

TINA BEAUDRY-MELLOR

Canadian Taxpayers Federation: Saskatchewan has led the fight against carbon taxes. If you become premier, will Saskatchewan continue to oppose carbon taxes?

Tina Beaudry-Mellor: Absolutely, I will be continuing the fight against a federally imposed Carbon Tax. You will find that all of the Saskatchewan Party candidates will. The federal government refuses to acknowledge that Saskatchewan, through its innovative agricultural practices (such as zero-till) and our responsible forestry management practices, is actually a carbon sink. We also are moving towards 50% renewables in our electricity generation fleet, as well as more efficient, low emissions generation. This doesn't even include our world-leading carbon capture technology employed at Boundary Dam, something which is also not being taken seriously by the federal government. Another tax is not what our resources sector needs and it has been demonstrated that this tax does not contribute to better emissions reductions – it just hurts job growth. There is a better way and Saskatchewan is already doing it.

CTF: Charging PST on insurance hits virtually all taxpayers, but it hits some taxpayers, such as farmers, especially hard. If you become premier, will you take the PST off insurance premiums?

TBM: I was the first candidate to announce this and am also the only candidate who has committed to removing it from all insurance products. Insurance products are forms of savings, taken out to protect oneself and one's family from hardship. My rationale for reinstating the PST exemption on insurance is twofold. Firstly, we should encourage responsible behavior, not discourage it. As the former Minister of Social Services, I am very concerned about rising utilization pressures in our income assistance areas. Insurance products are forms of savings, taken out to protect oneself and one's family from hardship. Pushing individuals and families into making less responsible financial security decisions because of rising costs is not helpful in keeping overall government expenditures in our human services ministries down. Secondly, when our provincial budget was passed in March, we did not know the extent of the federal government's proposed small business tax changes. The significant impact of these changes, the threat of the carbon tax, the changes we made to fuel exemption, coupled with the PST on insurance premiums has a layered and crippling effect on small business farms. We cannot impose this on our agricultural sector which is bolstering our provincial GDP while other sectors struggle.

CTF: The Saskatchewan government is running a deficit and past deficit slayers, from Ralph Klein to Roy Romanow, have cut spending. If you become premier, will you cut spending?

TBM: Yes. Two parts of my 3-pillar platform speak to this. They are a commitment to smart social investments and a commitment to performance managed government. Health, social services, and education comprise ¾ of all government spending. Given current trends, utilization

pressures will increase in those areas, not decrease. I believe in maintaining a high quality of life for Canadian citizens and that government has a role to play in helping vulnerable people, in particular. However, there is much work to be done refocusing our efforts to find interventions that produce a high return on investment. One example of this is the Housing First initiative, which I committed to support in my platform. In a Regina pilot, there were 58% fewer hospital admissions, 91% fewer detox visits and 79% fewer emergency rooms visits which totaled over \$1.9M in cost savings to taxpayers and to our human services resources. This is an example of a smart social investment. On the performance managed government side, I believe our government footprint should be small and that government should be run more like a business. To this end, all Ministers and Crown CEOs will be given mandate letters and performance will be attached to outcomes. We also need to build on opportunities for big data collection and predictive analytics to better understand where investment results in high returns. We are moving in this direction, but unfortunately, we are still operating our Ministries in relative silos. This contributes to a lot of redundancy and cost inefficiency which government must reduce. Technology and a performance measured culture emphasizing outcomes can go a long way in reducing our government footprint while still balancing supports for our quality of life. That is performance managed government.

CTF: The federal government takes hundreds of millions of dollars from Saskatchewanians and redistributes the money to other provinces through the equalization program. If you become premier, what would you do to push equalization reform?

TBM: The cancellation on Energy East is an infuriating example of the disconnect between Eastern Canada and the West. The approximately 8,000 jobs that were lost as a result of shameful politicking reduces the opportunities for an enhanced quality of life for everyone and the fact that some leaders in other parts of the country whose provinces have received billions in equalization payments from resource based economies speaks to a need to revisit the formula. Resource revenues need to be removed from the formula. This will equalize the formula across the board and secure Western provinces from their overburden as a result of their reliance on resource based economies. Instead of sending vast quantities of revenue to Eastern provinces, provinces like Saskatchewan would be able to reduce their contribution and instead focus on building a cushion to mitigate against the natural boom and bust that typifies resource industries. This approach to the formula still serves the need for national equity, but also prioritizes the needs of Saskatchewan taxpayers – something which is clearly not happening under the current formula.

CTF: The recent Saskatchewan budget committed to reducing compensation costs for provincial employees by 3.5%. If you become premier, will you at least follow through on the commitment to reduce compensation costs by 3.5%?

TBM: We need to reduce our government footprint. Compensation costs comprise the largest portion of government expenditures and therefore must be part of any balanced budget plan. I will continue to wait and see what fruits the collective bargaining process will bear, but I

strongly support a combination of compensation reduction, workforce reduction through aggression attrition and the escalation of the use of technology where it makes sense for service delivery. I have also already discussed the importance of predictive analytics to ensuring that resources are targeted and streamlined to where they are needed most, reducing their need in other areas. I know that we need to have a strong workforce that can provide Saskatchewan people with the services they expect and deserve. However, we need to ensure that these services are sustainable, and a reduction in compensation will be a piece of the puzzle as we aim to bring our budget back to balance.

