

Focus on Sustainable Spending

2015-16 Saskatchewan
Pre-budget Submission
Canadian Taxpayers Federation



Canadian **Tax** payers FEDERATION

We are:

Non-profit

Non-partisan

We Stand For:

Lower Taxes

Less Waste

More Accountability



Introduction

The CTF's 2015-16 pre-budget submission focuses on the need to look long-term at sustainable spending, as well as recent discussion topics raised by the government.



1

Financial Storm Clouds Approaching

Demographic shifts will have a sizable impact on government bodies nation-wide.

Sask seniors as a percentage of working age people (15-64) :

2010: 22%

2036: 39%

(Stats Can Projection)



1

Financial Storm Clouds Approaching

Each year the federal government releases a “*Fiscal Sustainability Report*” – a document that looks at long-term expenses and revenues while incorporating demographic changes.

The 2014 report estimated an annual \$34 billion shortfall between future provincial and municipal revenues and expenses nation-wide. Province-by-province analysis is not reported.

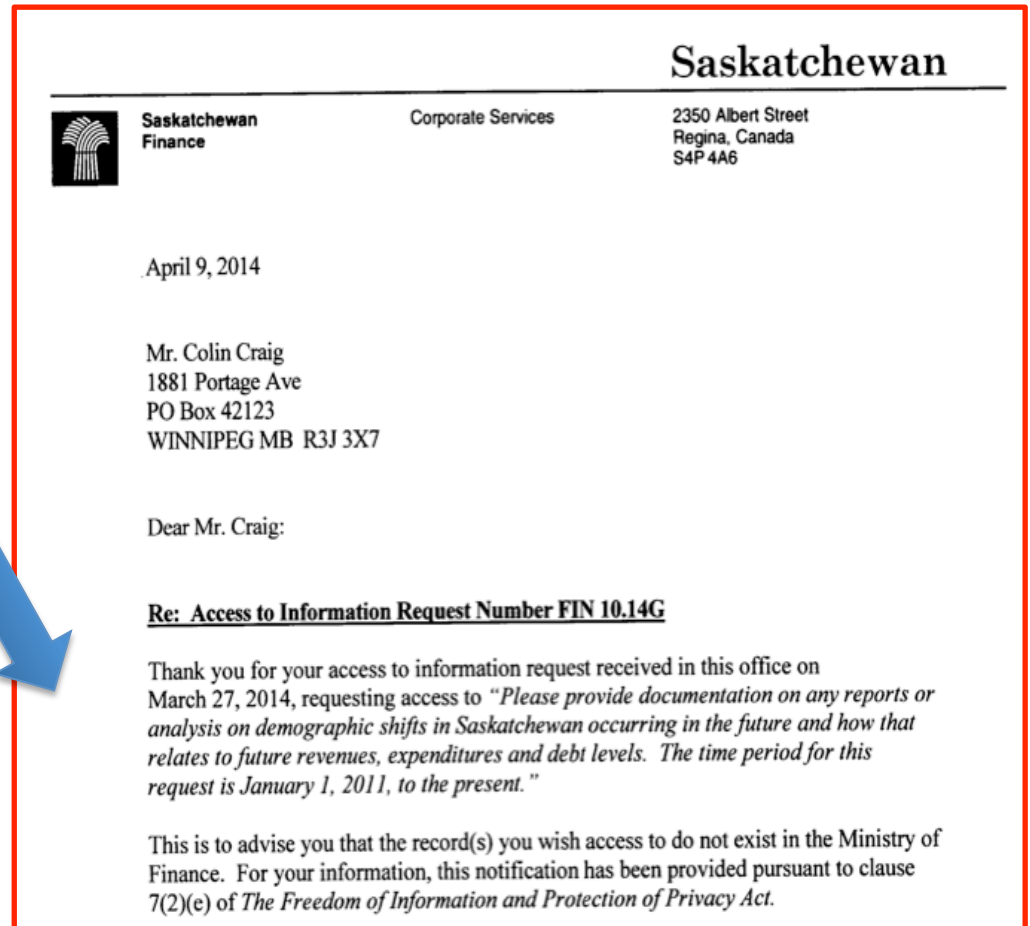


1

Financial Storm Clouds Approaching

We asked the SK Ministry of Finance for similar analysis but were told none exists.

