



2021-22 BUDGET ADDRESS

Honourable Donna Harpauer

Minister of Finance

6 April 2021

Check against delivery

INTRODUCTION

Mr. Speaker and esteemed colleagues,...

Today I have the great honour and responsibility of delivering the 2021-22 Budget—my fourth budget as Saskatchewan's Minister of Finance and my second during the global COVID-19 pandemic.

Before I begin, it is important to recognize today's tragic undertones.

It was on this day, April, 6, 2018 that my constituency of Humboldt-Watrous suffered loss that no community should ever have to endure.

I would like to express my deepest condolences to the families and victims who are still struggling with unimaginable loss.

We stand with you.

I usually begin the Budget Address by recognizing and introducing all of the many guests in the Assembly.

Today, for the second year in a row due to the pandemic, there are no guests to join with us for the Budget presentation.

So, like so many other meetings this year,...

I expect many people are joining us remotely by watching online or on TV.

So welcome to all of our virtual guests.

Mr. Speaker, the 2021-22 Budget will protect, build and grow Saskatchewan.

It will protect Saskatchewan people through the pandemic—as more vaccines are received and life begins to return to normal.

This budget protects the health and public safety of Saskatchewan people and the province's economy in the fight against COVID-19.

It makes record investments in health care, education, social services, and the protection of people and property.

This budget will build Saskatchewan.

It invests in new long-term care facilities, hospitals, schools, highways and vital municipal infrastructure.

It also invests in Crown capital for power generation, telecommunication, natural gas networks and other vital services—to help stimulate the economy and meet the needs of Saskatchewan people.

This budget will grow Saskatchewan through incentives and key investments, and it will keep life affordable for families while at the same time fulfilling commitments in our government's election platform, which was strongly supported by Saskatchewan voters last fall.

Mr. Speaker, as the effects of the pandemic ease over time, Saskatchewan's economy is forecast to grow.

Our economy has fared better than most through this global health crisis—with continuing high levels of employment, and growth in housing starts, wholesale trade and international exports.

This budget includes incentives and investments that create jobs, save Saskatchewan people and businesses money, and strengthen the pace of recovery and growth in our province.

Throughout this pandemic, we have witnessed Saskatchewan's resolve, as our people made the sacrifices required to protect not only themselves, but also their families, friends, neighbours and co-workers.

When this pandemic is over, we will witness Saskatchewan's resilience, as our economy recovers and grows, as businesses reopen and more people return to work, and as Saskatchewan recovers to be even stronger than before.

Resolve and resilience.

A strong recovery and a strong Saskatchewan.

That is what we have to look forward to in the months ahead as we emerge from the pandemic.

But we're not there yet.

That's why this budget's first priority is to protect,...

To protect Saskatchewan people through the rest of the pandemic,...

As more and more people get vaccinated so that life can return to normal.

PROTECT

COVID-19 Response

Mr. Speaker, our government has dedicated \$4.8 billion to help protect Saskatchewan lives and livelihoods in the fight against COVID-19.

That includes \$1.5 billion in this budget, following a \$2 billion investment last year.

A further \$1.3 billion of support is in place for the next two years.

Health

This year's record health budget of \$6.54 billion—up \$359 million or 5.8 percent from last year—will strengthen the provincial health-care system to protect families and communities.

A \$90 million increase in this budget will support Saskatchewan's comprehensive COVID response.

This includes:

- the mass vaccination rollout
- purchase of more personal protective equipment
- supporting contact tracing measures
- expansion of testing and assessment sites
- additional provincial laboratory capacity
- supports for long-term care
- and coverage of added physician costs

This budget provides the Saskatchewan Health Authority with a \$3.96 billion grant this year, up more than \$221 million, or nearly six percent, compared to last year.

This budget invests a record \$458 million for mental health and addictions programs and services, up \$23.4 million or 5.4 percent from last year.

The increase includes more than \$16 million primarily for hospital-based mental health and addictions services, physician visits, and prescription drug costs.

