



**2005-2006 SASKATCHEWAN  
PROVINCIAL BUDGET**

**BUDGET ADDRESS**

**HONOURABLE HARRY VAN MULLIGEN  
MINISTER OF FINANCE**

**MARCH 23, 2005**

## **2005-06 Budget Speech**

### **Introductory Remarks**

Thank you Mr. Speaker.

I want to start by welcoming our guests who have joined us here today.

Among our guests are 45 Grade 11 & 12 students from Miller Comprehensive High School in Regina – along with their teachers, Patrice Krueger and Lisa Brice. Please join me in welcoming them to the Legislature.

Mr. Speaker, it is an historic privilege to stand before you to deliver the 2005-2006 Provincial Budget, for this, Saskatchewan's Centennial year.

As we celebrate *100 Years of Heart*, many of us can only imagine what life was like for those who lived here 100 years ago.

For our First Nations and Métis people and our pioneer settlers, we know it must have been a time of great struggle and hardship, as they worked hard to make their living off the land.

We have developed an immense respect for the land. Mr. Speaker, living off the land in Saskatchewan has been, and continues to be, challenging.

But it has also provided us with great opportunity. From the land, we built our communities, towns, and our cities. We developed our resources, and we created manufacturing and processing industries.

We developed our universities. We developed Medicare.

We are intensely proud of our province, and have every right to be.

We are a land of diverse people, all sharing a deep love of our home. We are a true reflection of Saskatchewan's motto: from many peoples, strength.

### **A Remarkable Year**

Mr. Speaker, our ability to build and plan a brighter future for the next 100 years has been strengthened by a remarkable year for the Saskatchewan economy.

Last year, our finances saw an unprecedented turnaround. We achieved a surplus in both the General Revenue Fund and in the Summary Financial Statements.

There are many reasons for this notable achievement. Our resource industries have been booming. Potash sales set a record for the second year in a row. Our oil and natural gas industries have enjoyed a period of high prices.

All are doing very well, with increasing world demand for our resources, as well as for the products of our manufacturing and processing industries.

Another factor in the extraordinary turnaround of our public finances was the work of our Premier. He called for fair treatment for Saskatchewan from the federal government.

His dedication resulted in compensation for past equalization claw backs of resource revenues. It also resulted in new federal funding for health care. These developments enabled us to balance the budget, and to put money aside in the Fiscal Stabilization Fund. We also retired \$179 million of government debt, permanently.

Mr. Speaker, heading into 2005-06, government debt is now at its lowest point in 14 years!

Our current debt to GDP ratio is now at 28%, a huge reduction from 69% in 1993. That's why our credit ratings – our standing in the world bond markets – have increased 11 times in the last 10 years!

Mr. Speaker, this remarkable turn of events also enabled us to fund the lowest-cost utility rate bundle for families, and to set aside money for health care improvements.

We committed \$110 million to education property tax relief over two years, along with \$190 million for capital and infrastructure projects. That includes a new Provincial Lab building, and water bombers to fight forest fires and protect our northern communities and forests.

Mr. Speaker, it was a remarkable year.

### **Federal-Provincial Fiscal Relations**

Mr. Speaker, equitable treatment under Canada's Equalization program remains a top priority for the Government and the legislature. Last year our goal was to seek restitution for past claw backs of resource revenues. We achieved that goal.

And while we appreciate the one-time compensation from the federal government last year, it is time to look to the future.

The Equalization program continues to apply punishing claw back rates to the revenues Saskatchewan people receive from their resources. A dollar earned is not a dollar made. It's 10 cents or less in the world of equalization!

The federal government has now signed new agreements with Newfoundland, Labrador and Nova Scotia, to make sure these provinces are able to exempt their energy resource revenues from equalization. They get to keep every dollar. We keep 10 cents – or less.

Saskatchewan deserves a deal similar to Atlantic Canada, where we would be able to retain 100 per cent of our energy revenues. But we're not just talking about cents, Mr. Speaker, we're talking about billions.

Mr. Speaker, if Saskatchewan had received the same deal, and retained 100 per cent of our resource revenues over the last 10 years, this province would have received an additional \$4 billion in federal transfer payments.

We want the same deal.

I promise you, we will continue to push for a new deal for this province! And for comprehensive reform of the Equalization program.

