



Message from the Honourable  
**Eric Stefanson**  
Minister of Finance

1998 promises to be a very good year for Manitoba. With our fourth consecutive balanced budget, Manitoba's finances are healthier than they have been in the last quarter century.

For the first time, Manitobans have real choices and real flexibility.

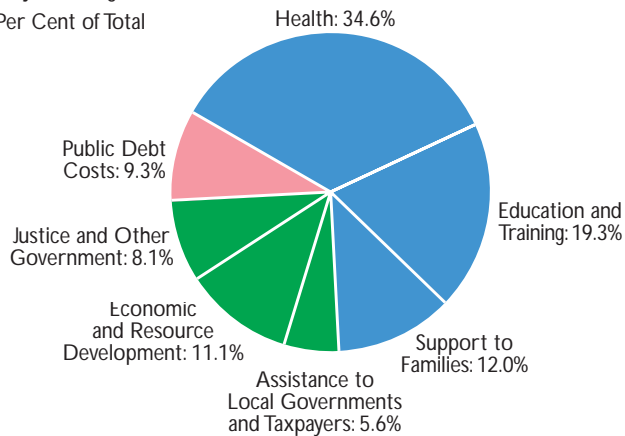
Our Government continues to spend taxpayers' money wisely, concentrating our resources on health, on education, and on the needs of families. We're providing better ways for Manitobans to prepare themselves for economic opportunities. More Manitobans are working than ever before, and our unemployment rate is at its lowest since 1981.

As we approach the tenth anniversary of the Filmon Government, we are reducing taxes and repaying the accumulated debt even faster. Our priorities continue to be eliminating the debt; improving health care and education; making communities safer; keeping our taxes competitive; encouraging more investment; and creating more jobs. In short, *we will ensure that all Manitobans share in the benefits of balanced budgets and a strong economy!*

**Provincial Expenditure, 1998/99**

Major Categories

Per Cent of Total



**Health, Education & Training, and Support to Families:  
Over 65% of Manitoba's Budget**

Balanced Budgets  
*Sharing the Benefits*

# SECURING THE FUTURE

## ...for our Children

Support for children, youth, and families increased significantly, including:

- \$2.6 million for pre- and early-school programs, including early literacy
- \$2.1 million for early childhood nutrition initiatives
- \$2.3 million for positive parenting programs, healthy child development, strategies to avoid adolescent pregnancies and prevent fetal alcohol syndrome
- \$4.8 million more for accessible, flexible, and portable child care options
- \$4.2 million more for curriculum development, standards and testing
- \$60 million for school capital construction and upgrading



## ...with Education, Skills, and Jobs

- \$4 million more for scholarship and bursary support – bringing the level to \$5 million – which is expected to benefit 10,000 students beginning in 1998
- \$1.6 million for new Interest Relief and Debt Reduction Programs for post-secondary students and graduates
- \$15 million for Manitoba's unique Learning Tax Credit
- \$7.1 million for youth employment programs benefitting 15,000 students this year
- \$3 million to expand the apprenticeship program
- \$10 million more for university and community college operating grants
- \$14.6 million for *Making Welfare Work* and other programs to help Manitobans secure jobs.



The 1998 Budget is available on the Internet at

<http://www.gov.mb.ca/finance>

and by special arrangement in alternative formats for the visually impaired.

Offert en français.



Balanced Budgets  
*Sharing the Benefits*

# THE 1998 MANITOBA BUDGET IN BRIEF



HONOURABLE ERIC STEFANSON  
MINISTER OF FINANCE



Balanced Budgets

# Sharing the Benefits

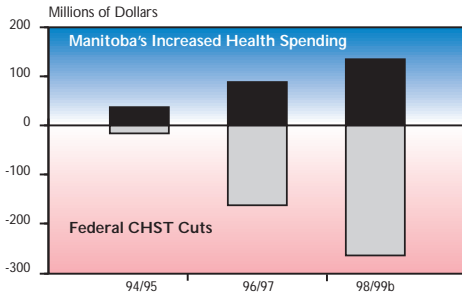
Better Health Care

Over \$100 million more for health care in this Budget despite significant federal cutbacks. We allocate 34.6% of expenditures to health care – second-highest in Canada – \$1,700 per woman, man, and child.