It also includes \$7.2 million for targeted mental health and addictions services including specific youth-focused initiatives, investments in suicide prevention, and expansion of harm reduction and addictions treatment.

And there is \$850,000 for 12 additional provincial addiction treatment beds, plus two pre-treatment beds, at the addiction treatment centre located at St. Joseph's Hospital in Estevan.

This budget will spend \$6 million to hire approximately 100 continuing care aides who will help long-term care clients with personal care, meals and medication.

It's the first year of our three-year, \$18.4 million campaign commitment to hire 300 continuing care aides to work in long-term care and to work in existing and expanded home-care services in rural and remote areas.

This budget also keeps our election commitment to support children with Autism and their families, with \$6 million to expand the Autism Spectrum Disorder program to provide individualized funding for children ages six to 11.

We are fulfilling another platform commitment through a \$5 million increase to expand eligibility under the Saskatchewan Insulin Pump Program—which means the cost of an insulin pump will now be covered for everyone in Saskatchewan who needs one.

The funding will also cover continuous glucose monitoring for children and youth under age 18.

A \$6.7 million increase in this budget will reduce ambulance fees for seniors to \$135 per trip, down from \$275—meeting another election commitment.

Emergency Medical Services will receive a \$6.6 million increase to provide for additional ambulances in Regina and Saskatoon and address delays when transferring patients, along with other improvements.

This budget invests \$1.4 million to add a new STARS helicopter to deliver emergency care faster to rural and remote areas,... and save lives.

Total provincial funding for STARS is now \$11.88 million.

The Saskatchewan Cancer Agency receives an additional \$7.6 million increase in this budget, bringing its annual grant to \$204 million, the highest ever.

Education

Education spending across government is \$3.75 billion in this budget, up more than \$391 million, or 11.6 percent compared to last year.

This includes spending on pre-K to Grade 12 education, post-secondary education, and career training programs and commissions.

The Ministry of Education will support pre-K to Grade 12 students with \$2.66 billion in this budget, up nearly \$60 million compared to last year.

Saskatchewan's 27 school divisions will receive \$1.96 billion in operating funding for the 2021-22 school year, a \$19.2 million increase.

This is the largest ever budget for school divisions.

This includes fully funding the two percent salary increase in the teachers' collective bargaining agreement.

Federal-provincial Safe Schools funding of \$155 million has been provided over the last year to help school divisions and independent schools during the pandemic.

More than \$20 million of this funding will carry over into the 2021-22 school year.

An increase of \$2 million in this budget brings childcare funding up to \$75.5 million and will create 176 additional licensed home-based spaces and 51 new licensed centre spaces.

This is part of our government's four-year platform commitment to provide 750 new licensed childcare spaces.

This budget also provides a significant multi-year investment to help grow the long-term financial sustainability of post-secondary institutions, with additional funding to protect the post-secondary sector from the challenges created by the pandemic.

Our Government will invest \$735 million in 2021 into the post-secondary sector in this budget.

Beyond the typical base budget, Government will invest an additional \$60 million to support and grow post-secondary institutions. \$30 million will be in 2021-22 and another \$30 million in 2022-23.

For the first time, Saskatchewan is providing this multi-year funding commitment to the post-secondary sector, which was developed collaboratively and is focused on shared priorities.

\$678.5 million is for operating and capital grants, up 4.4 percent compared to the previous year, as well as \$39.8 million for student supports, a 10 percent increase.

This includes an increase in the Saskatchewan Advantage Scholarship from \$500 to \$750 annually per eligible student to help with tuition costs, fulfilling a campaign commitment.

Social services and assistance

This budget provides social services and assistance with \$1.56 billion, up more than \$66 million, or 4.5 percent, compared to last year.

This budget meets our election commitment to increase benefits to seniors with \$3.5 million in additional funding for the Seniors Income Plan.

The investment will help low-income seniors enjoy a better quality of life with maximum payments increasing by \$30 a month, effective July 1st.

This is the sixth increase our government has made to the Seniors Income Plan since 2008.

