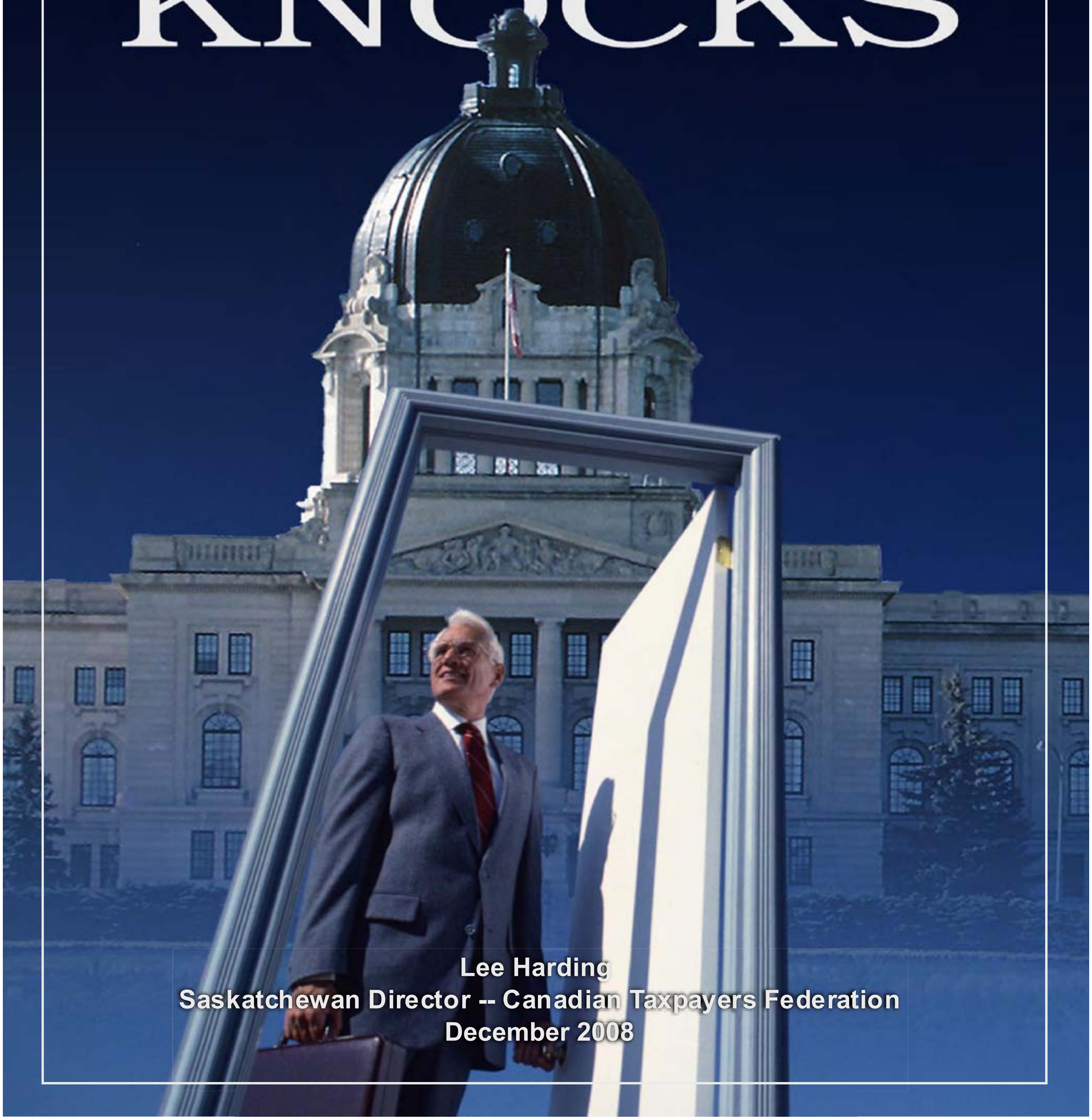
Opportunity KNOCKS



Lee Harding
Saskatchewan Director -- Canadian Taxpayers Federation
December 2008

About the Canadian Taxpayers Federation

The Canadian Taxpayers Federation (CTF) is a federally incorporated, non-profit and non-partisan advocacy organization dedicated to lower taxes, less waste and accountable government. The CTF was founded in Saskatchewan in 1990 when the Association of Saskatchewan Taxpayers and the Resolution One Association of Alberta joined forces to create a national taxpayers organization. Today, the CTF has over 64,000 supporters nation-wide.

The CTF maintains a federal office in Ottawa and offices in the five provincial capitals of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario. Provincial offices conduct research and advocacy activities specific to their provinces or issues in addition to acting as regional organizers of Canada-wide initiatives.

CTF offices field hundreds of media interviews each month, hold press conferences and issue regular news releases, commentaries and publications to advocate the common interest of taxpayers. The CTF's flagship publication, *The Taxpayer* magazine, is published six times a year. An issues and action update called *TaxAction* is produced each month. CTF offices also send out weekly *Let's Talk Taxes* commentaries to more than 800 media outlets and personalities nationally.

CTF representatives speak at functions, make presentations to government, meet with politicians, and organize petition drives, events and campaigns to mobilize citizens to effect public policy change.

All CTF staff and board directors are prohibited from holding a membership in any political party. The CTF is independent of any institutional affiliations. Contributions to the CTF are not tax deductible.

The head office of the Canadian Taxpayers Federation is located in Regina at:

Suite 105, 438 Victoria Avenue East
Regina, Saskatchewan
S4N 0N7

Telephone:	306.352.7199
Facsimile:	306.352.7203
E-mail:	canadian@taxpayer.com
Web Site:	www.taxpayer.com
Blog:	www.taxpayerblog.com

Table of Contents

PART I: SUMMARY OF RECOMMENDATIONS

1. Increase the provincial share of education funding to 75 per cent over three years.

2. Over the next four fiscal years, increase the basic personal exemption to $15,000 and implement an 11 per cent single rate tax.

3. Reduce the Small Business Tax Rate to 3.5 percent by 2010 and the Corporate Income Tax Rate to 10 percent by 2012.

4. Abolish the fire tax and reduce the overall insurance premium tax from 5 percent to 3 percent over the next two years.

5. Legislate that all oil royalty revenues will go toward debt reduction, and later, to a Saskatchewan Heritage Fund.

6. Let the Roughriders and the private sector carry the burden for funding any expansion of Mosaic Stadium.

7. Utilize public-private partnerships to save money on capital projects.

8. Pass legislation that limits public service salary increases to inflation.

9. Limit transition payments for MLAs and civil servants to two weeks for every year served in office and abolish severance packages for MLAs who resign their seats for non-medical reasons.

10. Allow private sector competition with public liquor retail and increase the transparency and accountability of SLGA stores.

11. Privatize Saskatchewan Transportation Corporation or sell it to its employees.

12. Allow citizens the right to purchase private health services and insurance.

13. Reduce health care spending by outsourcing services such as cleaning, laundry, food preparation, maintenance, security, landscaping, information technology, property management and human resources services or through the use of P3s.

14. Reduce sick days, overtime, and workplace injuries in crowns, departments, and health regions.

15. Adopt fixed budget dates and do not use special warrants except in the event of a declared emergency.

16. Increase the resources of the Information Commissioner, facilitate greater transparency in government affairs, and improve reporting practices.

PART II: INTRODUCTION

Saskatchewan is an island of optimism in a tossing sea of fear and uncertainty. While much of Canada and the world has a dismal economic outlook, vistas for the land of living skies remain positive.

In November 2008, the Conference Board of Canada reported Saskatchewan had a nation-leading 5.2-per-cent increase in real gross domestic product (GDP) for the year. Expectations for 2009 were for 3.6-per-cent growth, still tops in Canada. Substantial gains in employment, disposable income, and retail sales in 2008 were also expected to continue into the new year.[1]

Saskatchewan's resource-based economy has much at stake in the value of the Canadian dollar and a barrel of oil. Yet, Saskatchewan seems uniquely insulated from fluctuations in such commodities because a drop in the price of oil is often accompanied by a drop in the Canadian dollar. Although every $1 US drop in the world price of oil costs the province $18 million, the treasury gets $30 million back every time the Canadian dollar drops a cent against the U.S. currency.[2]

In November, Standard & Poor's boosted Saskatchewan's long-term rating from AA to AA+,[3] the highest rating the province has had in 22 years.[4] The rating was due to tax relief, debt reduction, and the province's promising future. The demand for Saskatchewan's resources is all but certain to grow as population powerhouses China and India continue to industrialize.

All this translates into a unique opportunity to put Saskatchewan at the competitive forefront. While some governments have no room to reduce taxes, Saskatchewan can go still further. While many governments are returning to deficit, Saskatchewan can stay in the black. Such moves today will put Saskatchewan in a superior position in future years, whatever they may bring.

Opportunity knocks. Seizing it will pay dividends today and well into the future.

PART III: REDUCING TAXES

School Taxes

Which Saskatchewan tax do you consider the most unfair and requires immediate reform?

School taxes	61%	Municipal	12%
Personal Income Tax	10%	Business Tax	2%
Gasoline or Fuel Taxes	10%	Provincial Sales Tax	5%

-2007 CTF Saskatchewan Supporter Survey

Should school taxes be taken completely off property assessment?

