



SASKATCHEWAN PROVINCIAL BUDGET

11-12

GOVERNMENT DIRECTION FOR 2011-12

Government Direction for 2011-12: THE SASKATCHEWAN ADVANTAGE

Saskatchewan is blessed with so many advantages – our abundant natural resources, our growing economy, our clean environment, our sense of community, our unique prairie lifestyle, and our greatest advantage of all, our people – Saskatchewan people.

Because of these tremendous advantages, our government is able to deliver a budget unlike most others we will see throughout Canada and the industrialized world this year.

While others are recording deficits, Saskatchewan will post a surplus.

While others struggle to maintain programs, Saskatchewan will improve public services.

While others will see their debt loads increase, Saskatchewan will reduce its debt.

And this budget will continue to strengthen our economy and make life more affordable for Saskatchewan people by reducing taxes.

Lower taxes. Reduced debt. Improved government services. Balanced budgets now and in the years ahead.

It is a budget that sets Saskatchewan apart.

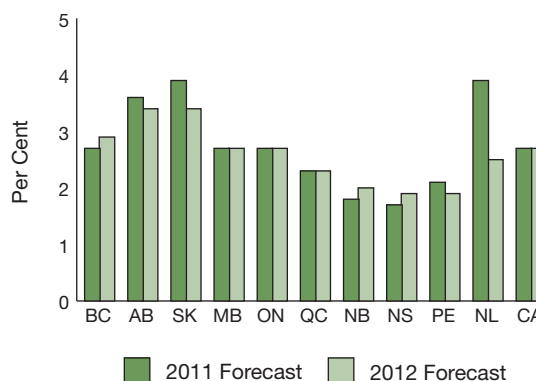
That's the Saskatchewan Advantage.

Government's Vision

A secure and prosperous Saskatchewan, leading the country in economic and population growth, while providing opportunity for a high quality of life for all.

Government's vision is becoming a reality. Saskatchewan is experiencing a period of strong economic growth and is expected to again lead the nation in a host of key economic indicators.

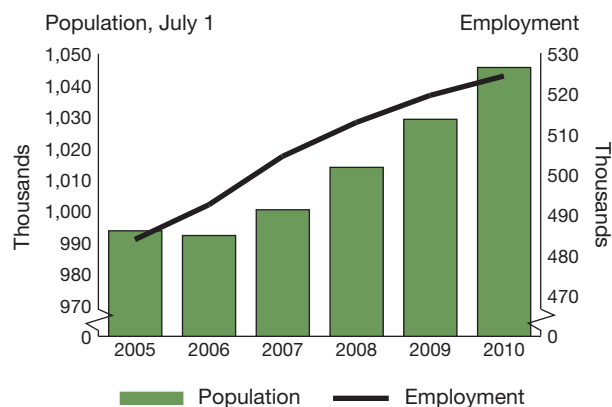
REAL GDP GROWTH FORECASTS ACROSS CANADA (PRIVATE SECTOR FORECASTERS)



Source: Private forecasters from major banks

People are moving to our province and finding opportunities. Population and employment reached historical highs in 2010. Net migration to our province is also showing a strong positive trend.

POPULATION AND EMPLOYMENT GROWTH IN SASKATCHEWAN



Source: Statistics Canada

Conference Board of Canada Provincial Outlook – Winter 2011

“Saskatchewan is set to enter a period of prolonged economic prosperity, anchored by large-scale development of the potash industry and steady gains in the energy sector.

The attractiveness of the province will continue to lure more people to the province, mainly new international migrants. These factors will lift Saskatchewan’s economy into first place among provinces, with real GDP growth of 3.9 per cent in 2011 and 4.5 per cent in 2012.

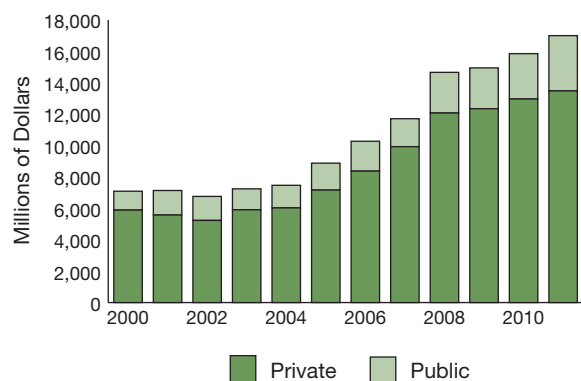
The outlook for 2013 to 2015 is also bright, with average annual growth of 3.6 per cent forecast.”

The record level of public and private investment that occurred in Saskatchewan in 2010 is set to be surpassed again in 2011.

Total capital investment is expected to grow by 7.2 per cent and reach a record high of \$17.0 billion.

As shown in the graph below, the majority of that investment comes from the private sector, at 79 per cent.

PRIVATE AND PUBLIC INVESTMENT INTENTIONS, 2000-11

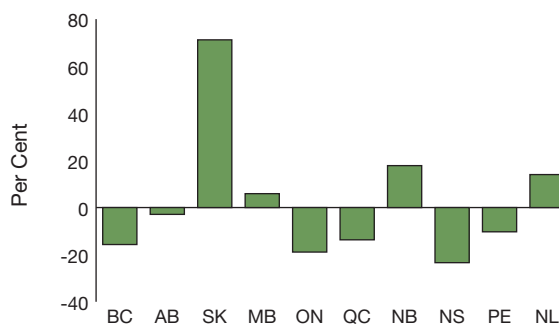


Source: Statistics Canada

With the anticipated increase in both private and public sector investment in 2011, total capital investment in the province will have grown by 91.5 per cent since 2005, the highest growth across Canadian provinces.

Saskatchewan’s international trade is also booming, a sign of great strength considering the impact that a high Canadian dollar can have on international trade. The following chart shows that Saskatchewan has been a clear leader across Canada.

GROWTH IN INTERNATIONAL GOODS EXPORTS, 2005-10



Source: Statistics Canada

Other economic indicators: retail and new vehicle sales, housing starts, building permits, wholesale trade, and average weekly earnings were all positive last year. Saskatchewan ranks 1st or 2nd across Canada in growth rates over the last five years in these major economic indicators.