By the end of this term of our government will have quadrupled the maximum Seniors Income Plan benefit from \$90 to \$360 per month, after it had been frozen for 16 years by the previous government.

This budget also provides \$246,000 to meet our campaign commitment to further enhance communication services provided by the Canadian National Institute for the Blind and Saskatchewan Deaf and Hard of Hearing Services.

This year, the Ministry of Social Services will provide increased funding of \$6.7 million to Community Based Organizations—including a \$4.2 million increase for those working with people with intellectual disabilities and a \$2.5 million increase for those supporting at-risk children, youth and families.

This increase recognizes the critical role that CBOs play in protecting the province's most vulnerable during the pandemic.

It is part of our government's total \$9.1 million lift for CBOs which are also funded across government.

This budget includes government-wide funding of more than \$660 million, an increase of nearly \$49 million, for enhanced programming and increased utilization for people with disabilities.

Since 2007-08, government-wide funding for people with disabilities has increased by \$445 million, or 207 percent.

This budget includes an increase of \$8.2 million for new residential care spaces to support children and youth with developmental and complex behavioral needs through private treatment and group homes.

And it includes a \$1.6 million increase to PRIDE, a specialized training program that supports foster families to care for children with more intensive needs.

A \$3 million increase in this budget will support more extended family caregivers.

A \$1.4 million increase for in-home family supports is aimed at preventing children from coming into the care of Social Services.

And an additional \$500,000 to Sanctum 1.5 will support high-risk expectant mothers with enhanced outreach and coordination of services.

Protection of persons and property

This budget provides more than \$845 million for the protection of Saskatchewan persons and property, up \$38.6 million, or 4.8 percent, compared to last year.

This includes \$92.4 million for the Saskatchewan Public Safety Agency, which is committed to the protection of people, property and resources across the province.

The Agency is coordinating the province's non-health COVID response through its Provincial Emergency Operations Centre.

This budget also invests \$12.8 million through new purchases of aircrafts to help modernize the province's wildfire suppression fleet.

The Ministry of Justice and Attorney General will further protect the people of Saskatchewan with \$163.6 million in this budget, up \$8.4 million, or 5.4 percent, compared to last year.

And the Ministry of Corrections, Policing and Public Safety will receive \$530.8 million in this budget, up \$23.8 million, or 4.7 percent, compared to last year.

This includes more than \$3.2 million for the Gang Violence Reduction Strategy, which provides addiction programming in provincial correctional facilities and intervention services to individuals who want to leave gangs,...

As well as about \$110,000 to support the creation of a new Police and Crisis Team for the Estevan region to address increased volumes of mental health calls.

\$243,000 will be provided to the Internet Child Exploitation (ICE) unit to allow them to continue to investigate these horrific crimes that target our most vulnerable Saskatchewan residents, our children.

BUILD

Mr. Speaker, as Saskatchewan emerges from the pandemic, growth and a strong capital plan will be the foundation of our province's economic recovery.

This budget provides \$3.1 billion in capital investment to further stimulate the economy and to support more than 17,500 jobs.

It invests \$162 million in healthcare capital, including:

- \$7.6 million for the 80-bed La Ronge long-term care facility
- \$3.6 million for the future Grenfell long-term care facility
- planning stage investment of \$550,000 for new Watson and Estevan long-term care facilities
- and \$500,000 of planning dollars for replacement of long-term care beds in Regina

This budget provides \$5.7 million for Urgent Care Centres in Regina and Saskatoon, \$1.4 million for Weyburn Hospital planning, and \$1.4 million for ongoing work on the program and design plans for Prince Albert's Victoria Hospital.

This budget also invests \$830 million into operating, maintaining, building and improving Saskatchewan's roads and highways—up \$115 million, or 16 percent, compared to last year.