- Yes (even if it means higher taxes elsewhere) 59%
- Yes (only if it means no taxes elsewhere) 16%
- No 13%
- Undecided 12%

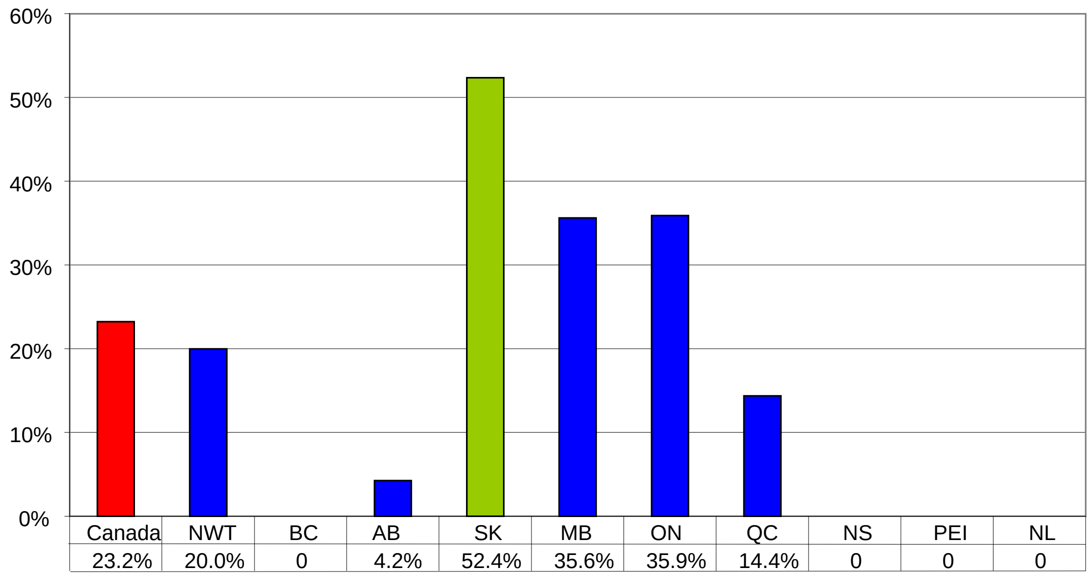
-2008 CTF Saskatchewan Supporter Survey

Ever since Ray Boughen chaired the Commission on Financing Kindergarten to Grade 12 Education in 2003, the CTF has called for the province to pick up at least 75 percent of the cost of Saskatchewan schools as an interim measure before picking up the entire cost. This remains our recommendation. In August 2008, the CTF renewed these calls in a report: “Solving the Problem: Fixing Saskatchewan’s antiquated K-12 funding system.”[5]

As it was in 2003, Saskatchewan continues to rely more heavily on property taxes to fund schools than any other province in Canada. The Boughen Commission explains why this is unwise. “Education property taxes are not as fair as other forms of taxation, particularly income and sales taxes.”[6] On the tests of benefits received and ability to pay, property taxes fail on both accounts, making them an inadvisable means by which to fund education.

Our current system of school funding is policy drift from a bygone era. Over the last 50 years, the size of Canadian farms has tripled, while the number of farms has declined.[7] This trend continues. As of 2006, Saskatchewan had 44,329 farms. The average farm size was a nation-leading 1449 acres, and an increase of 13 percent from 2001.[8] However, over that time, the number of Saskatchewan farmers had dropped 12 percent.[9]

Municipal Property Tax as % of Provincial School Spending



Source: Statistics Canada[10]

As rural areas have depopulated, fewer farmers are left paying higher portions of the school tax bill. School taxes represent 62.5% of the property tax bill in rural municipalities, compared to 52.9% for urban municipalities, and 48.6% for northern areas, a disparity not bridged by property tax rebates.

Currently 11.2 per cent of Canada's farm population is over the age of 65, almost twice the 6.1 per cent in 1971.[11] Farmers who have overpaid school taxes for much of their lives deserve not to do so any longer.

Saskatchewan Property Taxes in Fiscal 2007 ($ millions)[12]

	Municipal Taxes	School Taxes	Total Taxes	School tax percentage	Rebates	School Tax Percentage After Rebates
RURAL	224.0	347.0	598.0	**62.5%**	83.3	**56.5%**
URBAN	393.0	442.1	835.2	**52.9%**	38.2	**50.7%**
NORTHERN	4.7	4.5	9.2	**48.6%**	0.7	**44.7%**
TOTAL	621.8	820.6	1,442.4	**56.9%**	122.3	**52.9%**

In general, property taxes tend to be regressive, which means our current system also discriminates against families on lower incomes. The Boughen Commission noted that for Canadians making less than $20,000, property taxes accounted for ten percent of gross income, whereas for those making $100,000 or more, property taxes accounted for just two percent of gross income.[13]

Although reduced school taxes will have a considerable impact in rural areas, it will also help Saskatchewan cities compare favorably with those in other provinces. The City of Edmonton's annual property tax survey respectively ranked Regina and Saskatoon at 15th and 16th out of 24 major Canadian cities when it came to residential property taxes. Remove school taxes, and Saskatoon places eighth, and Regina, tenth.[14]

It is ridiculous to fund a school system on the backs of farmers and those on low incomes. Manitoba recognized this and has increased its provincial share of school funding by 31 percent since 1999. Through operating, capital, and various rebate programs, Manitoba has increased its funding share to 73.9 percent, with 80 percent as its goal.

A 3-to-1 ratio of provincial funding to school property tax within three years is an achievable goal. If this increase in funding (about $120 million per year) continued for an additional three years, K-12 school funding could be de-linked from property taxes altogether. Such a move would be endorsed by a majority of CTF supporters. Given that schooling is a provincial responsibility, the concept is not unreasonable.

School Funding Schedule
(2008 dollars, assuming school expenditures keep to inflation)

Year	Provincial Percentage	Provincial Contribution	Municipal Contribution
2008	50.8%	$750,152,651	$726,073,253
2009	59%	$870,973,283	$605,252,621
2010	67%	$989,071,356	$487,154,548
2011	75%	$1,107,169,428	$369,056,476
2012	84%	$1,240,029,759	$236,196,145
2013	92%	$1,358,127,832	$118,098,072
2014	100%	$1,476,225,904	$0

Source: Saskatchewan Chamber of Commerce, Ministry of Education, CTF calculations[15]

Recommendation 1

Increase the provincial share of education funding to 75 per cent over three years by 2011.

A single-rate income tax

The CTF welcomed the October announcement of substantial income tax relief for the 2008 tax year. Indeed, a higher basic personal exemption (BPE) was something the CTF has advocated for since 2004. The province's move to raise the BPE to $12,495 was a gigantic leap forward. This step alone took 80,000 low-income wage earners off the tax rolls.

In 2008, the Canadian Taxpayers Federation released its paper: "Lower, Simpler, Flatter." It recommended that the federal government eliminate the middle two of its four tax brackets, and reduce the highest bracket, leaving rates of 15 and 25 percent. It was demonstrated that by removing all but the most basic of tax exemptions and credits (such as spousal, charitable, medical, RRSP), this was easily achievable. The proposal received wide acclaim across Canada.

According to a 2001 Fraser Institute study, (*Flat Tax: Principles and Issues, May 2001 – www.fraserinstitute.ca*) "research from around the world concludes that high and increasing marginal tax rates contribute to lower rates of economic growth, reduced rates of personal income growth, lower rates of capital formation, aggregate labour supply that is lower than expected, and reduced social welfare. In short, high and increasing marginal tax rates reduce economic growth by creating strong disincentives to hard work, savings, and investment."

This is why Saskatchewan's income tax relief of 2008 begs for a sequel—one that will affect the middle and upper class. In his article, "Saskatchewan's tax cuts: we missed a bigger bang,"[16] David Seymour of the Frontier Centre noted the 80,000 removed from the tax rolls represent only one in eight workers. We agree with Seymour that Saskatchewan should implement a single rate tax—a move already made by 25 nations, 8 American states, and the province of Alberta.

For the 2008 tax year, Saskatchewan had three rates on income:

- 11.0% on first $39,135
- 13.0% on next $72,679
- 15.0% on any remainder

A suggested means to get to a single rate of 11 percent with a BPE of $15,000 follows:

- **2009**: Reduce the 13 and 15 percent brackets by one percent.
- **2010**: Further reduce these brackets one percent (this would eliminate the middle bracket), and raise BPE to $14,000
- **2011**: Tax all income at 11 percent with a BPE of $15,000

Assuming that inflation-indexed brackets rise 3.5 percent in 2009, and 2 percent thereafter, brackets would look like this:

Year	**2008**		**2009**		**2010**		**2011**	
BPE	0	$12,945	0	*$13,398*	0	$14,000	0	$15,000
1st	11	First $39,135	11	*First $40,505*	11	*First $118,042*	11	*Remainder*
2nd	13	Next $72,679	12	*Next $75,223*	13	*Remainder*		
3rd	15	*Remainder*	14	*Remainder*				
(Inflation-adjusted amounts in italics)								

As of 2008, Alberta exempts $16,161 and taxes the remaining income at 10 percent. Should Alberta have similar inflation to the rates suggested above, their exemption would be $17,402 in 2011. By then, Saskatchewan's rates would be competitive.

This move would cost less than the tax relief announced in October that will save taxpayers $334 million this tax year.[17] And, it should be noted that most jurisdictions who have implemented single rate income taxes have seen net revenue growth over the medium to long term. Increased revenues have allowed Estonia to drop its flat tax to 21% in 2008, five percent less than its rate in 1994.

Recommendation 2

Phase in an 11 per cent single rate income tax and increase the basic exemption to $15,000 over the next three years.

A Note on Harmonization

Vicq also suggested the province harmonize the Provincial Sales Tax with the Goods and Services Tax, an idea with some merit. Harmonization streamlines tax collection, minimizing costs for the province. Also, more than half of the $1 billion in PST collected in Saskatchewan annually is from business inputs—dollars businesses would have returned to them if harmonization went through.[18]

But harmonization has some downsides. It would mean expanding the goods and services the PST applies to, such as meals in restaurants. As well, consumption taxes are also more punitive for those on lower incomes because a higher percentage of their gross income is spent on everyday living. Because of these downsides, CTF supporters would prefer the province not harmonize the PST with the GST.

Economists say harmonizing the GST with provincial sales tax will help job creation and lower business taxes, but these harmonized sales taxes also result in higher tax rates being applied to things like home heating fuel. Do you favour harmonizing the GST with your province's sales tax?

Yes 22% No 70% Undecided 8%

-2008 CTF Saskatchewan Supporter Survey

Should your CTF support GST harmonization to ensure the country has a more competitive economy OR should we only support harmonization if governments lower other taxes, such as personal income taxes?

- Support harmonization 7%
- Support, but lower other taxes 37%
- Do not support harmonization 47%
- Undecided 9%

-2008 CTF Saskatchewan Supporter Survey

Business Taxes

In the first half of this decade, Saskatchewan's business tax rates lagged behind other provinces, putting business at a competitive disadvantage. However, the NDP commissioned a business tax review in 2005 and, aside from harmonization, fully implemented its recommendations. This included a drop in the Corporate Income Tax Rate (CIT) from 17 to 12 percent.

