact of innovation in Saskatchewan

- E4.1. Collaborate with Innovation Saskatchewan to pursue an innovation agenda with key sectors including, but not limited to ag-biotech, value-added resource opportunities, and sustainable energy development.
- E4.2. Assist Innovation Saskatchewan to develop programs and policies that enhance access to capital, regulatory competitiveness, industry development, and collaboration between industry and academia.
- E4.3. Encourage ministries and Crown corporations to support and assist in the commercialization of Saskatchewan-developed innovative technologies.
- E4.4. Work through programs such as the **Western Economic Partnership Agreement** (WEPA) to accelerate the commercialization of innovation.

Strategy

Key 2011-12 Actions

E5 Provide tools to support development of a diversified, sustainable economy

- E5.1. Continue to promote a corporate brand for Enterprise Saskatchewan, its role, mandate, and services through brochures, sponsorships, and partnerships.
- E5.2. Enhance the delivery and marketing of the **Small Business Loans Association (SBLA) program** and implement new processes that provide greater automation of client services for both the SBLA program and the **Invest in Saskatchewan program**.
- E5.3. Review the current annual investment limit for labour-sponsored venture capital corporations under the Invest in Saskatchewan program.
- E5.4. Work with STEP to develop guidebooks and other tools that help Saskatchewan companies take advantage of procurement opportunities under the New West Partnership.
- E5.5. Determine priorities, plan, and negotiate the next WEPA.
- E5.6. Support growth of the bio-fuels industry through programs such as the Ethanol Fuel Grant program and the Renewable Diesel Grant program.
- E5.7. Provide economic development tools to the Enterprise Regions to help them gather company data and respond to business retention and expansion opportunities.

E6 Foster a culture of entrepreneurship

- E6.1. Implement tools such as virtual mentorship to enhance business mentorship across the province.
- E6.2. Work with other ministries and stakeholders to improve entrepreneurial skills development for K-12 students and in the post-secondary system.
- E6.3. Create greater alignment and coordination among organizations providing services and support to Saskatchewan entrepreneurs.
- E6.4. Implement a youth entrepreneurship promotional campaign in partnership with Saskatchewan Young Professionals and Entrepreneurs (SYPE) and community partners.

E7 Increase First Nations and Métis involvement in the economy as partners

- E7.1. Work in collaboration with First Nations and Métis Relations and other partners to explore and pursue opportunities to generate employment, expand capacity, and create economic opportunity for First Nations and Métis people.
- E7.2. Expand and market the **Aboriginal Business Services Directory**.
- E7.3. Determine priorities, plan, and negotiate a new Economic Development Agreement with the Métis Nation of Saskatchewan for operations of the Clarence Campeau Development Fund.

E8 Facilitate greater participation of Saskatchewan's young people in the economy

- E8.1. Work with other ministries and stakeholders to build stronger connections between high school students and career opportunities.
- E8.2. Foster youth leadership development throughout the province.
- E8.3. Assist in the establishment of additional Saskatchewan Young Professionals and Entrepreneurs (SYPE) chapters in the province and provide leadership to existing chapters.

Government Goal – Promises

Keep Government's **Promises** and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Strategy

Key 2011-12 Actions

P1 Ensure transparency and accountability in all aspects of the Agency's operations

- P1.1. Continue to report on provincial economic performance including Saskatchewan's tax and regulatory environment.
- P1.2. Publish semi-annual public reports on Enterprise Saskatchewan's activities and accomplishments, including stewardship over public funds and progress on Board recommendations.

P2 Support Government's five priority areas: citizen-centred service, people management, enterprise approach, simplification, and core business

- P2.1. Continue to implement employee leadership and workplace culture transformation initiatives.
- P2.2. Implement a workforce adjustment strategy to reduce Government's footprint while continuing to meet government objectives.
- P2.3. Apply best practices such as Lean methodology to streamline program and service delivery and to identify and eliminate unnecessary processes and requirements in administrative and operating procedures.

