

The Honourable Rod Gantefer  
Minister of Finance



SASKATCHEWAN PROVINCIAL BUDGET

**09-10**

**SASKATCHEWAN:  
STRONG AND STEADY**

**BUDGET ADDRESS**

**March 18, 2009**

**CHECK AGAINST DELIVERY**

Mr. Speaker, today it's my honour and privilege, as the Minister of Finance, to present our government's second Provincial Budget, to the people of Saskatchewan.

This Provincial Budget comes at a time of global recession,... a complete 180 degree shift from one year ago.

The tides began to turn last fall,... when the U.S. housing crisis tipped the global economy into a freefall.

The world economy is shaken,... and we can spot the damage from every vantage point.

To the east, to the south, and even west of our borders,... economies are shrinking,... jobs are being lost,... and governments are plunging into deficit.

Here in Saskatchewan, we're not immune from the economic turmoil.

We have felt the effects.

But compared to what is going on in the rest of the world,... Saskatchewan has a different story to tell.

At a time when others are experiencing economic decline, we're forecasting economic growth.

While others are shutting down factories and cutting their workforce, we're looking for workers and showing an increase in employment.

While others are lamenting lack of opportunity and are mulling greener pastures, more people are moving to Saskatchewan and our population is growing.

So, we're optimistic, but cautious.

Our economy is strong.

The job of this government, the job of this Budget, is to make sure it stays that way.

Even before this Budget, even before the full effect of the recession was being felt throughout the world, our government was **taking action** to prepare for the coming storm.

We cut taxes.

We invested in infrastructure.

We provided “economic stimulus” and funded “shovel-ready projects” before these became the buzzwords of governments throughout North America.

And it appears to be working.

In its recent economic outlook, the Conference Board of Canada predicted “*massive income tax cuts, combined with a swift increase in infrastructure spending,*”... will help keep Saskatchewan out of recession, and give our province the highest growth rate of any province in Canada in 2009.

But even more important than economic forecasts and predictions about GDP growth,...

Is the fact that these measures will help Saskatchewan people.

This year, a family of four with combined income of \$60,000 or more, will save over \$1,700 dollars in tax cuts and benefit increases.

A family of four with \$35,000 income will save over \$2,600 dollars.

A single parent of two school-aged children and a \$35,000 income will save more than \$2,800 dollars.

And a senior couple with a \$25,000 income will save nearly \$2,200 dollars.

And putting **more** money back into the hands of Saskatchewan people will help keep our economy strong.

Our government also believes in paying down debt.

When mighty financial institutions abroad were collapsing under the weight of their debt load,... our government announced we were cutting the province's debt by **\$2.6 billion dollars**, or almost 40 percent.

That means less money leaving our province in interest payments,... and more money that will stay in Saskatchewan to build our province.

And we are, in a very real sense, building our province.

Last spring, we announced the \$1 billion dollar *Ready for Growth* initiative – the largest investment in infrastructure in Saskatchewan history.

And last fall, the Premier announced we would increase our investment in infrastructure to \$1.5 billion dollars in 2009.

\$500 million dollars of this investment was unveiled last month in our “economic booster shot.”

- Better schools for our children.
- Better long-term care facilities for our seniors.
- Better municipal infrastructure for our communities.
- Safer highways for our drivers.
- More affordable housing for those with lower incomes.
- And more jobs to build each of these much-needed projects.

The record tax cuts for Saskatchewan people,... the record investment in our **Ready for Growth** initiative,...

Have helped keep our economy **strong and steady**.

Today, we take the next step.

I think every other Finance Minister in the country would be delighted to be standing in my shoes today, and be able to say the following...

Our NEW Budget is a BALANCED Budget.

This “new balance” is built on strong, but cautious, revenue estimates.

We don’t expect to see the massive jump in provincial revenues that we enjoyed last year,...

However, this year, we’re expecting revenues to be up by \$1.3 billion dollars from the 2008-09 Budget estimate.

Still, even using cautious estimates, we’re able to move forward on many important initiatives and fulfill our campaign commitments,...

Within a balanced Budget.

Here in Saskatchewan, education property taxes have been too high for too long.