This budget provides more than \$553 million for transportation capital, including \$520 million for:

- beginning the twinning work on Highway 3 west of Prince Albert
- multiple passing-lane projects on Highways 2, 3, 12, 14, and 16
- three sets of passing lanes on Highway 7, from Kindersley to the Alberta border
- two sets of passing lanes and widening on Highway 5, from Saskatoon to Highway 2
- completing passing lanes and other improvements on Highway 39, from Corrine to Estevan
- as well as projects that will improve the safety and efficiency of highway corridors around the province

This budget invests more than \$33 million in transfers related to municipal infrastructure for the Rural Integrated Roads for Growth Program, the Urban Highway Connector Program, and the Community Airport Partnership Program,...

As well as \$530,000 for a new Short-line Rail Infrastructure Program.

This budget provides nearly \$190 million for education capital, up \$22.3 million or more than 13 percent compared to last year.

This includes nearly \$102 million to support 21 ongoing capital projects which will build 16 new schools and renovate five more.

Construction of a new elementary school in Weyburn will be completed this year.

And construction will begin on a new joint-use facility in Regina to replace Argyle and St. Pius elementary schools.

This budget also provides \$8.8 million as part of stimulus funding to complete 15 school maintenance projects, the second year of a \$25.9 million total commitment.

A further \$10.3 million will fund relocatable classrooms.

And nearly \$68 million will fund ongoing preventative maintenance, renewal, and emergency funding.

Since 2008, our government has invested \$2.1 billion to build 57 new schools and undertake 28 major renovation projects across Saskatchewan.

Our government will continue to build more schools for a growing Saskatchewan,...

A far cry from the record of the previous government that closed 176 schools—about one a month—over 16 years in office.

Mr. Speaker, this budget invests more than \$324 million in government services infrastructure, up more than \$109 million compared to last year.

This includes \$52 million for the construction of the remand centre at the Saskatoon Correctional Centre, and \$3.8 million to replace and expand the Saskatoon Correctional Centre urban camp.

There is also about \$70 million in this budget for maintenance and upgrades to dams and canals,...

And \$18.9 million for phase one of the Lake Diefenbaker Irrigation Expansion Project—a large transformational multi-year project.

This budget also includes more than \$244 million for municipal infrastructure.

Saskatchewan's Crown corporations will spend \$1.6 billion on major capital projects this year, including more than \$937 million by SaskPower to improve our province's electricity system to meet demand and maintain reliability.

SaskPower's sustainment program is being supported by \$50 million of economic stimulus capital in the coming year.

It will bring the total to \$272 million, fully 28 percent of SaskPower's capital plan dedicated to ensuring reliability of the electrical grid.

SaskEnergy will invest nearly \$277 million this year to maintain and expand its natural gas distribution system to meet increased demand in a growing province.

SaskTel will invest more than \$323 million this year to improve its networks, and will complete its \$107 million Wireless Saskatchewan program in 2021-22—with an investment of \$7.5 million to improve cellular services for rural customers.

The Growth Plan targets a further \$30 billion in capital investment by Executive Government and Saskatchewan's Crowns over the next decade.

The investments in this budget move toward that goal, helping to build a strong Saskatchewan.

GROW

As Saskatchewan emerges from the pandemic, our government remains committed to the Growth Plan goals of a strong economy, a growing province and new jobs over the next decade.

This budget includes record funding for workforce development of more than \$39 million to strengthen Saskatchewan's recovery from the pandemic.

Nearly \$18 million is being provided for Employment Assistance for People with Disabilities, to remove barriers, provide supports and develop the skills people need to fully participate in the labour force.

This budget also provides \$8.1 million, an increase of \$700,000, for the Canada-Saskatchewan Job Grant to help ensure employers have a skilled workforce with the competencies to be productive and competitive.

As Saskatchewan's economy recovers and creates new jobs over the next decade, as outlined in the Growth Plan, our government will focus on competitiveness, seeking new markets, increasing trade, growing exports—as well as ensuring that value is added to Saskatchewan products sold around the world.

This budget includes \$200 million for the Accelerated Site Closure Program to support Saskatchewan-based oil and gas service companies and the more than 2,000 jobs in that sector.