Business Tax Rates

	2005	2006*	2007*	2008*
General corporate income tax rate	17%	14%	13%	12%
Small business threshold	$300,000	$400,000	$450,000	$500,000
Revenues ($ millions)	$393.6	$554.0	$673.6	616.5**

** All measures effective July 1 of each year*
***2008 estimates from Saskatchewan mid-year fiscal update*

The results have exceeded expectations. Revenues are actually up substantially from 2005, despite a 5 point drop in the income tax rate over that time. Saskatchewan's corporate tax rates are reasonably competitive with other provinces, but without further reductions that may soon change.

2008 Corporate Tax Rates[19]				
Province	Corporate Income Tax	Manufacturing & Processing	Small Business Rate	Small Business Rate Threshold
NL	14	5	5	$400K
PE	16	16	3.2	$400K
NS	16	16	5	$400K
NB	13	13	5	$400K
QC	11.4	11.4	8	$400K
ON	14	12	5.5	$500K
MB	13	13	2	$400K
SK	**12**	**10**	**4.5**	**$500K**
AB	10	10	3	$460K
BC	11	11	3.5	$400K
Federal	19.5	19.5	11	$400K

The federal government will drop its corporate income tax rates to 15 percent by 2012 and has requested that Canadian provinces do the same. The goal is to achieve a combined corporate rate of 25 percent, making Canada more competitive internationally. Alberta plans to comply, and other provinces may follow.

As well, Saskatchewan's 4.5 percent small business tax rate is dead last in the Canadian West and more than twice that of Manitoba's.

Therefore, the CTF recommends that the province reduce small business taxes to 3.5 percent by 2010 and the Corporate Income Tax Rate to 10 percent by 2012, using annual reductions of half a percentage point. Should corporate earnings remain static, such moves would cost the provincial government $100 million annually by fiscal 2012. But, once again, the stimulus effect of reduced taxes suggests some of this revenue would be recouped.

Recommendation 3

Reduce the Small Business Tax Rate to 3.5 percent by 2010 and the Corporate Income Tax Rate to 10 percent by 2012.

Insurance Taxes

Nova Scotia is the only jurisdiction with a higher tax on insurance than Saskatchewan. As the Insurance Bureau of Canada (IBC) has explained, these high and hidden taxes are poor public policy for numerous reasons.

IBC estimates that the insurance industry in Saskatchewan employs 2800 people. In 2007, Saskatchewan had $476 million in direct written premiums and $196 million in claims paid. Insurers invest about $1.6 billion annually in the province, with one quarter of these investment funds in provincial bonds.

Insurance serves an important purpose in the economy by spreading the risk for fire, road crash, theft, and other losses so that they are not solely borne by the unfortunate. But some may minimize their insurance coverage or deny it altogether because of added taxation. This is especially likely for those who pay the highest premiums. Among these groups are homeowners, small businesses that export, and volunteer organizations. It would not seem to be in the public

Property and Casualty Insurance Premium and Fire Taxes, 2007[20]			
Jurisdiction	**Premium Tax Rates**	**Fire Tax rates**	**Combined Tax Rates**
BC	4.4		4.4
AB	3		3
SK (excluding auto)	**4**	**1**	**5**
SK (auto)	**5**		**5**
MB	3	1.25	4.25
NB	3	1	4
NS	4	1.25	5.25
NF	4		4
ON (property)	3	0.5	3.5
ON (excluding property)	3		3
QC	3.35		3.35
PEI	3.5	1	4.5
NWT	3	1	4
Nunavut	3	1	4
Yukon	2	1	3

interest to have such groups vulnerable.

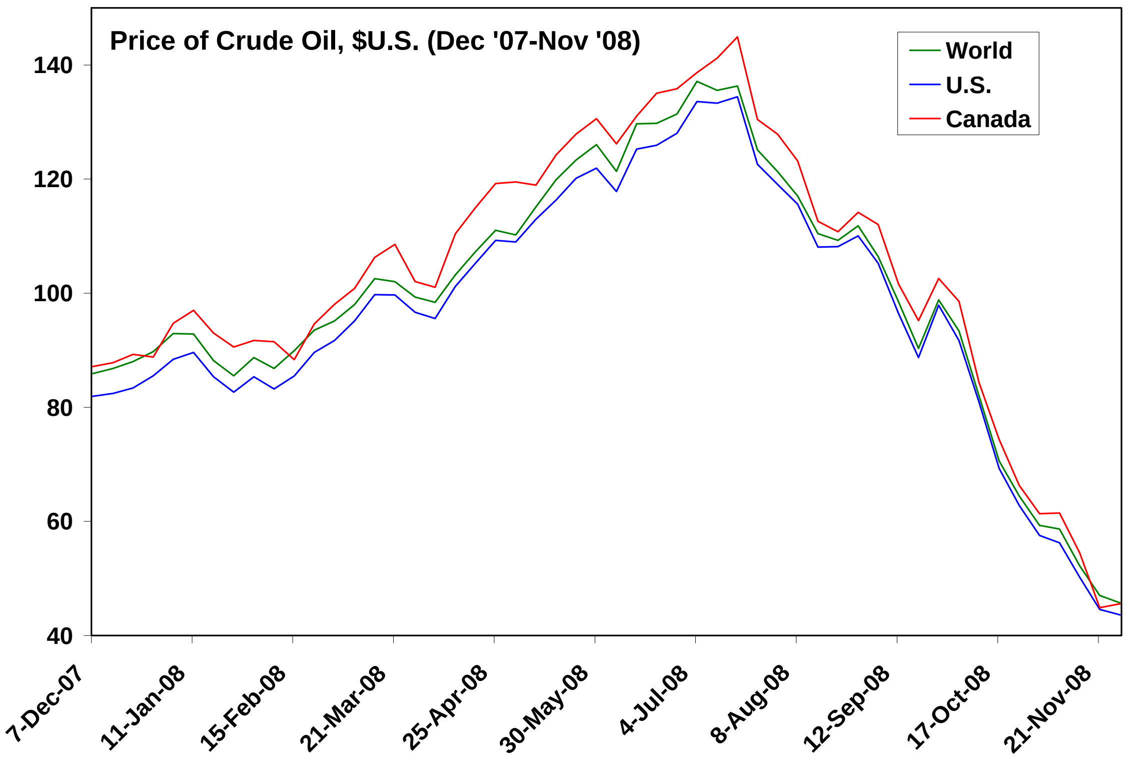
The CTF recommends that the fire tax be dropped, and that insurance premiums of all kinds be levied at three percent instead of five. This could be phased in by a one point drop in each of the next two years, bringing the province down to 3 percent in 2010.

Recommendation 4
Abolish the fire tax and reduce the overall insurance premium tax from 5 percent to 3 percent over the next two years.

PART III: SPENDING CONTROL

Resource Revenues and Debt Reduction

This past year has shown just how volatile resource revenues can be. The price of oil was less than $45 U.S. in April, 2008, shot up to a record high of $143 U.S. in July, and then fell to less than $45 U.S. again in December, 2008. Obviously, such fluctuations make budgets difficult.



Source: Energy Information Administration (U.S. Government)[21]

The province would be wise to adopt a policy similar to that used in Norway, where resource revenues are not used for program spending. Instead, such funds are saved and invested. Oil is a non-renewable resource and the wealth it generates should be a legacy. As well, spending it subjects government budgets to wild and unpredictable swings.

Current legislation allows for 4 percent of the equity in this account to be transferred to the government--an amount roughly equal to the average expected rate of return. This means that the government spends the *earnings* from the account, not the funds themselves, ensuring that the fund grows year after year.

Even though Norway implemented this policy just 17 years ago in 1991, the fund currently has approximately $368 billion—about $78,000 for every Norwegian. Already, ten percent of the government's budget comes from this source.[22]

Next door, Alberta has taken a similar, though watered-down approach. The Alberta Heritage Savings Trust Fund was established in 1976 and grew to $12.7 billion by 1987. No investments were made to it until 2005. Despite recent market losses, it currently holds $15.8 billion. The Alberta government estimates that it has made $30 billion in investment income over its lifetime.[23]

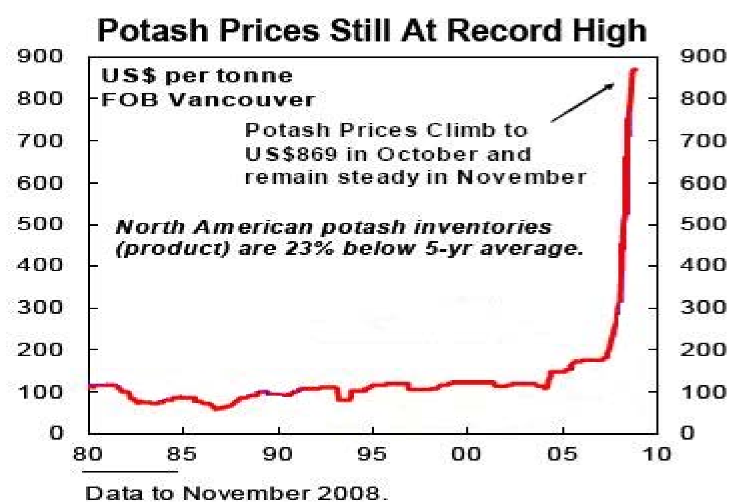
In Alberta, current legislation dictates that the first $5.3 billion of resource revenues can be spent on program spending, with the rest going to the Heritage Fund. However, many economists,[24] and the CTF, believe that Alberta must be more assertive with saving in the future. Alberta's Financial Investment Planning and Advisory Commission recently advised the province to grow the Heritage Fund to $100 billion by 2030 and that the province save a fixed percentage of its revenues annually for this purpose. It also recommended that the province only be allowed to access 4.5 percent of the fund's equity in any given year, similar to the model used in Norway.[25]

Saskatchewan Resource Revenues ($ thousands), Excluding Crown Land Sales[26]

Resource	**2006-07**	**2007-08**	**2008-09**
Natural Gas	165,131	133,780	144,400
Oil	1,318,852	1,665,267	1,608,500
Potash	161,729	432,770	1,427,000
Other	48,540	93,299	138,900
Total	1,694,252	2,325,116	3,318,800

