



2019-20 BUDGET ADDRESS
"THE RIGHT BALANCE"

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Minister of Finance
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Check against delivery

INTRODUCTION

Mr. Speaker, colleagues, and visitors,...

Today I have the great honour and responsibility of delivering my second budget as Saskatchewan's Minister of Finance.

And I am pleased to advise the House of this...

The 2019-20 Budget is a balanced budget.

This budget is a balanced budget,...

And it's the right balance for Saskatchewan.

It's the right balance for investments in health care, support for seniors, support for vulnerable families, and funding for classrooms to help improve the lives of Saskatchewan people—today and into the future.

It's the right balance for much-needed investments in infrastructure for a growing province—in both urban and rural Saskatchewan.

It's the right balance for investing in important government services, while at the same time controlling spending and keeping taxes low.

Mr. Speaker, this budget contains no new taxes or tax increases.

And it's the right balance to strengthen our economy and make life affordable for Saskatchewan people.

This budget is a balanced budget, and it sets Saskatchewan on a path to ensure balanced budgets in the years ahead.

The 2019-20 Budget delivers a strong and sustainable fiscal plan as Saskatchewan continues to be the best place in Canada—to live, to work, to start a business, to get an education, to raise a family, and to build a life.

FISCAL PICTURE

Mr. Speaker, this year's balanced budget is the culmination of a three-year fiscal plan.

Two budgets ago, Saskatchewan was facing a billion-dollar decline in our resource revenues.

Some difficult choices had to be made...

Because budgets don't balance themselves.

Those choices reduced Saskatchewan's reliance on volatile resource revenues and set Saskatchewan on a path to where we are today,...

With a balanced budget and spending that is affordable and sustainable, now and into the future.

Mr. Speaker, some governments in other jurisdictions have chosen a path of ongoing deficits.

Here in Saskatchewan we've charted a different course—one that provides a bright future for the people of our province.

Saskatchewan's 2019-20 Budget is balanced, with a projected surplus of \$34.4 million.

Higher surpluses of \$49 million, \$72 million, and \$84 million are projected for the three fiscal years that follow.

The government's operational debt will not increase in 2019-20.

Revenue is forecast at \$15.03 billion in this budget, up about \$782 million, or 5.5 percent, compared to last year's budget.

Expense of \$14.99 billion is projected this year, up from the previous year's budget by \$382 million, or 2.6 per cent.

The 2019-20 Budget provides increased support in almost every area—in health, social services and assistance, protection of persons and property, education, agriculture, community development, environment and natural resources, and transportation.

Recently, higher potash prices and a modest recovery for oil have helped our oil and mining sectors.

Agriculture, the manufacturing sector, the value of our exports, and other engines of the economy remain strong.

This budget keeps Saskatchewan on a sustainable fiscal path that will ensure a balanced budget not just this year, but in the years to come.

INVESTING IN PEOPLE

The right balance is important because Saskatchewan continues to grow.

Newcomers from around the world continue to come to our great province to create better, safer, more prosperous lives for themselves and their families—in partnership with our First Nations, Métis, Francophonie, and all Saskatchewan people.

Our population is now more than 1.16 million—an increase of more than 160,000 people since 2007.

A growing province means a growing demand for the vital government services Saskatchewan people expect and deserve,...

And our government is committed to a responsible, sustainable plan to deliver and improve those services, now and in the years ahead.

INVESTING IN HEALTH CARE

This budget's total investment in health in 2019-20 is projected to be \$5.89 billion.

That's an increase of \$123 million, or 2.1 percent, compared to last year's budget.

This includes spending through the Ministry of Health, the Saskatchewan Health Authority, the Saskatchewan Cancer Agency, eHealth, the Health Quality Council, and 3sHealth.

This budget increases operating funding to the Saskatchewan Health Authority to \$3.6 billion, up more than \$113 million, or 3.2 percent, compared to last year.

Specific health care investments in this budget include funding the preconstruction design of a new Victoria Hospital in Prince Albert.

The provincial and municipal governments are working together to secure federal funding for this project, which is vital to ensuring quality health services for the people of Prince Albert and northern Saskatchewan.

This budget also invests in planning for a new hospital in Weyburn.