That’s why, during the 2007 campaign, the Premier promised a long-term solution to this problem.

He promised a solution based on three principles:

- a fairer balance for education funding;
- ensuring that K-12 education was properly funded; and
- a significant reduction in the education portion of property taxes.

Today, we’re **keeping** that promise.

Under the new system, the province will cut and cap education property tax rates for each of the three major property classes,...

- residential,
- agricultural, and
- commercial.

The overall amount of tax paid by property owners to fund education, will be reduced by \$103 million dollars — or 14 per cent — in 2009 compared to last year.

This represents the largest education property tax cut in a single year in the province's history.

In turn, the provincial government will increase its share of funding to school divisions by just over \$240 million dollars this year.

As a result, the province will fund about 63 per cent of the operating costs for Pre-Kindergarten to Grade 12 education — up from last year's provincial funding of 51 per cent.

The education property tax will be reduced by a further \$53 million dollars next year, with the province assuming an offsetting share of the funding.

At that point, the provincial government will be funding about 66 per cent — two-thirds — of the cost of education.

The actual amount of property tax relief will vary greatly from school division to school division, and from property to property.

That's because today, we have a "*patchwork quilt*" of education tax rates across the province.

People in some parts of Saskatchewan are paying much higher education tax rates than people in other parts of the province.

It would be like paying a different PST rate every time you went to a store in a different town.

As we move to a fairer system and uniform rates across the province, those who were paying disproportionately high education taxes under the **old** system will see a larger tax cut.

The vast majority of Saskatchewan property owners will pay **less** education tax under the new system.

Clearly, Mr. Speaker, today's announcement fulfills the Premier's commitment to achieve a **fairer** balance for education funding,... to properly fund education, and to significantly reduce the education portion of the property tax.

And that's not all.

Our government will continue to improve the competitiveness of Saskatchewan as a place to do business.

This Budget will introduce a **progressive** three-rate structure to determine the Education Property Tax on commercial property, so small businesses will pay a lower mill rate.

Mill rates will be applied consistently across Saskatchewan to promote equity for ALL businesses, while meeting the government's tax relief commitment.

The report prepared by the Member for Rosetown-Elrose, formed the basis for today's announcement.

I would like to thank that Member and the Deputy Premier, the Minister of Education, for countless hours of hard work in developing this new balance for education funding in our province.

Mr. Speaker, during the 2007 campaign, the Premier made another important commitment to Saskatchewan municipalities.

He said our government would introduce a new revenue sharing deal with municipalities tied to the province's own source revenues.

Today, we are **keeping** that promise.

In this Budget, we are introducing a new municipal operating grant program. This program will provide funding support equal to 90 per cent of **one percentage point** of the provincial sales tax.

This is the first step in our plan to provide municipal operating grants based on one full point of the PST,...

We'll **bump** it up to a full percentage point next year.

In this Budget, municipalities will receive nearly \$170 million dollars to continue fixing sewer systems, upgrading streets, improving parks, and enhancing public buildings.

And that's on top of the \$100 million in one-time municipal infrastructure funding the Premier announced last month.

This is what municipal leaders wanted,... to tap into a predictable revenue source. And we have delivered.

Last year we announced \$1 billion dollars in our *Ready For Growth* plan to rebuild schools, improve hospitals and health facilities, upgrade roads and highways.

We said,...“Let's get to work.”

Last month, we announced a \$500 million dollar economic “booster shot”,... to get dollars flowing swiftly to our municipalities, our communities, our people.

We put these much-needed infrastructure dollars directly into the hands that need it.

The hands that swing the hammers,... dig the dirt,... that keep this economy moving forward every day.

But,... we aren't finished yet. There's more to do.

Today, our government is dedicating another **\$1 billion dollars**, to keep building on what we've already begun,... to keep this province moving forward **strong and steady**.

This **\$1 billion dollars** will fix more schools and health care facilities in our province. It will expand child care centres in Saskatchewan and improve our post-secondary system.

It will fix more highways.

And, this \$1 billion dollar investment will create more affordable housing, and a better life for **all** Saskatchewan people.

This additional funding brings us to **\$2.5 billion dollars** in capital funding in just two years.

This is a **solid** investment that will pay off in the future.