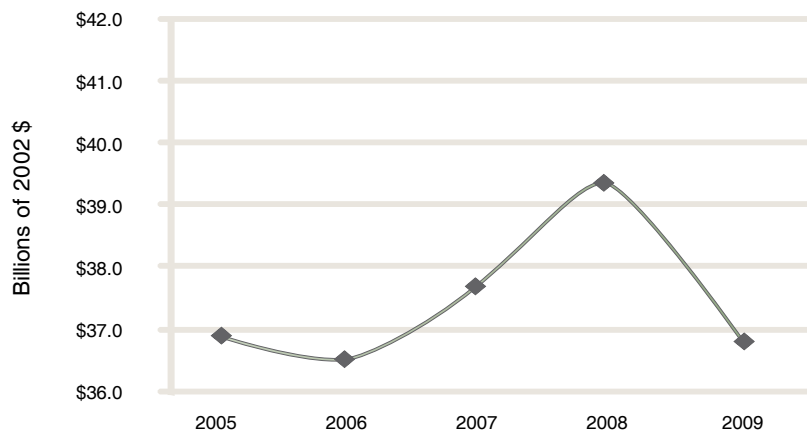
Performance Measures

Two categories of measures are presented below. The first set of performance measures, economic and demographic measures, are impacted by Enterprise Saskatchewan's work, within the context of an integrated global economy. Many of these measures are heavily influenced by broader economic conditions beyond the control of Enterprise Saskatchewan. The second set of measures, Agency measures, are also included as more direct performance indicators related to initiatives undertaken by Enterprise Saskatchewan.

Measure

Saskatchewan real GDP

Baseline / Trend Line Information



Source: Statistics Canada, CANSIM Table 384-0002

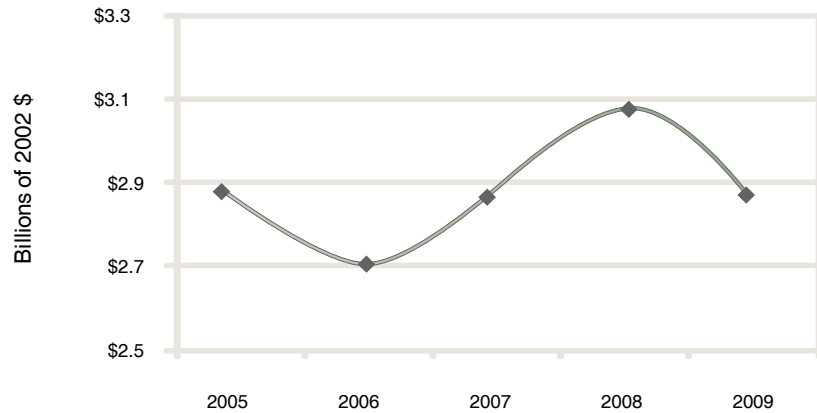
Measure Description

Real Gross Domestic Product (GDP) measures the amount of goods and services produced by the provincial economy. It expresses the value of goods and services produced in 2002 dollars, so rather than reflecting changes in price, only actual changes in output are reported. Rising Real GDP indicates a growing economy and is linked to improved standards of living for Saskatchewan residents. Increasing provincial GDP over the long-term is Enterprise Saskatchewan's principal objective and a measure of the province's economic strength; however, Enterprise Saskatchewan's direct impact on this measure is limited. The decline shown in 2009 was primarily a result of the global economic recession.

Measure

Baseline / Trend Line Information

Saskatchewan manufacturing sector real GDP

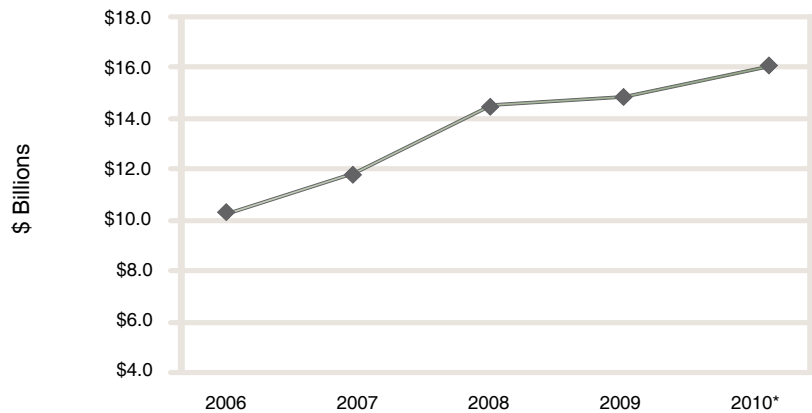


Source: Statistics Canada, CANSIM Table 379-0025

Measure Description

Manufacturing sector Real GDP indicates changes in value-added production levels. Output is expressed in 2002 dollars to control for price fluctuations. It measures the combined economic performance of Saskatchewan's manufacturing industries. This measure is linked to Enterprise Saskatchewan's activities to increase value-added production to sustain economic growth. As companies make investments in technology and training, their productivity will also increase. This will be reflected in rising manufacturing GDP over the long-term. The decline in 2009 was mainly due to the global economic recession.