Two weeks ago, our government opened the new Saskatchewan Hospital North Battleford – replacing a century-old facility.

This unique and much-needed facility demonstrates our government's significant commitment to improving mental health services across Saskatchewan.

In fact, the 2019-20 Budget includes a strong focus on mental health.

Funding for targeted mental health and addictions initiatives is increasing by nearly \$30 million in this budget to a total of nearly \$402 million.

This represents the largest commitment ever to mental health services in Saskatchewan, and it includes funding for more than 140 new beds for mental health and addictions treatment,...

And it includes an increase of \$13.7 million to support the Saskatchewan Hospital North Battleford.

This province has never had a children's hospital.

That will change this fall, when the Jim Pattison Children's Hospital opens in Saskatoon.

This budget provides \$23 million in increased operational funding to that facility so that doctors, nurses, and other health professionals can provide the best care for our children.

Last year, our government introduced an individualized funding benefit for Saskatchewan children with autism.

This year's budget provides a \$700,000 increase for the Autism Individualized Funding benefit.

As a result, the benefit will increase by 50 percent, from \$4,000 to \$6,000 annually, for each child with autism under the age of 6.

This will help ensure that children with autism and their families will be able to access the services and supports that they need.

SUPPORT FOR SENIORS

This budget continues to improve care for seniors by investing to replace the Northland Pioneers Lodge in Meadow Lake, fulfilling our government's commitment to replace 13 long-term care facilities for seniors across the province.

This budget also increases home care support to help people stay safely in their homes as long as possible through the Connected Care program.

That program will receive more than \$20 million in 2019-20, an increase of nearly \$1.6 million compared to last year.

As part of Connected Care, new clinics are operating in Regina and Saskatoon that focus on older adults with chronic and complex conditions.

These clinics provide interdisciplinary teams of doctors, nurses, therapists, social workers and other providers who deliver both on-site and home-based outreach services to seniors in need.

This budget also provides \$1.1 million—an increase of more than \$660,000—to the Alzheimer Society for the First Link program.

First Link assists people who are newly diagnosed with dementia get the help they need as soon as possible.

INVESTING IN SOCIAL SERVICES

This budget also makes a \$1.4 billion total investment in social services and assistance, an increase of \$51.4 million, or 3.7 per cent, compared to last year.

This budget provides an increase of more than \$27 million to support at-risk children and families.

This funding will enhance the range of services that keep children safe—including services to help families keep their children safely at home, and private treatment for children with high needs.

Community-based organizations and those who deliver services to children and families and provide support for people with intellectual disabilities will receive an additional \$5.9 million in 2019-20.

As part of this increase, through a new \$1.4 million investment, foster families will be eligible for additional monthly payments once they complete specific training to increase their caregiving skills.

Our government continues to strive to make Saskatchewan the best place in Canada for persons with physical and intellectual disabilities.

This budget provides a \$6.6 million increase in support for adults with intellectual disabilities.

Funding for income assistance programs and service delivery will increase by \$10 million in this budget, including an additional \$6.3 million for the Saskatchewan Assured Income for Disability Program.

This budget also provides \$250,000 in new capital investment for Transit Assistance for People with Disabilities.

INVESTING IN EDUCATION

Mr. Speaker, this budget invests in our children's education—\$3.28 billion in total, up more than \$19 million compared to last year.

Saskatchewan's school divisions will receive \$1.9 billion in operating funding for the 2019-20 school year, an increase of more than \$26 million year over year.

This budget increases school division funding while Education Property Tax rates remain unchanged.

This budget includes more than \$72 million for child care, enabling the provision of more than 16,700 child care spaces across the province.

That's an increase of 7,000 spaces since 2007-08.

This budget invests in education for our post-secondary students as well.

Funding for the Ministry of Advanced Education exceeds \$727 million.

More than \$672 million of that amount will go toward operating and capital grants for Saskatchewan's post-secondary institutions—including nearly \$88 million in funding for the College of Medicine at the University of Saskatchewan.

This budget increases funding for the student loan program by \$4.7 million, to a total of more than \$26 million.

This will provide repayable and non-repayable financial assistance to more than 18,000 students.

Saskatchewan students will also continue to receive benefits after their studies are

completed through the Graduate Retention Program, which provides up to \$20,000 in income tax credits to graduates who live and work in the province.