Recommendation 1:
Conduct and release annual analysis on long-term fiscal sustainability.



2

Health Care Choice

A 2013 report by the Canadian Institute of Actuaries concluded that unless significant health reform is enacted, health spending will represent 103% of provincial revenues by 2037.

Clearly health care reform is not an option, but a necessity.



2

Health Care Choice

The CTF is fully behind the Premier's musings to allow people to purchase private MRI services. It would be:

- Good for patients
- Good for those who remain on the waiting list
- Good for the Sask economy

Recommendation 2: Keep the public system, but allow private businesses to provide any licensed health service.



3

Pension Reform

Government employee pensions are a mixed bag in Sask. While MLAs have a reasonable type of plan, many other divisions still have golden plans:

Defined-Contribution	Defined Benefit
MLAs	Judges
Ministry employees	Most municipal employees
Crown employees	Health employees
New teachers	Some post-sec plans



3

Pension Reform

Many government plans are receiving huge bailouts.

Eg. Government spending on Saskatchewan Healthcare Employees Pension Plan (SHEPP):

2006: \$76 million

2013: \$147 million

That's a 94% increase in just seven years...
on top of pay increases provided to employees!



3

Pension Reform

Recommendation 3: Start putting new employees in less costly, defined-contribution pensions.

Recommendation 4: No more bailouts for existing employees. Defined-benefit plans should have to make due with available funds/contributions. (Eg. target benefit)



4

Alcohol Sales Reform

The Canadian Taxpayers Federation has advocated for privatizing alcohol sales reform for years.

This December we surveyed our supporters and found:

- * *49% - Support Alberta approach*
- * *22% - Close inefficient government-run stores*
- * *10% - Support status quo*
- * *9% - Want more government involvement*
- * *8% - Privatize, but limit store licenses*



4

Alcohol Sales Reform

Also worth noting:

67% - Do not want another dollar spent on liquor stores

23% - It's reasonable for the government to spend money on store openings, renovations & other purposes

Recommendation 5: Pursue Alberta model for alcohol sales reform



5

Bureaucratic Bloat

The CTF is pleased the provincial government has worked hard to reduce the number of ministry employees.

However, Saskatchewan still leads the country in terms of government employment.



5

Bureaucratic Bloat

Provincial & Municipal Employees (No Crowns)

Province	% Of Total Population
Saskatchewan	12.34%
Manitoba	11.86%
Newfoundland	11.66%
Nova Scotia	10.81%
Prince Edward Island	9.82%
Quebec	9.82%
Canada	9.11%
New Brunswick	8.93%
Ontario	8.43%
Alberta	8.24%
British Columbia	8.15%

Source: Statistics Canada data

5

Bureaucratic Bloat

Provincial Employees (Dept, Schools, Univ, Health)

Province	% Of Total Population
Newfoundland	10.43%
Saskatchewan	9.33%
Manitoba	9.29%
Prince Edward Island	9.04%
Nova Scotia	8.58%
New Brunswick	8.53%
Quebec	7.93%
Canada	6.80%
British Columbia	6.34%
Alberta	5.92%
Ontario	5.69%

Source: Statistics Canada data

5

Bureaucratic Bloat

Recommendation 6: Put pressure on municipalities, school boards, health regions and post-secondary institutions to cut back on unnecessary positions.



Other Budget Issues



Other Recommendations at a Glance:

Money Saving Recommendations:

- Look for partnerships with other provinces – Eg. Curriculum
- Gainsharing, managed competition/contracting out
- Eliminate corporate welfare
- Require labour arbitrators to consider ability to pay
- Bring sick leave down to private sector average

Taxation and Budget

- Balance the budget
- Personal income tax relief
- Make debt repayment a priority