Mr. Speaker, I believe there is a strong consensus in Saskatchewan for such a change. It is that strong consensus that enabled us to present a united front at the Senate Committee on Finance a few weeks ago. To make our case for fairness and equity.

A few days ago, we took our case to the House of Commons Subcommittee on Fiscal Imbalance. In the near future, we will be sharing our views with the federally appointed panel on Equalization. And, we will be meeting one-on-one with the Federal Government.

Collectively, our voices will be heard in Ottawa.

### **Centennial Year Budget**

Mr. Speaker, in preparation for this milestone budget, I reviewed the work of Saskatchewan's first Provincial Treasurer, J.A. Calder. In this province's first full fiscal year, 1906-07, our total expenditures were \$1.6 million! Today it's \$7.2 billion.

I read with interest that Public Health expenditures that year were little more than \$25,000 – not quite two per cent of budgeted expenditures. Today health funding is 44 per cent of our expenditures in Saskatchewan. Education funding, on the other hand, was \$288,000, accounting for 18 per cent of total expenditures in 1906-07. Today it is 20 per cent.

Members on both sides of this House will be interested to learn that the Federal Government's contribution to our Provincial Treasury made up nearly 80 per cent of Saskatchewan's total revenue for that year!

However, in this year's budget, federal transfers make up about 17.5 per cent of total revenue – quite a shift, Mr. Speaker!

How times have changed. So much has changed, so dramatically. But what hasn't changed are the fundamental values by which we live.

Saskatchewan's first budget, similar to the one I will introduce today, was a balanced budget. Saskatchewan's first budget began the tradition of supporting vital social programs. The programs and services we will support again today with this budget.

Saskatchewan's first budget supported major commitments to public works. The long-term investments in public infrastructure that help to ensure a bright future for generations to come. This budget, too, will support major commitments to public infrastructure.

Today's budget builds on the strengths of our history, and looks ahead to plan for the future, with a special focus on our most valuable asset – our people, and particularly our young people.

### **Budget Details**

#### **Highlights**

Mr. Speaker, I am pleased to present today our 12<sup>th</sup> consecutive balanced budget.

It is a budget that balances living within our means, with the government's commitment to:

- make Saskatchewan an affordable place to live and raise a family;
- build a green and prosperous economy;
- provide the best health care in Canada;
- and build a future for our young people here in the province.

Mr. Speaker, this year we are experiencing a major drop in federal equalization revenues, as compared to last year. From \$582 million to \$82 million – a drop of half a billion dollars!

Unless our resource revenues remain high, Saskatchewan will be challenged to continue to fund our priorities – health care and education – in the coming year.

In spite of this drop in equalization, we remain committed to supporting health care. This year's significant investment will allow us to continue to make progress in providing the best health care in Canada.

Mr. Speaker, this budget includes a record \$2.9 billion for health care. That's an increase of \$192 million – a 7.1 per cent increase.

We are also building for the future, creating legacies for generations to come, with a \$327 million capital budget – one of the largest in the province's history. Planning for the next 100 years. Building a prosperous economy requires modern, competitive infrastructure.

Mr. Speaker, we are building for the future by investing in our future – that is our young people – with numerous youth-related initiatives. What better way to celebrate our Centennial than by focusing on the future, the next 100 years – and supporting our young people.

In addition, this year we are making a substantial increase in our investment in education. Education plays a key role in building a future for our young people, here in Saskatchewan.

Education funding in this budget has increased \$74 million or 6.8 per cent to a record \$1.2 billion. As we shall see, this budget is also about improving opportunities and support for those who are in need of our social programs.



## **Budget Details**

### **Building a Green and Prosperous Economy**

#### **Business Tax Review**

Mr. Speaker, this Government is committed to building a green and prosperous economy.

The resource and export sector boom, which helped to fuel the billion dollar turn around in Saskatchewan's public finances last year, has opened many doors and has created exciting opportunities for Saskatchewan people.

February's job numbers are up over last year. The economy is performing well and is forecast to grow another 3 per cent this year.

We are buoyed by this success, and are determined to build on the momentum. Creating more opportunities, growth and even more success.

We strive to be more competitive, to make Saskatchewan an attractive place in which to invest and to do business. Mr. Speaker, this government is always open to suggestions and new ideas.

That is why we listened to the Institute of Chartered Accountants of Saskatchewan, regarding the business climate. That is why we are listening to suggestions from participants at our recent *Centennial Summit*.