For more information, see “Saskatchewan’s Economic Outlook.”

A BALANCED BUDGET AND A BALANCED APPROACH

Saskatchewan has a balanced budget with significant revenues in reserve. This is not a common occurrence in provinces, states and countries around the world. Other Canadian provinces and territories are finding it a challenge to regain their surplus positions.

Both of our western neighbours are forecasting deficits in their 2011-12 Budgets which were tabled in February.

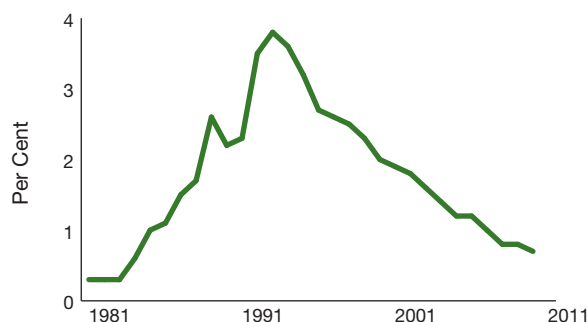
DEBT REDUCTION

Paying down debt is the right thing to do when in a period of economic strength. This means that less money is required to service the debt (interest costs) which allows more funding to be dedicated to tax reductions and necessary government programs.

When the government had additional resources in 2008, it paid down the General Revenue Fund debt by \$2.6 billion. This year, the government will reduce the debt by a further \$325 million, for a total reduction of \$3 billion, or 44 per cent, since 2007-08.

For the first time in thirty years there is no requirement to borrow money to fund executive government operations.

INTEREST TO GDP RATIO (%)



Source: Ministry of Finance

Not only is Saskatchewan balancing its books and reducing its debt load, it also has significant financial resources in reserves. Having funds in the Growth and Financial Security Fund helps the province deal with unforeseen emergencies and shocks to our revenue base as we operate in a relatively volatile, resource-based economy.

A continual downward trend in debt as a per cent of GDP is a result of good fiscal management and is another indicator of the Province's economic strength.

GOVERNMENT DEBT AS A % OF GDP



Source: Saskatchewan Public Accounts and Saskatchewan Provincial Economic Accounts

LOWER TAXES

This Government is finding ways to reduce taxes in a sustainable manner. The plan is to keep tax rates competitive with other provinces and reduce the tax load even further, when it is reasonable to do so.

This Budget completes the election platform commitment to reduce education property tax levels. It also reduces the small business income tax rate and makes life more affordable by reducing personal income taxes.

Honouring the Commitment to Lower Education Property Taxes

Upon taking office, this Government recognized that the way education is funded in this province needed to change. Less reliance needed to be placed on property tax as a source of funding.

Investments were made in the 2009-10 Budget to begin addressing this concern. \$103 million was injected into the education system which provided the largest single-year property tax reduction in the province's history.

A further reduction planned for last year had to be postponed when potash revenues faltered. With revenues stabilizing and the economy back on track, the commitment will be met.

This Budget provides \$55.6 million in education property tax relief which will reduce:

- the tax burden for agricultural producers by dropping the mill rate on agricultural land from 7.08 to 3.91, a reduction of \$31.3 million;
- residential mill rates from 10.08 to 9.51 (for \$18.7 million); and,
- the middle commercial mill rate from 15.75 to 14.75 (for \$5.6 million). This is a greater decrease than originally promised to the business community.

The Government will now pay a much greater share of the cost of K-12 education: 65 per cent from provincial funding sources and 35 per cent from property taxes.

For more information, see the paper entitled "Reducing Education Property Taxes."

Lower Taxes for Families

In October 2008, the Government announced the largest single-year income tax reduction in Saskatchewan's history. The basic and spousal income tax exemption amounts increased by \$4,000 each and the dependent child exemption increased by \$2,000 per child.

In addition, the Government has ensured that the provincial income tax system has remained fully indexed to the national inflation rate.

The 2011-12 Budget announces further increases to these income tax exemption amounts. The basic and spousal income tax exemption amounts will increase by another \$1,000 and the exemption for dependent children will increase by \$500 per child.

This increase will raise the basic and spousal exemption amounts to \$14,535 and the dependent child amount to \$5,514 per child for the current year. It will save Saskatchewan taxpayers an estimated \$60 million per year.

ENHANCED INCOME TAX CREDIT AMOUNTS

	2007	2011
Basic Personal	\$ 8,945	\$ 14,535
Spousal/Equivalent	8,945	14,535
Dependent Child	2,795	5,514

As a result of the personal income tax reductions introduced since 2007, an estimated 114,000 Saskatchewan residents no longer pay provincial income tax.

When combined with the significant enhancement of Saskatchewan's refundable low-income tax credit in 2008 and the indexation of the personal income tax system, these measures are providing over \$400 million in tax savings for Saskatchewan residents in 2011.

As a result of these tax changes, Saskatchewan individuals and families have some of the lowest provincial tax levels in Canada:

- A single person earning \$25,000 will pay \$1,153 in total provincial taxes, the second lowest tax level;
- A two-income family earning \$50,000 will pay \$906 in total provincial taxes, the second lowest tax level; and,
- A two-income family earning \$75,000 will pay \$4,117 in total provincial taxes, the second lowest tax level.

For more information on tax changes made in this Budget, see the “2011-12 Revenue Initiatives” and the “2011 Intercity Comparison of Taxes, Utilities and Housing” budget papers.

Lower Small Business Taxes

Taxes are also being reduced for Saskatchewan small businesses.

The 2011-12 Budget reduces the small business Corporation Income Tax rate from 4.5 per cent to 2.0 per cent, effective July 1, 2011.

This reduction will take the small business tax rate to the third lowest in the country, improving the tax competitiveness of Saskatchewan’s small business sector and providing a strong entrepreneurial incentive.

This measure will provide an estimated \$80 million in annual tax savings to small business owners, who generally reinvest into their businesses and their employees.

