



PREMIER OF SASKATCHEWAN

**LEGISLATIVE BUILDING
REGINA CANADA S4S 0B3**

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Premier Brad Wall's Address
(Check against delivery)**

I guess we can't recognize all of the mayors and councilors in the room before we get started, but I can say it's a great pleasure being here today to address SUMA. It's the first opportunity I've had to do this in this new capacity, in my new job.

We have had a busy couple of months, the new government of Saskatchewan. And I can tell you the cabinet has met on several occasions. We've worked hard to get in a legislative session in a timely way, and introduce some important pieces of legislation.

We have also been working on a number of other priorities that will directly affect municipalities in the province, but more on that in a moment.

We are, as a new government, earnest in our desire to deliver on things that were committed to in October and November of last year. And we are all mindful of the importance of maintaining perspective.

People have asked me, 'What's it like to be the premier of Saskatchewan?'

It's an honour and a pleasure to have this job at this particular point in our history, just before, for example, the Riders went back to the Grey Cup.

That was an amazing weekend and I was the luckiest man in Canada.

But just so you know there's absolutely no way that the government, or myself, are going to lose perspective.

There's all manner of sources of perspective for me. Both with the caucus and the cabinet that we have, if you can survive them you're going to be okay. We're pretty frank with each other.

But another, more important source of perspective for me is at home. Not long after the election I was at home and I was in a bit of an edict-delivering mood. I was sort of ordering the kids around a little bit, including Megan, our 14-year-old. I was telling her 'study this, pick up that, and clean up this.'

Finally she just sort of put down what she was doing and said, 'You know Dad, when you're here, you're not the premier.'

So there are a lot of sources of perspective that we value.

I have told our caucus and our cabinet that since we were successful in the election, now it's our job to earn the results of that election. We have to work hard to provide leadership for the entire province of Saskatchewan and to focus on delivering what we talked about.

I want to begin today by telling you about a pretty amazing place.

Not long ago, this place was kind of struggling.

The economy was stagnant, and jobs were either being lost or the place was being out-performed by every other province in the nation in terms of job creation.

And more people—a lot more people—were moving out, than moving in.

In a very short period of time, this place has experienced a remarkable turnaround.

It's reached the point now where it has not only caught up to the rest of the country.

In many key areas, it's leading the country.

RBC, for example, is forecasting that this place will be second in economic growth this year, and will be number one in the year following.

But there is more, let's just run down the list.

Wholesale trade growth -- number one in Canada.

Retail sales growth -- number one in Canada.

Income growth -- number one in Canada.

New home construction -- number one in Canada.

Overall construction growth -- number one in Canada.

Population growth -- number one in Canada.

Football -- number one in Canada.

By now you've figured out, this amazing place is our Saskatchewan.

And it's the entire province that's feeling this momentum.

And this is a very positive thing.

It isn't just the larger centers or cities feeling it.

We're hearing increasingly from towns, especially those near potential resource and mining developments, that they too are now facing the pressures of growth. It truly is a general prosperity. And we need to resolve it and maintain that.

We need to ensure every segment of the province is involved in this economic prosperity and the momentum we see in the province.

Bankers and investors know what's happening in the province of Saskatchewan.

BMO Nesbitt Burns calls us the rising star of the Canadian economic growth scene.

The national newspapers know it too.

The headline from two Saturdays ago in the Globe and Mail read: 'How Saskatchewan got its Groove Back.'

The headline on the Regina Leader-Post only a couple of weeks ago, on the front page, referencing our province's vision for our new place in Confederation, read in about 70-point font: 'Beggars no More.'

You can see a new confidence in the people in this province.

I certainly see it.

There's a shift in attitude.

It started before the election, and there was good work from the previous provincial government with respect to business tax reform by the way. It was something that we had advocated for and we recognize today it is an important step to laying the foundation for some of this economic momentum we see.

It started before the election to be sure, but it's picking up speed.

We've had some important announcements.

The Potash Corporation of Saskatchewan announced a \$1.8 billion expansion at Rocanville.

There's the news out of Alberta about increased investment in the province, and more about that in a moment.

And throughout all of this, we are as a people, still humble.

We're still pragmatic.

We are self-assured, yes; and a little more confident.

But we are humble as well. And I think it's important we also remain that.