CTF: Ten years ago, Saskatchewan had \$7.2 billion in taxpayer-supported debt (not including Crown Corporation debt). This year the debt is projected to hit \$7.7 billion and continue to rise. If you become premier, will you implement a concrete debt repayment plan to make Saskatchewan a debt-free province?

TBM: Saskatchewan has maintained a very strong credit rating, even through the financial downturn in commodity prices. Debt repayment is a priority, but I also know that Saskatchewan has the second lowest debt to GDP ratio in the country. My goal is to keep it that way. However, we also need to continue to invest in our infrastructure that was neglected for 16 long years under the NDP. One such area is a much more aggressive plan to ensure 100% 4G LTE connectivity across the province. We cannot build the next decade without the infrastructure necessary to push our economy forward and it is my vision to position Saskatchewan as the economic powerhouse of the West. My plan would be a methodical approach to continuously eliminate debt in order to sustain our positive credit ratings and climate for investment balanced with making very strategic decisions about infrastructure where we know there will be a high return on investment.

CTF: Accountability has become an important issue in the wake of the overpayment for land at the Global Transportation Hub and Bill Boyd's breach of conflict of interest laws. If you become premier, how will you strengthen accountability?

TBM: Accountability and transparency are two values that I believe in very strongly, but they are often used as platitudes. Accountability and transparency come from taking a return on investment approach to government expenditures and on reporting on outcomes. It also comes from public mandate letters for our Ministers and Crown CEOs. These are part of both smart social investments and performance managed government. I do not believe that the commercial development of land is an area where the government should be – that should be left to the private sector. Again, we need to reduce the footprint of government. With respect to the GTH, an RCMP investigation is currently underway and at the time of this writing, we do not know the outcome. Pending the outcome of that investigation, I would support a public inquiry.

CTF: Places such as Alaska and Norway have heritage funds to save non-renewable resource revenues. Both the Sask. Party and NDP have supported the idea, but

Saskatchewan still doesn't have a heritage fund. If you become premier, will you ensure a heritage fund is in place and ready if/when resource revenues go up again?

TBM: Yes and this is one of the reasons I will fight for a new equalization formula. As I said previously, instead of sending vast quantities of revenue to Eastern provinces, provinces like Saskatchewan would be able to reduce their contribution and instead focus on building a cushion to mitigate against the natural boom and bust that typifies resource industries.

CTF: Why should taxpayers support you to become premier of Saskatchewan?

TBM: This leadership race is about renewal and it is about the next decade in Saskatchewan. Therefore, taxpayers and citizens need a leader with a clear vision for the future and more importantly, how to get there. The status quo is not good enough. Premier Wall has been an incredible leader and champion for our Province. The best way to honor his legacy is not to try to simply continue on the direction that he has set for us locally, nationally and globally. Rather, it is to build on those strengths and continue to punch above our weight. The recent elections of the Greens/NDP in BC, and Notley government in Alberta have given Saskatchewan the opportunity to be the economic powerhouse of the West. All of your Saskatchewan Party candidates will oppose the carbon tax and continue to build on the strengths of our agricultural and resource based sectors and a commitment to a competitive tax environment. What makes us different is a vision for the future. I have clear ideas on how government should advance its policy positions while keeping taxes low and reducing expenditures through return on investment thinking. My commitment to the inclusion of financial literacy and entrepreneurship as a mandatory part of the K-12 curriculum speaks to my vision to shape the values of self-reliance and the innovation and job growth potential of the next generation. This in turn will help mitigate against increasing demands on our human services. I have a firm command over the importance of the development of our tech sector and how the accelerated use of technology and big data can help us make better investment decisions and reduce our government footprint. And while we will always be a rural based party with a rural caucus who have a very strong voice in government decision making, we cannot ignore the fact that we have recently lost 2 urban by-elections in a row. Our urban seats are vulnerable to the NDP. As cities are important engines of economic growth and clusters of innovation, we need to ensure that we have a very strong presence. A Premier from the seat of our Legislature here in Regina is a strong antidote to a very worrying electoral trend.

GORD WYANT

Canadian Taxpayers Federation: Saskatchewan has led the fight against carbon taxes. If you become premier, will Saskatchewan continue to oppose carbon taxes?

Gord Wyant: As Premier, I will use any and all tools at the province's disposal to continue to fight the federally imposed carbon tax. This includes pursuing a constitutional challenge against the federal government's attempt to override our provincial authority to develop a made-in-Saskatchewan solution to reduce greenhouse gas emissions (GHGs). As the Minister of Justice and Attorney General I had the responsibility for mounting Saskatchewan's constitutional challenge. Given the work being done between the Ministry of Justice and the Ministry of Environment, I believe there is a very strong constitutional case with regard to a carbon tax being imposed upon the province of Saskatchewan.