The program is federally funded and cleans up abandoned oil and gas well sites.

This budget takes additional measures to attract investment and create jobs in the oil sector by modernizing and expanding the High Water-Cut Program—changing the royalty status to make high water volume wells more viable and promote increased production.

Fulfilling a Growth Plan commitment, this budget also provides oil producers with \$3.8 million in annual royalty relief to help them invest in new methane emission reduction projects—and help support capture and commercialization of associated natural gas, instead of venting and flaring.

The budget will simplify and reduce the royalty rate on sodium sulfate production—to add value and bolster Saskatchewan’s presence in growing potash fertilizer markets.

To ensure the growth of export markets, this budget increases funding for international trade offices by \$5 million to \$9.3 million.

Four new trade offices will be added this year, complementing Saskatchewan’s existing offices in India, Japan, Singapore, and China.

This budget includes nearly \$175 million to fulfil another campaign commitment to provide all SaskPower customers with a 10 percent rebate on their power bills this year.

In May, every Saskatchewan driver will receive a rebate on their vehicle registrations from the Auto Fund.

On average, rebates will be about \$285 per vehicle, putting \$285 million back into the pockets of Saskatchewan residents.

With these rebates, Saskatchewan people will pay the lowest total utility rates in Canada this year—making life more affordable and strengthening our province's economic recovery from the pandemic.

Our government is helping Saskatchewan small businesses through the pandemic with the small business tax rate reduction.

The rate was reduced from two percent to zero effective October 1, 2020.

The rate will increase to one percent July 1, 2022, and return to two percent on July 1, 2023 as Saskatchewan recovers from the pandemic.

The Saskatchewan Home Renovation Tax credit provides a 10.5 percent tax credit on up to \$20,000 of eligible home renovations completed between October 1, 2020 and December 31, 2022.

The tax credit will help create jobs in the building trades and make life more affordable for Saskatchewan people.

This budget extends the Saskatchewan Technology Start-up Incentive for five years, to encourage investment in technology, bring new products to market, and create jobs.

The program offers a non-refundable 45 percent tax credit to Saskatchewan investors.

To date, the incentive has attracted \$22 million in investment, benefiting 62 tech companies and creating 144 new jobs.

This budget also invests \$3 million into an agricultural technology venture capital fund.

This initial investment is part of the \$15 million commitment announced last summer to further Saskatchewan's global leadership in the ag-tech sector.

And this budget includes more than \$4 million in operating funding to grow the Vaccine and Infectious Disease Organization (VIDO)—in addition to previous commitments of \$15 million to support VIDO's Centre for Pandemic Research, and \$4.2 million for vaccine development and to support construction of a new vaccine manufacturing facility.

Domestic vaccine production is vital to protecting Canadians through the current and any future pandemics.

The work being done at VIDO will make Saskatchewan a leader in Canada in research, development, and production of new vaccines.

This budget also invests \$16.5 million in capital projects and upgrades in Saskatchewan's parks—including development of a new serviced campground at Cypress Hills and new group pavilions at Pike Lake, Blackstrap, Echo Valley, and Buffalo Pound Provincial Parks.

This budget also helps Saskatchewan communities by fulfilling our campaign commitment to reinstate the Community Rink Affordability Grant, providing \$2,500 per ice surface.

This \$1.7 million program helps cover eligible operating costs, COVID-related costs, and minor capital improvements for more than 600 ice surfaces in more than 350 communities across Saskatchewan.

This budget also helps ensure the viability of service clubs that provide support for veterans and their families and communities across Saskatchewan.

Total funding through the Saskatchewan Veteran Service Club Support Program will grow from \$100,000 to \$1.5 million this year—another election commitment kept by our government.

As promised, our government has also restarted the Active Families Benefit, helping to keep life affordable for families by providing \$150 per child enrolled in sport, recreation and cultural activities.

The benefit provides an extra \$50 to families of children with a disability.

In the election campaign last fall, we made 14 specific campaign commitments to make life more affordable for Saskatchewan people.