This economic momentum that we see in the province needs to be Saskatchewan's very unique brand of economic momentum. That's how we're going to sustain it: by remaining earnest and humble and continuing to focus on the task at hand.

There are three important questions I want to talk to you about this morning that are related to this particular momentum.

And I think they are questions that we all need to be focused on. The municipal leaders of Saskatchewan and certainly the provincial government need to be focused on them.

The first question is, 'How do we sustain the growth?'

How do we make sure it lasts for the long-term?

By the way, not everybody in the province agrees that that's the first question. I've been reading a few letters to the editor lately, in our major papers, and hearing from people around the province, who are not convinced that we even want to continue to grow.

I've seen those letters that pine for the 'old days.' Letters that worry a little bit about the challenges of growth such as traffic jams. And I'm going to tell you this: there might be some people in this room that share that sentiment.

The new government of Saskatchewan does not. We do not.

We don't have a choice ladies and gentlemen, but to grow.

We have to grow if we want to sustain health care for example, that's already taking up half the provincial budget and growing at eight or nine per cent a year.

We have to grow if we want to hire nurses and pay for MRIs, if we want to make sure post-secondary education is accessible and affordable, and if we want to make sure that we take the cost of education off the property tax and find other ways to pay for it.

All of those things require a tax base. They require growth. Yes, we want the growth to be sustainable, and yes, we want to be proactive in dealing with the challenges that are there.

But let us resolve that we are going to continue to move forward.

We don't want growth for the sake of growth, but growth in the interest of what it pays for. It pays for quality of life, and the public services that we want to provide our citizens with.

So that first question is, 'How do we sustain the growth?'

The second question is, 'How do we ensure that this nation-leading economy that we have does translate into benefits for Saskatchewan people?'

The third question is, 'How can we proactively deal with some of the challenges related to growth so we avoid what happened next door in Alberta, in a few localities in particular?'

For me, the answer to these questions can be found in this room.

They can be found on the frontline of economic development; and that's our municipalities.

My experience in municipal and regional economic development is a constant and loud reminder. It is a voice for me in the back of my head which reminds me we will not be able to sustain the economic growth, and that we will not be able to properly balance quality of life and economic growth issues if municipalities are not empowered to be on the front line. There, you are obviously more readily able to react to challenges and you're more readily able to attract industry to the province.

Arguably some would also say you're the most effective order of government, because there is no opposition or partisan politics.

Rather, you are a council that is looking very much to the long-term and trying to react.

This is the view that informs my approach and our government's approach to municipalities.

A few moments ago I mentioned that Saskatchewan is leading the nation in the rate of growth for new home construction.

In fact, the race isn't even close.

Over the past year, the value of residential building permits in Saskatchewan jumped by 74 per cent.

Newfoundland is second—a distant second—at 29 per cent.

When I read those statistics I thought I'd like to talk to some Bay Street economists and ask them if five years ago they would have predicted, in this key economic category, that Saskatchewan would be first and Newfoundland would be coming in second.

It's an interesting new dynamic within the Confederation of our country.

And these new home starts aren't just happening in our larger centres -- they're happening right across the province in villages and in towns.

There is clear evidence that the general province of Saskatchewan, all geographical regions, are sharing in this particular aspect of the economic momentum.

Families are choosing to build new homes and it's very positive.

However, communities are being challenged to try and keep up with the demand for new commercial and residential lots. And the infrastructure required to service these new lots is not cheap.

I heard this loud and clear when I was touring the province over the last couple of summers. I heard it from places like Moosomin and Yorkton. I heard it from the city of Regina. I've heard it from the city of Swift Current and from places right across the province. I've heard it from Prince Albert as well, that there is this demand and therefore a desire to bring on new lots.

Part of the problem is the significant cost of lot development. How do you deal with that in a current budget year? How do you deal with those costs as promptly as you need to if you're going to try and be aggressive and flexible and address this challenge at the outset?

All of this led me to have a 'Herbert' moment.

I drive the highway quite a bit between Regina and Swift Current. And especially going home, I have a tendency to run through a bunch of things in my mind. And it seems to happen, it might be a coincidence, it's always at about Herbert, where I have some idea.

And I want to tell you about those ideas.

Some of them are pretty bad.