- \$10 million more to purchase medical equipment
- \$11 million more for dialysis
- \$4.5 million more for care in personal care homes
- \$2.5 million to reduce waiting lists
- \$2.4 million more to support additional intensive care beds and expansion of neurosurgery
- Home care up \$23 million to \$123 million, triple the 1987 budget
- \$600,000 more for a Provincial Diabetes Initiative
- \$670,000 for the mobile breast cancer screening program
- \$7.3 million more for Pharmacare
- Continued commitment of \$770,000 for the Aboriginal Health and Wellness Centre



Manitoba health spending increases vs. Federal CHST\* cuts since 1993/94



b - Budget  
\*Canada Health and Social Transfer  
Source: Federal and Provincial Budgets and Public Accounts

Total expenditure on health care is \$1.93 billion, up about 45%, or \$600 million, from 1987/88.

PLUS: \$63 million for 26 health capital construction projects

Balanced Budgets  
Sharing the Benefits

## TAX CUTS

- A two-point cut in Manitoba's Personal Income Tax rate, to 50% of basic federal tax. You will see the benefit on your paycheque starting July 1, 1998. Manitobans will pay about \$60 million less in provincial personal income taxes next year.
- The sales tax rebate of up to \$2,500 for first-time buyers of a new home is extended until April 1, 1999.
- The sales tax on custom-developed software is removed to help businesses cope with Year 2000 issues.
- Payroll tax rate cut to 2.15% from 2.25%. Over 95% of Manitoba businesses are already exempt from this tax.
- Corporation Capital Tax exemption increased to \$5 million.

## Manitoba's Savings Account

This year we are taking \$226 million from the Fiscal Stabilization Fund for one-time priority projects, including:

- \$75 million to double our debt repayment to \$150 million
- \$60 million to bridge federal funding cuts for health, education, and support to families
- \$41 million to cover flood costs and flood-proofing
- \$50 million to fund special capital initiatives, such as \$5 million for residential street repair in Winnipeg and \$5 million for highway construction

This will bring the March 31, 1999 Fund balance to about \$340 million. Another \$50 million has been targeted for special capital initiatives in 1999. By law, the targeted minimum balance in this Fund is 5% of expenditures – around \$280 million.

Balanced Budgets  
Sharing the Benefits

## Freeing our Children from the Burden of Debt

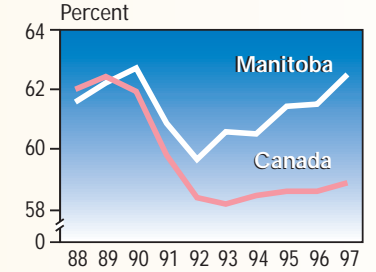
Our balanced budget legislation sets a mandatory schedule for Manitoba to pay down its debt. During Budget consultations, Manitobans placed a high priority on paying down the debt even faster if possible. So this year, we will increase our debt repayment to \$150 million, double the \$75 million required.

Balanced Budgets  
4 Years Running!

...and Stronger than ever!

- employment growth up 2.4%, the strongest increase in 11 years; this brought our unemployment rate down to its lowest level since 1981
- retail sales up 6.9%, the largest increase in 12 years
- manufacturing shipments up 11.5% to reach a record \$10 billion
- exports to the US are triple the 1990 level
- private investment up 14.8% in 1997, the seventh consecutive increase
- farm cash receipts up 9.9%, or 2.5 times the national increase

## Manitoba Outpaces Canada: Employment Rate, 1988-97



Source: Statistics Canada

Balanced Budgets  
Sharing the Benefits

## Infrastructure and Research

- \$170 million to improve our highway system
- \$63 million for 26 health capital construction projects
- \$5.3 million for a new Nursing Faculty building at the University of Manitoba
- \$60 million for school capital construction and upgrading
- New and enhanced research and development initiatives total \$25.5 million, including:
  - \$7 million for the Manitoba Innovations Fund to support world-class scientific, health, engineering, and environmental research infrastructure
  - \$2 million for the Health Research Initiative
  - \$5 million to create the Manitoba Science and Technology Fund
  - \$6.5 million for the Agri-Food Research and Development Initiative