Government is listening and is responsive to the needs of business owners. Saskatchewan’s tax competitiveness will continue to be monitored. Government will continue to lower taxes as it is affordable and sustainable to do so within a balanced budget.

ECONOMIC ENGINE FOR GROWTH

Government is investing in our economy – the engine for further growth and prosperity.

Government’s Goal

Sustain economic growth for the benefit of Saskatchewan people, ensuring the economy is ready for growth and positioning Saskatchewan to meet the challenges of economic and population growth and development.

STRATEGIC INVESTMENTS

The Government has been focusing on making strategic investments in key areas of our economy that will lead to further growth, such as infrastructure.

Infrastructure – Investments in our Future

Government has been investing heavily in our province’s infrastructure over the past three years, starting with the \$1 billion *Ready for Growth Initiative* in 2008-09.

This was an unprecedented level of funding – a necessary investment to ensure our schools and hospitals, highways and communities were ready to support a growing economy and a growing population.

With the good fortune of increased revenues, the *Ready for Growth* investment was boosted by an additional \$500 million in February of 2009.

In 2009-10, this large investment in infrastructure was maintained by the Province while additional “stimulus projects” were entered into under *Canada’s Action Plan* with the federal government.

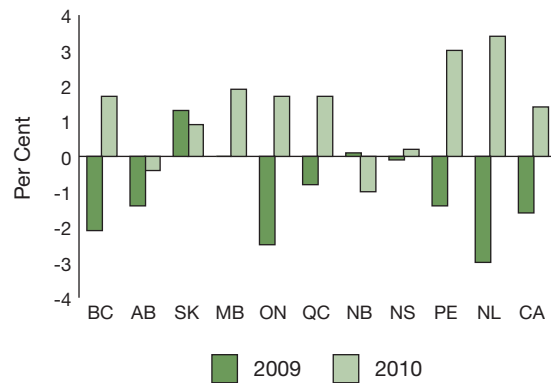
Government has made a total investment of over \$4.04 billion in the last four years and the commitment to infrastructure funding continues.

There are several reasons for continuing this approach:

- Infrastructure projects are “one time funding,” not an on-going investment like other program spending. These projects are therefore one of the better ways to spend unexpected revenues.
- This approach can lever funding from the federal government as well as additional investments from industries.
- It can “stimulate” the economy – by keeping construction companies and trades working in the province, hiring people, who then pay for goods and services in their local community, creating a stronger tax base to support necessary program spending.
- It serves to improve the infrastructure “gap” – highways, bridges, and government-owned facilities that are in need of repair or replacement due to limited attention on these facilities in previous years.
- It also prepares our economy for future growth. Our universities will be able to attract academics, scientists and researchers that will spur more innovation and excellence in our province.
- Similarly, the Global Transportation Hub will support our businesses in getting their products to markets around the world and will attract businesses to the province, creating jobs and spurring more activity and growth.

Government’s investment decisions have helped Saskatchewan weather the storm and the data supports this. When all other provinces were struggling to maintain employment levels, our province was the only one to post positive employment in 2009.

PER CENT CHANGE IN EMPLOYMENT ACROSS CANADA, 2009 AND 2010



Source: Statistics Canada

Additional revenues at the end of 2010-11 were directed to projects such as:

- \$60.0 million for school capital projects;
- \$50.0 million for the Academic Health Sciences Centre;
- \$49.3 million for long-term care facilities;
- \$41.6 million for housing and group home spaces; and,
- \$23.5 million for rural municipal roads.

The total 2010-11 capital budget after these additional investments was \$1.162 billion.

A number of major capital projects are provided with new funding in the 2011-12 Budget:

- \$134 million in municipal infrastructure grants and projects;
- \$33.5 million for capital related to corrections, public safety, courthouses, and security upgrades;
- \$15.9 million for school capital projects;
- \$11.3 million for the PRIME project related to oil and gas system renewal; and,
- \$9.3 million for parks, up by \$4.4 million.

The 2011-12 Budget for Highways and Infrastructure provides:

- \$285 million for highway repaving and capital infrastructure projects;
- \$129 million, an increase of approximately \$1.9 million to continue restoration and maintenance work on road and bridge infrastructure; and,
- \$5 million in funding for roads and utilities supporting the Global Transportation Hub.

Crown Capital Investments

In 2011, the Crown sector is forecast to invest up to \$1.2 billion in capital infrastructure primarily at SaskPower, SaskTel and SaskEnergy. This capital provides for reinvestment in the current infrastructure to ensure safe, reliable and high quality services while also providing for investment in innovative, renewable technology and to meet growth in demand.

SaskPower is faced with the challenge of replacing aging infrastructure with more expensive, cleaner technologies during a period where Saskatchewan is expected to experience economic growth and require more electricity.

The challenge requires a major re-investment in the Province's electrical infrastructure and SaskPower intends to partner with the private sector to ensure the reliability and long-term security of the system.

SaskEnergy will continue to expand the utility infrastructure required to service the growing Saskatchewan population by upgrading technology, increasing storage capacity, and putting new pipelines in the ground. Growth initiatives such as waste heat recovery and the transportation of CO₂ will continue to be a focus.

In 2011, SaskEnergy will focus on increasing its storage capacity in response to customer demand.

One opportunity, in partnership with FARO Energy Ventures, will see SaskEnergy develop its first joint-venture storage field west of Rosetown. This conversion of a depleted natural gas field to a storage operation is expected to provide up to 3 petajoules of storage capacity.

SaskTel will continue to make large infrastructure investments as it continues to roll out the 4G wireless network and the Rural Infrastructure Program in 2011 which will provide 98 per cent wireless coverage of Saskatchewan.

SaskWater continues to work with the expanding potash industry in Saskatchewan to ensure existing and new mining developments have the water they need to develop this strategic resource in Saskatchewan.

HONOURING THE COMMITMENT TO REVENUE SHARING

This Budget fully completes Government's platform commitment to improve revenue sharing for municipalities. \$216.8 million is provided in 2011-12, meeting Government's commitment to provide municipal revenue sharing equal to one full point of Provincial Sales Tax, based on the 2009-10 Public Accounts.