But some of them have real potential and I think this is one particular example of that. I hope it is.

Because I started to think about how a government, which also has limited fiscal capacity, can get involved in a meaningful way.

That moment led me to follow up with some of the folks in this room.

And that's why in the last election, I promised to establish the Saskatchewan Infrastructure Growth Initiative.

In fact, we made that promise up in Saskatoon—even before the writ was dropped.

We have promised \$300 million in five-year interest free loans to municipalities so they can bring on those lots and not have an interest cost until there's a real prospect of selling those residential and commercial lots.

I have asked the Minister of Municipal Affairs, Bill Hutchinson, someone that you will know well, to lead in developing this initiative and making it available as quickly as possible.

I know throughout the next number of days, and prior to this, he will be, and has been, listening to you as to how he can deliver this quickly and with the greatest amount of flexibility, so communities of different sizes can take advantage of it. The point is to provide some flexible and affordable ways for municipalities to deal with that demand.

I know that revenue sharing is a key issue.

Our government has also made two clear promises on the issue of municipal revenue sharing.

They were in the platform document during the election and repeated in the Speech from the Throne.

Ours is a firm commitment to a new own-source revenue sharing formula that will work, that will provide some surety in terms of budgeting for all municipalities in the province.

And our resolve to get that done has not changed one iota. That is very much a part of the mandate I have given to Minister Hutchinson.

In fact, you can check it out online. I have given each minister in our new government a mandate letter. The letters basically say, 'We campaigned on these things, and I'd like you to deal with these things on a priority basis.'

And they're there for you to view publicly as another measure of accountability. So we will keep that commitment and we will also build on the work that has been done with the previous government.

And we understand that while we've given ourselves two years in our election platform, we need to get something concluded sooner than that. We will work very hard on that.

In the meantime, the other campaign commitment we made was for a seven per cent interim increase in revenue sharing. And I've heard from a number of you on that particular number.

We want to use that as a bridge to that agreement, and I think it's notable that our campaign commitment was to hold back spending increases to three per cent per year in other areas.

I also want, on this revenue sharing point, to ask you to consider a number of other items. Revenue sharing arguably is our number one priority in municipal affairs, but you are going to see other significant initiatives from our government that will be important for municipalities to meet the challenges of growth.

One example is the residential and commercial lot initiative that I've already talked about.

But our commitment to helping you meet infrastructure challenges will also be manifest when we keep another campaign promise: to use the proceeds of the privatization of the oil upgrader by the previous government.

Rather than having all of the money go to environmental initiatives, we want to see \$200 million of it go to pay down debt in the province.

And we've earmarked \$140 million of it for important transportation infrastructure initiatives that will affect municipalities of all sizes. We've done this because many of those transportation issues, especially if they're related to growth, are things like the infrastructure needed to follow up on the canola crushing opportunities in Yorkton. Much of that money can also be used for

transportation issues like we see on the Number 1 Highway, even around our capital city.

You'll also see our commitment to the municipal sector in our province, our commitment to sustaining economic momentum, and our commitment to learn from Alberta when we aggressively pursue agreements with the federal government on infrastructure. And there are some important developments that I believe are very close and will be significant for the province.

Our commitment to the front line of sustained economic momentum can also be seen in the words of the Growth and Financial Security Act introduced by our government before Christmas.

From here on in, if the government has a surplus, we're going to use half of that surplus to pay down the debt. We're also going to use half of it to invest in infrastructure.

I was talking to some folks from Alberta not too long ago and they highlighted the importance of the progress made on the debt. As you know, that government has eliminated its debt.

But increasingly there are voices that say if they would have taken more time to eliminate the debt and focused on infrastructure, the province might have been able to avoid, or at least mitigate, some of the challenges they've seen around infrastructure.

And so with an unbudgeted surplus our government wants to make a priority of debt reduction, but we also believe it's important to deal with the infrastructure deficit.

Our government will also be a willing partner in addressing the key recycling challenges you are facing. I heard about them as I travelled the province over the last couple of summers.

There's a real and abiding concern about the state of recycling. Not just in larger centres, but right across the piece. In fact, the problems are arguably more acute in smaller centres.

I've heard you, and I've asked the Environment Minister Nancy Heppner to make this a priority.