Climate change is real, and jurisdictions have a responsibility to put policies and legislation in place to mitigate its effects. Saskatchewan is no different.

That said, Saskatchewan's economy is a resource-driven, export economy. A federally imposed 'tax on everything' will have serious and negative effects on our major economic sectors including agriculture, oil and gas, mining, construction, and transportation. This is not acceptable to Saskatchewan taxpayers, and it is not acceptable to me.

As Premier, I am committed to working towards meaningful and achievable reductions in Saskatchewan's greenhouse gas emissions, building on strategic investments we have already made in green technologies like carbon capture and sequestration. As Minister Responsible for SaskPower, I oversaw the strategy to reduce SaskPower's carbon emissions by 40% from 2005 levels by 2030. That is a realistic goal and demonstrates the government's commitment to GHG emissions reductions for the benefit of future generations.

A federally imposed carbon tax will only serve to hurt Saskatchewan's economy, punish our industries, and cost families more. Through innovation and investment in clean energy technologies, we can continue to support our industries, diversify our economy, AND be part of the global solution to climate change.

CTF: Charging PST on insurance hits virtually all taxpayers, but it hits some taxpayers, such as farmers, especially hard. If you become premier, will you take the PST off insurance premiums?

GW: Since the summer I have consulted with the insurance industry, the financial planning industry, and heard from dozens of Saskatchewan taxpayers that removing the PST exemption on insurance premiums must be reversed. I have also committed to making the exemption retroactive to Aug. 1, 2017, so that no one pays as a result of the decision. I clearly heard from the insurance industry that layering a brand-new tax on to premiums when an Insurance Premium

Tax already exists creates redundancy. However, an alternative plan to recoup the revenue is needed. My plan includes two parts: We will recoup approximately \$120 million by slightly increasing the pre-existing Insurance Premium Tax and charging PST on Management Expense Ratios (MERs) on mutual funds, a tax that is already charged in many provinces. The pre-existing Insurance Premiums Tax (IPT) is currently charged at a rate of 3% on gross premiums of life, accident, sickness, and hail insurance, and at a rate of 4% on all other premiums. Bringing the IPT rate up to 5% on all premiums, which would generate an estimated \$60 Million in new revenue. This would make the IPT uniform, and because it is an existing tax, insurance companies can adjust the rate without causing shock to policy holders. Going forward the PST would be applied to mutual fund MERs. This would make Saskatchewan consistent with several other provinces and would also generate approximately \$60 Million in revenue.

CTF: The Saskatchewan government is running a deficit and past deficit slayers, from Ralph Klein to Roy Romanow, have cut spending. If you become premier, will you cut spending?

GW: I believe firmly in the guiding principles of the Saskatchewan Party, including a commitment to:

- Smaller, less intrusive, more efficient government; and
- Steady, gradual reduction in government spending and taxation while maintaining a firm commitment to balanced budgets.

Individual Saskatchewan taxpayers and families have to learn to live within their means, and government should be expected to do the same.

The key question to ask ourselves is: “What is the core business of government?”

As Premier, I will ensure that budget decisions – including spending cuts – are viewed through this lens. Saskatchewan people expect that government use their tax dollars to make responsible and meaningful investments in the programs and services that government must deliver; timely access to health care, high quality K-12 education, a robust post-secondary system, investments in crucial public infrastructure, and support for the most vulnerable in our society.

The provincial budget we tabled last March was challenging, to say the least. The sustained drop in resource-revenue required that we looked at all options to reduce spending. Reigning in government expenditures and raising revenue through additional taxation is never popular, but our job as elected members is to make the difficult decisions to ensure the long-term fiscal health of the province. Despite adjustments to our projected deficit in the first quarter, I remain committed to our government’s plan to return to balance by the 2019-20 budget.

CTF: The federal government takes hundreds of millions of dollars from Saskatchewanians and redistributes the money to other provinces through the equalization program. If you become premier, what would you do to push equalization reform?

GW: Next year, Canada's equalization program will redistribute over \$18 Billion from taxpayers in wealthier provinces to the coffers of "have-not" provinces. For many years, under an NDP government, Saskatchewan was a "have-not" province, and therefore a recipient of this federal welfare program.

Over the past decade however, Saskatchewan's growing economy and sustained fiscal strength have moved us into "have" province status. During that time, Saskatchewan has contributed over \$5 Billion to the program, while receiving no equalization payments in return.

The equalization program will be formally reviewed in 2019. As Premier, I will push the federal government to make changes to key pieces of the program, such as:

- Insisting that non-renewable resource revenues be removed from the formula. This punishes provinces like Saskatchewan that have aggressively developed their energy resource sector, and rewards provinces that do nothing with their potential resource capacity. As with the federally imposed carbon tax, as Premier, I would strongly consider re-initiating the lawsuit against the federal government to remove non-renewable resources like oil and gas from the equalization formula. I would not, as Premier, be prepared to take any options off the table.
- Re-examining how provinces like Manitoba and Quebec are using government-owned hydro companies to keep energy prices for consumers artificially low, thereby generating less provincial revenue and making those provinces eligible for equalization.
- While Saskatchewan's resource revenue has dropped significantly, our payment into the equalization program has not been adjusted to reflect this downturn. This is because the program uses a three-year moving average to calculate fiscal capacity. When a province faces a shocking drop in revenue, the program must be flexible enough to adjust to this reality.

