

GETTING THE JOB DONE

BUDGET 2019

SPEECH



Manitoba 

THE 2019 MANITOBA BUDGET ADDRESS

Honourable Scott Fielding
Minister of Finance
March 7, 2019

This document is available on the Internet at:

www.gov.mb.ca/finance

Information available at this site includes:

- The 2019 Manitoba Budget Address
- Budget 2019
- Budget Papers
 - Summary Budget and Financial Updates 2019/20
 - Economic Review and Outlook
 - Tax Measures
 - Fiscal Arrangements
 - Made-in-Manitoba Climate and Green Plan
 - Reducing Poverty and Promoting Community Involvement
- Fiscally Responsible Outcomes and Economic Growth Strategy
- Estimates of Expenditure for the Fiscal Year Ending March 31, 2020
- Financial Reports
- Economic Highlights
- Economic Statistics
- Facts for Investors

Available in alternate formats upon request.

Les documents offerts en français sur le site Internet

www.gov.mb.ca/finance/index.fr.html comprennent :

- Discours du Budget 2019 du Manitoba
- Budget 2019
- Budget des dépenses pour l'exercice se terminant le 31 mars 2020
- Rapports financiers

Disponible en d'autres formats, sur demande.

**THE 2019
MANITOBA BUDGET ADDRESS**



I am honoured to rise in this Legislative Assembly to present Budget 2019.

Three years ago, Manitobans chose a new direction for their province.

After 17 years of mismanagement by the previous NDP government that left our province with a growing debt, the longest health care wait times in Canada and the worst education outcomes, Manitobans chose a new path.

They elected our government to fix the finances, so that Manitobans would have greater stability.

They elected our government to repair our services, so that Manitobans would have greater security.

They elected our government to rebuild our economy, so that Manitobans – all Manitobans — will have a genuine opportunity to achieve their dreams for themselves and their children.

That's the job Manitobans hired us to do.

We're getting the job done.

In 2016-17, we reduced the summary deficit by \$147 million to \$764 million.

In 2017-18, the summary deficit was further reduced to \$695 million.

And I am pleased to advise Manitobans that we are on track to reduce the summary deficit for the current 2018-19 fiscal year by \$225 million, to \$470 million.

We've increased our investment in health care, for education, and for families to record levels in each of our budgets, to the highest levels in Manitoba history.

And we're on track to deliver a balanced budget during our second term.

Budget 2019 continues our journey on the road to recovery that began three years ago.

Through a combination of measures that I will outline in a moment, we are projecting a summary deficit of \$360 million for the 2019/20 fiscal year.

That is \$161 million less than the summary deficit that was projected in Budget 2018 for the current fiscal year.

Budget 2019 ends the years of growth in our debt-to-GDP ratio that occurred under the previous government.

We've made tremendous progress in reducing the deficit over the past three years because we have a solid plan, a plan that is working.

It's working because our government is getting value for taxpayers.

We're shopping smarter and getting better results.

The proof is found in the progress we are making in reducing the deficit each year.

And it's found in the fact that the world is showing their confidence in Manitoba as a place to invest, as a place to grow.

They know that Manitoba is once again open for business, and they are responding.

Manitoba has led the nation in private capital investment over the past year, and we're on pace to be among the leading provinces again this year.

Those investments are creating good-paying, long-term jobs throughout the province.

Our plan is working because we are listening to Manitobans.

Since forming government, we have sought Manitobans' guidance on a number of important issues, and they have responded.

Our pre-budget consultations have extended to every corner of the province, and I thank the thousands of Manitobans who have participated in the consultation process.

Budget 2019 reflects their concerns, their priorities, their hopes.

It is the budget they told us they want. It is their budget.

In 2011, the previous NDP government won an election on a promise to not raise the provincial sales tax.

And they promised they would let Manitobans vote on major tax hikes.

Eighteen months later, they broke both of those promises.

After making more goods and services subject to the PST, they raised the PST rate to 8 per cent without the consent of Manitobans.