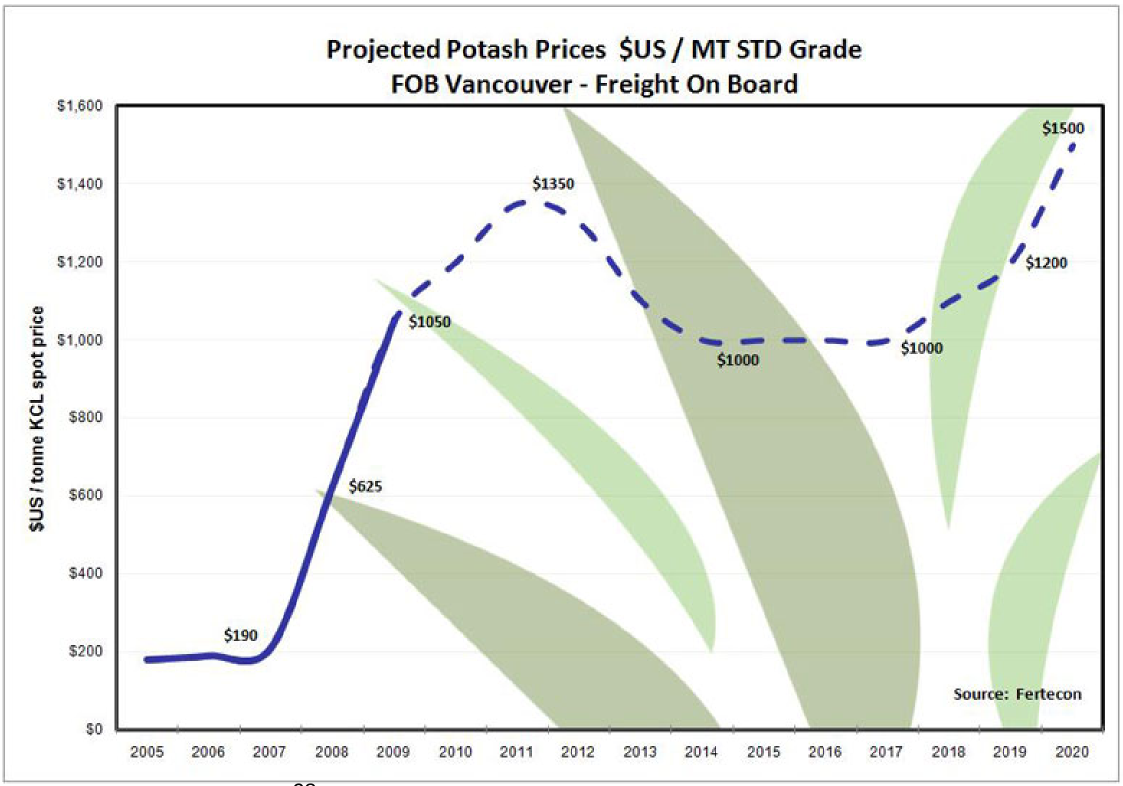
Saskatchewan would do well to implement a legislated savings plan. In the short-term, such dollars would go towards paying off the remaining $4.2 billion in provincial debt. Thereafter, they would enter a savings plan, operating on a similar basis to the one in Norway.

Three options could be chosen as to a savings plan.



One would be to dedicate a portion from general revenues; a second option would be a portion of resource revenues as a whole; a third option would be all oil royalties.

Of these three options, the third seems best. Resource revenues have accounted for Saskatchewan's swelling revenues far more than any other factor. Potash and Oil are the main resources. Despite the incredible growth for Potash in recent years, it is actually oil that threatens to be the most volatile in the future. The Scotiabank Commodity Index fell 15.6 percent from September to October 2008, the biggest drop since the index was initiated in 1972. Even so, Potash prices remained at record highs.[27] And, as the chart shows below, many expect that Potash prices will be equally high or higher for the next decade.



Source: Potash One[28]

Dedicating all oil royalties to this savings plan has many merits. It allows a pre-surplus amount of money to be dedicated to debt reduction (and later, savings). It also targets a resource with the most volatile price and ensures the province doesn't budget spending on revenues that may not be there.

<u>Recommendation 5</u>
Legislate that all oil royalty revenues will go toward debt reduction, and later, to a Saskatchewan Heritage Fund.

Mosaic Stadium Expansion

Should your CTF oppose government subsidies for professional sports facilities?

• Yes, oppose any and all subsidies	41%
• Support modest/ minimal government support only	53%
• No. Taxpayers should pay for professional sports facilities	0%
• Undecided	6%

-2008 CTF Supporter Survey

Mosaic Stadium (Formerly Taylor Field) has been sold out for almost every Roughrider game since the start of 2007. Discussions are underway for a stadium expansion that would cost more than $50 million. The Roughriders made $1.7 million last year. Who should pay for this expansion?

• Taxpayers alone	1%
• Taxpayers with a portion from the Roughriders	24%
• A lottery or some other non-compulsory means	55%
• The Roughriders with no tax dollars	10%
• Undecided	10%

-2008 CTF Saskatchewan Supporter Survey

CTF supporters are lukewarm at best about taxpayer support for Mosaic Stadium, home of the Roughriders. The stakes are even higher than indicated in this question, as the latest estimate floated for the cost of stadium expansion is $100 million. A brand new facility would likely cost $300 million.

It is true that the Roughriders enjoy strong fan support and a special place in the hearts and even the identity of the province. However, it does not immediately follow that the province should therefore fund a stadium expansion.

Although Mosaic Stadium is community owned and is used for other purposes, Roughrider home games are virtually the only events to draw capacity crowds. These only occur 10 or 11 times per year. Blockbuster concerts such as the two-day Rolling Stones event are rare. Besides, new concerts in Regina would more likely go to Evraz Place, which is expanding its capacity.

The City of Regina's *Recreation Facility Strategy 2020* agrees:

> The major investments at Taylor Field are not likely to generate many additional new events at that site that could result in indirect benefits to all Regina citizens. The consultants cannot support

> either at this time and would be concerned that either would divert limited available capital from real community recreation needs and limit the City's ability to meet them. [29]

Economists Dennis Coates and Brad Humphreys have done extensive independent research regarding the economic spin-offs often cited as a reason to subsidize professional sports. They say that their research and those of other economists demonstrates almost unanimously that "stadiums, arenas and sports franchises have no consistent, positive impact on jobs, income, and tax revenues." [30]

The best approach to an expansion of Mosaic Stadium is to have the Roughriders spearhead the efforts, since they have the most to gain. If fans and friends of the Roughriders want a bigger stadium, then it will be reflected by the success of fundraising efforts such as ticket surcharges, added shares in the team, "section sponsorships," lotteries, or any other number of efforts. If that support is not there, it only confirms that green is NOT the colour of our money, or at least what citizens want it spent on. Again, it is best for people themselves to decide how important this project is, not government.

Recommendation 6

Let the Roughriders and the private sector carry the burden for funding any expansion of Mosaic Stadium.

Limit Spending

Would you support legislation that would limit government spending to inflation and population growth?

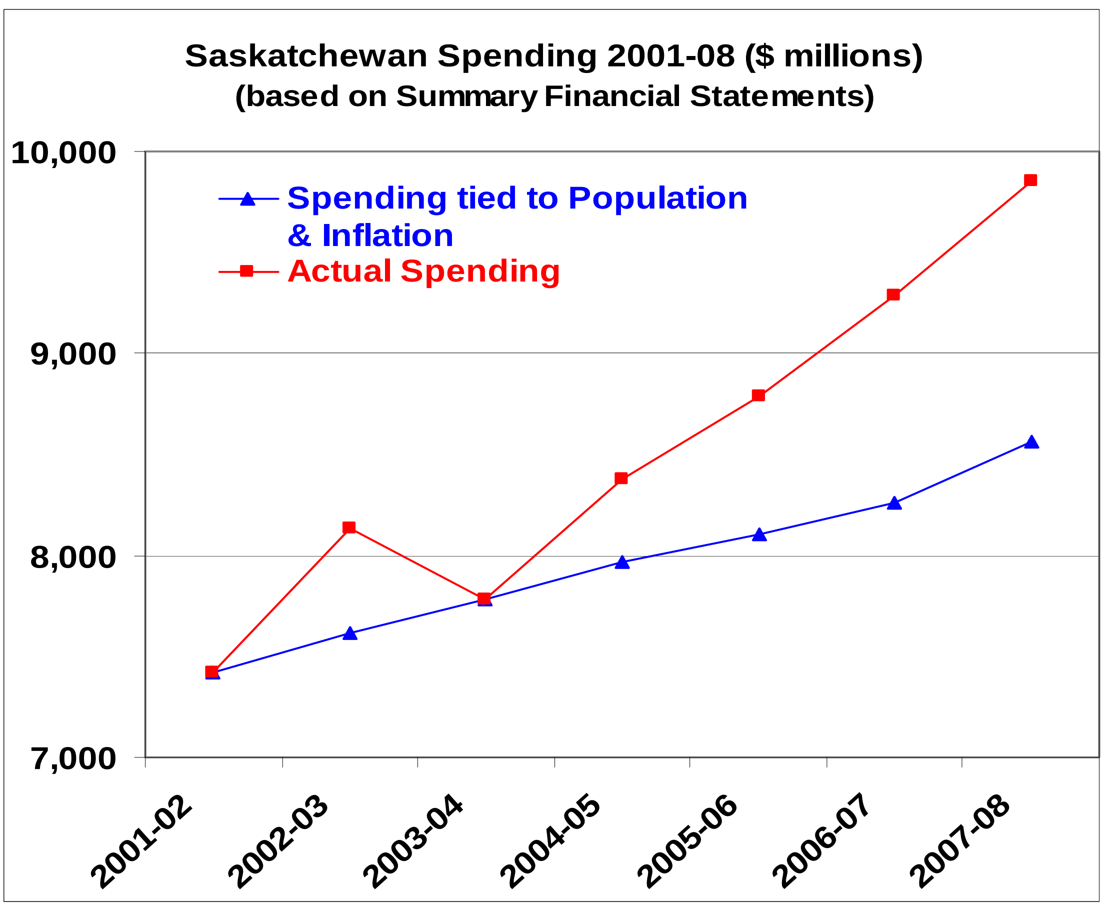
Yes: 69% No: 6% Unsure: 25%

-2008 CTF Saskatchewan Supporter Survey

Since 2001, total government spending has far outpaced the combined rate of inflation plus population growth. Three of those years (2002, 2003, 2004) resulted in accumulated deficits amounting to $1.23 billion. But if our province had held spending increases to inflation plus population growth, our cumulative savings since 2001 would have been almost $12 billion dollars.

