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Finance

BUDGET 2012-13: KEEPING THE SASKATCHEWAN ADVANTAGE

Balanced Budget and Sustainable Spending Will Keep Saskatchewan Economy Strong

Finance Minister Ken Krawetz today tabled a balanced budget that improves access to health care and makes life more affordable for Saskatchewan citizens while ensuring spending on government services remains affordable and sustainable.

Krawetz said the budget keeps government promises made in the recent provincial election campaign and focuses on keeping the Saskatchewan Advantage of sound fiscal management, sustainable spending and a strong economy.

"The Saskatchewan Advantage is real," Krawetz said. "The people of Saskatchewan have worked hard to make the gains that have made life better for everyone, and we want to ensure that they keep those benefits."

The 2012-13 Budget posts a pre-transfer surplus of \$95 million in the General Revenue Fund and a surplus of \$15 million in the Summary Financial Statements, which take into account all government operations, including the Crown corporations.

The Growth and Financial Security Fund is forecasted to finish the year with a balance of \$756.4 million – money that can be used to deal with emergencies and unforeseen expenses, if necessary.

Revenue for 2012-13 is forecasted to be \$11.29 billion, while expense is expected to be \$11.2 billion, up by 4.7 per cent over last year. This is consistent with the plan outlined in the 2011-12 budget and in the government's recent election platform.

The budget makes a number of key investments, including:

- \$98 million increase or 3.5 per cent for Regional Health Authorities;
- \$60.5 million for the Saskatchewan Surgical Initiative, to perform 8,000 more surgeries and continue reducing surgical wait times;
- \$16.9 million more for the Saskatchewan Cancer Agency, for 6,000 new patient referrals, almost 30,000 chemotherapy treatments and 39,000 mammograms;
- \$4.0 million to expand the colorectal screening program province-wide, providing early cancer detection and improved survival rates;
- \$5.5 million more for the Shock Trauma Air Rescue Society (STARS) Helicopter Ambulance;
- \$3.5 million for the Senior Personal Care Home benefit, estimated to be \$278 a month, rising to \$369 per month by 2015-16;
- \$24.2 million, a \$3.3 million increase to provide Seniors Income Plan benefit increases of up to \$50 per month starting July 2012, an increase of up to \$10 per month in each of the next three years;
- \$113 million, a \$17.8 million increase to provide expanded Saskatchewan Assured Income for Disability eligibility. The benefit will increase and the number of clients will expand from 3,000 to 10,000;
- \$237.4 million in Municipal Revenue Sharing, an increase of \$20.6 million or 9.5 per cent;
- \$4.6 million to meet the commitment to establish the Saskatchewan Advantage Scholarship, that will provide new high school graduates with up to \$2,000 toward tuition fees at any Saskatchewan post-secondary institution;
- \$3.0 million increase to expand the Active Families Benefit Program to include all children and youth under 18;

- A new rental housing construction initiative providing a 10 year rebate of Corporate Income Tax equal to 10 per cent of the expected rental income from new multi-unit residential rental projects; and
- The new Saskatchewan First-Time Homebuyers' tax credit of up to \$1,100 against Saskatchewan income tax payable.

The 2012-13 Budget also makes a total of \$788 million in capital expenditures across government, including:

- \$42.7 million to begin construction of seven previously announced Long Term Care (LTC) facilities under a new co-ownership model with health regions. Construction will continue on six LTCs already begun;
- \$88.7 million for 21 approved major school projects; and
- \$581.5 million in highways spending, commencing the government's commitment to spend \$2.2 billion over four years.

In order to make these improvements and ensure that government programs remain sustainable, the Budget also seeks efficiencies across government. Third parties such as Regional Health Authorities, post-secondary institutions and school divisions are all being asked to look for savings within their operations.

Efficiency measures in this budget include:

- The Film Employment Tax Credit will be wound down, saving \$8.0 million a year after previously approved productions are completed;
- The province will no longer fund the Enterprise Region program, saving \$4.0 million this year; and
- Charges under the Seniors' and Children's Drug Plan go up by \$5 per prescription, which will save \$10 million. These charges have not been changed since 2007.

"This budget provides funding for health care, education, highways, assistance to those in need and many other services to improve our quality of life in Saskatchewan," Krawetz said. "While government has a responsibility to provide these important services, it also has a responsibility to live within its means, to balance the budget and to ensure our programs for people are sustainable.

"All over the world, we are seeing the chaos caused by governments that did not live up to that second part of their responsibility. We will not make that mistake. We will keep the budget balanced, we will keep government spending sustainable, and we will keep the Saskatchewan Advantage."

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