Mr. Speaker, this budget fulfills all 14 of these commitments.

We did what we said we would do.

Mr. Speaker, this budget strengthens communities across Saskatchewan through \$276 million in Municipal Revenue Sharing.

Since 2007, Municipal Revenue Sharing has increased by 118 percent, providing a stable, predictable source of funding for Saskatchewan's rural, urban and northern communities.

This budget includes more than \$465 million of total investment into municipalities, including revenue sharing, the province's portion of infrastructure funding, and a number of grants and initiatives from multiple government ministries.

This budget includes more than \$193 million in targeted investment that will help meet the priorities of Indigenous communities, businesses and organizations.

This includes \$35 million in emergency pandemic support replacing gaming agreement transfers to First Nations and Métis organizations, as casinos continue to be impacted by the pandemic.

FISCAL OVERVIEW

While Saskatchewan's economy has fared better than most throughout the pandemic,...

It has still had a significant impact on the province's economy and finances.

Saskatchewan's real GDP is forecast to grow 3.4 percent in 2021.

But that follows a projected 4.2 percent contraction in real GDP in 2020.

It is difficult to overstate the impact of the pandemic. The COVID-19 pandemic has produced the largest economic shock from a single event since the second World War.

And the pandemic has presented stronger waves and persisted longer than we first anticipated, in Saskatchewan and globally, when we set our path to balance in late summer of last year.

As a result, our plan to recover will take longer than expected.

In this budget, we keep every promise we made in our election platform and we remain committed to a return to balance—but it is unlikely we will meet the timeframe we set out.

A course has been set to meet the fiscal challenge.

Mr. Speaker, our government will manage carefully—without reckless cuts or large tax increases that would threaten both the pandemic response and a strong recovery.

DEFICIT

This budget has a forecast deficit of \$2.6 billion.

We project the province's fiscal path will steadily improve over the next three years with smaller deficits of:

- \$1.7 billion in 2022-23
- \$1.2 billion in 2023-24
- and \$770 million in 2024-25

And a return to balance is expected in 2026-27.

REVENUE/EXPENSE

Revenue is forecast at \$14.5 billion in this budget, with most revenue categories forecast to increase compared to the latest 2020-21 forecast.

This budget includes a few changes that will improve tax fairness—including the taxation of vapour products and heat-not-burn tobacco products.

This budget will introduce a road use fee for electric vehicles at the time of registration, to ensure that all road users contribute to road maintenance and replacement.

Expense of \$17.1 billion is projected in this budget.

That's an increase of \$1.0 billion compared to last year.

This budget protects lives and livelihoods by providing significant support to protect Saskatchewan people, the economy and jobs through the pandemic.

DEBT

Mr. Speaker, our government continues to manage debt responsibly.

Saskatchewan's net debt-to-GDP ratio is the lowest in Canada, and our province has the second-highest credit rating in the country when ratings from the three major rating agencies are considered.

Total public debt, including Crown corporation debt, is projected to be \$27.8 billion at March 31, 2022—up \$4.2 billion compared to last year.

CONCLUSION

Mr. Speaker, this budget will protect our province through the rest of the pandemic, as more Saskatchewan people become vaccinated and life begins to return to normal.

It provides direct funding to fight the pandemic, as well as record investments in health care, education, social services, and protection of people and property.

This budget builds.

Capital investment of \$3.1 billion will help our economy and create jobs.

This budget will grow our economy and create jobs in Saskatchewan by attracting more investment in our province and driving a strong recovery.

The 2021-22 Budget is the right budget for Saskatchewan people.

Our government's priority is to protect people and businesses by investing in needed support, services and programs.

By building, by investing in needed projects, our government will help keep Saskatchewan strong.

It's the right plan to help Saskatchewan recover and grow, and to plan a post-pandemic path to balance.

Mr. Speaker, this budget protects, builds, and grows Saskatchewan.

It charts a clear course for our province through the remainder of the pandemic and into the strong recovery that will follow.