CTF: The recent Saskatchewan budget committed to reducing compensation costs for provincial employees by 3.5%. If you become premier, will you at least follow through on the commitment to reduce compensation costs by 3.5%?

GW: Over the past decade, all Saskatchewan people – including our 64,000 public sector employees - have benefitted from our growing and diversified economy. This economic strength has allowed us to make record investments in public services like health care, highways, and social services. However, since 2014, the province's resource revenues have suffered a dramatic \$1.3 Billion drop. This demanded that our government take a hard look at all areas of government spending to ensure the long-term fiscal health of the province.

Compensation for the province's public sector workers totals approximately \$7.1 Billion. In order to make meaningful reductions to government spending, public sector compensation has to be part of the discussion.

We know that over half of the province's 40 public sector unions will be negotiating contracts this year, and as Premier, it would be my intent to continue negotiations with the 3.5% reduction in mind. I'm still committed to ensuring the government lives within its means and balances its budget, however, if we can't achieve this reduction through negotiation, one option is to work towards a reduction in overall FTE count across government, rather than a reduction in compensation.

CTF: Ten years ago, Saskatchewan had \$7.2 billion in taxpayer-supported debt (not including Crown Corporation debt). This year the debt is projected to hit \$7.7 billion and continue to rise. If you become premier, will you implement a concrete debt repayment plan to make Saskatchewan a debt-free province?

GW: I believe that gradual and responsible debt-reduction is key to the province's financial strength. Even when financial times are good, choosing whether surplus dollars are used for debt repayment or for long-term savings and investment is a challenge for governments and individuals alike.

I would point out that our government has made significant progress in reducing the operating debt of the province. Although it has increased this past year, our operating debt is still about 15% lower than it was when we took office. I make no apologies for borrowing to invest in the infrastructure that this province needs, whether hospitals, highways, or schools. Given generally record-low interest rates, these investments in infrastructure are important in sustaining the growth of this province, and again, for that I make no apologies.

Saskatchewan's net debt as a percentage of GDP is the second lowest in the country, as is our per capita share of the public debt (behind only Alberta). Our annual debt-servicing costs as a percentage of revenue are also amongst the lowest in the country. This, combined with some of the best credit ratings amongst all provinces mean that Saskatchewan's debt load is manageable and affordable. A specified debt-elimination plan is, in my view, less crucial than a continued emphasis on maintaining a low debt-to-GDP ratio, bearing in mind that our goal should be toward reducing and eliminating the operating debt of the province.

CTF: Accountability has become an important issue in the wake of the overpayment for land at the Global Transportation Hub and Bill Boyd's breach of conflict of interest laws. If you become premier, how will you strengthen accountability?

GW: Saskatchewan people expect that governments be responsible and transparent in spending their tax dollars. We as elected members have an obligation to the public to conduct the business of governing with openness and accountability, and we must personally conduct ourselves in a way that is befitting of the office we hold – with honesty and integrity in all matters.

I have announced that if I am chosen as the next leader of the Saskatchewan Party and next Premier, I will appoint a public inquiry to examine the government's establishment of the Global Transportation Hub (GTH) once the RCMP investigation has concluded.

There is no doubt that some serious mistakes were made with regards to this venture, and I believe the only way to lift the cloud over the GTH is to shine a very bright – and very public - light on the entire matter. Saskatchewan voters must be confident there was not inappropriate or reckless use of taxpayers' dollars to secure the land on the west side of Regina. A public inquiry needs to examine whether any laws or policies were breached and - if there were - what needs to be done to ensure such mistakes are never repeated.

I will also ask the Conflict of Interest Commissioner to recommend how we can strengthen legislation to ensure that he can investigate any future potential conflicts thoroughly and resolve them quickly. I also believe that other independent officers of the legislature, such as the Information and Privacy Commissioner and the Provincial Auditor, should be asked for recommendations on ways to strengthen current legislation, enhance reporting and disclosure mechanisms, and create a more open and accountable government.

CTF: Places such as Alaska and Norway have heritage funds to save non-renewable resource revenues. Both the Sask. Party and NDP have supported the idea, but Saskatchewan still doesn't have a heritage fund. If you become premier, will you ensure a heritage fund is in place and ready if/when resource revenues go up again?

GW: The value attained from developing our resource sector has allowed our government to make record investments in health care and education, in critical infrastructure, and in tax relief and debt-repayment. After 16 years of NDP government, these investments were critical to move Saskatchewan's economy forward, attracting investment and jobs and thousands of new Saskatchewan residents. While these investments were critical and timely, the establishment of a long-term savings fund for a portion of our resource revenue has been put off too long. Hind-sight is always 20/20.