Real provincial spending (in $ millions) vs. spending indexed to population and inflation, 2001-08; projections 2009-2012

Fiscal Year	Pop. (1000's)	Pop. Growth	Inflation	Pop. & Inflation Growth	Spending tied to Pop. & Inflation	Actual Spending	Diff.	Savings
01-02	1000.2	-0.72%	3.0%	n/a	7,423	7,423	n/a	n/a
02-03	996.8	-0.34%	2.9%	2.55%	7,612	8,129	517	653
03-04	996.4	-0.04%	2.3%	2.26%	7,784	7,785	1	654
04-05	997.4	0.10%	2.2%	2.30%	7,963	8,376	413	1,066
05-06	993.6	-0.38%	2.2%	1.81%	8,108	8,787	679	1,746
06-07	992.1	-0.15%	2.1%	1.95%	8,265	9,290	1,025	2,770
07-08	999.7	0.77%	2.8%	3.59%	8,562	9,858	1,296	4,066
08-09	1016.0	1.63%	*3.5%*	*5.19%*	*9,006*	*10,461*	*1,455*	*5,521*
09-10	*1032.3*	1.60%	*2.0%*	*3.64%*	*9,334*	*11,100*	*1,767*	*7,287*
10-11	*1048.6*	1.58%	*2.0%*	*3.61%*	*9,671*	*11,779*	*2,108*	*9,396*
11-12	*1064.9*	1.55%	*2.0%*	*3.59%*	*10,017*	*12,499*	*2,482*	*11,878*



Although spending has risen much faster than inflation and population, thankfully, it has not risen not faster than revenues. In order to reduce public debt and provide tax relief, spending must be controlled.

One proven technique is to enact legislation that limits spending growth. Idaho, Arizona, Michigan, Missouri and North Carolina limit theirs to a set percentage of the income earned by the state's taxpayers. Washington and Colorado also have legally set limits. A 2003 Fraser Institute study called "Tax and Expenditure Limitations – The Next Step in Fiscal Discipline" shows that states that have taken such measures have had greater success in spending control.

The Fraser Institute also recommended Canadian provinces adopt the policy. CTF supporters would also welcome such a move in Saskatchewan. It would give the provincial government a good way to prioritize spending and say no to excessive demands from public unions and special interest groups.

Thus far, the Ministry of Finance has been reticent to enact such a change. A significant reason is that Saskatchewan is making necessary investments in its roads following years of neglect, and, further, that the inflation for road repair and construction is much higher than the Consumer Price Index. In fact, Premier Wall has suggested that the infrastructure budget for 2009-10 will represent a 50 percent increase.[31]

Yet, it should be noted that ambitious public spending on infrastructure is itself a significant factor in the inflationary costs. The province must be cautious not to drive up these costs unnecessarily. It should also use public-private partnerships where possible to minimize costs and maximize results.

Public/Private Partnerships

Renewing and expanding public infrastructure has become an increasingly important (and costly) emphasis. Whether done directly by the province, or through provincial funding of municipal projects, getting value for capital expenditures has never been more important.

To ensure that dollars are spent wisely, the government should make consideration of public-private partnerships (P3s) mandatory for large capital projects. P3s encourage innovation, collaboration, and appropriate risk sharing with the private sector, drawing on the expertise and strengths of the public and private sectors. They help maximize value for money by considering life-cycle costs, opportunities for third party provision of ancillary services (such as caretaking, food service, etc.) and third party revenue opportunities.

P3s also help ensure that infrastructure is delivered with cost certainty and within a set period of time. When properly structured, P3s place much of the risk of construction and operation costs onto the private sector. This ensures that the corporations involved build with high construction quality and operating efficiency. These agreements also ensure taxpayers will get a good return on public dollars invested.

British Columbia has a law that any capital project over $50 million be built as a P3 unless a compelling reason can be found to not do so. On November 12, 2008 the Journal of Commerce reported,

> To date, public-private partnerships have resulted in significant benefits for taxpayers, including $131 million in additional benefits on the Sea-to-Sky Highway, $92 million in benefits for the new Canada Line, $39 million in benefits on the Abbotsford Hospital and Cancer Centre, and $25 million in benefits from the new William R. Bennett Bridge.[32]

Recommendation 7

Utilize public-private partnerships to save money on capital projects.

Public Service Wages

The province has already legislated that the total civil service not grow faster than the rate of the population. It should also limit the provincial payroll to an inflationary rate. Finance Minister Rod Gantefoer has already indicated this desire in recent published comments.[33]

As it stands, salaries in Saskatchewan's provincial civil service average 8.8 percent higher than comparable positions in the private sector.[34]
Although MLAs are better paid, their salaries are indexed to the rate of inflation and they have the same pension plan as public servants. This means legislators have the moral ground to hold public service salaries to the rate of inflation.

The current payroll of government employees is more than $1 billion,[35] roughly one-tenth of provincial spending. Placing reasonable limits on public sector wage growth makes sense, especially in uncertain financial times.

Recommendation 8

Limit public service salary increases to inflation.

Severance Payments

Would you support a law that limits severance payments for MLAs and public service employees to two weeks for every year served in office?

Yes	89%	No	2%	Unsure	9%

-2008 CTF Saskatchewan Supporter Survey

Would you support a law that forces an MLA who leaves their seat before an election (for non-medical reasons) to forfeit their severance pay to help offset by-election costs?

Yes	93%	No	2%	Unsure	5%

-2008 CTF Saskatchewan Supporter Survey

The 2007 conclusion of Saskatchewan's 16-year NDP era highlighted the need for a policy change in severance payments. Seventeen MLAs who chose not to run again or lost their seats during the 2007 election received more than $900,000 in severance pay.

A pairing down is in order. Many Saskatchewan taxpayers could not hope to make the wages these MLAs receive, let alone such lucrative severance packages. MLAs receive one month's pay for every year they have worked (up to 12), with any portion of a year worked counting as a full year.

Currently, an MLA who served four years would receive $28,136 in transition pay. Under the CTF plan, an MLA who worked for four years would receive $12,986.

Voters are especially disgruntled when severance is paid to an MLA who quits his or her seat mid-term to pursue personal interests such as federal politics or business opportunities. A prime example is the resignation of Joan Beatty less than two months after being re-elected in the November 7, 2007 election. The CTF estimates that Beatty, who spent four years and two months as the Cumberland MLA, received a "transition allowance" of $34,212.50.

The CTF believes that any MLA who resigns their seat for anything but a medical reason should forfeit their severance pay. It's the least they owe for undermining the confidence of voters in the democratic system. Not only would this change serve as a disincentive for MLAs to quit mid-term, it would also help offset the cost of unnecessary by-elections.

These costs are substantial. Although the cost for the Cumberland by-election is not yet known, it should be close to the $238,615.91 spent by Elections

Saskatchewan for the March 5, 2007 Martensville by-election. This represented $23.34 per eligible voter and $51.72 per vote counted.[36]

Top civil servants fired by the NDP as it handed over the reigns of power received $4.5 million in severance. Those let go by the Saskatchewan Party received almost $4.2 million in severance, a number sure to grow as transition firings and those since are processed.[37]

Although a capable, non-partisan civil service is a nice ideal, the reality is that many high-ranking bureaucrats do have strong political connections and an ideological outlook that makes them less suitable when the party in power is replaced. This is not all bad. The higher the position of leadership, the more important a political philosophy may be, both to administrate on behalf of the government and to fulfill the desires of their political masters.

When government changes hands, it should be free to fire high-ranking members of the civil service, just as a new general manager of a football team may want a new coaching staff. Why should such firings lead to such excessive severance packages? As well, the Murdoch Carriere case shows that even when a firing with cause (and no severance) is warranted, it may not happen.[38]

Endless wrangling between lawyers representing fired civil servants and those represented by the government, as well as the high severance often negotiated, are both uncalled for and unnecessary. Compared to similar positions in the private sector, the average provincial civil servant in Canada makes 8 percent more in wages, and 25 percent more when pensions and benefits are included.[39] For all the above reasons, severance packages should be legislated to a two-week per year served limit.

Recommendation 9

Limit transition payments for MLAs and civil servants to two weeks for every year served in office and abolish severance packages for MLAs who resign their seats for non-medical reasons.

PART IV: POLICY CHANGE

Public monopolies discourage entrepreneurship, innovation, and economic growth. In some cases, government businesses represent needless intrusion on the private sector or are a net drain on the provincial treasury. Saskatchewan Liquor and Gaming Authority (SLGA) and Saskatchewan Transportation Corporation (STC) serve as respective examples.

Liquor stores

Which ONE of the following two agencies would you give priority to privatizing?

• Liquor retail	73%
• Saskatchewan Transportation Company	14%
• I do not support privatization	6%
• Undecided	7%

-2008 CTF Saskatchewan Supporter Survey

In the absence of privatization, would you support private liquor stores competing alongside government liquor stores?

Yes: 80% No: 11% Undecided: 9%

-2008 CTF Saskatchewan Supporter Survey

Currently, the SLGA has 79 public liquor stores. It also has 185 private franchises that sell liquor on behalf of SLGA and receive a commission of 15.3 per cent of purchases for retail.[40] Another 450 private off-sale outlets exist in the province.

But CTF supporters, and the general public, would welcome a lesser role for government in the liquor business. In 2004, a Sigma Analytics poll, commissioned by the CTF, showed that 72 percent of Saskatchewan residents wanted government to either get out of the liquor business altogether or at least restrict SLGA involvement to the wholesale level.

That same year, the CTF published a research paper showing how liquor privatization could lead to higher revenues for government, increased economic development and lower prices for consumers.