Mr. Speaker, I am pleased to announce that this spring we will be establishing an independent committee to undertake a **Business Tax Review**.

This committee of independent tax experts will examine the impact of business tax on this province, and considerations such as:

- Our overall level of business taxation in Saskatchewan; and
- The competitiveness of our business taxes, compared to other provinces.

Our goal is to make our businesses more competitive, to further improve our economy and to create additional job opportunities for Saskatchewan people.

The committee will make its recommendations in time for consideration in developing the 2006-07 budget. There will be a more detailed announcement about the Review and the committee members early next week.

Mr. Speaker, we embrace change that will create opportunities for our young people.

### **Transportation**

Achieving our goal of maintaining a prosperous economy requires safe, modern infrastructure.

This year, we are investing \$125 million in capital for our roads and highways.

We are continuing accelerated twinning of our national highway system – Highway Number 1 East to the Manitoba border and Highway Number 16 between North Battleford and Lloydminster – both by 2007.

We will also resurface approximately 330 kilometres of paved highways.

Mr. Speaker, I am also pleased to announce that this budget includes almost \$5 million to address congestion and safety concerns on Highway 11 between Warman and Rosthern.

We are on track to meet our commitment to invest \$2.5 billion on Highways and Transportation over 10 years, a commitment made in the 1997-98 provincial budget.

### **Agriculture**

Mr. Speaker, as was the case in 1905, agriculture is a mainstay of the Saskatchewan economy.

Saskatchewan continues to provide more agricultural programming relative to our fiscal capacity than any other province, or the federal government.

This year's budget fully funds the province's portion of crop insurance.

We are maintaining the funding level for CAIS at \$98.8 million for the 2005 claim year, and we will continue to work with the Federal Government for a more affordable, sustainable and fair program.

In total, through both direct expenditure and tax breaks, we will provide nearly \$481 million in agricultural assistance.

To quote Saskatchewan's longest serving Finance Minister, the Honourable C.M. Fines, from his 1953 Budget address, "We need, then, make no apology whatever – especially in this house – for continuing vigorously to urge upon Ottawa a full and proper recognition of the economic rights and social need of the prairie agriculture."

Mr. Speaker, the success of rural Saskatchewan is entrenched in our history. And no sector has faced more adversity throughout our history than agriculture.

To help promote and revitalize our rural economy, we are creating a new department – Rural Development, as was announced earlier this month.

This new department will work with businesses and co-operatives to enhance rural development, coordinating activities and programs.

And Mr. Speaker, we will continue to grow our agri-food industry through research programs and development.

### **Targeted Tax Incentives**

Mr. Speaker, many of the initiatives this budget supports are designed to build on the success of our economy. Combining our goal to achieve a green and prosperous economy, we are increasing the Ethanol Fuel Tax Rebate program in this budget.

This increase is in anticipation of the expected opening of the two ethanol plants in Weyburn and Lloydminster, later this fiscal year.

This program will provide an estimated \$4.9 million in rebates due to higher production of ethanol. That's good for the economy and it's good for the environment.

Recently, we announced a royalty and tax incentive strategy to improve the investment climate for Enhanced Oil Recovery.

To help increase oil production, investment and employment in the province, this strategy focuses on encouraging new extraction technologies.

Technologies such as carbon dioxide sequestration, which safely sequesters large amounts of the most abundant greenhouse gas, CO<sub>2</sub>, underground.

Mr. Speaker, in last year's Budget we announced a review of the taxation status of resource trusts that own oil and natural gas producing properties in Saskatchewan. As promised, we consulted with the oil and gas industry.

As a result, we are amending our Corporation Capital Tax legislation, effective April 1, to include resource trusts for the purposes of levying the CCT Resource Surcharge.

With this change, we are restoring tax equity in the Saskatchewan oil and gas industry, and creating a level playing field. In addition, this change will recoup "lost" tax revenue of up to \$20 million annually.

Mr. Speaker, our Government is committed to ensuring that Saskatchewan is a competitive place for oil and gas investment.

The upcoming review of business taxes by an independent committee will examine all aspects of business taxes, including the CCT and Resource Surcharge. The industry will play an important, consultative role in this review.

To increase aviation fuel sales in the province, and improve service quality for Saskatchewan's aviation sector, we are reducing tax on aviation fuel from 3.5 to 1.5 cents per litre. Our goal is to encourage major airlines to see Saskatchewan as an economical place to do business.

