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# News Release

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Mar. 24, 2010

2:15 PM

Saskatchewan

Finance

## **GOVERNMENT DELIVERS BALANCED BUDGET BY REDUCING SPENDING**

The provincial government today delivered a balanced budget by reducing overall government spending by \$121.3 million or 1.2 per cent from last year's budget.

"This Budget was built on the principles of caution on the revenue side, restraint on the spending side, and a firm commitment to government living within its means," Finance Minister Rod Gantfoer said. "These are the principles Saskatchewan families use to manage their own money and are the principles our government will follow in managing taxpayers' money."

Reductions have been realized in 14 ministries and there will be lower debt-servicing costs this year, as a result of the government paying down debt by more than \$2.6 billion in recent years. As part of the restraint measures, the government has embarked on a process to reduce the size and cost of government operations.

"We began this process last fall by managing job vacancies and looking for other efficiencies in government," Gantfoer said. "These efforts are reflected in this Budget and will continue as we strive for a smaller, more efficient public service.

"Our goal is to reach a 15 per cent reduction in the size of the public service over four years primarily through attrition, meaning many who retire or move to other opportunities will not be replaced. This will require careful consideration of the workforce to ensure services remain relevant, responsive and affordable for the people we serve."

Government will continue to move Saskatchewan forward in 2010-11 by investing in key infrastructure programs; \$632 million in total capital dollars for infrastructure in the province, including \$177 million dedicated to municipal infrastructure and \$302 million for road and highway projects.

"While this is a reduction from the record high levels of infrastructure spending in the previous two years, it is the third-largest capital spending budget in Saskatchewan history and brings our government's total capital investment to nearly \$3 billion in three years," Gantfoer said.

Government will protect and enhance core services in Health, Education and Social Services and other priority areas across government. Highlights include:

- \$123 million increase (5 per cent) to Regional Health Authorities (RHAs) to provide base funding of \$2.6 billion to maintain and improve delivery of health care services to Saskatchewan people;

- \$10.5 million to begin the process of reducing surgical wait lists and wait times and \$7 million for a Patient-First Initiatives Fund, to support the Health system in adopting a patient- and family-centred care approach;
- \$109.3 million, a \$10 million increase (10.1 per cent) to Saskatchewan Cancer Agency (SCA) funding for drugs and medical supplies, and operating costs;
- \$2.5 million in new funding to enhance Autism services;
- \$3.8 million increase for the Irene and Leslie Dubé Centre for Mental Health;
- \$186.5 million to support individuals with intellectual disabilities;
- \$321.3 million in other income assistance programs, including an increase of \$29.9 million to support program utilization;
- \$182.3 million for Child and Family Services, including \$24.5 million for caseload increases, enhanced programming, and to develop new child welfare spaces;
- \$976.5 million for the Operating Grant for Education, representing a \$33 million increase to total school division operating funding including property taxes; and
- \$391.2 million for universities, federated and affiliated colleges, including increases of \$16.3 million to help minimize growth in tuition costs.

The province will also provide \$16 million in grants to support agricultural research and development, \$16.6 million for the Saskatchewan Research Council to continue its current research and development projects, and \$3 million provided by Crown Investment Corporation for First Nations' economic development initiatives.

"We will move Saskatchewan forward by training our future workforce through labour force development programs and supporting our post-secondary institutions to minimize tuition cost increases," Gantefer said. "And we have shown responsible leadership by continuing our efforts to improve the daily lives of Saskatchewan people, including society's most vulnerable citizens."

Revenue is forecast at \$9.95 billion, with non-renewable revenues expected to generate \$2.1 billion, including \$1.1 billion from oil and \$221 million from potash. The General Revenue Fund surplus is forecast to be \$20 million, which includes a transfer of \$194.2 million from the Growth and Financial Security Fund, leaving a balance of \$510.8 million in the fund. Government public debt will remain unchanged at \$4.15 billion.

Gantefer said he was pleased the government was able to avoid broad-based tax increases in the 2010-11 budget.

"The only taxes that will increase are on tobacco – up 2.7 cents per cigarette effective midnight tonight," Gantefer said. "We are also reducing the number of tax-free cigarettes that First Nations individuals can buy on reserve – from three cartons a week to one – which will take effect once legislation is proclaimed."

"These two measures will generate \$35.7 million in new revenue this year, but more importantly, they will help to reduce smoking and its deadly effects on Saskatchewan people."

The price of spirits, wine and beer in Saskatchewan liquor store will also see an increase effective April 1, as a result of changes to liquor mark-ups. These changes are expected to generate \$18.1 million.

Gantfoer said the government used caution in its non-renewable revenue forecasts considering the circumstances faced in the last fiscal year.

"The Saskatchewan economy remained strong through the worst of the global recession," Gantfoer said. "And with the recovery now well underway, there is plenty of reason for optimism.

"All the independent forecasters say Saskatchewan will be one of the economic leaders in Canada in 2010 and 2011. Saskatchewan's economy is strong, and this budget will give our province the solid fiscal foundation it needs to stay strong."

For more details on Budget 2010-11, go to [www.finance.gov.sk.ca](http://www.finance.gov.sk.ca) or see "Related Documents" at the bottom of this news release.

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