The excellent work of Dr. Peter MacKinnon in his 2013 report 'A Futures Fund for Saskatchewan' provides a path forward for our government. Dr. MacKinnon rightly points out that while other funds – such Norway's and Alaska's - provide us with examples, a Saskatchewan heritage fund needs to be designed from the ground up. The form and purpose of such a fund needs to be reflective of both Saskatchewan's fiscal capacity and the long-term needs of our people.

As I've mentioned before, I believe maintaining a low debt-to-GDP ratio, while ensuring our debt servicing costs remain low is a more prudent approach than an aggressive debt-elimination plan. Therefore, I do not believe that the debt of the province needs to be entirely paid off before a heritage fund is established. Furthermore, I do not believe our government should delay the establishment of a heritage fund until resource revenue rebounds. We are unlikely to see

commodity prices return to pre-2014 levels, and waiting until resource revenues reach a certain benchmark before we start saving is not in keeping with the long-term interest of the province and our responsibility to future generations of Saskatchewan people.

SCOTT MOE

Canadian Taxpayers Federation: Saskatchewan has led the fight against carbon taxes. If you become premier, will Saskatchewan continue to oppose carbon taxes?

Scott Moe: I will repeat what I said when I was meeting with the Federal Environment Minister – Saskatchewan will never allow a carbon tax.

A \$50 a tonne carbon tax would cost about \$2.5 billion in Saskatchewan and that's a cost our export-based economy cannot bear.

We will continue to use everything in our disposal to not have that cost imposed on industries here in the province of Saskatchewan and that may include going to a court of law.

CTF: Charging PST on insurance hits virtually all taxpayers, but it hits some taxpayers, such as farmers, especially hard. If you become premier, will you take the PST off insurance premiums?

SM: I am committed to reinstate the PST exemption on crop, life, and health insurance. My campaign is also providing a framework on how we will recover the revenues lost through reinstating the PST exemption on crop, life, and health insurance.

Under this framework, the \$120.5 million in lost revenue from reinstating the PST exemption will be fully recovered through achieving savings in the following areas:

- \$70 million (conservative estimate) in savings by introducing a 5% workforce reduction in Executive Government and the Crown Corporations through retirement and attrition.
- \$50.5 million (conservative estimate) in savings through delaying the 0.5% corporate income tax (CIT) reduction for all sectors except the manufacturing and processing sector. The 0.5% CIT reduction for all other sectors would take effect once a balanced budget is achieved.

By maintaining the CIT reduction for the manufacturing and processing sector, Saskatchewan would achieve the lowest tax rate for the manufacturing and processing sector in Canada. On January 1, 2018 Saskatchewan will also have the lowest general corporate income tax rate in the country, along with Ontario because the B.C. NDP will be increasing theirs to 12%.

CTF: The Saskatchewan government is running a deficit and past deficit slayers, from Ralph Klein to Roy Romanow, have cut spending. If you become premier, will you cut spending?

SM: My plan to stand with Saskatchewan starts with balanced budgets, as a member of cabinet and treasury board, I was a strong proponent of our government's three-year plan to balance the

budget. My team is committed to this target to ensure we do not unload the spending of government on future generations.

My team will not put growth opportunities at risk in our province's economy like Roy Romanow and the NDP. The NDP government raised taxes 21 times during their 16 years in power, including raising the PST four times and the gas tax twice. Throughout most of the NDP's 16 years in office, Saskatchewan was a "have-not" province, relying on \$4.4 billion in federal equalization payments to fund provincial government services.

Saskatchewan residents paid the highest individual rate of income tax in 1992, businesses paid a 17% tax and then the NDP raised the PST to 9% in 1993. We will not take lessons from the NDP.

CTF: The federal government takes hundreds of millions of dollars from Saskatchewanians and redistributes the money to other provinces through the equalization program. If you become premier, what would you do to push equalization reform?

SM: The current equalization agreement expires in 2019 and my team will have a very important task preparing for the next round of equalization discussions.

Four out of six provinces who receive equalization will have a balanced or surplus this year.

- Quebec receives \$11 billion on a balanced budget this year and is projecting to have a \$250 million surplus from last year.
- Nova Scotia receives \$1.8 billion on a budgeted \$136 million surplus this year and had a surplus of \$122 million last year.
- Ontario receives \$1.4 billion on a balanced budget this year and a deficit last year of \$991 million.
- PEI receives \$390 million on a \$1 million surplus this year and a projected deficit \$18 million last year.

Given these facts, now is the best time of any for Saskatchewan to lead on calling for the federal government to renegotiate the equalization formula. This is not to question or threaten Canadian unity, but to ensure Canadian unity remains strong.

Much has changed since 2014 and the decline in non-renewable resource revenue has diminished the advantageous positions of Alberta, Saskatchewan, and Newfoundland and Labrador. However, Saskatchewan is much stronger than it was 10 years ago, and it would take nothing short of an economic disaster or an NDP government for Saskatchewan to receive equalization again.

CTF: The recent Saskatchewan budget committed to reducing compensation costs for provincial employees by 3.5%. If you become premier, will you at least follow through on the commitment to reduce compensation costs by 3.5%?