Capital investment in Saskatchewan



*Preliminary actual investment for 2010
Source: Statistics Canada, CANSIM Table 029-0005

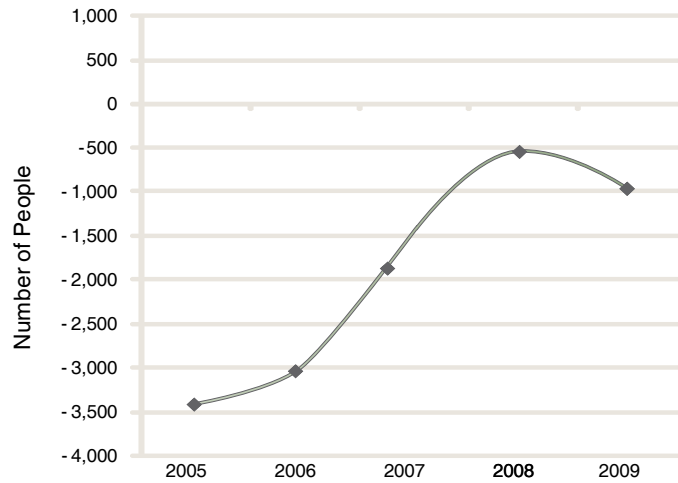
Measure Description

This measure captures public and private investment in non-residential construction, as well as investments in leasing, purchasing, installing, repairing, and maintaining machinery and equipment. Capital investment plans not only indicate management views of future prospects for their industry, but also signal the level of satisfaction with the provincial business environment. This measure is associated with several of Enterprise Saskatchewan's key actions and supports the strategy to increase investment in Saskatchewan over the long-term. Most of the investment growth in 2010 was due to mining sector investment.

Measure

Net interprovincial migration (youth aged 15 to 24)

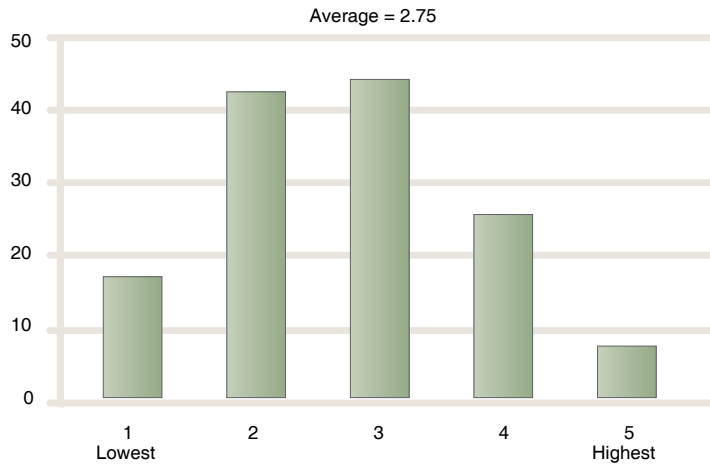
Baseline / Trend Line Information



Measure Description

Interprovincial youth net migration trends indicate how successful Saskatchewan is at retaining and attracting young people. If youth are engaged in the economy and have positive perceptions of opportunities in Saskatchewan, they will be more likely to stay in the province. Enterprise Saskatchewan's success in facilitating greater participation of Saskatchewan's young people in the economy is one of several factors that should lead to continued improvement in net interprovincial migration over the long-term.

Stakeholder rating of Enterprise Saskatchewan's effectiveness in providing economic development leadership



Measure Description

Enterprise Saskatchewan was designed to engage key economic stakeholders in economic development planning. A survey was conducted to gauge opinions of private sector stakeholders involved in the Enterprise Saskatchewan Board, Sector Teams, and Strategic Issues Councils as well as opinions of other provincial government ministries and agencies on how effectively Enterprise Saskatchewan provides leadership in economic development. Success in this measure indicates progress in engaging stakeholders in economic development planning. This measure aligns with Enterprise Saskatchewan's strategy to increase economic growth by engaging stakeholders to better position Saskatchewan in a competitive global economy.