We also want to promote improved international flight service into Saskatchewan. So, we are removing the fuel tax on aviation fuel used in international flights with a scheduled stop in Saskatchewan.

These two changes will help stimulate the aviation fuel sales sector in our economy. Both of these measures are effective midnight tonight.

This Centennial year Budget includes a \$200,000 increase for the Saskatchewan Trade and Export Partnership or STEP.

STEP is a unique industry-government partnership aimed at helping increase local businesses' success in export markets.

This province is known as the *Land of the Living Skies*. One of the key economic opportunities we hope to continue to tap into, in our Centennial year and beyond, is tourism.

That's why this budget contains a \$727,000 increase for Tourism Saskatchewan.

Our goal of growing a prosperous economy includes an ongoing commitment to municipalities, Mr. Speaker. In this budget, we will continue to provide \$85 million in revenue sharing for municipalities. Revenue sharing grants to municipalities are currently 55 per cent more than they were four years ago.

And to help municipal governments, we are increasing support for priority infrastructure projects through cost-shared federal-provincial municipal infrastructure programs.

## **Capital**

Mr. Speaker, it is fitting that Saskatchewan's Centennial year budget contains one of the largest capital budgets in the history of our province. We are building for the future, creating legacies for our children and their children, with a \$327 million investment in capital spending. This capital funding is an investment in our next 100 years.

Funding for health facility capital is being increased 45 per cent over last year.

This budget will ensure that planning and/or construction can proceed on facilities in Swift Current, Ile-a-la Crosse, Moosomin, Outlook, Maidstone, Preeceville, Humboldt, Saskatoon and Regina. This budget also increases funding for medical equipment.

We are also committed to maintaining modern, well equipped learning environments for Saskatchewan students. The Budget contains \$26.7 million in K-12 capital funding for schools in Ile-a-la-Crosse, Warman, Saskatoon, La Loche, Prince Albert and Moose Jaw, and funding for maintenance and renovation projects throughout the province.

We are supporting post-secondary capital projects as well. SIAST and the Regional Colleges will receive \$2.5 million.

The University of Saskatchewan is receiving \$15 million over three years for a major expansion at the Western College of Veterinary Medicine.

I am pleased to announce that we have provided \$30 million to enable the University of Regina to begin construction on a new Laboratory Building, a top priority capital project for the University.

We have also provided \$27.6 million for renewal and capital maintenance at the two universities and federated colleges.

Other noteworthy capital investments include:

- \$3.9 million to begin replacement of the Regina Correctional Centre, which was constructed in 1913;
- \$3.4 million to complete the multi-purpose facility at Regina's Exhibition Park – in time for the Canada Summer Games – and also for the Riverfront Development Project in Saskatoon.
- And funds for the design and start-up costs for the new \$27 million Provincial Laboratory Building, to improve vital testing facilities in our health system.

I am again pleased to emphasize that we are investing \$327 million in capital projects throughout this province - capital investments to ensure a legacy for future generations.

### **Research and Development**

Mr. Speaker, research and development and a growing economy go hand in hand. That's why the Research & Development budget for this year is being increased to \$137 million.

We are building on our successes, such as the Canadian Light Source Synchrotron, Canada's largest science project.

Earlier, I mentioned increases in funding for the ethanol fuel tax rebate, STEP and Tourism Saskatchewan to support economic development.

In addition, we will be allocating:

- \$8.9 million for the film employment tax credit; and
- \$6.3 million for the Western Economic Partnership Agreements.



Mr. Speaker, this government is committed to maintaining the successful momentum we've achieved in this economy.

We're committed to growing an even more prosperous economy in the future.

### **The Green Economy**

Mr. Speaker, too often in our history, economic progress has come at a cost to our natural environment. This government's commitment to build a green and prosperous economy heralds a determination to preserve and protect our natural environment.

At the same time, we're building green technologies and industries that will prove successful and profitable within the province and beyond.

This year, SaskPower will complete the Rushlake Creek wind power facility, which will add 150 megawatts of zero emission energy. That's enough green power for 64,000 homes.

Once this facility is complete, Saskatchewan will be the third largest producer of wind power in Canada. That is a significant achievement when you consider we only ventured into wind power, less than four years ago.

In this Centennial year budget, we are spending \$1.7 million to increase the energy efficiencies of government buildings.