The CTF's proposal remains valid. It called for government to enter into a public/private partnership to operate a central provincial warehouse to oversee the distribution of product, but to leave liquor retail to private industry. A base tax would be applied, but the mark-up would be reduced by 15 percent. This approach would allow distributors to make a profit without increasing prices.

As it stands, off-sale retailers must buy liquor from SLGA stores at the same prices as any consumer, and somehow try to re-sell it at a profit. Not surprisingly, the Saskatchewan Hotel & Hospitality Association (SHHA) is crying foul. The SHHA wants a transparent and fair mark-up at the wholesale level to allow private sector competition.

In addition, the SHHA wants the finances of the wholesale, retail, and regulatory operations of the SLGA to be disclosed separately and transparently so taxpayers can see what they are getting for their money. The SHHA further recommends that tax exempt status for liquor stores be removed, and *each* of the 80 retail stores operated by the SLGA be required to be economically viable in themselves, not propped up by profits from other SLGA stores or taxpayers.[41]

The CTF would also endorse such measures because current service is expensive and inadequate. In 2006, the CTF demonstrated that the cost of public liquor stores had risen 33 per cent from fiscal 2002 to fiscal 2005. Salaries had increased substantially and were well above private sector counterparts.

It was welcome news to hear on December 2, 2008 that the province would issue a public tender for one specialty wine store in Saskatoon and another in Regina. However, it would be even more welcome to see "wholesale changes" in how liquor retail operates in Saskatchewan. The Saskatchewan Party promised to keep crowns in public hands; it did not promise that private liquor retailers could compete with public stores.

Recommendation 10

Allow private sector competition with public liquor retail and increase the transparency and accountability of SLGA stores.

Saskatchewan Transportation Corporation (STC)

Would you support the privatization of Saskatchewan Transportation Corporation?

Yes 71% No 22% Undecided 7%

-2007 CTF Supporter Survey

Most CTF supporters would welcome the privatization of STC. This is significant, since a large percentage of them live outside the main centers of Regina and Saskatoon and would therefore be the most affected by changes to STC.

Saskatchewan Transportation Corporation, 1999 to mid-2008 ($ in 1000s)

Year	Revenues	Expenses	Profit/ Loss	Operating Grant	Capital Grant	Workers	Payroll	Assets
*2008	$11,658	$17,857	**-$6,199**	$5,200	$5,250	n/a	n/a	n/a
2007	$16,065	$22,720	**-$6,655**	$5,000	$15,550	238	$10,800	$39,000
2006	$15,493	$21,238	**-$5,745**	$4,000	$4,250	244	$9,700	$24,300
2005	$14,828	$20,266	**-$5,438**	$3,500	$3,900	252	$9,200	$21,200
2004	$14,031	$18,763	**-$4,732**	$3,700	$1,900	233	$8,800	$19,300
2003	$13,580	$18,158	**-$4,578**	$1,600	$1,900	235	$9,000	$18,300
2002	$13,423	$17,462	**-$4,039**	$2,400	$2,400	234	$8,800	$19,300
2001	$13,651	$17,040	**-$3,389**	$2,000	$1,900	237	$8,500	$18,500
2000	$13,618	$16,536	**-$2,918**	$1,750	$1,900	234	$8,200	$18,200
1999	$12,732	$15,807	**-$3,075**	$1,980	$2,000	n/a	n/a	$17,500
Total	$139,079	$185,847	**-$46,768**	$31,130	$40,950	n/a	n/a	n/a

*Source: STC Annual reports. *2008 figures are as of September 30, 2008*

STC has lost an increasing amount of money each year since 2000. Over the past ten years, it has taken $72 million from taxpayers -- $41 million for capital, and $31 million for operations. Its subsidy was $2.30 per passenger-kilometre in 2007, and was budgeted to be $2.90 in 2008.

The Regina depot, first slated to be finished in late spring 2007 for $19 million opened in November 2008 for $26.2 million. However, the spacious building is unlikely to turn fortunes around. STC estimates that only 18 percent of its 3.1 million miles traveled annually, and 35 percent of the total freight and passenger services, pass through the Regina depot.

STC was formed in 1947 in the era of the Cooperative Commonwealth Federation. But this vestige of a time long past means a modern-day black hole for taxpayers. If an argument can be made for subsidizing rural routes (dubious by our thinking), it would be far more sensible for the government to contract a private service provider than own and operate a bus company. We recommend this perennial money-loser be privatized.

Recommendation 11
Privatize Saskatchewan Transportation Corporation or sell it to its employees.

Facilitate Private Health Care

Do you support a parallel private medical system to coexist alongside the public one?

Yes: 80% No: 9% Undecided: 11%

-2008 CTF Saskatchewan Supporter Survey

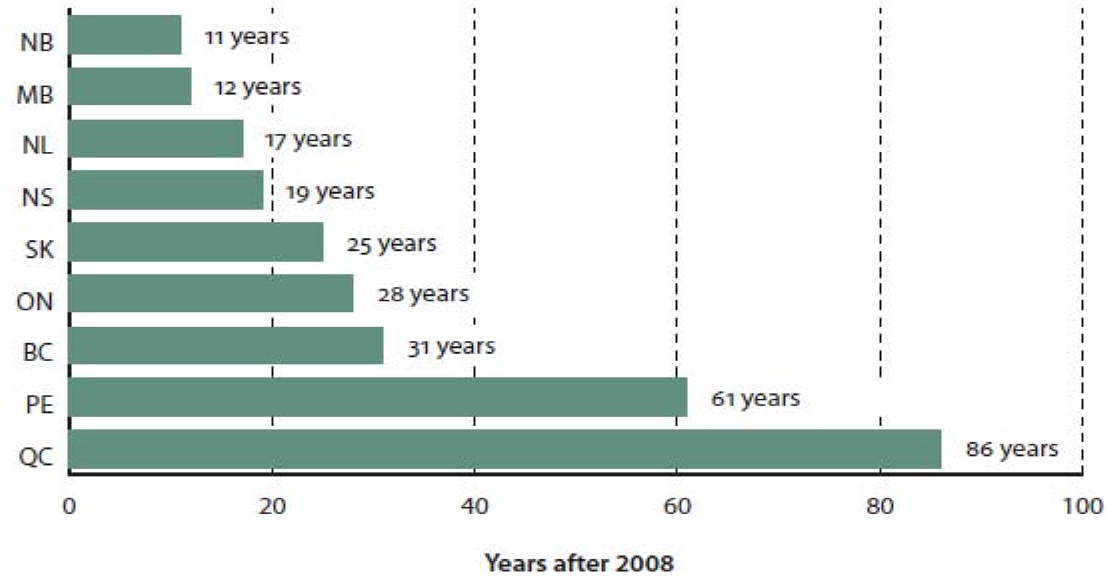
The Fraser Institute summed up Canada's health system well in its report, "Paying more, Getting Less."[42]

Next to Iceland, Canada pays the highest percentage of its GDP on health care of any country in the world that offers universal access. At least Iceland also has the most doctors per capita of any country in the OECD. By this criteria, Canada ranks 23 of 28, a far cry from 1970 when we were ranked second in the world. However, that was 1970, the year that medicare was fully applied to physician services. It's been downhill ever since. We would need 66,000 more doctors to surpass Iceland as the nation with the most doctors per capita.[43]

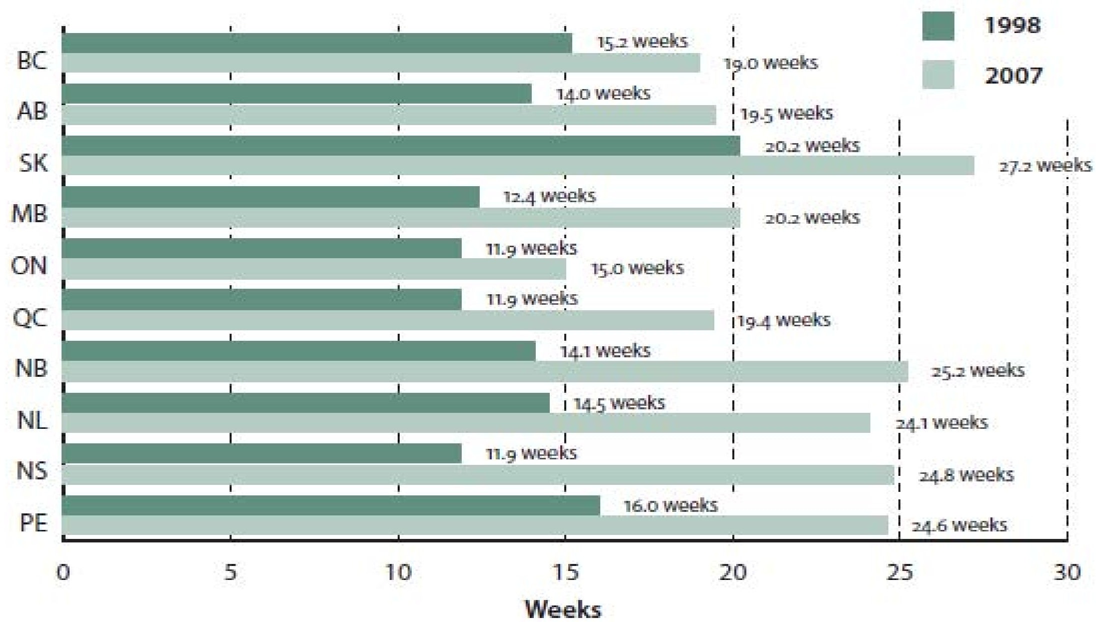
Even when it comes to medical technologies per capita, Canada's record is poor. Of OECD Countries where records are available, Canada places 14th of 25 in MRIs, 19 of 26 in CT scanners, 8 of 21 in mammograms, and 19 of 21 in Lithotriptors (a device that destroys kidney stones through sound waves).

The Fraser Institute recently reviewed Saskatchewan's revenues and its expenditures on health care. Currently Saskatchewan spends 35 percent of its total available revenues on health care.[44] But if trends from the last ten years continue, half of all revenues will go to health in 25 years. And, considering the graying of the baby boom generation, this will likely happen even sooner.

