



Highlights of recent news and public events from Saskatoon Southeast MLA Don Morgan

Meeting the Challenge: Provincial Budget 2017-18

Key Facts and Figures

Revenue: \$14.17 billion, up 1 per cent from Budget 2016-17, comprised of:

- Taxation—\$7.29 billion
- Non-Renewable Resources—\$1.41 billion
- Other Own-Source Revenue—\$1.96 billion
- Transfers from the Federal Government—\$2.45 billion
- Net Income from Government Business Enterprises—\$1.05 billion

Expense: \$14.80 billion, up 2.4 per cent from Budget 2016-17, comprised of:

- Agriculture—\$800.5 million
- Community Development—\$700.6 million
- Debt Charges—\$380.9 million
- Economic Development—\$246.0 million
- Education—\$3.64 billion
- Environment and Natural Resources—\$247.9 million
- Health—\$5.63 billion
- Protection of Persons and Property—\$643.7 million
- Social Services and Assistance—\$1.36 billion
- Transportation—\$567.4 million
- Other—\$585.4 million

Deficit: \$685 million

- Includes human resources compensation savings of \$250 million and contingency allowance of \$300 million

Key Revenue Assumptions for 2017-18

- WTI oil price – US\$56.25 per barrel (total oil and natural gas royalties – \$670million)
- Potash price – US\$176 per KCl tonne (total potash royalties – \$261 million)
- Exchange rate – 74.95 U.S. cents

Divergence Between Government Finances and the Economy

Remarks by Premier Wall, March 2017 SARM Convention in Saskatoon

There continues to be a divergence between the renewal we see in the economy and what we're experiencing in government.

The economy is getting stronger... we know that... not just anecdotally but statistically... But revenues in government are still weak. And by now, you're probably familiar with some of the numbers.

This fiscal year, non-renewable resource revenues are down about \$1.2 billion from 2014 levels... That's \$1.2 billion on a \$14.4 billion budget... a drop of about eight per cent... Well, that's what we're facing today.

Oil has fallen back below \$50 a barrel West Texas Intermediate. And most experts say the ceiling for the increase is \$60 a barrel... that's when American shale producers will get busy and bring on more supply.

We're not going to see \$100 a barrel oil soon. And making matters worse, uranium and potash prices are at near record lows and the recovery in those markets will be prolonged.

Resource revenues are lower, and so too is tax revenue for the government. This fiscal year, tax revenue has dropped \$400 million from what we forecast in our budget.

On the expenditure side... there are pressures in health care, social services and corrections, in part because of our growing population.

So we're getting hit at both ends – revenues and expenditures. Our deficit this year is much bigger than expected... the forecast right now is about \$1.2 billion. Deficits at this level are unsustainable.

Over time, they will erode our ability to provide the services that support quality of life in our province. They will put in peril the Saskatchewan Advantage we have created together.

We have to take action on the deficit... today... not tomorrow... not at some undetermined point in the future. Because we've seen other governments in Canada kick the can down the road for years... postpone the day of reckoning.

Perhaps in the belief that somehow deficits will magically take care of themselves. It will take a determined, disciplined effort on the part of everyone in government, at all levels of government, to deal with this challenge.

Government Eliminates Executive Air Service

The Government of Saskatchewan is winding down its Executive Air Service effective today. Use of the service has decreased drastically in recent years – down from 595 trips in 2006-07 to 165 trips in 2016-17, and mileage is down by 73 per cent.