This investment, an increase of \$49.4 million or 29.5 per cent over last year, injects much-needed unconditional funding into the municipal system for municipalities to use as required. Revenue sharing has increased by \$89.5 million from the 2007-08 Budget.

Total funding for federal-provincial-municipal infrastructure programs is \$70.3 million including projects under the federal-provincial "economic stimulus program" which are expected to be completed by October of 2011.

In 2011-12, \$57.2 million in federal flow-through funding for the Gas Tax Program will allow more municipal infrastructure projects to proceed.

Funding of \$5.5 million is provided to the Saskatchewan Infrastructure Growth Initiative to maintain commitments to provide five-year interest-free funding for municipal development and to extend the program to recreational infrastructure.

INNOVATION

Funding was provided in March of 2011 for the Academic Health Sciences building (\$50 million) and the InterVac facility (\$5.7 million) both at the University of Saskatchewan campus. The Academic Health Sciences facility will train more health professionals to meet the Province's health care demands and strengthen Saskatchewan's health research capacity.

Crown Investments Corporation (CIC) continues to support the innovation agenda through its funding of the Institute for Nuclear Studies at the University of Saskatchewan (\$30 million over three years).

Funding of \$10 million is also provided for the new cyclotron research centre at the UofS and \$4 million for a new PET/CT (Positron Emission Tomography – Computed Tomography) facility in Saskatoon.

Other investments to support innovation include:

- \$18.2 million for agricultural research and development, including \$1.25 million in new funding for Agricultural Biotechnology Research;
- \$11.5 million in innovation and science funding to support research projects of Saskatchewan's universities;
- \$3.2 million for energy industry research, including \$2.3 million for the Petroleum Technology Research Centre to undertake petroleum research projects;

- \$2.8 million to expand the Subsurface Geological Laboratory in Regina for the benefit of industry and research institutions;
- \$2.6 million for operating funding for the Canadian Light Source Synchrotron (an increase of \$1.6 million);
- \$1.5 million funding increase to support research capacity at the Saskatchewan Research Council;
- \$1.0 million for a new Strategic Innovation Initiatives Fund;
- \$480,000 for TRILabs to work with local universities to support companies' research needs and commercialize technologies; and,
- \$500,000 for the Canadian Excellence Research Chair in Water Security (an increase of \$300,000) as part of a seven-year, \$10 million provincial commitment.

This Budget provides funding for the province to proceed with a new Renewable Diesel Program. \$2.6 million in new funding will annualize to up to \$5.2 million in the following year.

This program will provide a subsidy of 13 cents per litre, capped at 40 million litres per year, to Saskatchewan producers of renewable diesel fuel. This targets a 2 per cent blend inclusion rate in the province by July of 2012.

Incremental funding of \$15.2 million is also provided for the Ethanol Grant Program (\$24.0 million total) based on the reinstatement of the program in 2010-11.

Conference Board of Canada Provincial Outlook – Winter 2011

“Saskatchewan – leading the way

Canada’s “breadbasket” province is poised to post the strongest economic growth in the country this year...

Bright employment opportunities continue to lure workers to the province, fuelling a housing boom. Housing starts are forecast to remain elevated...

Non-residential investment spending is at an all-time high, propelled by several multibillion-dollar expansion and exploration projects under way...

A number of U.S.-based companies are gearing up to set up shop in Canada, as they eye rapidly expanding retail markets north of the border.”

A BETTER QUALITY OF LIFE

The key to the Saskatchewan Advantage is more people moving into the workforce and sustaining good jobs to support their families. They create a cycle of purchasing homes, goods and services that further stimulate the economy for more growth. With a growing tax base, the Province has greater ability to keep taxes lower, fund necessary services, make further investments, and improve our quality of life.

Saskatchewan people already know we have a good quality of life. Others are learning about our province, evidenced by the population growth and immigration from other provinces and other countries. People are seeking opportunities and a safe place to live, work and raise a family – and they are finding their needs are being met, right here in Saskatchewan.

Government intends to share this increasing prosperity with all that make Saskatchewan their home.

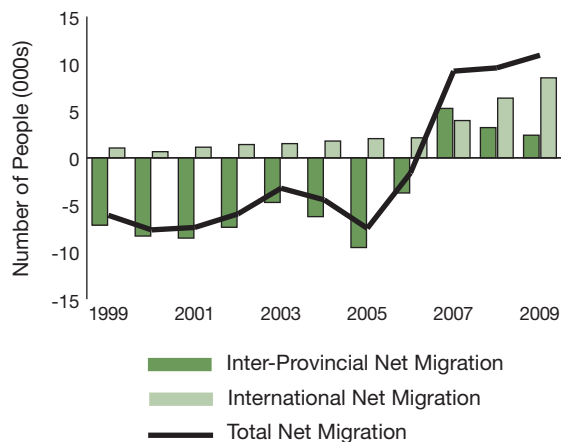
Government’s Goal

Secure Saskatchewan as a safe place to live and raise a family where people are confident in their future, ensuring the people of Saskatchewan benefit from the growing economy.

Increasing Immigration to Saskatchewan

Net migration to the province is following a very positive trend.

NET MIGRATION



Source: Statistics Canada

Efforts to increase immigration over the last several years are paying off and more work will be undertaken to ensure we continue to attract new people to our province, to enrich our communities and help meet the demands of a growing economy.

The Province's \$14.7 million immigration budget includes \$1.8 million in new funding for additional settlement and integration supports.

The Ministry of Education will receive new funding of \$2.0 million to support new students in the classroom and their teachers through the English as an Additional Language program.

INVESTMENTS IN EDUCATION – PRIORITY #1

Improving educational outcomes is a priority for the Government of Saskatchewan.

A strong education gives young people the best start in life and provides a wider range of opportunities for our young people as they enter the workforce.

Education is the key to gaining access to the Saskatchewan Advantage – and we want more people having access to an affordable and high quality education.

Government is monitoring how many K-12 students remain in school through grade 12 and how many of those students go on to post-secondary training. We are also monitoring student performance and achievement to determine where changes can be made to help our students achieve greater success.