When it comes to new buildings, new roads, new facilities,... these amenities are wonderful.

But what matters most are the **people they serve**.

That's why our government will invest in our infrastructure system, **AND** in our people.

Our government's balanced Budget will also support and enhance **key** priorities,... and **key** programs for Saskatchewan people.

**We're building on our promise for stronger, safer communities.**

Our government will continue to take action to crack down on crime.

This year we'll hire 30 more police officers to add to the 30 new officers we added last year,... steadily working toward our commitment of 120 new officers by 2012.

We're building on our promise to get tough on gangs.

Gang violence in western Canada is a serious problem.

Our government will deliver funding for a Western Canadian Gang Database to share knowledge on criminal activities.

Our government will build on our promise to reach out to the most vulnerable in our society.

Our government will continue to address waitlists in the Community Living Division,... by expanding these facilities, and creating more space for those with disabilities.

We'll provide over \$27 million dollars in additional funding for Community-Based Organizations.

This year's Budget will support fire fighting efforts up north,... by dedicating nearly \$30 million dollars to continue modernizing the water bomber fleet.

We'll also equip volunteer fire departments across the province with new radios, linking them to the new provincial emergency radio network.

**Our government is building on our promise for a better life for all Saskatchewan children.**

We're creating 1,000 new childcare spaces in Saskatchewan for children of parents who work outside the home.

And over \$12 million dollars in added funding will go toward space expansion, training programs and increased pay for early learning and childcare workers.

We're delivering on our promise to provide \$18 million dollars for the Active Families Benefit,... to help parents that enroll their children in healthy, engaging activities.

Our government will launch a multi-year, \$25 million dollar strategy,... to give attention to our youngest citizens at risk.

And, we are taking one more important step for the children of our province.

Today, I am pleased to announce that we'll deliver on our promise for a new **Children's Hospital** in Saskatoon.

\$200 million dollars over two years will be provided for construction of this facility,... dedicated to the health and well-being of Saskatchewan's youngest citizens.

**We're building on our promise to invest in education and skills training.**

We'll dedicate over \$23 million dollars to enable universities to limit tuition increases to an average of three per cent.

This Budget will enhance our Student Aid program, to make education more accessible to those whose minds are rich with unlimited potential and thirst for knowledge.

And our government will continue to ensure that eligible post-secondary students have the opportunity to have up to \$20,000 dollars in tuition reimbursed, through the **most aggressive** youth retention plan in Canada – our Graduate Retention Program.

Funding for this program will be increased by \$6.5 million this year,... to reflect the growing number of post-secondary graduates who will qualify by simply choosing to start their careers and build their lives in Saskatchewan.

Our government is building on our promise to support more training seats for doctors and for nurses.

We'll provide \$23 million dollars this year on a comprehensive plan to attract **more** nurses and other hard-to-recruit health professionals to Saskatchewan, and keep them here.

This Budget will also provide more funding to recruit more physicians to our province.

To broaden the scope of opportunities in Saskatchewan, we're building on our promise to invest in an Aboriginal Workforce Development Fund.

This program highlights new employment opportunities for those of First Nations and Métis heritage.

Our government will invest in new regional college buildings in Nipawin and Humboldt, to ensure distance does not hinder the chance to further one's education.

And we'll also improve funding for our library system, so it will continue to be an up-to-date resource for residents.

We'll dedicate increased funding to advance the INTERVAC Project at the University of Saskatchewan.

Our people at INTERVAC are considered **world leaders** in the field of vaccination technology, striving to make breakthroughs in vaccines for people and animals.

We're proud of their efforts and achievements.

This Budget will follow through on the increase of 1,100 apprenticeship training seats.

We're building on our promise to pilot new health initiatives to better care for our people.

We'll introduce a three-year plan to encourage people to quit smoking, especially our youth, before the grip of addiction can take hold.

Our government will continue to fund a study that combines stroke prevention and improved rehabilitation methods.

And we'll support improved infection control measures through Regional Health Authorities.

We'll develop a province-wide mental health strategic plan, to assist those struggling with overwhelming symptoms and illnesses too often dismissed, simply because they can't be seen.