And so, beyond the vitally important issue of revenue sharing, there will be many other initiatives that confirm our commitment to recognize the importance of the municipalities in successfully answering those questions I posed earlier.

An example of another initiative is the new intermodal facility here in the capital city. That announcement does not diminish from revenue sharing, but it will

result in the profits for a \$93 million deal and represents a huge investment by the three levels of government into a very economically significant project.

Expect more of these.

Let me conclude by highlighting a number of other priorities for our new government that will be aimed at sustaining the growth and ensuring that we're continuing this economic momentum in a pragmatic way.

The first one is property tax -- the education portion of property tax. We've made a short-term commitment with respect to rebates again as a bridge to the longer term answer.

I've asked Jim Reiter, who is the MLA for Rosetown-Elrose, to work with the deputy premier and the minister of education, to make the long-term solution to property tax a priority.

We rely on property more in our province to fund education than anywhere else in the Dominion of Canada. It's the next tax that we've got to deal with to ensure that we're competitive.

I'm also working to redefine the relationship between the Government of Saskatchewan and the Government of Canada. At some point the question has to be asked, if both parties aren't moving off the position, for example, on something as key as federal dollars for our economy and society, what's next?

It's my job to deliver, from the federal government, to you as municipalities, to First Nations, and to all the people of the province.

So, we are going to give peace a chance. We're going to see where a different dynamic takes us as a provincial government. You can always go back to fighting. I guess that's always an option.

But in the meantime there are some important issues for our province that I believe demand the federal government's attention. And we will aggressively pursue that investment and infrastructure. We will pursue the chance to develop our energy sector, deal with First Nations issues off-and on-reserve, and deal with post secondary issues.

And we have put forward an aggressive agenda with the federal government. I am confident we will see progress in each of these areas. One of them, which is very key, is infrastructure. And I'm cautiously optimistic that some progress is being made on that file.

Our relationship with the federal government, by the way, is going to be informed by a different vision than existed previously. We believe that Saskatchewan should aspire to permanent status as a "have" province. I think we've got enough

going for us. That means we won't get equalization in the future, but it doesn't mean the federal government doesn't have a responsibility for investment. We've seen them work dynamically with other provinces.

Another focus for our government is intergovernmental cooperation. Alberta and B.C. have been having joint cabinet meetings for a long time. And if you take a look at what has been achieved, it's impressive.

They've put forward 30 Memorandums of Understanding. They've done some common sense things. They've identified, for example, that there might be a weigh scale on the Alberta side of the border and one on the B.C. side and without the loss of any jobs, they've found some synergies there and realized they only need one. They signed a Memorandum of Understanding last May to cooperate in terms of radiation therapy for cancer patients. It makes a lot of sense to me. They've signed a Memorandum of Understanding for buying pharmaceuticals and medical equipment.

I have extended this idea and invitation to Premier Doer and he's very interested in it as well. It will help us develop more western provincial cooperation.

The announcement coming out of the Premier's meeting last week in B.C. was that Saskatchewan, Manitoba, Alberta, and British Columbia will be coordinating our own water conservation strategy for all of western Canada. That makes sense to me.

In the case of Premier Doer, he's improved the idea. He said we ought to have our joint meetings right around the Labour Day contest. He said, 'One year we'll host it and the other year the province of Saskatchewan will host.'

I said to him I would be prepared to do that as long as he can negotiate in good faith when he's depressed because his team just lost a football game.

He said he'd be prepared to do that if I took down the Grey Cup sign at the Saskatchewan/Manitoba border.

I said, 'No.'

There are other important priorities. We've introduced legislation to create Enterprise Saskatchewan. We want to thank you for your involvement with submissions of names to serve on the board.

We want to take the politics out of economic development. We want Enterprise Saskatchewan to be advising the government on how we make sure we're as competitive as we can be, how we deal proactively with the challenges of growth, and how we identify which sectors have the most opportunity today. I'm actually going to conclude by talking about one of them, and that's energy.

You're going to find this new government very focused on the opportunities that have presented themselves to us with respect to energy and resources.

They are significant in terms of the opportunity they provide all of us to fully engage First Nations and Métis people in the economy. And, by the way, much of the resource development investment will be in traditional territories and First Nations. There is opportunity for southeast Saskatchewan and the Bakken play. There is also renewed interest in southwest Saskatchewan because of technology advancements that are going to make once mature fields very active and flourishing again.