They took more than \$300 million annually off kitchen tables all over the province.

They raised fees for a range of services Manitobans rely on.

They refused to index tax brackets and taxed even the poorest Manitobans.

The NDP took more from Manitobans and gave less.

Our Progressive Conservative government is taking less and giving Manitobans more.

We've indexed the basic personal amount.

As a result, almost 8,000 low-income Manitobans no longer pay Manitoba income tax.

We've indexed tax brackets.

As a result, Manitobans are now protected from hidden increases to their income tax rate.

Under the NDP, Manitoba's ambulance fees were the highest in Canada.

Our government promised to lower ambulance fees to a maximum of \$250, and we have reduced the fee in each of our first three budgets.

Budget 2019 reduces the fee to the target of \$250.

A promise made by our Progressive Conservative government, another promise kept.

After years of over-taxation and broken promises by the NDP, Manitobans deserve a break – and our government is giving them that break.

On July 1 of this year, the retail sales tax rate will be reduced to 7 per cent.

That will be six years to the day after it was raised by the NDP.

While others are taking more money off kitchen tables all over province – with higher municipal property taxes, higher NDP Hydro rates and higher federal deficits – our PC government is cutting the PST, leaving that money where it belongs.

By the end of our second term, this rate reduction will save an average family of four more than \$3,000.

It will increase economic output and generate approximately 900 person-years of employment.

Labour income, including wages and salaries, will grow by nearly \$50 million per year.

And Manitoba's nominal GDP will increase by approximately \$90 million.

In 2016, we promised to cut the PST.

We're keeping our promise.

We're working hard for Manitobans; working hard to help those who need it most.

Seniors living on a fixed income. Single parents.

Small business owners. Young Manitobans entering the workforce.

We are giving Manitobans the government they want, at a price they can afford.

Manitobans want better health care sooner, and our government is delivering.

Wait times are down. The quality of care is improving.

Budget 2019 increases funding for health care by \$47.8 million.

That increase translates into the highest level of health care funding in Manitoba's history for the third year in a row.

It means an additional \$35.8 million for regional health authorities.

It means new personal care home beds.

It means \$6.4 million more for capital projects, including the Holy Family Personal Care Home, the Brandon Regional Health Centre 12-bed expansion and the new Flin Flon General Hospital Emergency Room.

It means \$3.8 million in funding for paramedic positions.

It means that Manitobans will get the emergency care they need faster.

It means an increase of \$2.4 million for renal therapy.

And it means a \$2.9 million increase in support for Provincial Health Services, including an increase of \$1.2 million in funding for the Canadian Blood Services.

Budget 2019 responds to the challenge of methamphetamine addictions with \$1 million in new funding for the expansion of withdrawal management beds in Winnipeg and Brandon.

We're proud of our Pharmacare program, and that's why Budget 2019 increases Pharmacare funding to \$270 million – the highest level in Manitoba history.

Budget 2019 also increases funding for drug treatments for rare diseases by \$4.2 million.

And funding for the Drug Program Information Network will increase by \$16.7 million.

Our government is working to give Manitoba's students the education and training they require in order to compete for jobs today and in the future.

In January, we announced a \$6.6 million increase in K-12 funding for the 2019-20 school year.

Budget 2019 also increases the capital budget for K-12 education from \$146.1 million last year to \$202.2 million.

It's a \$56.1 million increase that includes more than \$50 million in new funding for structural repairs, roof replacements, new mechanical systems and accessibility projects.

It funds investments in facilities for Special Needs students, and major additions at Ecole Noel-Ritchot in Winnipeg and Mitchell Elementary, in the Hanover School Division.

Budget 2019 also contains additional funding for existing capital projects, including new schools in Brandon, Niverville, Winkler and Winnipeg.

Our government puts Manitoba Families first.

That's why we've taken steps to ensure that thousands of low-income Manitobans no longer pay Manitoba income tax.

