



Saskatchewan Budget 2018-19 – On Track

April 10, 2018

Saskatchewan's Finance Minister, Donna Harpauer, delivered her first budget today, which is also the first budget from the Scott Moe-led Saskatchewan Party government. It will, in effect, give a sense of the direction that this government will take over the next year, and leading into the 2020 provincial election.

The mood at the legislature was somber, in light of the recent tragedy with the Humboldt Broncos hockey team. Harpauer, who has been the MLA for Humboldt for close to two decades, gave a heartfelt memorial speech before delivering her budget.

Many people were watching to see what steps the government would take to meet Moe's campaign commitment to balance the provincial budget, with a deficit of almost \$600 million at the third quarter update, by 2019-20.

The 2018-19 Budget keeps Saskatchewan on track to return to balance next year, with major investments in health care, education, social services and infrastructure, and a steadily improving outlook over the next four years. The budget forecasts revenues at \$14.24 billion, with spending at \$14.61 billion, leaving a \$365 million deficit.

Here are highlights of the Provincial Budget 2018-19:

- 1. Controlling Government Spending** - Many ministries are forecasting lower spending than in the previous fiscal year, while continuing to provide valued core services that are sustainable into the future. Examples of controlled spending:
 - In this budget expense is forecast to be down 1.4 per cent from last year's budget
 - \$5 million savings by reducing the number of government-owned vehicles
 - \$19 million savings from amalgamation into one health region, while improving front-line care
- 2. Delivering High Quality Services** - Government is continuing to invest in the priorities of Saskatchewan people – in particular, in health care, education and social services. Investment in these three areas is \$10.4 billion in this budget. That's an increase of \$4 billion, or more than 64 per cent, since 2007-08. Funding is at record levels in 2018-19 for health care and social services and assistance.
 - \$700,000 for universal 100 per cent coverage for HIV drugs and other supports
 - More than \$520,000 for a new program to screen babies born in Saskatchewan hospitals for hearing loss





- \$2.8 million to provide individualized funding for children under six with Autism Spectrum Disorder
 - \$30 million increase in operating funding for the 2018-19 school year
 - Nearly \$77 million in child care funding
 - More than \$10 million for those who provide direct daily care to adults with intellectual disabilities, children in need of protection, plus supports for families. This includes foster families and CBOs that deliver day programs and residential services to people with intellectual disabilities and provide family-focused services.
3. **No Increases to Tax Rates** - Low personal and corporate income tax rates remain the same. No increases to Education Property Tax (EPT) or Provincial Sales Tax (PST) rates. Competitive taxes help to attract people, businesses and investment to Saskatchewan.
4. **Keeping Our Economy Strong** - Saskatchewan is projected to have the fourth highest growth in the country in 2018 and third highest in 2019, according to private sector forecasts. Competitive taxes and targeted incentives support continued diversification and growth in Saskatchewan's economy.
- \$413 million of direct support to municipalities and \$123 million for municipal infrastructure
 - Increased funding to STEP – the Saskatchewan Trade and Export Program to expand the province's export markets
 - \$2.7 million investment in infrastructure, including Crown corporations, to support the growing province
 - Growth tax incentives to encourage investment, diversify the economy and create jobs
5. **Returning to Balance** - Non-renewable resource revenue now accounts for just 10 per cent of the province's total revenue, down from a high of 32 per cent in 2008-09. One of the main goals of our three-year budget plan was to reduce Saskatchewan's reliance on resource revenue, and that plan is on track. A return to balance expected in 2019-20.
- A deficit of \$365 million projected for 2018-19. A return to balance is expected in 2019-20 with a modest project surplus of \$6 million.
 - Balance ensures long-term sustainability and continued investments in infrastructure
 - Improved revenue stability, diversified economy, less dependence on resource revenue
 - Third lowest debt-to-GDP in Canada resulting in strong credit ratings

The government did make some notable cuts in the budget, including:

- A PST exemption for light used vehicles will be eliminated, generating an estimated \$95 million. If a trade-in is made, PST will only be paid on the difference in price between the





trade-in and the used vehicle.

- A PST exemption for Energy Star appliances is also being scrapped.
- The province will end any new applications for the Saskatchewan Rental Housing Supplement for low-income and disabled residents, saving roughly \$5 million this year.

The Saskatchewan government says Tuesday's budget does not include any projections for marijuana sales revenue because there is not enough certainty about the date of legalization and the retail market. PST will also be applied to the retail sale of cannabis.

The NDP's response to the budget was that Saskatchewan families are still hurting and the Sask Party budget offers more of the same shortsightedness as the debt continues to pile on; funding for education still hasn't been restored to 2016 levels, and Saskatchewan people are paying more but getting less. NDP Finance Critic Cathy Sproule was encouraged that the Sask Party finally listened to calls that the NDP had been making to fund HIV medication and autism supports.

This budget was largely viewed as a middle of the road budget, with no major cuts but no substantial spending. As the government continues to shift away from its overreliance on resource revenues, they are seeing the benefit of those decisions in this budget.

While this government tries to steward the province into a surplus position, there will continue to be considerable opportunity to assist the government with their transformational change initiative. Projects and policies that will assist the government in reducing costs and streamlining services will continue to be well-received.

For more information on the 2018-19 Saskatchewan Budget, please click [here](#).

To read the government news releases about the budget, please click [here](#).