SM: In order to show our commitment to public service we decided to cut our own pay and that of political staff by 3.5%. If we make changes, there are subsequent financial implications. We would ensure we look at ways to offset any proposals that have financial impacts to ensure we stay on track on a three-year plan to balance.

CTF: Ten years ago, Saskatchewan had \$7.2 billion in taxpayer-supported debt (not including Crown Corporation debt). This year the debt is projected to hit \$7.7 billion and continue to rise. If you become premier, will you implement a concrete debt repayment plan to make Saskatchewan a debt-free province?

SM: We have the lowest debt per capita in the country and the second lowest debt to GDP in the country. Investing in infrastructure supports the growth of the Province and secures a better quality of life for Saskatchewan people.

By modernizing and expanding the tax base, controlling and reducing spending and investing in much needed infrastructure projects like highways, schools and hospitals, we will help ensure Saskatchewan's economy remains strong.

Our borrowing is being managed responsibly as is evident by our triple A credit rating given by one of the world's leading credit rating agencies. Only BC and Saskatchewan have AAA credit ratings with Moody's.

Current low interest rates, combined with the Province's credit rating, and sound repayment plan make borrowing for the purposes of infrastructure cost effective.

CTF: Accountability has become an important issue in the wake of the overpayment for land at the Global Transportation Hub and Bill Boyd's breach of conflict of interest laws. If you become premier, how will you strengthen accountability?

SM: The people of Saskatchewan have high expectations of their public figures. We've had processes in place to protect those expectations in this province. My team will continue to have discussions with citizens on their expectations for conflict of interest guidelines.

CTF: Places such as Alaska and Norway have heritage funds to save non-renewable resource revenues. Both the Sask. Party and NDP have supported the idea, but Saskatchewan still doesn't have a heritage fund. If you become premier, will you ensure a heritage fund is in place and ready if/when resource revenues go up again?

SM: My team will hold to the promise made in the last election, we will use oil revenues gained by the province to build a \$500 million balance in the province's rainy day fund – the Growth and Financial Security Fund – when the price of oil exceeds a threshold of \$75 U.S. per barrel (WTI). Once the fund has achieved a \$500 million balance, oil revenues received by the province above the \$75 per barrel threshold will be dedicated to debt repayment.

Once the government's operational debt has been paid off, excess oil revenues will be used to create a new Saskatchewan Futures Fund.

CTF: Why should taxpayers support you to become premier of Saskatchewan?

SM: Renewal is not just about one person, it's about stepping forward together as a team to stand with Saskatchewan and ensure the foundation that Premier Wall built remains strong. I am inspired every day by the people of our great province and everything we have been able to achieve in the last ten years. The Saskatchewan Party's founding members and Premier Brad Wall knew the potential this province had and that vision is as true today as it was 20 years ago.

Growing up on a grain farm and being involved in the Ag equipment industry for many years has taught me valuable life lessons. I have started and owned several businesses and I want to take the same work ethic and dedication it took to make those businesses successful to the job as Premier.

When the federal government suddenly introduced a carbon tax during a meeting of Environment Ministers from across the country, I was one of three ministers to take a stand and leave the meeting. Throughout my tenure as Environment Minister I continued to stand with Saskatchewan against this unfair tax that would ultimately take over \$2 billion out of the Saskatchewan economy, cost the average Saskatchewan family \$1250 per year, and do nothing to reduce carbon emissions.

I remain steadfast in my opposition to a federally imposed carbon tax and will continue to do so as Leader of the Saskatchewan Party and Premier of Saskatchewan.

ALANNA KOCH

Canadian Taxpayers Federation: Saskatchewan has led the fight against carbon taxes. If you become premier, will Saskatchewan continue to oppose carbon taxes?

Alanna Koch: We must continue to oppose the carbon tax because of the harmful impact on jobs and the economy. Our friends and neighbours and communities suffer when we are not growing, and I am not willing to risk our newfound prosperity. Saskatchewan is a good place to do business, and we must not put that status in jeopardy. Carbon taxes are ill-conceived and we know they are not effective. We need to look at alternative solution to the carbon tax which recognizes Saskatchewan's contribution to global food and energy security and carbon sequestration in our soils, grasslands and forests. This is an opportunity for us. Let Saskatchewan be a place where people want to do business.

CTF: Charging PST on insurance hits virtually all taxpayers, but it hits some taxpayers, such as farmers, especially hard. If you become premier, will you take the PST off insurance premiums?

AK: I have heard significant concern about PST on insurance premiums. As I stated in my policy document, if I am fortunate to be chosen as Premier, I have committed to conducting a review of the PST on insurance. I want to examine the full implications of that decision. Having a balanced budget is necessary, and in order to do that, we would need a plan to make up the funding shortfall. As Premier Wall has said, we cannot kick the can down the road. I have two daughters, and I know I speak for many parents when I say that I don't want to leave them a huge debt. If we cannot get our fiscal house in order, we leave the next generation to clean up our problems. And that is not fair to them.

CTF: The Saskatchewan government is running a deficit and past deficit slayers, from Ralph Klein to Roy Romanow, have cut spending. If you become premier, will you cut spending?