They represent science and technology opportunities right here in Regina at the Petroleum Technology Research Centre and in Saskatoon at a new Centre for Excellence in terms of mining.

And we don't want to drop the ball on the opportunities that energy and resources present for the province.

Let me tell you that with energy and resources there is the confluence, there is the nexus of three important issues of our time where Saskatchewan can carve out some leadership.

Number one is the environment. There is a lot of discussion right now around greenhouse gas emissions, about the environmental footprint of oil and gas and resource development. It's our commitment that Saskatchewan again can learn from what's happened next door. We have that advantage and we can focus on opportunities that are environmentally sustainable.

When I was in Calgary a couple of weeks ago I can report to you that the industry gets it. They understand they've got to reduce their footprint, reduce their water use, and reduce emissions.

At the PTRC in Regina for example, we're already leading in carbon capture and CO2 sequestration.

We're going to double the funding for the PTRC and lead the country in this area.

We've also signaled to Alberta that we rely a lot on coal and we're prepared to work with them in terms of clean coal demonstration projects.

There's an important opportunity here for us to lead environmentally.

I've been asked by the media and by other premiers, 'Would we support a cap and trade program in the country?'

Cap and trade is basically where different jurisdictions in Canada would agree on a cap for emissions and if you get above that as an industry or a province you have to pay someone else, someone who is below the cap. That's the trade part.

And I've said quite bluntly, no, Saskatchewan is not in favour of cap and trade. We don't believe in simply moving emissions around.

It's easy to be in favour of cap and trade when you're going to benefit from the trade and not have to deal with the cap. For example, if you're a hydro-based province.

We will focus on the reduction of emissions. We will focus on technologies that achieve that. And in the process, we're going to ensure that we don't eliminate Saskatchewan jobs and opportunities because of good intentions, but questionable environmental policies.

This one area, energy, is a nexus for so many other opportunities and challenges for our province in the coming decades. We have an advantage in Canada to advance the notion of continental energy security based right out of western Canada. It's something increasingly that our friends to the south want to talk about and we need to see it for the advantage that it is because we want to carve out a sure trading relationship.

I've heard the sabres of protectionism rattling pretty loud in the U.S. election by both parties. It should have our full attention, that sabre-rattling. The insurance that I believe Saskatchewan stands to benefit from greatly is energy. Because with all the border irritants there are in agriculture and forestry, I've never known the border to thicken, or the irritants to affect the flow of oil and gas and electricity to the south.

We need to be mindful of that.

I made the case to the Prime Minister and the premiers, and so did Premier Stelmach. Here's an opportunity for Saskatchewan to succeed.

So environmental policy, trade policy and of course the economy; that's what energy and the resource sector represents for us. There will be new jobs, new technology, and the opportunity for technological investment.

Friends, this morning I'm here to tell you that we are on the verge of finally realizing our full potential.

I believe Saskatchewan's time has come.

Your municipalities' time has come.

There are important issues we want to deal with, and challenges related to growth. But I believe that we can do that. Let us make sure that we continue to aggressively pursue a growth agenda for the province. Certainly that's what informs the new government.

When opportunity comes and it asks the question, 'Are you ready Saskatchewan?' We need to make sure the answer is yes, that we're ready.

I was an economic development officer for the city of Swift Current and I had a good friend that was the city engineer and we used to have discussions around development and projects. Often we were on other sides of an issue.

I remember a discussion we had once. I said, 'How come we're kind of at odds often?'

And he said to me, 'Well that's simple. You're job is to say yes, and my job is to say no.'

Let's resolve that as a province we're only giving two answers: 'yes' and 'yes, but.'

Yes, we want that investment, that development for the province, because it fits all of our priorities.

And the second is yes, we want that, but here's what has to happen before we proceed.

This new Saskatchewan, this is a place that says yes, for all the right reasons.

It does say yes to growth, so that we can continue to provide that quality of life. So that we can pay for health care, pay for education, and engage everybody in the momentum of the economy.

We need to make sure that we are all saying yes, rural and urban, north and south.

It is Saskatchewan's time.

Thanks for the opportunity to be here. See you at the Bear Pit.