Those that need additional support will receive it. \$1.0 million in new funding is provided for enhanced intensive supports for children with disabilities and learning difficulties.

Changes to the education funding formula are still under development. Government is looking for the best possible solution for equitable distribution of increased funding to the school divisions to support better education.

Since 2007, funding to schools has increased by \$215.1 million. School operating funding will increase by 2.3 per cent or \$36.4 million in 2011-12.

Increased funding will be provided for the following:

- \$2.1 million to develop 500 new child care spaces, to a total of 12,700 spaces;
- \$4.0 million to support the development of 500 new child care spaces of which some will be designated to post-secondary institutions; and,
- \$2.0 million to develop PreK programs in existing schools. This funding is in addition to \$2.6 million in operating funding to support an additional 40 PreK programs.

The province now has a total of 270 PreK programs, targeted to high needs areas, to serve approximately 4,320 children aged three and four years old.

Post-Secondary Education and Training

New funding of \$6.2 million will provide for the continued expansion of physician and nurse training seats as committed to in the election platform.

This Budget also provides \$1.8 million in provincial funding to continue support for apprenticeship training seats. Total funding of \$19.7 million will maintain 5,333 seats.

The Budget also provides more than \$125 million to ensure post-secondary affordability and accessibility for Saskatchewan students. Those investments include:

- \$24.6 million to limit tuition increases at Saskatchewan's universities, SIAST and the Regional Colleges to an average of three per cent;
- \$3 million to fulfill the first year of the platform commitment for the new Saskatchewan Advantage Scholarship, for a total provincial investment in scholarships of \$5 million; and,

- \$97.8 million in support for students through Student Loans, Scholarships, Grants, Bursaries, the Provincial Training Allowance, the Apprenticeship Training Allowance, the Skills Training Benefit and the Graduate Retention Program. This program provides a rebate of up to \$20,000 of tuition fees for graduates from an approved program, who already live in Saskatchewan or move to the province from elsewhere.

The CIC Aboriginal Bursary Program provides financial assistance for qualifying students at the University of Regina, the University of Saskatchewan, the Saskatchewan Institute of Indian Technologies and SIAST and affiliated colleges. In 2010, the bursary program was expanded to include Lakeland College.

Under the program, students can receive \$2,500 per semester or \$5,000 per full academic year. In 2010, there were 64 bursaries awarded for the winter semester and 61 for the fall semester.

From the program's inception to date, 656 bursaries have been awarded, with some students receiving multiple bursaries. In the past two fiscal years, this program has awarded nearly \$200,000 in bursaries.

INNOVATIVE APPROACHES TO IMPROVE SOCIAL OUTCOMES

The 2011-12 Budget includes \$34 million for the Saskatchewan Children and Youth Agenda – a new, cross-government approach to the complex issues facing Saskatchewan children, youth and families.

Saskatchewan's Children and Youth Agenda

The plan incorporates strategies for children and youth which focus on improving key determinants affecting Child Welfare, First Nations and Métis education and employment success, Autism and

Fetal Alcohol Spectrum Disorder and the reduction of crime and violence to support the Saskatchewan Children and Youth Agenda.

There are several factors that support development of a government-wide approach to assisting Saskatchewan's children and youth:

- Many clients are common across sectors, and they interact closely with a number of ministries and services. Clients can be affected by poverty, unemployment, lower education levels, mental health issues, substance abuse, maltreatment, violence or abuse;
- There is a strong base of evidence for taking action;
- Prevention is a key underlying theme with all the strategies and across sectors;
- Investment in the early years, including early childhood development, learning and care, will have a positive and long-term impact;
- Government needs to work differently with community stakeholders, First Nations, Métis and others to attain shared leadership and responsibility;
- Engagement with First Nations and Métis people is essential to ensure solutions are appropriate to culture and communities;
- Individual and Family Supports really make a difference to client outcomes; and,
- Socio-economic determinants of health matter. Challenges associated with poverty, housing, disability, addictions, lack of parenting, unemployment, unsafe family and community settings need to be addressed; and,
- There are high social and economic costs associated with inaction for individuals, families and communities, in addition to increased expenditures by human service ministries.

The investment in the Child Welfare Review, \$15.3 million in 2011-12, is provided across the ministries of Social Services; Health; Education; First Nations and Métis Relations; and Justice and Attorney General.

The First Nations and Métis Education and Employment strategy will receive \$17.1 million through the ministries of Education; Advanced Education, Employment and Immigration; and First Nations and Métis Relations.

New funding of \$1.6 million will be dedicated to the Autism Strategy and Fetal Alcohol Spectrum Disorder Strategy; total 2011-12 funding of \$7.9 million and \$3.3 million, respectively, through the Ministry of Health.

Through the Saskatchewan Police and Partners Strategy, the province has identified the reduction of crime and violence as a priority for ensuring the safety and security of Saskatchewan citizens. Beyond investments in police enforcement capacity contained in the 2011-12 Budget, human service agencies will carry on their collaborative work applying best and promising practices to reduce crime and violence.

Funding under these strategies in 2011-12 is intended to address areas which have the most urgent need. Further details are available in the “Saskatchewan’s Children and Youth Agenda” budget paper.

Overall, the Ministry of Social Services will receive \$197.8 million, for child and family services in 2011-12, an increase of 8.5 per cent.

2010 Throne Speech

Government is committed to improving educational outcomes for our First Nations and Métis students.

The education of these students is a crucial precursor to their full participation in the labour market, and in Saskatchewan’s future prosperity.

Ministries are working collaboratively with First Nations and Métis leaders.

The goal is simple and profound: create a strategy best suited to the needs of this important group of students. The initial focus will be on early learners.

Stronger Engagement with First Nations and Métis People

Government has established as a priority, the elimination of the persistent gaps in education and employment outcomes between First Nations and Métis people and non-Aboriginal people. As mentioned above, this can only be achieved through shared ownership of the challenges and by engaging First Nations and Métis people in finding innovative solutions.

