
Report on the 1999-2000 Pre-Budget Consultation

Introduction

The Government of Saskatchewan has followed a balanced approach to financial management focusing on a combination of debt reduction, tax cuts and service enhancements. In order to find out whether Saskatchewan people continue to support this approach or would prefer an alternative method of financial management, the Government undertook an extensive public consultation prior to the 1999-2000 Budget.

To stimulate discussion and ideas, the Government prepared and distributed an information package, including a survey, to every Saskatchewan household. More than 4,000 residents returned the completed surveys. An additional 1,200 visited the pre-budget consultation web site, and approximately 600 people attended public meetings organized by Government Members of the Legislative Assembly (MLAs). In total, nearly 6,000 Saskatchewan people participated in the pre-budget consultation exercise.

In addition to the local meetings and the province-wide survey, a conference in Saskatoon called *Building Saskatchewan's Future* brought together approximately 100 representatives of Saskatchewan business groups, educators, rural and urban communities, health providers, other working people and other stakeholders to discuss priorities for this year and for the long term. A separate report on the *Building Saskatchewan's Future* conference is available through the Saskatchewan Institute on Public Policy, (306) 585-5777.

Provincial Cabinet Ministers reviewed information gathered through the conference, survey results and reports of MLAs on their public meetings as part of the 1999-2000 Budget development process. This Report focuses primarily on the results of the mail-in survey.

Survey Results

The survey questions were open-ended, providing for a wide range of responses. Survey results were tabulated by an independent research organization.

The following section highlights the most frequent responses to each of the survey questions. Illegible responses, surveys containing no response and issues identified by less than three per cent of respondents have been excluded to provide a more focused report.

Question 1. *In the past few years, the government has followed a "balanced approach": investing some funds in tax cuts, some for better services and some for debt reduction. Is this the right approach or should the government concentrate on only one or two priorities? Which ones?*

No change necessary	34.9%
More to debt reduction	14.1%
More to tax relief	13.9%
More to health	9.6%
More to other services*	5.3%
More to highways	4.5%
More to services (not specified)	3.2%

*includes education, social services, justice and agriculture

Question 2. *Should paying down the debt be a priority?*

Yes	53.4%
Yes, greater	4.7%
Yes, lesser	13.1%
No	12.3%

Question 3. *Should taxes be changed? Which ones and how?*

Reduce personal income taxes	30.1%
Reduce sales tax	20.1%
Reduce other taxes*	13.3%
No change	10.5%
Increase "sin" taxes	6.2%
Increase general/other	3.8%

* includes property, corporate, targeted and general taxes

Question 4. *Are there services we should change or be providing more of?*

Health care	29.4%
Highways	12.2%
Education	8.4%
Social services	6.3%
No change	5.9%
Agriculture	4.3%
Justice	3.6%

Question 5. *Other comments?*

A wide variety of responses were given to this question. The most frequent, specific responses were:

Improve health care	10.1%
Reduce taxes	9.4%
Reduce administration	9.1%
Address farm crisis	7.2%
Improve highways	5.8%

Conclusion

Through the various avenues of input, Saskatchewan people expressed a wide variety of views regarding the 1999-2000 Budget and the future of the province. However, there was also a significant degree of common ground regarding key priorities and the management of the Province's finances. The following compares general public responses to Budget outcomes.

Saskatchewan people tend to support a balanced approach to financial management which includes a combination of debt reduction, tax cuts and service enhancements.

- Between 1995-96 and 1999-2000, the Government has reduced the total debt by \$2.7 billion, \$1.3 billion from asset sales and \$1.4 billion net of asset sales, cut taxes by \$1.2 billion and invested an additional \$1.3 billion in priority public services.

The majority of Saskatchewan people believe paying down the Province's debt should continue to be a priority.

- Asset sales provide an additional means of reducing the Province's debt. When asset sales of \$1.3 billion are included, total debt has been reduced by \$2.7 billion since 1995-96. The 1999-2000 Budget includes a plan to reduce the debt by a further \$900 million by 2002-03, bringing total debt down to \$10.6 billion.

The majority of Saskatchewan people support continued reduction of their personal income taxes and the Education and Health (E&H) Tax rate.

- The 1999-2000 Budget cuts Saskatchewan's E&H Tax rate from seven per cent to six per cent. This follows a two-point reduction in the sales tax in the 1997-98 Budget. In total, the sales tax rate has been cut by 33 per cent in three years, putting over \$300 million a year back into the hands of Saskatchewan families and businesses.
- Income taxes paid by the average Saskatchewan family have been reduced more than 10 per cent since 1995. This includes reductions in 1995-96 and in 1996-97 which eliminated provincial income tax for 6,000 individuals and families; a two point cut to Saskatchewan's Personal Income Tax announced in the 1998-99 Budget and a reduction in provincial income tax resulting from the recent federal Budget.

Saskatchewan people tend to view health care as the most important public service and tend to support enhancements to the health system.

- The 1999-2000 Budget invests \$1.9 billion in Saskatchewan's health system. This is \$195 million more than last year's Budget with additional funding targeted to reducing waiting times, improving access to cancer treatments, increasing health services for women and enhancing working conditions for health care providers.

Saskatchewan people tend to rate highways and education as next to health in importance.

- The Government has steadily increased investment in highways since 1995-96. The 1999-2000 Budget targets \$235 million to highways, including a new rural roads fund. In addition, the Government will establish a new \$10 million provincial-municipal infrastructure fund to be matched by municipal governments for rebuilding local roads and infrastructure.
- The 1999-2000 Budget for education and training exceeds \$1 billion. This is the largest investment in education in the province's history, geared towards improving the quality of education; upgrading schools, colleges, universities and technical institutions; and enhancing access to post-secondary education, skills training and employment programs.

Saskatchewan people tend to view job creation as another important priority.

- The Government will meet its target of 30,000 new jobs in 1999, one year ahead of schedule.
- In addition to initiatives in education and highways, the 1999-2000 Budget promotes job creation through measures such as the reduction of the E&H Tax to six per cent, investments in research and development, enhancement of the Small Business Loans Association program, more support for local economic development, and a commitment to examine our tax system with a view to promoting simplicity and fairness.