In order to ensure the continued sustainability of our financial supports for students and to ensure that support is targeted to the students who need it most, the Saskatchewan Advantage Scholarship is being converted to a needs-tested support.

OVERVIEW OF "BIG THREE" INVESTMENT

Mr. Speaker, our government's commitment to the priorities of Saskatchewan people is clear.

Investment into three areas—health, education, and social services and assistance is \$10.6 billion in this budget—up 67 percent or \$4.3 billion since 2007-08.

These three priority areas account for 71 percent of overall government expense in this budget.

INVESTING IN COMMUNITIES AND COMMUNITY SAFETY

This budget also invests in the safety of Saskatchewan people and communities.

To improve safety at highway intersections, the first year of a multi-year strategy is being funded in this budget.

This year, our government will invest \$13 million as the first step of a five-year, \$65 million Enhanced Intersection Safety Program that will improve signage, sight lines and lighting and add safety features like rumble strips at intersections throughout the province.

This budget also includes over \$60 million for twinning and passing lane projects which will also improve safety for drivers on Saskatchewan highways.

Overall, this budget provides funding to improve about 1,000 kilometres of the highway network in 2019-20.

Our government will continue its efforts to reduce impaired driving in Saskatchewan.

This includes \$1.1 million more for drug-impaired driving detection training for police.

This budget includes more than \$15 million to continue funding 128 municipal police positions and targeted policing initiatives across the province.

Our government remains committed to addressing the issue of rural crime through continued investment in the Protection and Response Team, Crime Reduction Teams, and the Combined Traffic Safety Services initiative.

Mr. Speaker, this budget delivers the right balance by ensuring that Saskatchewan's municipalities receive a consistent source of unconditional funding to invest in local priorities.

This budget provides more than \$251 million in municipal revenue sharing, a \$10.5 million increase compared to last year, for Saskatchewan's rural, urban, and northern municipalities.

A new formula, developed by the province with the municipal sector, is based on revenue generated by three-quarters of one percentage point of the Provincial Sales Tax.

Mr. Speaker, since 2007-08, municipal revenue sharing has nearly doubled – an increase of more than \$124 million.

Including revenue sharing, infrastructure funding, and a number of other grants and

initiatives, this budget provides more than \$437 million in direct provincial support to municipalities from multiple ministries across government.

That's an increase of \$25.4 million or 6.2 percent compared to last year.

This budget also includes \$211 million in targeted investment that will benefit First Nations and Metis people, communities, businesses, and organizations, a 4.7 percent increase compared to last year.

That includes more than \$72 million in gaming agreement transfers to First Nations and Métis organizations, and \$45 million to First Nations and Métis community-based organizations that deliver individual and community supports.

This budget also provides an increase of \$2.25 million, for a total of \$27 million, to help deliver the SARCAN Beverage Container Collection and Recycling Program.

SARCAN employs more than 700 people at 72 collection depots across the province.

The funding increase in this budget will help SARCAN build upon its longstanding success helping both the environment and Saskatchewan people.

INVESTING IN INFRASTRUCTURE

This budget delivers \$2.7 billion for infrastructure investment in 2019-20...

\$1.6 billion of capital investment in the commercial Crown sector, and \$1.1 billion in capital investment by Executive Government ministries and agencies.

This budget provides capital investment of \$103 million for health care infrastructure, including:

- \$12 million to begin construction of a new long-term care facility to replace

the Northland Pioneers Lodge in Meadow Lake;

- \$2.5 million for preconstruction design of a new Victoria Hospital in Prince Albert; and
- \$2.5 million for the planning and design of a new hospital in Weyburn.

Infrastructure investment in the K-to-12 school system in this budget exceeds \$95 million.

Projects include consolidation and replacement of St. Pius and Argyle schools in Regina,...

And a new joint-use school to replace Sacred Heart, St. Mary, Empire, and Westmount schools in Moose Jaw.

This budget also provides funding to plan the replacement of St. Frances School in Saskatoon,...

And \$29 million for ongoing construction of new schools in Rosthern and Weyburn.

Municipal infrastructure funding exceeds \$229 million in this budget, an 11 percent increase from last year.