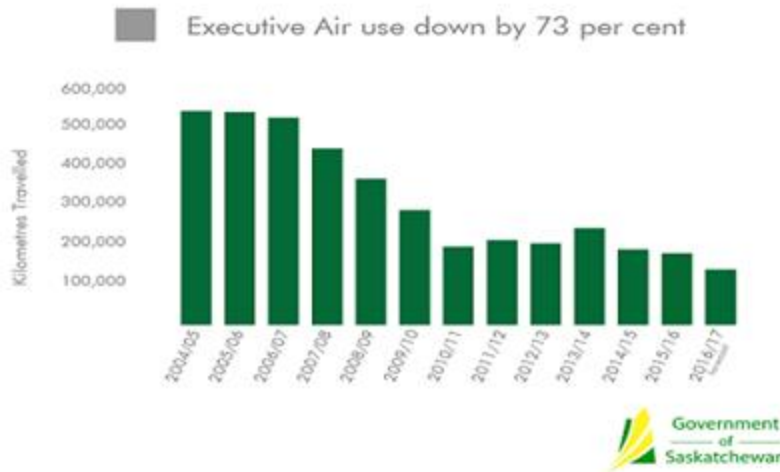
The Executive Air Service flew the Lieutenant Governor, the Premier, Cabinet Ministers, MLAs and senior government officials.

“The use of Executive Air has dropped dramatically over the past decade but overhead costs have remained high,” Central Services Minister Christine Tell said. ***“It just doesn’t make sense in these challenging fiscal times to continue paying those high overhead costs when there are viable commercial options available in Saskatchewan to meet government travel needs.”***

Elected officials and the Lieutenant Governor will now travel by vehicle or use commercial and charter flight services when air travel is required to attend meetings and events around the province.

“Our government has already significantly reduced air travel, from 595 Executive Air flights in 2006-07 to 165 in 2016-17,” Tell said. ***“When it is necessary to fly, we will use the lowest cost commercial or charter option available.”***

Winding Down Executive Air Service



Eliminating Executive Air is expected to save \$700,000 to \$1 million annually based on current travel levels.

“We are committed to controlling spending and making the difficult decisions that need to be made,” Tell said. ***“As government, we have to examine the services we use to ensure they are cost effective and sustainable. After examining the Executive Air service, the decision was made that it is no longer feasible to operate.”***

Discontinuation of the service takes effect today and efforts to wind down the service and sell the two aircraft will begin immediately. Executive Air employees have been notified of the decision today, and the Ministry of Central Services is working with employees and their union as per the collective bargaining agreement.

The Saskatchewan Air Ambulance will continue to operate with no changes to its service.

Sayings

*I didn't make it to the gym today. That makes five years in a row.

*Of course I talk to myself; sometimes I need expert advice.

*The biggest lie I tell myself is...“I don't need to write this down; I'll remember it.”

*When people see a cat's litter box they always ask, “Oh, have you got a cat?” Just once I'd like to say, “No, it's for company!”

*Employment applications always ask who is to be called in case of an emergency. Next time that happens, write down, “An ambulance.”

Texas speak

- *"All hat and no cattle." (all talk and no action)
- *"That dog won't hunt." (unacceptable)
- *"I can explain it to you, but I can't understand it for you." (confused)
- *"Down the road a piece," or "Turn left past yonder." (directions)
- *"He's like a blister – he doesn't show up till the work's all done." (lazy)
- *"The good Lord willing and the creek don't rise." (see you)
- *"Got to slop the hogs, dig a well, and plow the south forty before breakfast." (busy)
- *"He's too poor to pay attention." (broke)
- *"We've howdied but we haven't shook." (greetings)
- *"Add a cup of water to the soup." (company's coming)
- *"I've got the green apple nasties." (sick)
- *"Anytime you happen to pass my house, I'd sure appreciate it." (put down)
- *"I loaded the wrong wagon." (mistake)



"Saskatoon Southeast Newsletter" is a message from Don Morgan, MLA Saskatoon Southeast. Your opinions are important and your letters, emails and phone calls on any issue relating to the provincial government are welcomed. Contact Don Morgan by calling 955-4755, emailing mla@donmorgan.ca or writing Don Morgan, MLA Saskatoon Southeast, 109-3502 Taylor Street East, Saskatoon, S7H 5H9.

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