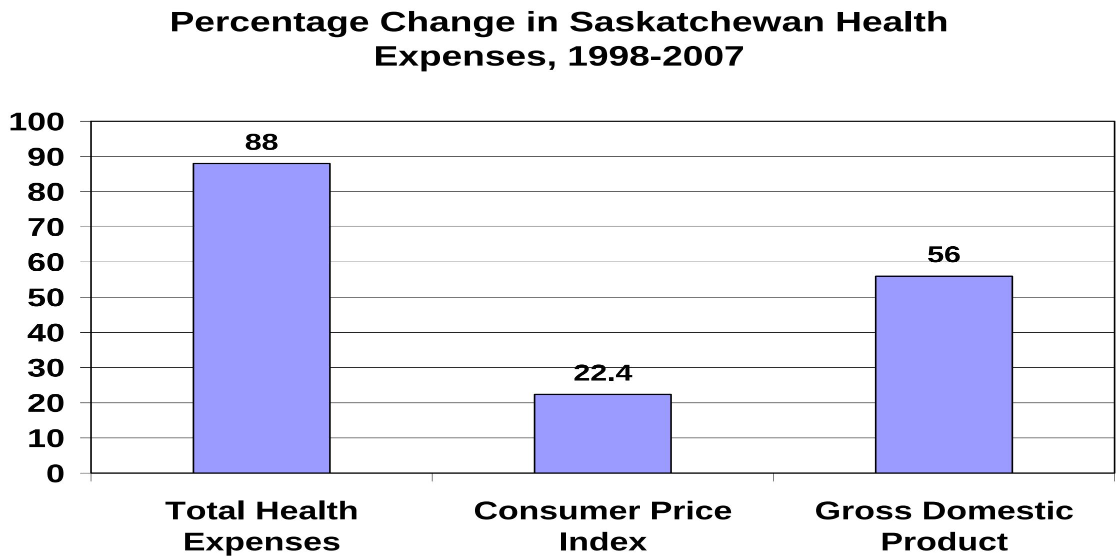
Number of years until government health expenditures (GHEX) consume 50% of total available revenue (TAREV), 2008 forward, by province



Median wait times (weeks) from referral by family doctor to specialist treatment, 1998 and 2007, by province



Charts imported from “Paying More, Getting Less” 2008 Report, pp. 12, 17.



Source: 2007 Report of the Provincial Auditor, Volume 3

The Fraser Institute has sound advice for the way forward:

- encourage the efficient use of health care by requiring patients to make copayments for any publicly funded medical goods and services they use;
- relieve cost pressures facing the public health insurance system by legalizing the right of patients to pay privately (private insurance or out of pocket) for all types of medical goods and services, including hospitals and physician services, as is currently allowed for access to prescription drugs;
- allow health providers to receive reimbursement for their services from any insurer, whether government or private;
- shift the burden of medical price inflation onto the private sector by allowing providers to charge patients fees in addition to the government health insurance reimbursement level; and
- create incentives for cost and quality improvements by permitting both for-profit and non-profit health providers to compete for the delivery of publicly insured health services.[45]

Many of these moves would be fully complaint with the Canada Health Act even as it is currently written. In June 2005 Supreme Court ruling in the *Chaoulli* case was a stinging indictment of the Canadian health care system. The *Chaoulli* decision struck down a Quebec law that prohibited the voluntary sale and purchase of private health care services.

Canada's official dogma of publicly-funded, publicly-provided health care to the exclusion of all options has exceptions everywhere, including Saskatchewan. The Workers Compensation Board routinely uses private medical clinics in other provinces, effectively "jumping the queue." MRI scans obtained from private clinics and paid for out of pocket by consumers are accepted and used at Saskatchewan hospitals.

It is simply absurd that citizens can spend as much of their after-tax income as they choose on tobacco, alcohol and gambling, but are prohibited from the doing the same on health care.

The CTF is convinced that public opinion on this issue has moved far beyond the fearful and ideological positions of our politicians. A 2008 survey of CTF supporters shows strong support for health care choice. The government must take action to help foster the development of a private health industry. It is absolutely essential from both a moral and economic perspective.

Recommendation 12
Allow citizens the right to purchase private health services and insurance.

Outsource Ancillary Services

Do you believe that ancillary health services (maintenance, food preparation, laundry, security, etc.) should be contracted out to the private sector?

Yes: 77% No: 14% Undecided: 9%

-2008 CTF Saskatchewan Supporter Survey

Delivering ancillary health care services through the private sector is only the beginning of possibilities. It is, however, a good start.

In August 2007, Saskatoon's laundry facilities broke down. For four months, its laundry was trucked back and forth to health centres in Regina and Prince Albert. The bill was already $860,000 at the end of October. Repairing the Saskatoon facility was expensive, since custom parts were required that cost over $400,000.[46]

Is it practical to truck laundry for five-hour round trips, or should there be openness to private-sector alternatives? How many opportunities have been missed in the short and long-term?

Saskatchewan health regions have already gone by contracting out blood tests. British Columbia began to outsource non-essential services such as food preparation, security and cleaning. This saved the province $66 million in the first year after implementation. The province also has a proven track record of using P3s to save money in the building and maintenance of health facilities.

Recommendation 13
Reduce health care spending by outsourcing services such as cleaning, laundry, food preparation, maintenance, security, landscaping, information technology, property management and human resources services or through the use of P3s.

Sick Days

Unwarranted sick days are a serious issue in Saskatchewan government departments, crowns, and health regions. According to Statistics Canada, the average days lost annually per worker to sickness or disability in Saskatchewan is 8.3.[47] This is less than the average sick days in government departments (9.6 in fiscal 2005), [48] some crowns, and almost all health regions.

The dollar value of such sick days is enormous. In the public service alone, it was $19.5 million in fiscal 2005, with another $14 million in crowns. Excessive sick days are often complemented by extra WCB claims and overtime. Shuffling schedules to accommodate the sick also takes administrative time.

Some health regions have made fantastic progress, especially the Capital Health Region in Edmonton. During 2006-07 it had 3.21 lost-time worker compensation claims per 100 FTEs. Vancouver's Coastal Health Authority had 6.7, whereas Regina Qu'Appelle had 8.05 and Saskatoon Regional Health had 8.25. In fact, the average full-time health worker in Saskatchewan had 4.5 days of paid time off work due to an injury.[49]

In the early part of this decade, the Capital Health Region adopted an aggressive and concerted program to deal with the issue of sick days, WCB claims, and overtime. Patty McJanet had an integral role in the project as manager of the Ability Management Team in Occupational Health and Safety. McJanet estimates that prior to concerted efforts to deal with the problem, as much as 70 percent of sick leave taken was unnecessary. [50]

The annual budget for the program was $1.2 million, but it quickly reaped rewards. McJanet estimates that the health region saved $750,000 on WCB premiums in the first year alone. Sick days dropped dramatically, as did overtime costs. By dealing work employees' health issues and actively working to get them the help they needed, some even had substance abuse issues dealt with. After initial reticence, even union leaders praised the program.

It is possible to deal with sick days internally. Sometimes, however, it is easier for work relationships if a third-party consultant group who specials in sickness and disability management steps in. Such groups exist both in and outside of the province. Regardless of what path the province chooses, sick days must be dealt with aggressively and extensively. Success in this area will save taxpayers tens of millions annually.

Recommendation 14
Reduce sick days, overtime, and workplace injuries in crowns, departments, and health regions.

Fixed Budget Dates

What is the most important democratic reform that needs to be implemented in Saskatchewan?

• Provincial election of Senators	14%
• Citizen-initiated referendums	12%
• MLA recall	8%
• Voting Reform	3%
• Fixed budget and election dates	42%
• None of the above/ undecided	21%

-2008 CTF Saskatchewan Supporter Survey

The Saskatchewan government is on its way to addressing the top two democratic reforms desired by CTF supporters in Saskatchewan. The government did well to set fixed election dates on the first Monday of November, four years after the previous election. Progress on the election of Senators is also welcomed by many CTF supporters, though almost equal numbers would prefer abolition of the senate.

Fixed budget dates would be a good complement to fixed election dates. This motion would ensure “special warrants” are not used to fund government programs and to provide certainty to both taxpayers and organizations that depend on government to determine their own budgets. Special warrants are used to approve the spending of tax dollars without debate in the legislature. Political oversight should be a pre-requisite for spending public funds.

Although there are currently some procedural restrictions as to when the budget can be delivered, they fall short of a transparent and fixed date. The CTF suggests that a fixed budget date before the end of February each year would be a positive step forward.

Recommendation 15
Adopt fixed budget dates and do not use special warrants except in the event of a declared emergency.

Disclosure and Access to Information

The province could be more thorough and forthcoming regarding access to information. Such disclosure is invaluable for taxpayers and is an important component of a democracy. In September, the provincial auditor Fred Wendell said that Saskatchewan's financial reporting was worst in the country and added, "The public and the legislators don't have the right information to debate the level of taxation we've got, the total spending and the level of debt."

The CTF urges the Saskatchewan government to follow through with Wendell's recommendations, including proper accounting of public pension liabilities. We also suggest the following:

1. More resources should be given to the Information Commissioner needs more staff. His office serves a noble purpose in giving citizens recourse when government disclosure is inadequate. However, the commission is short-staffed and woefully behind on cases, leaving complainants waiting for months or even years.

2. Health region reporting needs to improve. Gathering the information on how much money each health region spent on sick days required an individual request to each region. From there, the request was forwarded to the Saskatchewan Association of Health Organizations, who then disclosed the information back to the respective regions, who then individually responded to the CTF. Each request can carry a $20 fee per region. The dollar value of sick days paid should be reported annually. As well, changes should be made to information access to allow a province-wide request to be accessed through the Ministry of Health, and not through every single health region.

3. Make Sask Sport and Sask Film to be subject to Access to Information requests. They are key means by which government funds are dispersed.

4. Consolidate and fully report on arts funding each year. A per-project report should be given that lists in columns the dollars received from Sask Film,

the Saskatchewan Film Employment Tax Credit, Saskatchewan Communications Network, and all other provincial funding agencies, giving totals. Such disclosure allows the arts community and taxpayers to know how much money is spent and for what purpose.