We also expect to begin clean up of the abandoned uranium mines in northern Saskatchewan, once the federal share of the funding is in place, and to begin the first steps in a process to clean up abandoned non-uranium mines.

One of the green programs that has proven very successful is the EnergyStar PST rebate. This program encourages consumers to buy specific energy efficient appliances by providing a PST rebate.

Effective April 1<sup>st</sup>, we are making the rebate available at point-of-sale. Consumers will no longer have to mail in their applications and wait for their cheques, and government administration will be reduced.

Mr. Speaker, this budget will continue the implementation of the Safe Drinking Water Strategy to improve our drinking water and waste water infrastructure, and improve water quality monitoring.

Mr. Speaker, there is close to a million dollars in this budget to begin a two-year Great Sand Hills regional environmental study. The study will determine future land uses within about a 141 square mile area of environmentally sensitive land.

There is funding in this budget to manage the increased costs of monitoring and testing for Chronic Wasting Disease or CWD, with Saskatchewan leading the development of a national CWD strategy.

Mr. Speaker, we firmly believe that Saskatchewan can have a green and prosperous economy, by balancing the protection of our natural environment with new and exciting business opportunities.

### **Providing the Best Health Care in Canada**

Medicare – Mr. Speaker, the very name is synonymous with Saskatchewan. Expectations are extremely high here in the birthplace of Medicare, so we are faced with a delicate balancing act.

We must meet the needs and expectations of Saskatchewan people, while ensuring programs and services are delivered as efficiently as possible.

At the same time, we're battling against skyrocketing health care costs, and striving to provide the best health care in Canada.

Let me just provide some context, Mr. Speaker, regarding our ever-increasing health care commitment. Last year, we increased health spending by \$264 million over actual spending in the previous year! That is a 10.5 per cent increase.

The Budget I am delivering today provides a \$192 million increase over last year's budget, an increase of 7.1 per cent.

Over the last four years, Health spending has grown by over 30 per cent or nearly \$700 million.

With a record investment in health care of nearly \$3 billion, this year, I am pleased to say that Saskatchewan will meet its commitments to enhance services under the federal Health Accord and First Ministers' Meeting agreement.

This budget contains new funding for program and service enhancements, including:

- as I have said, close to \$18 million in increased funding for health capital, that's building and medical equipment;
- almost \$4 million for new childhood vaccines;
- funding to expand the range of home care services to nationally agreed on levels; and
- funding to continue primary health care reform, including funding for 23 new primary health care sites by the end of 2005-06.

We are supporting the goals and initiatives set out in the *Action Plan for Health Care 2001*, our blueprint for a sustainable health system.

We are listening to Saskatchewan people. We are reducing surgical and diagnostic waiting times, managing waitlists, and implementing surgical registry initiatives. We are ensuring those who need surgery most urgently, will receive it first.

The demand for diagnostic imaging has risen dramatically. In the last six years, the volume of CT scans performed has increased about 70 per cent. During the same period, the number of MRIs performed has increased a remarkable 210 per cent.

To further increase diagnostic testing this year, we are investing \$4.7 million. These increases include funding for 4,600 more MRI scans; 16,500 additional CT scans; and more than a 50 per cent increase in bone mineral density testing.

To target patients who are waiting more than 12 months for surgery, we will add between 1200-1500 additional surgeries.

Sadly, there are not many people whose lives have not been touched by cancer. The Saskatchewan Cancer Agency is receiving a 15 per cent increase in funding over last year. We are expanding the capacity for cancer treatment.

This expansion will allow room for close to 250 new patients, over 560 additional chemotherapy visits and close to 2,000 additional radiation treatments.

With a new \$2.8 million investment, we will increase dialysis treatments by 8,000 procedures annually – an 11 per cent increase.

Mr. Speaker, this budget contains \$1.8 million to enhance our provincial drug and alcohol strategy.

To maintain a viable health care system, and provide the best health care in the nation, obviously we need qualified health professionals. Mr. Speaker, that is why we're providing 280 new bursaries as well as 109 continuing bursaries for students in various health disciplines, including nursing, and other health professions.

The budget also includes 50 new and 65 continuing physician bursaries. We will also be increasing the number of spaces for nursing education.

In addition, there is funding for nine new residency seats at the College of Medicine.