That includes new funding under the Investing in Canada Infrastructure Program, as well as funding to continue commitments under the New Building Canada Plan, Clean Water and Wastewater Fund, and the Public Transit Fund.

Saskatchewan's major commercial Crown corporations will undertake a number of capital projects in the 2019-20 fiscal year.

SaskPower's \$873 million planned capital investments will connect more customers

and expand electricity generation assets.

SaskPower will continue to renew its distribution and transmission systems this year, with the goal of achieving a 40 percent reduction in CO₂ emissions by 2030.

SaskTel will enhance service to its customers with capital investments totaling \$321 million in 2019-20.

This will allow SaskTel to upgrade its wireless and wireline networks, as well as continue the rollout of infiNET, the corporation's high-speed fibre-optic internet service.

SaskTel is continuing to enhance rural services, and has announced the addition of 41 new cellular sites this year as part of a two-year initiative.

By March 2020, SaskTel will have added 100 new cellular sites in smaller communities right across Saskatchewan.

SaskEnergy will make \$340 million in capital investments in 2019-20 to meet growing customer demand, as well as to ensure the integrity of its natural gas transmission and distribution systems.

SaskWater's planned \$32 million in capital investments in 2019-20 will go toward maintenance of existing infrastructure, as well as the creation of new water and wastewater systems.

TAX CHANGES

This budget strikes the right balance by providing quality services for all Saskatchewan people while keeping taxes low.

Our province has among the lowest personal and business taxes in the country, and

there are no tax increases and no new taxes in this budget.

Since 2007, Personal Income Tax exemptions have removed 112,000 people from the province's income tax rolls,...

And tax reductions introduced over the past decade are providing more than \$610 million in annual income tax savings to Saskatchewan people.

Last year, the tragedy involving the Humboldt Broncos highlighted the crucial work of volunteer first responders who serve our province in times of emergency.

This budget contains new, non-refundable tax credits for volunteer firefighters and volunteer medical first responders who serve to protect and help Saskatchewan people when they need it most.

Beginning with the 2020 taxation year, individuals with at least 200 hours of volunteer service in a year will be able to claim a \$3,000 tax credit.

Mr. Speaker, these new credits for volunteers recognize the valuable work of our emergency responders.

And it is another example of our government helping to make life more affordable for Saskatchewan people.

This budget also includes measures that will ensure the people of Saskatchewan receive a fair and balanced return for their potash.

The base payment component of the Potash Production Tax is intended to provide a simple flat payment per tonne of potash sales.

However, it has gradually been eroded by currently allowable deductions.

To address this, effective April 1, the calculation of the Potash Production Tax will be simplified by eliminating these deductions.

DEBT MANAGEMENT

This budget achieves the right balance by investing in hospitals, schools, highways, and municipal and Crown infrastructure to help meet the needs of a growing population and economy, while ensuring that debt is managed responsibly.

At March 31, 2020, the province's net debt is forecast to be \$12.4 billion, one of the lowest among provinces as a percentage of GDP.

All government debt, including that of Crown corporations, is forecast to remain manageable at \$21.7 billion at March 31, 2020—up \$1.7 billion from last year's budget due to further investment in capital.

Government's operating debt is forecast to remain unchanged in 2019-20, at \$6.15 billion—about 10 percent lower than it was in 2008, resulting in cumulative savings of nearly \$1.2 billion in interest payments.

Last September, Saskatchewan had its triple-A credit rating confirmed by Moody's Investors Service, the agency's highest rating.

Saskatchewan has the second-highest credit rating in Canada when ratings from the three major agencies are combined.

CONCLUSION

Mr. Speaker, the 2019-20 Budget is balanced, and it is the right balance for Saskatchewan people.

The province's economy is strengthening.

Our population is growing.

The 2019-20 Budget is our government's plan to continue to balance into the future, to sustain needed investments in high quality government services for all Saskatchewan people.

The 2019-20 Budget balances those needed investments with carefully managed spending and continues to develop a stable, sustainable revenue base without raising taxes.

It's the right balance for our growing economy.

It's the right balance for our growing communities.

It's the right balance for Saskatchewan people.

Mr. Speaker, the 2019-20 Budget is the right balance for Saskatchewan.