AK: Making budgeting choices is difficult in our personal lives, and it is the same for government. Sometimes choices have to be made that are very tough. Fiscal responsibility is one of my guiding principles. There were some very hard decisions made in last spring's budget, but it is essential for governments of all levels to recognize that we must live within our means and not overburden our taxpayers. We also can't overburden future generations by borrowing with no plan for repayment. We need to prioritize our spending to deliver the services and programs that Saskatchewan people need in a way that is responsible.

CTF: The federal government takes hundreds of millions of dollars from Saskatchewanians and redistributes the money to other provinces through the equalization program. If you become premier, what would you do to push equalization reform?

AK: It is important for all of Canada to be strong, and Saskatchewan has certainly relied on equalization in the past. I believe the equalization formula needs to be reviewed because there are unfair exemptions, such as hydroelectric power not being considered to be a natural resource. As Canada moves to cleaner electrical generation, that resource will become even more valuable. It needs to be taken into consideration when measuring a 'have' province against a 'have-not' province so there is a level playing field. I also realize this has been a long-standing debate that hasn't really resulted in change. It is time the Federal Government takes a long look at the formula and ensures all provinces have equality. Saskatchewan has paid considerably over the last number of years based on the wealth of our resources. We also benefited greatly over the last decade and recognize that it is our responsibility to help 'have not' provinces, yet there has been a recent downturn in commodity prices and Saskatchewan continues to pay.

CTF: The recent Saskatchewan budget committed to reducing compensation costs for provincial employees by 3.5%. If you become premier, will you at least follow through on the commitment to reduce compensation costs by 3.5%?

AK: I recognize that last year's budget has frustrated some Saskatchewan people, but I believe that governments need to live within their means. We need to balance the budget, and that means we need to look at all areas to find savings and reduce spending. There are many optimization opportunities such as removing duplicate services within government and Crown Corporations. We could coordinate services such as legal, internal audits and payroll. And we can work to streamline and work more efficiently so we can do more for Saskatchewan people with less employees. We are always seeking to improve and do better for less cost so that we give value to the taxpayers of the province. There has been significant savings found through managing vacancies within the public service.

CTF: Ten years ago, Saskatchewan had \$7.2 billion in taxpayer-supported debt (not including Crown Corporation debt). This year the debt is projected to hit \$7.7 billion and continue to rise. If you become premier, will you implement a concrete debt repayment plan to make Saskatchewan a debt-free province?

AK: Burdening future generations with debt is unacceptable. I feel very strongly that government cannot spend more than it brings in and must first balance the budget and then consider ways to tackle debt. The citizens of Saskatchewan expect programs and services but they also expect us to set the foundation of the province to be strong and continue to grow. We need to ensure Saskatchewan is positioned well for the future.

CTF: Accountability has become an important issue in the wake of the overpayment for land at the Global Transportation Hub and Bill Boyd's breach of conflict of interest laws. If you become premier, how will you strengthen accountability?

AK: I recently released a mandate letter that outlined my commitment to the people of Saskatchewan. My first and foremost priority is a government that is accountable and acts with

integrity. If I am fortunate enough to become leader of the Saskatchewan Party, I will ensure the integrity of government by implementing the highest standards for ethics and best practice conflict of interest rules. And I would expect the same from members of my caucus and cabinet. Government exists to serve the people. As I said in my mandate letter, citizens have the right to know the business of government, how that business is being conducted and how public money is spent. Transparency supports accountable government.

CTF: Places such as Alaska and Norway have heritage funds to save non-renewable resource revenues. Both the Sask. Party and NDP have supported the idea, but Saskatchewan still doesn't have a heritage fund. If you become premier, will you ensure a heritage fund is in place and ready if/when resource revenues go up again?

AK: I want a province that is debt free and strong. But I also recognize that we were left a large infrastructure deficit by the NDP. We finally have new schools, new hospitals and improved roads. We are waiting less time for surgeries. There are a significant number of low-income people who are no longer paying income tax. And there is still much that has to be done. And as I have said, government needs to ensure our spending is appropriate to our revenue. We need to be disciplined in our spending, even when times are very good. I feel that while the heritage fund is an excellent idea, we also have to balance the needs of today and the future. My priority is to significantly reduce our debt to ensure we are in a strong position for the future.

CTF: Why should taxpayers support you to become premier of Saskatchewan?

AK: I love Saskatchewan and know that there is a bright future ahead. I see a province that is growing but I know that it has not always been that way. There were times I was worried my daughters might have to leave the province for opportunity. I am now delighted that they are both establishing roots here at home. Saskatchewan's growth and prosperity needs to be cultivated and protected through careful fiscal management, sound policy and engagement with citizens. Continued support for business will capitalize on our natural advantages. We can foster the positive business climate we have by supporting free-market solutions and encouraging decisions based on real science and facts. We need a strong economy so all Saskatchewan citizens have the opportunity to have happy, fulfilled lives, while governments provide affordable, effective and efficient services that we have come to expect.

It is a government's role to be transparent and accountable. The elected officials need to engage with citizens and really listen. How leaders work is just as important as what they achieve. I am committed to being open and accessible. I want to grow Saskatchewan with compassion and lead with integrity. I will continue to build on the foundation Premier Brad Wall and the Saskatchewan Party has established.