As part of the First Nations and Métis Education and Employment strategy, the Ministry of Education is doubling funding (\$1.4 million) for the First Nations and Métis Education Initiatives Fund. This funding will support school divisions with implementing educational outcome initiatives in their First Nations and Métis Education plans.

School divisions are also being supported with \$1 million to implement specific initiatives aimed at improving high school completion rates for Aboriginal students across the province.

Based on the success of the Individual Development Accounts initiative in Saskatoon, new funding of \$500,000 is provided to support additional Saskatchewan communities that involve corporate, business, education and community partners which work with students to stay in school, set and meet financial goals, and develop job readiness skills.

Beyond initiatives identified as part of the cross ministry strategy, ministries will undertake additional initiatives to support improved outcomes for First Nations and Métis people.

The Budget provides a \$7 million commitment for Adult Basic Education and the Provincial Training Allowance to provide the support First Nations and Métis students need to continue their education.

AEEI is designating \$600,000 of apprenticeship funding to improve outcomes for First Nations and Métis apprentices as well as investing \$600,000 for SIAST to support the implementation of the Aboriginal Student Success Strategy.

A new Northern Action Plan will receive \$490,000 in funding to begin a three-year plan with the objective to reduce suicide rates and drug use among northern youth.

The First Nations Business Development Program facilitated by CIC will provide financial assistance to First Nations businesses in Saskatchewan to support job creation and economic development. The \$3 million program will provide loans from \$100,000 to \$750,000.

SAFER COMMUNITIES

This Budget makes investments to complete Government's platform commitment to increase the number of police officers in the province and to create a new Seniors' Home Security program.

Government has an important role to play in ensuring that the public feel safe in their communities. Large investments are being made to improve our justice and corrections systems and to increase the presence of police officers across Saskatchewan.

The Ministry of Corrections, Public Safety and Policing is receiving \$167.5 million, an increase of \$13.2 million for policing services.

This funding supports the provincial policing service, including \$5.2 million to fully implement the last year of Government's commitment to hire 120 police officers over four years, and to continue the redevelopment of the Western Gang Database.

Funding is also provided to support increasing costs in correctional institutions:

- \$104 million, an increase of \$5.7 million for Adult Corrections, including increases of \$1.9 million and 25 full-time equivalents (FTEs) to deal with increasing custody and community supervision caseloads and \$500,000 to expand anti-gang programming;
- \$1.2 million and 24.5 FTEs to implement priority year three recommendations from *The Road Ahead* action plan to improve safety and security in the Province's adult corrections system; and,
- \$7 million to begin construction of a 32 cell addition to the Pine Grove Correctional Centre in Prince Albert.

Other public safety related programs are receiving support:

- \$14.6 million increase to complete 2010-11 Provincial Disaster Assistance Claims;
- \$500,000 to begin implementation of the new Seniors' Home Security Program; and,
- \$400,000 to expand work in the Joint Emergency Preparedness Program.

The Budget also supports initiatives through the Ministry of Justice and Attorney General:

- Courts and Civil Justice is allocated \$49.0 million, an increase of \$3.2 million primarily to maintain the quality of the Provincial Court system and improvements in court security, including the creation of a Threat Assessment Unit;
- Legal and Policy Services is allocated \$28.2 million, an increase of \$2.1 million to address pressures in Public Prosecutions and maintain core service delivery in Civil and Public Law;
- \$590,000 and six FTEs for the Serious Violent Offender Response Program, which will monitor and prosecute serious offenders prior to their qualifying for consideration as Long-term or Dangerous Offender status; and,
- Funding of \$250,000 will enable further pilots of the Aboriginal Courtworker program with emphasis on supporting child welfare cases, and will help northern women and children in abusive situations get transportation to shelters.

INVESTMENTS FOR A HEALTHY SASKATCHEWAN

Regional Health Authority (RHA) funding will increase by \$250 million or 9.7 per cent over last year, providing funding for health care professionals' salaries, continued operations and drug and medical supply costs.

RHAs will also receive funding to address volume increases in diagnostic imaging (4,950 more MRI patients and 12,850 more CT patients), cardiac care and chronic kidney disease.

New funding will support augmented kidney and bone marrow transplant programs, and the continued support of the province's multi-year HIV Strategy.

New initiatives are enhanced by funding provided at the end of 2010-11 to ensure patients receive care sooner, through the Saskatchewan Surgical Initiative. It is anticipated this funding will enable health regions to complete an additional 5,500 surgeries in 2011-12.

The Saskatchewan Cancer Agency will receive \$12.6 million in new funding to provide services such as chemotherapy, bone marrow transplants and other drug therapies for new and existing cancer patients. The Agency will also receive additional funding for colorectal screening to enhance supports for cancer prevention.

New funding for the College of Medicine will strengthen the residency program by providing additional rotations at the Clinical and Medical Teaching Units in Regina and Saskatoon and funding for faculty positions in the Department of Paediatrics.

Additional funding of \$850,000 will be provided to meet Government's commitment of \$3.0 million over three years for tobacco cessation activities. This funding will support the provincial tobacco reduction strategy, Building a Healthier Saskatchewan; a strategy to reduce tobacco use, launched in 2010.

In partnership with the Shock Trauma Air Rescue Society (STARS), the Province will invest \$5 million for a new emergency helicopter air ambulance service to better meet the needs of critically injured patients in rural and remote Saskatchewan.

Funding of \$937,000 will allow Government Services to hire 15.0 full-time equivalents (over two years) to bring air ambulance services in line with industry standards, including two-pilot crews per airplane.

Funding is provided to support the new nurses hired in 2010-11. Government has met its commitment to hire 800 new nurses.

Funding of \$5.0 million is provided to support the continuation of 120 post-graduate medical training seats and to support a distributed learning education model where residents will train in various rural areas of the province.

Additional funding will address utilization and cost increases for Canadian Blood Services, Fee-for-Service, and Out-of-Province payments.

Building on the RHAs success in 2010-11, the regions have been asked to continue to reduce operating costs through targets for employee sick time, overtime management, less time lost due to injuries, and the increased use of group purchasing.