Measure

Baseline / Trend Line Information

Client use of business services

	2007-08	2008-09	2009-10
Number of Saskbiz website unique hits	n/a	n/a	49,558
Number of BizPaL website unique hits	6,671	5,484	4,700
Number of CSBSC website unique hits	412,528	519,928	144,000*
Number of CSBSC client interactions	15,280	13,846	13,700

*Regional CSBSC websites were replaced by an integrated national site with regional views, which resulted in a decline in website visits.

Source: Enterprise Saskatchewan

Measure Description

One of Enterprise Saskatchewan's objectives is to make it easier for businesses to interact with government. This is accomplished, in part, through provision of online services like Saskbiz and BizPaL, and the services of the Canada-Saskatchewan Business Service Centre (CSBSC). Client use of these services and the depth of coverage for industries and regions in the province are indicators of successful service provision. This measure aligns with Enterprise Saskatchewan's strategy to foster economic development by modernizing regulations and enhancing service delivery.

Small Business Loans Association program results

	2005-06	2006-07	2007-08	2008-09	2009-10
# of loans	477	378	365	341	257
Loan amount (\$ millions)	4.86	4.08	4.18	3.82	2.81
Jobs created	513	575	600	558	476
Jobs maintained	763	797	648	574	404

Source: Enterprise Saskatchewan

Measure Description

The Small Business Loans Association (SLBA) program allows local loan associations to access an interest-free line of credit in order to provide capital loans of up to \$15,000 to local businesses. It is administered by Enterprise Saskatchewan on behalf of the Minister of Enterprise, and is an important source of support for small enterprises. "Jobs created" refers to new jobs resulting from SBLA loans and "jobs maintained" refers to existing jobs that were retained as a result of SBLA loans. This measure is associated with the strategy to provide tools to support development of a diversified, sustainable economy.

Measure

Baseline / Trend Line Information

Western Economic Partnership Agreement funding activities

	2007-08	2008-09*	2009-10
# of investment contracts	13	0	12
Provincial investment (\$M)	4.3	1.1	3.2
Total investment leveraged (\$M)	8.9	0	10.9

**The WEPA II agreement provided \$24.4 million in provincial funding and leveraged a total of \$98.2 million in federal and other partner funding for 52 projects over a five-year period ending March 31, 2008. Due to delays associated with the provincial election, the third WEPA agreement was not signed until January 2009, with the result that no new contracts were concluded in 2008-09, although funding continued to flow under existing contracts.
Source: Enterprise Saskatchewan*

Measure Description

Through the Western Economic Partnership Agreement (WEPA), Enterprise Saskatchewan invests in partnership with Western Economic Diversification Canada in economic development projects focused on commercialization of research and development, trade and investment, business productivity and competitiveness, and increased value-added production in traditional industries. Government investment in these areas helps create conditions that spur private investment and industry development. This measure aligns with Enterprise Saskatchewan's strategy to provide tools to support development of a diversified, sustainable economy.

Financial Summary

Highlights of Appropriation and Expense 2011-12

2011-12 Estimates	(in thousands of dollars)
Enterprise Saskatchewan	
Operations	21,630
Programs	20,173
Total Appropriation	41,803

For more information, see the Budget Estimates at: <http://www.finance.gov.sk.ca/budget2011-12/>

HIGHLIGHTS

Key highlights for Enterprise Saskatchewan's 2011-12 Budget include:

- \$3.95 million to continue delivering economic development, new business partnerships, and entrepreneurial support services by maintaining funding for Enterprise Regions.
- \$9.68 million for the Western Economic Partnership Agreement to invest jointly with Western Economic Diversification in innovation and commercialization projects that increase Saskatchewan's competitiveness.
- \$2.94 million to continue delivering market intelligence, international finance, logistics and trade development programs, and services to Saskatchewan-based exporters through the Saskatchewan Trade and Export Partnership.
- \$3.60 million in funding through the federally funded Community Development Trust Fund for communities and workers negatively affected by international economic volatility.

For More Information

Please visit the Agency's website at www.enterprisesaskatchewan.ca for more information on the Agency's programs and services.