And plans are also underway for a new First Nation and Métis Consultation and Health Plan.

**We're building on our promise to keep our economy strong.**

This Budget delivers on our promise to dedicate millions toward improving our road and highway networks across the province.

With federal partnership, twinning efforts will be stepped up on the busy lanes of Highway 11 between Saskatoon and Prince Albert, to be completed in four years.

A new bypass road to connect Highways 1 and 11 will be constructed outside the Queen City.

This will support the **tremendous** development around a new container shipping facility — the Global Transportation Hub.

This Budget will provide for a new bridge at St. Louis, a Lewvan Drive Interchange in Regina, and truck by-pass in Yorkton.

We're fixing what was once voted the **worst highway in Saskatchewan**,... and providing funding to upgrade Highway 368 near St. Brieux,... to provide the safe and solid road that residents, and local industry, have wanted and needed for years.

We are rebuilding Highway 32 near Leader.

Over \$40 million dollars will help rehabilitate municipal roads, to better support the heavy traffic of a growing economy.

We're building on our promise to enhance the Saskatchewan Research and Development Tax Credit,... making it fully refundable to provide financial support and incentives to the leaders in innovation in our province.

This will help bridge the financial gap between initial research, and commercial development.

And this Budget will also attract investments in Saskatchewan-based small- and medium-sized business.

A tax credit that supports the federal Labour-sponsored Venture Capital Corporations will be increased to **match** the existing rates for similar provincial funds.

Our government will continue to support those who enhance and diversify our economy.

We'll support an Enterprise Regions Program that encourages regional economic development,... and we'll support a western-based partnership agreement, also designed to encourage economic growth right here in Saskatchewan.

Our government will expand and broaden its reach by creating Northern Enterprise Regions,... to support economic development in the far northern districts of our province.

We're building on our promise to improve support programs for farmers and ranchers - over \$100 million new dollars to fulfill our promise to fully fund our share of the AgriStability and AgriInvest programs,...

And another \$25 million to fulfill our commitment to improve Crop Insurance for farmers.

We'll broaden our pest management control programs.

We'll launch a water study, to ensure Saskatchewan people have access to this basic necessity of life, for today and for tomorrow.

We're building on our promise of a greener Saskatchewan.

We'll continue to support innovations in the capture and storage of CO2 emissions.

This year alone, we'll commit over \$17 million dollars toward these and other key Go Green initiatives.

**We're building on our promise to keep life affordable.**

Our government will begin an ambitious project to renovate government subsidized rental housing,... by making these units more environmentally-friendly, energy efficient, yet still affordable.

Millions of dollars in funding will better adjust shelter rates for income assistance programs.

We'll also increase transit support for the disabled.

And we're building on our promise to help senior citizens, by increasing monthly support to seniors, to help them cover rising costs.

Today our government has set the course for a **strong and steady** Saskatchewan.

After so many years of losing our people to other provinces,...

After so many years of trailing the pack,...

Saskatchewan's time has come.

There are those who have said that Saskatchewan today is the economic star of our country.

If that is the case, then let us be the right kind of star.

Not a shooting star — burning bright for an instant, then fading away.

Let us be a **North Star**,... the one you can set your compass by.

**Strong and steady**, Saskatchewan will navigate through the choppy waters ahead.

By sticking to our solid economic plan,... by remaining sound fiscal managers,... we will stay on course.

- We'll stay **strong and steady**, through meaningful tax reductions,... like the **largest education property tax cut in Saskatchewan's history**.
- We'll stay **strong and steady** through **meaningful** infrastructure projects, which keep our province working, and keep our economy moving forward.
- We'll stay **strong and steady** through **meaningful investments** in Saskatchewan people, in families and students, in children and seniors, in First Nations and Métis people, in those from rural and urban Saskatchewan.

Because when you think about it, where does our province get its strength?

That's easy.

The answer is right in Saskatchewan's motto: "*from many peoples, strength.*"

Today, I'm honoured to deliver a Budget that builds on the strength of the people – ALL the people – of our province.

And while I'm sure we will face some challenging days ahead,...

Is there anywhere on earth that you would rather be living today than in OUR Saskatchewan,...

The best province in the best country in the world.