KEN CHEVELDAYOFF

Canadian Taxpayers Federation: Saskatchewan has led the fight against carbon taxes. If you become premier, will Saskatchewan continue to oppose carbon taxes?

Ken Cheveldayoff: Yes, we will continue to press against the current Federal approach. The carbon tax is ineffective. It harms Saskatchewan businesses when they compete in world markets with competitors not facing costs associated with a Canadian government-imposed carbon tax. A carbon tax will also harm consumers as they try to balance more costly necessities. We need to change the conversation around carbon taxes. Saskatchewan has developed technology that can dramatically improve the capacity of our crops, farmland and forests to recapture emitted carbon dioxide. This will help increase needed food production and create jobs in Saskatchewan while improving our environment. This approach requires better support from all levels of Government and industry partners in Saskatchewan and the rest of Canada. It is an approach that will improve our economy and the environment in a meaningful way.

CTF: Charging PST on insurance hits virtually all taxpayers, but it hits some taxpayers, such as farmers, especially hard. If you become premier, will you take the PST off insurance premiums?

KC: We will commit to establishing an expert panel to examine Saskatchewan's sales tax base within 60 days of the Leadership vote. The mandate of that committee will pay particular attention to the issue of tax on insurance in Saskatchewan. I have reviewed material that demonstrates that the projected increase in revenue might not be as high as expected; consumers will adjust their insurance needs to compensate for extra costs associated with tax. If the changes result in lower PST revenue, we must be diligent in finding other ways to balance the budget on the current plan's timeline.

[Update: After providing this response, Mr. Cheveldayoff later committed to taking the PST off health, life and crop insurance as part of the commission to study Saskatchewan's tax regime].

CTF: The Saskatchewan government is running a deficit and past deficit slayers, from Ralph Klein to Roy Romanow, have cut spending. If you become premier, will you cut spending?

KC: We must find ways to reduce costs while sustaining needed government services. This can be carried out over time by committing all government operations and Ministries to a continuous improvement model.

CTF: The federal government takes hundreds of millions of dollars from Saskatchewanians and redistributes the money to other provinces through the equalization program. If you become premier, what would you do to push equalization reform?

KC: We will press for changes to the equalization formula that better balances the resource base of the different regions of Canada. At present, not all natural resources are treated in the same fashion in the equalization formula. Equity demands that changes be made.

CTF: The recent Saskatchewan budget committed to reducing compensation costs for provincial employees by 3.5%. If you become premier, will you at least follow through on the commitment to reduce compensation costs by 3.5%?

KC: Yes, this objective remains in place.

CTF: Ten years ago, Saskatchewan had \$7.2 billion in taxpayer-supported debt (not including Crown Corporation debt). This year the debt is projected to hit \$7.7 billion and continue to rise. If you become premier, will you implement a concrete debt repayment plan to make Saskatchewan a debt-free province?

KC: Debt repayment begins with balanced budgets and that must be our first priority. Over the next few years our province will return to a balanced budget. Our work to retire debt will begin but remains dependent on our ability to grow Saskatchewan's economy. Our rate of growth can be faster than most provinces if we have the correct set of government policies to foster that growth. And increased growth will lead to increase in revenues. However, it is critical that we also control future spending by committing to regular and continuous improvement and review of the outcomes of current programs. Future debt retirement will be necessary because the risk of future interest rate increases will challenge our ability to provide quality services with a competitive tax burden.

CTF: Accountability has become an important issue in the wake of the overpayment for land at the Global Transportation Hub and Bill Boyd's breach of conflict of interest laws. If you become premier, how will you strengthen accountability?

KC: We should learn from what may have occurred in developing this project. The GTH project will be of long-term benefit to the province in terms of future tax revenues and jobs. I propose to sell the GTH at a profit so that future expansion risk will not be borne by the people of Saskatchewan. The real lesson is that in future, the Saskatchewan government should not bear any development risks entailed in projects like GTH. Rather, we need to create the conditions where others will take on the considerable risks involved in these types of projects. All of our MLAs must be held to the highest of ethical standards and I commit to enforcing conflict-of-interest standards.

CTF: Places such as Alaska and Norway have heritage funds to save non-renewable resource revenues. Both the Saskatchewan Party and NDP have supported the idea, but Saskatchewan still doesn't have a heritage fund. If you become premier, will you ensure a heritage fund is in place and ready if/when resource revenues go up again?

KC: First, we must balance the budget and then retire the provincial debt; this will take several years. The development of any future investment fund must be considered in the context of the tax burden on Saskatchewan citizens and any provincial infrastructure needs. Any investment vehicle must be designed to avoid the political interference that many of these funds in other jurisdictions have seen.

CTF: Why should taxpayers support you to become premier of Saskatchewan?

KC: I commit to creating the conditions where people and businesses will choose to remain in Saskatchewan, and newcomers will be welcome. I will continue to emphasize Saskatchewan's immense potential by creating the conditions for families and businesses to thrive.