And that's why funding for Community Living and disABILITY Services will increase by \$13.6 million to \$439.5 million.

The Family Group Conferencing Program is a tremendous initiative that diverts children from the child welfare system by using a collaborative decision-making framework.

Budget 2019 increases funding for that important program by \$523,000.

Our government continues to support innovative solutions to pressing social problems. This includes a continued commitment to social finance tools such as social impact bonds.

Earlier this year, our government introduced the first made-in-Manitoba social impact bond, which will reduce the number of kids in care by pairing at-risk mothers with Indigenous doulas.

We will continue to invest in better outcomes for vulnerable Manitobans in other areas such as Justice and Health.

We have committed an additional \$1.5 million dollars in support for social impact bonds that will produce better results for Manitobans who are most in need.

Budget 2019 also increases operating funding for existing and new community-based day care projects by \$759,000.

Recipients of that funding include Campus Day Care at the University of Manitoba, the Concordia Child Care Centre and the YMHA Jewish Community Centre.

Our government is keeping Manitobans safe, and we're addressing the needs of victims of crime.

That's why Budget 2019 adds 29 positions to Manitoba's RCMP staffing complement, including 27 additional officers.

It delivers an additional \$2.3 million to target drug-related criminal activity, including methamphetamine and gang-related crime prevention initiatives.

Budget 2019 also allocates an additional \$325,000 for Victims Services, and continues to support organizations like The Canadian Centre for Child Protection, Brandon Victim Services, and Candace House.

New supports include direct services for victims of domestic violence and implementation of a Restorative Justice pilot project.

Strong, sustainable municipalities are the backbone of our province.

That's why Manitoba's operational support for municipalities is among the most generous in Canada.

Budget 2019 continues that commitment, by maintaining a total of \$313.5 million in basket funding for our local governments.

That includes unconditional operating and public safety funding baskets that provide municipalities with the flexibility they need to meet local needs, and infrastructure support to address planned capital projects.

Local governments will also benefit from our reduction of the PST. The City of Winnipeg alone will save approximately \$1.7 million annually.

Our government knows that a strong infrastructure network is critical to our safety and a strong Manitoba economy.

When we formed government, we promised to spend at least \$1 billion annually on strategic infrastructure such as roads and bridges, flood protection, hospitals, schools, universities and colleges.

Budget 2019 keeps that promise.

The Municipal 2019 Infrastructure Grants basket will provide provincial funding for such important projects as the City of Winnipeg's Waverley Underpass and Bus Rapid Transit.

Municipalities outside of Winnipeg will receive support for water and wastewater infrastructure projects, municipal roads and bridges projects, and provincial cost-shared funding for federal infrastructure opportunities.

As part of the Manitoba Water Services Board's new five-year capital plan, 20 new projects have been approved, with a provincial contribution of \$22.6 million.

The Water Related Capital program will also fund 15 new projects and over 50 drain rehabilitation projects, for a total estimated cost of \$46 million.

Budget 2019 allocates \$350 million toward highways infrastructure.

Funding for new projects includes \$70 million for the Daly Bridge in Brandon, \$16.7 million for replacement of the existing overpass near Portage la Prairie, and \$12 million for improvements to Highway 21 near Shoal Lake.

Budget 2019 also includes a one-time \$45 million allocation for capital projects in recognition of Manitoba's 150th anniversary, including funding for additional highways infrastructure projects.

Under the previous NDP government, treaty land entitlement claims sat unresolved for years.

Our government has made tremendous progress in resolving outstanding claims for thousands of acres.

We will continue to work with Indigenous communities on this important issue, in a genuine spirit of reconciliation.

Through the department of Indigenous and Northern Relations, Budget 2019 funds a number of infrastructure projects in northern Manitoba, including a fuel tank replacement project at Thicket Portage, the God's Lake Narrows wastewater treatment plant and the Camperville generator replacement.

Budget 2019 also allocates funding for major improvements to airports at St. Theresa Point, Norway House and Shamattawa.