Health care -- one of the key priorities in this province during our first century, it will continue to play a vital role in our second century.

### **Making Saskatchewan an Affordable Place to live and raise a family**

Mr. Speaker, this Centennial year budget continues the government's commitment to make our province an affordable place to live and raise a family.

This budget builds on the many steps this government has taken to keep costs down for Saskatchewan families. That's why in 2001, we began implementing the largest personal income tax reform in the province's history.

We continue to improve our personal income tax system by indexing components like the basic personal tax exemption to inflation. This protects taxpayers from inflation, especially low-income earners and retired people.

In November we made good on our commitment to provide the lowest utility rate bundle for families in the nation. And Mr. Speaker, this Centennial year budget contains no tax increases!

In fact, this budget provides \$55 million for the first of two years of education property tax relief for Saskatchewan families, farms, and businesses. In 2005, the average property taxpayer will receive a credit of approximately 8 per cent of the education property tax levy.

To keep our families and communities safe, this year's budget includes funding to add 18 new police officers.

As promised, we are extending the Sask911 service to Lloydminster and northern communities, completing implementation to all but the most remote communities. That means 98 per cent of the province will have access to SaskTel 911 service.

Mr. Speaker, our Centennial motto is *100 Years of Heart*. Saskatchewan people are known for their generosity and for caring for their neighbours.

We are also known for innovation in social programming. In this budget, we are continuing to invest in social programming to ensure all Saskatchewan residents, regardless of level of income; regardless of where they live; regardless of abilities; enjoy a similar quality of life, with access to the same vital programs and services.

This budget includes an additional \$6 million for our *Building Independence Strategy* to help low-income families to improve their ability to find work, and to achieve independence.

Mr. Speaker, I am also pleased to announce that this budget includes an increase in benefits for all those who receive Social Assistance.

Mr. Speaker, there will also be a significant boost to the Child Nutrition and Development Program.

This budget also contains other measures to help low-income families and persons with disabilities. The new Family Housing Supplement will provide up to \$113 a month for approximately 10,000 low-income families.

The new Disability Housing Supplement will mean up to \$151 a month for 3,000 households for people with disabilities.

And Mr. Speaker, we will also develop 600 affordable housing units this year, working toward our goal of 2,000 units by 2008. Mr. Speaker, there is no doubt Saskatchewan continues to be a leader in social programming.

In 2003, the Premier announced the largest child care expansion in the history of the province. This government made a commitment to establish 1,200 child care spaces over four years. We are meeting that commitment, with \$1.2 million in increased funding, to develop 250 new spaces this year.

Mr. Speaker, our youngest citizens, our babies, are our most precious resource. They are also the most vulnerable among us.

Mr. Speaker, we will be increasing funding to the *KidsFirst* program to increase the number of families participating in the home visiting program. This is a program that reaches out to improve developmental opportunities for very young children.

With federal funding of \$22 million this year, we are investing in children through the Early Learning and Child Care initiative, by developing a new, made-in Saskatchewan system.

We will increase our support by \$1.1 million to First Nations Child and Family Service Agencies; ensuring our children are well protected.

Community Based Organizations that care for individuals with intellectual disabilities will see increased funding of \$1.9 million.

It's all about our first duty to protect the most vulnerable members of society. It's all about helping Saskatchewan people to build successful lives.

### **Building the Future Here Supporting our Youth Initiatives**

Mr. Speaker, this government is committed to helping Saskatchewan's young people find exciting opportunities when they complete their education and training. To build their careers, and start their families, right here at home.

### **Education**

It all begins with a high quality education. That is why this budget includes a record \$1.2 billion for education, a direct investment in the future of Saskatchewan.

I am especially pleased to announce this Budget includes a one-time Saskatchewan Centennial University Tuition Grant of \$6.7 million. This Grant will allow our two universities to hold the line on tuition in this, our Centennial year. That means no university tuition increases this year.



During this year, the Department of Learning will conduct a review of accessibility to post-secondary education, including Student Financial Assistance. All of this is in addition to other enhancements to student bursaries and student loans included in this year's budget. This is good news for Saskatchewan students, Mr. Speaker.

This grant is in addition to a 2 per cent basic operating grant increase for Universities, Federated and Affiliated Colleges, to support approximately 33,000 students at these institutions.

This Centennial year budget also includes a 6.8 per cent increase in operating funding for SIAST, which provides learning opportunities to approximately 12,000 students at its four campuses, and a 3.7 per cent increase in operating funding for Regional Colleges.