In addition, RHAs will continue to identify ways to generate general efficiency savings in 2011-12. Reductions are not anticipated to significantly impact clinical care or patients directly.

Savings will also be achieved by increasing recoveries from third parties and decreasing the rates paid for generic drugs.

The 2011-12 Budget maintains and expands core services and support for Saskatchewan people with disabilities. Over \$274 million is provided, including an increase of \$35.6 million for new and enhanced programming and increased program utilization.

This funding includes:

- \$15.8 million in support of people with intellectual and cognitive disabilities, including funding for year three of the four-year 440 waitlist initiative which includes \$1.6 million to expand services to those beyond the original waitlist;
- \$2.3 million for Phase 2 of the Saskatchewan Assured Income for Disability Program, including a benefit increase of \$50 per month beginning in January of 2010; and,
- \$292,000 (a 10 per cent increase) for the Transit Assistance for People with Disabilities (TAPD) Program.

COMPREHENSIVE APPROACH TO HOUSING

Government is helping to address housing shortages that are a common occurrence in a period of strong economic and population growth. Affordability of housing is also an issue for those with lower income.

Government recently announced that a comprehensive housing strategy will be developed in consultation with a number of stakeholders across the province. The strategy will focus on removing barriers to efficiency in the housing sector and increasing the affordability and accessibility of housing.

New funding of \$33.9 million was announced in February of 2011, for renovations and affordable rental housing projects in more than 100 communities across the province.

More will be done to address this important need:

- In 2011-12, the Province will provide \$1.5 million to assist municipalities in their efforts to increase the supply of affordable rental housing in the province. This is expected to develop up to 300 rental units; and,
- The Province will also provide \$200,000 to help municipalities stimulate home ownership opportunities. It is estimated that up to 50 households will receive a grant in the program's first year.

The Headstart on a Home program will meet the 2010 Throne Speech commitment to fund the construction of a minimum of 1,000 new entry level homes over five years in Saskatchewan.

The program will use funding from the federal Immigrant Investor Program to encourage the construction, making more housing stock available in Saskatchewan.

ENVIRONMENTAL SUSTAINABILITY

This Budget continues to implement Government's platform commitment to promote the development and implementation of cost-effective environmental technologies to address greenhouse gas emissions, water conservation, biodiversity and waste reduction.

This is the final year of the four-year, \$40 million commitment for green initiatives from the sale of NewGrade. A total of \$17 million will be expended through the Go Green Fund in Environment and green initiatives funding in Energy and Resources.

Government's partnership with SARCAN continues with a \$22.4 million grant to support their operation of the Beverage Container Collection and Recycling

Program. SARCAN promotes waste reduction initiatives in our province and provides important employment opportunities. \$1.8 million of this funding is provided through the Go Green Fund.

Government is committed to the sustainable development of the boreal region of northern Saskatchewan and to demonstrating due diligence for environmental protection in the north. \$1 million is being provided from the Go Green Fund to support the development of a Boreal Water Management Strategy.

CIC and subsidiary Crown corporations continue to support Government's commitment to help Saskatchewan people "Go Green."

All Crowns, even those that do not produce significant greenhouse gas (GHG) emissions are required to identify performance measures and report annually on progress being made.

CIC will continue to coordinate the reporting of current GHG emissions from all of its Crown corporations. This will serve as a baseline for the Crown sector against which the impact of future GHG reduction programs can be measured and assessed.

SaskEnergy is supporting Saskatchewan's "Go Green" initiative through its goal to become net zero in electricity consumption by 2015 as well as reducing its corporate carbon footprint to meet the Province's GHG reduction target by 2015.

SaskEnergy has a number of initiatives underway to help achieve these goals and increase efficiency including: flare gas capture; waste heat capture from electrical generation stations; and compression equipment upgrades or replacements.

Safe, Affordable, Secure Energy

SaskPower is committed to the sustainable production and use of electricity and to ensure safe, affordable and secure energy for the future.

2010 Throne Speech

Government is demonstrating its commitment to sustainability through support of expanded wind power capacity.

That capacity will double between now and 2015 to a total of up to 400 megawatts of clean, green wind power.

With EnerGuide scheduled to wind down in the spring... opportunity to develop a new program that will continue to encourage homeowners to make energy efficiency upgrades ... an additional \$9.4 million to the EnerGuide budget.

SaskPower is implementing its plan to expand the use of wind power in the province by an additional 200 megawatts by 2013. In February 2011, the Red Lily Wind Project became operational. It adds 26.4 megawatts of clean, renewable power to the province's electricity system. Consistent with the Government's direction to facilitate private sector involvement in the economy, the Red Lily Wind Project is owned by Concord Pacific and operated by Algonquin Power Company.

Through SaskPower's Green Options Plan, up to an additional 175 MW of wind power is to be procured through a competitive solicitation process currently underway.

SaskPower's Self-Generated Electricity Project for Rinks is exploring the benefits of installing wind turbines at community rinks. Four demonstration sites will be chosen with wind turbines expected to be installed and operational by mid-2011. The demonstration sites will be monitored for up to five years to determine if self-generating electricity can help offset power bills at community rinks.

Saskatchewan Government Insurance (SGI) is continuing to provide a 20 per cent rebate on insurance premiums and registration fees for hybrid and other fuel efficient vehicles, providing incentives for the purchase and use of more environmentally-friendly vehicles on our roads.

Saskatchewan EnerGuide for Houses Grant Program

The EnerGuide program has been enhanced to encourage homeowners to upgrade to the most efficient equipment available and to undertake comprehensive renovations that will make a significant impact in reducing GHG emissions and lower energy bills. The EnerGuide program is regarded as very successful and demonstrates the Province's commitment to energy efficiency.

CIC will continue to provide up to \$20 million in funding to SaskEnergy to cover the subsidized component of home evaluations, the payment to those homeowners who qualify for the EnerGuide Program, as well as administration and communication costs of the program. The program is scheduled to end on October 31, 2013.

ACCOUNTABLE AND EFFICIENT STEWARDSHIP

Government's Goal

Keep Government's promises and fulfill the commitments of the election, operating with integrity and transparency, accountable to the people of Saskatchewan.