Through the Department of Sustainable Development, Budget 2019 will fund infrastructure projects at several locations throughout the province, including road improvements in Churchill and Falcon Lake, and water treatment upgrades at Paint Lake and Birds Hill.

Our government recognizes that our generation has the right to develop and use our natural resources, but not to the detriment of future generations.

Manitoba's Climate and Green Plan is a best-in-Canada approach that respects our clean energy investments.

It supports our economy and will reduce emissions.

That's why Budget 2019 allocates \$2.3 million for the new Climate and Green Plan Implementation Office.

Budget 2018 established the Conservation Trust in order to provide significant financial support for projects aimed at achieving the objectives of our Climate and Green Plan, particularly those related to nature conservation.

Funding for a number of Conservation Trust projects will be announced in the next few weeks, with additional projects to follow.

Manitoba is the jewel of Canada's cultural community, and our government is proud to support its growth and vitality.

Cultural activity in its many forms contributes almost \$2 billion to our province's GDP each year, and provides direct employment to more than 22,000 Manitobans – more than 3 per cent of our workforce.

That's why Budget 2019 includes \$40.8 million in funding for Culture and Heritage Grants.

In the 2017-18 fiscal year, Manitoba's film and video sector generated \$173 million in productions in the province. That sum is projected to increase to \$250 million this year.

It's a tremendous success story, and that's why the Manitoba Film and Video Production Tax Credit has been made permanent.

Budget 2019 increases funding for that tax credit from \$16 million to \$31.5 million.

Last year, our government entered into a 3-year agreement with The Winnipeg Foundation to assist community foundations in assuming a greater role in supporting local groups and heritage assets.

Budget 2019 increases funding for that agreement by \$1 million.

Our government is proud of the growth and success of technology-based industries in our province.

We are excited to have played a role in bringing international video game company Ubisoft to Winnipeg, and we are working to attract other developers.

That's why Budget 2019 increases support for the Interactive Digital Media Tax Credit by \$400,000.

We are also thrilled by the tremendous growth of our tourism industry.

Manitoba has become one of the world's top travel destinations, and we want to build on that momentum.

Budget 2019 continues our investment of more than \$12 million annually in Travel Manitoba under the Plan 96/4 tourism funding model.

Manitoba's agricultural industry is, and always has been, the backbone of our province's economy.

It's what built our province. It's what keeps us strong.

And it's a big reason why Manitoba leads the nation in private capital investment.

With more than a billion dollars in new construction by Roquette, Simplot, Hy-Life, McCain and others – and more on the way – the world is showing their confidence in Manitoba as a place to do business, a place to invest.

Those companies are investing in our province because Manitoba's agriculture industry is made up of thousands of men and women with the skills and experience that guarantees a reliable supply of high-quality crops and livestock.

In January, our government announced we will be developing a first-of-its-kind sustainable protein strategy.

It will ensure that Manitoba producers will continue to be leaders in plant and animal protein development.

Budget 2019 continues our support for income stabilization programs for producers.

And, in order to ensure a strong future for the industry, Budget 2019 increases funding for the Young Farmer Rebate Enhancement program by 32 per cent to \$2 million.

Three years ago, Manitobans hired our government to do a tough job.

We're getting the job done.

After a decade of debt, we're fixing the finances.

After a decade of decay, we're repairing our services.

After a decade of decline, we're rebuilding the Manitoba economy.

We're moving in the right direction, on target to deliver a balanced budget in our second term.

We're investing more in health, more in education and more in Manitoba families.

We're keeping Manitobans safe and we're keeping our promises.

We've increased the basic personal exemption, ended bracket creep, lowered ambulance fees and, on July 1st, we will cut the PST back to 7 per cent.

We've made tremendous progress over the past three years.

And our government will continue to move our province forward, fueled by the knowledge that Manitoba's best days are ahead of us.

Confident that the hard work we are doing today ensures a brighter tomorrow for our province, for all Manitobans.

