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# News Release

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## **2016-17 BUDGET WILL KEEP SASKATCHEWAN STRONG THROUGH CHALLENGING YEAR**

*Economy Expected to Rebound in 2017*

Finance Minister Kevin Doherty today tabled Saskatchewan's 2016-17 Budget which will keep Saskatchewan strong by controlling operational spending and investing in people and infrastructure. This year's Budget contains no tax increases and no new taxes.

"By keeping taxes low, controlling spending and investing in much needed infrastructure projects like highways, schools and hospitals, we will help Saskatchewan's economy through a difficult year before the economic recovery which is expected next year," Doherty said.

Saskatchewan's economy is expected to rebound in 2017, with GDP growth predicted to be 2.5 per cent, following an expected 0.6 per cent decline in 2016.

The Budget forecasts total revenue of \$14.02 billion and total expense of \$14.46 billion for a projected deficit of about \$434 million in 2016-17. This is largely due to a drop of nearly a billion dollars in non-renewable resource revenue.

"Clearly, a \$968 million drop in resource revenue is having an effect," Doherty said. "Our government opted for a manageable deficit in this Budget, rather than cutting funding to priority areas such as health, education, or social services.

"There are years when unforeseen events — drops in the price of oil or potash, or costly natural disasters— make it prudent to run a manageable deficit, rather than implement severe cuts to programs and services or increase the tax burden on Saskatchewan people. This is one of those years. However, we are committed to returning the Budget to balance by 2017-18."

The decrease in total revenue is offset somewhat by higher own-source revenue, including expected net revenue of \$148 million from land sales this fiscal year. Net income from Government Business Enterprises is also up, by about \$180 million, largely due to better bottom lines forecast at the various Crown corporations.

To ensure the sustainability of high-quality public services delivered in the most efficient, effective way possible, this budget also marks the beginning of a government-wide process of transformational change.



Questions to be asked as part of this process include:

- Is this program or service the role of government? If so, is it being delivered in the best possible manner, at the lowest possible cost to taxpayers?
- Where similar programs with similar objectives exist, can those multiple programs be combined into one that provides better results at less cost?
- Could a different governance model provide administrative savings while still remaining responsive to the needs of Saskatchewan people?

At the same time, government will also take a close look at its revenue sources to ensure they are sustainable and to guard against too much dependence on volatile revenue sources such as oil and potash.

"The overall objectives of our province's revenue system must always be to keep Saskatchewan strong by keeping our economy strong and to ensure government revenues are sufficient to ensure important programs and services are sustainable now and in the future," Doherty said. "That means a tax system that is competitive, simple and fair for all Saskatchewan taxpayers."

Despite economic challenges, Budget 2016-17 continues to invest heavily in health care, education and social services.

This fiscal year, total spending for health is projected to be a record \$5.6 billion, an increase of \$81 million or 1.5 per cent compared to last year. That level of funding will improve access to care and reduce wait times for surgery and diagnostic services. Regional Health Authorities will receive nearly \$3.4 billion for operating and targeted funding, up 2.3 per cent compared to last year.

The Budget fulfils the government's campaign commitment to reduce Health Authority administration expenses by \$7.5 million and re-invest those savings in frontline staff in long-term care homes. It also includes a \$20 million boost to the Saskatchewan Surgical Initiative.

"We have already made great strides in reducing wait times for surgeries, going from the longest surgical wait times in Canada in 2007 to the shortest wait times in 2015," Doherty said. "We want to make sure that progress continues."

"This additional funding means more Saskatchewan people will get the surgeries they need sooner. We also want to reduce wait times for diagnostic services across the province, and are making targeted investments totaling about \$8 million in this budget to ensure that happens."

Budget 2016-17 makes a strong commitment to education with \$3.7 billion in total spending and significant investments in pre-K to 12 and post-secondary education, student supports and job skills training. The budget includes K-12 school operating funding of almost \$1.9 billion, up \$16.6 million or about 1.0 per cent compared to last year.



Budget 2016-17 continues the government's support of early education and child care across the province. As part of joint-use school projects, 810 new child care spaces will be developed in Saskatoon, Regina, Warman, and Martensville. This budget includes funding of \$1.6 million for nearly 200 previously approved child care spaces which are coming on-line this year. This brings total funding for child care to nearly \$53 million in this budget. The number of licensed childcare spaces in Saskatchewan has increased by close to 5,800 since 2008, bringing the total to more than 14,600.

Budget 2016-17 also maintains strong investment in post-secondary students and education to keep Saskatchewan strong. Saskatchewan's post-secondary institutions continue to receive strong support, including:

- \$475 million for the Universities of Saskatchewan and Regina and their affiliated and federated colleges;
- \$156 million for Saskatchewan Polytechnic, the Saskatchewan Indian Institute of Technologies and the Gabriel Dumont Institute; and
- \$29 million for Saskatchewan's regional colleges.

"That's a total of \$660 million this year in operating funding for Saskatchewan's post-secondary schools, comparable to what they received last year," Doherty said. "Since taking office eight and a half years ago, our government has invested more than \$7.3 billion in post-secondary institutions and student supports. Our commitment to post-secondary students is also reflected in a range of programs aimed at helping them save and pay for school."

Budget 2016-17 provides more than \$53 million in direct support to students, including:

- \$32.5 million for the Student Aid Fund to provide student grants, bursaries, and loans;
- more than \$14 million for scholarships, including the Saskatchewan Advantage Scholarship; and
- \$6.5 million for the Saskatchewan Advantage Grant for Education Savings.

Budget 2016-17 also continues government's substantial investments in programs for children, youth, families, people experiencing disability, and people who need income assistance and housing. Through the Ministry of Social Services, this budget includes \$494 million for income assistance programs that support more than 30,000 individuals and families.

This year, the provincial government's revenue sharing with municipalities will approach \$272 million—up \$6.4 million from last year and an increase of \$144 million, or more than 113 per cent, since 2007.



“Revenue sharing plays an important role helping the province’s municipalities meet the needs of people living in cities, towns, villages, and across rural Saskatchewan,” Doherty said. “This substantial funding meets our government’s commitment to provide the equivalent of one percentage point of the Provincial Sales Tax to Saskatchewan’s municipalities.”

Budget 2016-17 increases the Ministry of Agriculture’s funding by 7.5 per cent this fiscal year, to a total of nearly \$390 million. This includes more than \$254 million to fully fund agricultural business risk management programs—including AgriStability, AgriInvest, and Crop Insurance—a \$14.6 million increase from last year. This budget also includes more than \$71 million for strategic initiatives under the federal-provincial Growing Forward 2 Agreement, with funding of close to \$27 million for agricultural research to support improvements in productivity and enhance exports.

Budget 2016-17 also provides more than \$3.5 billion for infrastructure, the largest single-year capital investment in the province’s history. Nearly \$1.8 billion will be invested by Saskatchewan’s commercial Crown corporations, and more than \$1.7 billion by executive government ministries and agencies this fiscal year. (See separate news release and backgrounder on capital investment for more details)

Budget 2016-17 also includes some difficult but necessary decisions to ensure the sustainability of core programs and services for Saskatchewan people. (See spending decisions backgrounder for more details)

“This budget helps keep Saskatchewan strong by keeping our provincial finances strong, and by ensuring that our province will return to surplus by 2017-18. This budget helps keep Saskatchewan strong by controlling spending, by keeping taxes low and by providing funding for roads, highways, hospitals, schools and other important infrastructure projects. Most of all, this budget keeps Saskatchewan strong by investing in people—by ensuring support for children, students, families, working people, and those who are most vulnerable.”

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