Government has kept its promises. A large number of commitments were made in the election platform and the outstanding commitments to-date, have now been funded in this Budget.

Government's promise has also included a clear commitment to accountability and transparency. Direction provided to ministries and ministers in the election platform, in annual Throne Speeches, and in the Ministers' Mandate letters (from 2007 and 2010) have been acted upon and publicly reported.

Government's direction on its key priorities – whether they be related to economic growth, improving the security and social outcomes of Saskatchewan people, or driving change in the public service – is being followed by ministries, third party delivery agents, and the Crown sector. Government is proving to be an effective steward of the public services provided to Saskatchewan people.

Public Service Renewal

Ministers' Mandate Letters

June 29, 2010

Dear Minister

... Lastly, as we work to reduce its footprint, we must be resolved to renew and reform government – its programs, its services, and the way in which they are delivered.

Each of us needs to be challenged to be innovative and creative – to go beyond conventional thinking...

An important initiative for our government will be implementation of the workforce adjustment strategy to reduce the public service by 15 per cent over four years.

My expectation is that ministers will actively support and monitor this transformation of the public service...

Premier Brad Wall

As part of the 'public service renewal' initiative launched last spring, work is being done to ensure that Government delivers the services that the people of the province want and need, when, and in the manner they need them.

Ministries were asked to adopt a culture of continuous improvement, and to find innovative ways to be more efficient in the delivery of public services.

The response to this request has been overwhelming. All ministries have undertaken Lean projects within their ministries and/or as inter-ministry projects.

The Ministry of Health has been a clear leader in integrating Lean thinking into the health system. Innovative thinking through these Lean projects is improving the quality, timeliness and safety of care and may help to bend the escalating cost curve of health care.

For example, the Regina Qu'Appelle Health Region's Oncology Ward increased the time that nurses spend with patients during a shift from 26 per cent to 41 per cent.

This region also reduced the number of cancelled MRIs from 12 per week to 1 per week, representing a 7 per cent increase in the RHA's productivity. The region was able to perform an additional 650 scans per year using existing resources. The RHA also reduced the number of ambulance trips for patients requiring transport to receive their MRIs, from 9 per week to 1 per week, by using more appropriate transportation services.

Breast cancer patients will see a 20 per cent reduction in wait time from the time the plan for radiation therapy is complete to when therapy begins. Breast cancer patients will also see a 50 per cent reduction in exposure to radiation by reducing the number of radiation treatments they require.

The Ministry of Health and RHAs have been working together to obtain a system-wide understanding of how patients move through surgical care and therefore find further efficiencies in surgical wait times.

A Smaller, More Efficient Public Service

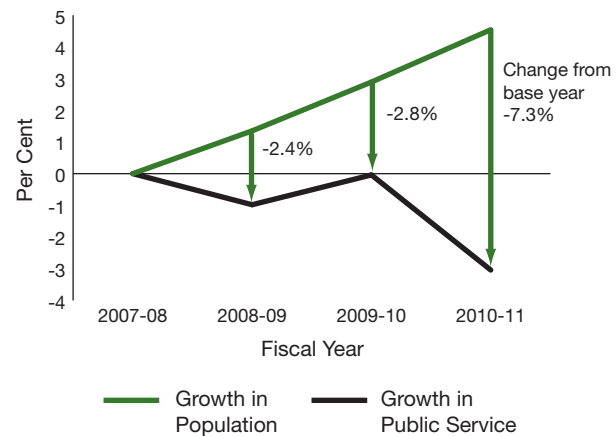
The Government is becoming smaller, more efficient and more effective across executive government ministries, third parties, and in the Crown sector.

Through the *Growth and Financial Security Act*, Government has directed that limits be placed on the size of the public service, to ensure that the public service does not grow any faster than the population growth in Saskatchewan.

The size of the public service is being monitored and the trend is moving in the right direction.

As shown in the following chart, since 2007-08, the size of the public service has been diminishing while the population has continued to grow.

**PUBLIC SERVICE TO POPULATION
(CUMULATIVE CHANGE SINCE BASE YEAR,
2007-08)**



Source: MIDAS FTE data; Ministry of Finance.
For more information, see the Ministry of Finance Plan for 2011-12.

The 2011-12 Budget shows a net decrease of 273.5 FTEs compared to the 2010-11 Restated Budget.

Innovative Service Delivery

In 2011, the Information Services Corporation (ISC) will launch the Business Registration online website as the first step to providing a more convenient and cost-effective means to deliver government services to business. This site replaces three manual processes with one simple online process to register a business with the Corporate Registry, the Ministry of Finance for provincial sales taxes and as an employer with the Workers' Compensation Board.

Following this launch, ISC will work to expand the services offered beyond registration, to provide business owners with a single online point of access to other government services required throughout the life cycle of a business. The ultimate goal of this initiative is to make it much easier to do business in our province, streamlining processes across government and reducing costs for both businesses and government.

Enhancing the efficiency and effectiveness of Crown corporations will continue to be a key focus in 2011. Crowns will seek to find a balance between reducing costs and staffing levels while ensuring that the requirements of a growing economy are met.

As efficiency measures are introduced, the Crown sector will reduce staff levels through attrition. The Crown sector's ability to efficiently deliver high quality, reliable, safe services to customers at the lowest possible cost will drive staffing decisions.

SaskPower, SaskTel and SaskEnergy are partnering to find efficiencies in providing customer service particularly with respect to line locating services. In 2011, a project will be undertaken that will dispatch a single locator per customer request to locate underground power, gas and telephone lines.

SaskPower and SaskEnergy are also adopting electronic meter technology for residences and businesses. This will result in more timely and efficient meter reading operations as well as improved customer service through real time customer information on energy usage.

CONCLUSION

This is a budget Saskatchewan people can be proud of.

It is a budget that benefits all Saskatchewan people.

Lower taxes. Improved government services.
Balanced budgets and reduced debt.

A growing economy, vibrant communities and a great quality of life.

Saskatchewan's time is now.

That's the Saskatchewan Advantage.