5. The Financial Reporting and Accounting in Manitoba Education (FRAME) provide the annual revenues and expenses for each school board in Manitoba. They also show how much money came from local school taxes and the provincial government in total dollars, dollars per capita, and a variety of other methods.[51] Similar methodology in Saskatchewan would allow the province to better assess how school boards are using tax dollars as well as the effectiveness of our current funding system.

6. Have cabinet ministers and their staff, as well as senior public servants post their office expenses (travel, hospitality, and supply and services) posted annually. This will prevent frivolous spending. As it stands, disclosure is scant, except for annual totals from MLA offices.

Recommendation 16
Increase the resources of the Information Commissioner, facilitate greater transparency in government affairs, and improve reporting practices.

ENDNOTES

[1] Bruce Johnstone, "Saskatchewan to lead Canada in economic growth: Conference Board of Canada," *The Leader-Post*, November 13, 2008. Retrieved from http://www.canada.com/reginaleaderpost/news/story.html?id=b9f826dd-ecb3-4034-b3de-64f346b37790.
[2] Bruce Johnstone , "Provincial economy staying on track," *The Leader-Post*, November 12, 2008. Retrieved from http://www.canada.com/saskatoonstarphoenix/news/story.html?id=da74f867-691d-47d9-a2d9-1d460f465210.
[3] Saskatchewan Government News Release, "Province Receives Credit Rating Upgrade," November 27, 2008. Retrieved from http://www.gov.sk.ca/news?newsId=2af31574-eb3d-4ffa-bbae-5d70bf4caf70.
[4] Murray Mandryk, "Sask. credit rating climbs," *The Leader-Post*. November 28, 2008. Retrieved from http://www.canada.com/reginaleaderpost/news/story.html?id=9f7f93ca-b2aa-492f-b04b-211d441d04a8.
[5] Available online at http://www.taxpayer.com.
[6] Boughen Commission, p. 5.
[7] Saskatchewan Agriculture and Food: Census Stat Fact. May 16, 2007: 1. Retrieved from http://www.agriculture.gov.sk.ca/Default.aspx?DN=bcd1ff12-9da2-4023-b941-4137b4ca8ee9.
[8] Ibid.
[9] Agriculture and Agrifood Canada: "Special Features: Census of Agriculture Summary." Retrieved from http://www4.agr.gc.ca/AAFC-AAC/display-afficher.do?id=1205766026093&lang=e.
[10] "School boards revenue and expenditures, by province and territory." 2007: Statistics Canada. 8 Aug 2008. http://www40.statcan.ca/l01/cst01/govt43a.htm?sdi=school%20boards%20revenue%20expenditures. This chart adds property and related tax revenues to provincial transfers, and then expresses property taxes as a percentage of the total. This methodology disregards other miscellaneous incomes, such as school board own source revenues, investment income, sales of goods and services, other taxes, federal transfers, and municipal government transfers.
[11] Anne Kyle, "Number of farmers continues steep decline," *The Leader-Post*, December 3, 2008. Retrieved from http://www.leaderpost.com/news/todays-paper/Number+farmers+continues+steep+decline/1025732/story.html.
[12] Data from the Ministry of Municipal Affairs, obtained by Access to Information Request MA03-08G, August 20, 2008. Calculations by CTF.
[13] Boughen Commission: 32. Source: Statistics Canada Survey of Financial Security – Property Taxes, July 2003.
[14] City of Edmonton. "2007 Residential Property Taxes and Utility Charges Survey." 2007: 13, Edmonton, Alberta. Retrieved from http://www.edmonton.ca/infraplan/Economic Information/property tax and utility charges survey/tax report 2007.pdf. Rankings calculated by CTF in "Solving the Problem" :9.
[15] "Briefing Note – Property Tax." Saskatchewan Chamber of Commerce. June 2008: 5. Regina, Saskatchewan. Retrieved from http://www.saskchamber.com/files/documents/8_Briefing%20Note%20-%20Property%20Tax-corrected-2008.pdf.
[16] David Seymour, "Saskatchewan's tax cuts: we missed a bigger bang." *The Leader-Post*. October 27, 2008. Retrieved from http://www.canada.com/reginaleaderpost/news/viewpoints/story.html?id=a3d2025f-4c47-458d-8720-0c04f64b5dd2&p=1.
[17] Saskatchewan Government: "Backgrounder: Personal Income Tax Reductions." October 21, 2008. Retrieved from http://www.gov.sk.ca/adx/aspx/adxGetMedia.aspx?mediaId=601&PN=Shared?.
[18] Bruce Johnstone, "Expert Urges Reform," *The Leader-Post*, November 27, 2008. Retrieved from http://www.leaderpost.com/business/expert+urges+reform/998885/story.html.
[19] Source: Nova Scotia Finance.
[20] Insurance Bureau of Canada: "Reforming the Taxation of Insurance Products" June 2008: 6.
[21] Energy Information Administration, United States Government. Retrieved from http://tonto.eia.doe.gov/dnav/pet/pet_pri_wco_k_w.htm.
[22] Leslie Shiell and Colin Busby, "Resource Revenues and Fiscal Sustainability in Alberta," University of Ottawa: March 2008. Available at http://www.socialsciences.uottawa.ca/eco/eng/documents/0807.pdf.
[23] Government of Alberta, "Alberta Heritage Savings Trust Fund 2008-09 Second Quarter Update," November 18, 2008. Retrieved from http://www.finance.alberta.ca/business/ahstf/index.html.
[24] Shiell and Busby are among them.

[25] Alberta Financial Investment and Planning Advisory Commission. "Preserving Prosperity: Challenging Alberta to Save." Alberta: November 19, 2008. http://www.finance.alberta.ca/fipac/fipac_final_report.pdf
[26] Sources: Sask Finance, Public Accounts. 08-09 numbers based on mid-year fiscal update.
[27] Scotiabank Commodity Price Index, November 27, 2008: 1-2. Retrieved from http://www.scotiacapital.com/English/bns_econ/bnscomod.pdf. The accompanying chart is adapted from the document.
[28] Chart imported from Potash One, Inc. Retrieved from http://www.potash1.ca/s/Prices.asp.
[29] Professional Environmental Recreational Consultants, Ltd: City of Regina Recreation Facility Strategy Report 2020. July 11, 2008: 50. Retrieved from http://www.regina.ca/AssetFactory.aspx?did=1563.
[30] Dennis Coates and Brad Humphreys: "Do Economists Reach a Conclusion on Subsidies for Sports Franchises, Stadiums, and Mega-Events?" Econ Journal Watch, Volume 5, Number 3, September 2008: 310. Retrieved from http://www.econjournalwatch.org/pdf/CoatesHumphreysDERACSeptember2008.pdf.
[31] James Wood, Saskatoon Star-Phoenix. "Saskatchewan income tax reduced: Wall" October 21, 2008 and Retrieved from http://www.canada.com/saskatoonstarphoenix/story.html?id=663c0b01-5ded-448b-bd9a-2e69da554459.
[32] "Province of British Columbia increases threshold for P3 capital projects to $50 million" (Journal of Commerce, November 12, 2008). http://www.journalofcommerce.com/article/id31316.
[33] James Wood, Saskatoon Star-Phoenix. "Gantefoer expected more in federal finance update" By James Wood, TheStarPhoenix.com. November 27, 2008. http://www.canada.com/saskatoonstarphoenix/story.html?id=5757766b-43bc-4f46-9ff7-cfaa9bbde741.
[34] Ted Mallett and Queenie Wong, "A Comparison of Public-sector and Private-sector Wages." (Canadian Federation of Independent Business: December 2008), 9. Retrieved from http://www.cfib.ca/research/reports/rr3077.pdf.
[35] Based on the Government Employee Survey, October 2008. The payroll for the month was $87,333,420.99. An annual figure based on this total would be $1,048,001,051.88.
[36] Elections Saskatchewan: "Martensville By-Election Report - March 5, 2007", published April 14, 2008. Retrieved from http://www.elections.sk.ca/pdfs/byelection/martensville-by-election.pdf.
[37] James Wood, "Government severance costs climb," *The Leader-Post*, November 18, 2008. Retrieved from http://www.canada.com/reginaleaderpost/news/story.html?id=bf93ca0d-8e6f-4766-a05a-4f7bde28a5d4.
[38] Saskatchewan Party Caucus: "The Murdoch Carriere Scandal." http://www.skcaucus.com/carriere_scandal_timeline.html.
[39] CFIB: 1.
[40] Government of Saskatchewan News Release: "SLGA Adding Specialty Wine Franchises," Dec. 2, 2008. Retrieved from http://www.gov.sk.ca/news?newsId=24738bb0-764f-4db4-b262-47c4c0b9bce6.
[41] "A Level Playing Field," pp. 4-5. Saskatchewan Hotel & Hospitality Association: 2008.
[42] Brett Skinner and Mark Rovere: "Paying More, Getting Less." The Fraser Institute: October 2008. Retrieved from http://www.fraserinstitute.org/commerce.web/product_files/PayingMoreGettingLess2008.pdf. The charts on wait times and health budgets are imported from pages 12 and 17 of the report.
[43] Nadeem Esmail and Michael Walker, "How Good is Canadian Health Care? 2008 Report," (Fraser Institute: November 2008), 4-5. Retrieved from http://www.fraserinstitute.org/commerce.web/product_files/HowGoodisCanadianHealthCare2008.pdf.
[44] Skinner and Rovere, "Paying More, Getting Less," 9.
[45] Ibid, 20.
[46] Janet French: "Laundry woes eat up health-care cash," *Saskatoon Star-Phoenix*: November 30, 2007.
[47] Includes full-time paid workers only. Statistics Canada, CANSIM, table 279-0029. May 22, 2008. Retrieved from http://www40.statcan.gc.ca/l01/cst01/health47a-eng.htm.
[48] From David MacLean, "Backgrounder: The High Cost of Government Absenteeism" Canadian Taxpayers Federation: November 29, 2006. Retrieved from http://www.taxpayer.com/pdf/Backgrounder_2006_absenteeism.pdf.
[49] Report of the Provincial Auditor, 2008 Report, Volume 3: 219-225.
[50] Personal conversation, September 4, 2008.
[51] FRAME reports may be accessed at http://www.edu.gov.mb.ca/k12/finance/frame_report/index.html.