The budget also includes an 8.3 per cent increase in operating funding for the Apprenticeship and Trade Certification Commission to provide increased training opportunities for young people.

We are meeting our commitment to expand the number of spaces in the Nursing Education Program of Saskatchewan. There will be 100 new spaces this year, and 40 new spaces in the Northern Nursing Education Program.

In total, this budget funds 1,000 new training opportunities to enable our young people to acquire the skills they need in tomorrow's job market.

As promised, we are addressing the planning and implementation of the accreditation plan for the College of Medicine with a total of \$7 million in funding.

Last May, the government announced school division restructuring as part of a three-phased initiative to reform the K-12 education system.

To support school division restructuring and more efficient administration of the system, we are providing \$4.5 million in additional funding to school divisions.

Mr. Speaker, the number of young people employed in February was 6,000 more than in February of last year.

In government, we want to maintain this momentum with plans to hire young interns to work in the Department of Agriculture and Food, in the area of agri-business development.

To provide approximately 800 public sector jobs for young people through the Centennial Student Employment Program and the Green Team, for young people interested in environmental management and energy conservation.

And jobs for young people in our Information Technology Office.

As well, there are numerous employment initiatives in the Crown sector targeted towards young people and Aboriginal participation, including an Aboriginal bursary program and the Gradworks Intern Program.

Our Crown corporations are committed to providing quality employment opportunities for our young people.

Building towards \$1000 in 2007, the Graduate Tax Credit for post-secondary grads will increase to \$675 this year.

In plain language, Mr. Speaker, this tax credit will effectively add about \$6,000 to the amount of income a graduate can earn this year before having to pay Saskatchewan income tax.

We made this promise to provide additional financial incentives for our graduates to start their careers right here at home.

### **Celebrating our Centennial**

Mr. Speaker, Centennial year marks a major milestone for our province. It is a time to look back with pride and to look ahead to a future full of hope and promise. Together we are celebrating our history, and commemorating it with legacies for generations to come.

September 4<sup>th</sup> is Saskatchewan's 100<sup>th</sup> birthday.

In recognition of our official birthday, the province is working with cities and northern communities to develop a province-wide celebration that allows everyone to participate in a community near them.

The Centennial 2005 office has registered more than 2,000 events in 400 communities in every part of this province, including 300 homecomings.

We are excited about this birthday!

But even as we celebrate, Saskatchewan's Centennial year, we reflect upon the many contributions Saskatchewan people have made for this province and this country.

Many of our veterans made the ultimate sacrifice to defend freedom and democracy. This year, we will acknowledge their contributions by supporting the creation of a war memorial in their honour.

Mr. Speaker, we need the young people of our province to be our planners, our builders, and our visionaries as we move into our second century. Throughout our Centennial year, we will be supporting many initiatives aimed at youth, led by our young people, and plans are underway to recognize all of Saskatchewan's students from kindergarten to grade 12.

### **Conclusion**

Mr. Speaker this Centennial year budget marks year two of our four-year, fiscal plan. I am proud of this budget.

Each budgetary decision was carefully weighed, to balance spending choices with revenue measures. To ensure the economy remains viable, the business climate is competitive and the needs of Saskatchewan people are met, now and in the future.

That is why this budget includes record investments in health care and education. We did not make these spending choices lightly, but in the context of what Saskatchewan people need, what they expect, and what this province can afford.

We have a plan, Mr. Speaker. It is a plan that continues on the path that has turned our financial situation around. A plan that focuses on our four key commitments:

- Building a green and prosperous economy

- Making Saskatchewan an affordable place to live and raise a family
- Providing the best health care in Canada, and
- Building the future here for our young people

This plan has allowed us to continue investing in the important social and economic programs our families and communities need.

It is a plan based on a balanced approach, with prudent financial management. It is a plan that has succeeded because it encompasses Saskatchewan's fundamental values. The same values that were entrenched in this province 100 years ago.

It is a plan that is carrying Saskatchewan forward into its second century, as a successful Canadian province, built upon a strong foundation, prepared for and excited about the future.

Mr. Speaker, looking back 100 years ago, how amazing it is to see what we've achieved. From such humble beginnings.

Young people today have so many opportunities, so many choices. This second century in Saskatchewan is brimming with promise.