

# T H E 1 9 9 9 M A N I T O B A B U D G E T



THE HONOURABLE  
HAROLD GILLESHAMMER  
MINISTER OF FINANCE





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# The 1999 Manitoba Budget Address

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The Honourable Harold Gilleshammer  
Minister of Finance  
April 29, 1999

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*1999 Estimates of Expenditure,*  
*1999 Estimates of Revenue,*  
the latest *Quarterly Financial Report* and  
*Highlights of Manitoba's Recent Economic Performance*

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requiring the information.

In 1967, Premier Duff Roblin welcomed the Pan American Games to Manitoba.  
This year, Premier Gary Filmon proudly does the same. The cover of the 1999 Budget features  
a torch bearer for the 1967 Games, with a modern-day hurdler in the foreground.

Together, they represent our pride in past achievements, and  
our determination to meet new challenges.



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# THE 1999 MANITOBA BUDGET

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I am pleased to present the 1999 Budget to the Legislature and people of Manitoba. This Budget affirms our Government's commitment to meet new challenges as we build the future of our province – a future in which our children will enjoy even greater opportunities than we do today. As we enter the 21<sup>st</sup> century, the outlook for Manitoba under the leadership of Premier Gary Filmon is very bright. This Budget presents our Government's plans for a brighter tomorrow.

Over the last 11 years, our Government has worked hard to develop opportunities for all Manitobans. We especially want our young people to see in Manitoba what we see – the limitless possibilities for success. We also want people from across Canada and around the world to enjoy, firsthand, everything that Manitoba has to offer.

In Manitoba, they will find jobs. They will find friendly and caring people – individuals and families more generous than anywhere else in Canada. They will find a province, a community, and a neighbourhood that welcomes them. In short, they will find Manitoba just as those who live here now find it – the best place in Canada to live, to work, and to raise a family.

They also will find a government that responds to their concerns. Manitobans from Winnipeg to Thompson, from Ste. Agathe to Russell, through formal Budget consultations, and through letters, e-mails and phone calls, took the time to give us their advice on the priorities for this Budget. We value that advice. Their thoughtful suggestions are reflected in the Budget that I have the pleasure of presenting today.

We are at a pivotal point in history, marking the end of one century and the beginning of the next. It is a time to look ahead to the 21<sup>st</sup> century. It is a time to put forward our plans to meet the new challenges and to build further on the momentum generated by our diverse and growing economy.

The last Budget of this century is also an opportunity to pause and reflect on the careful stewardship that has brought us to where we are today, and on all that we have accomplished together.



*This Budget affirms our Government's commitment to meet new challenges as we build the future of our province – a future in which our children will enjoy even greater opportunities than we do today.*



*We are acting on  
the thoughtful advice  
we received from  
Manitobans across  
our province.*

*Balanced budgets  
and competitive taxes  
are essential for  
a strong and  
diversified economy.*

The favourable financial position in which we find ourselves today is due in no small measure to the leadership, vision, and energy of my predecessor, Honourable Eric Stefanson. I want to point out that the results of his work as Minister of Finance over the past five years will favourably affect the quality of life of Manitobans well into the future. I thank him, not only on my own behalf, but also on behalf of all Manitobans. I wish him well as he tackles new challenges in health care.

The basis for a better tomorrow is a strong economy today. At the foundation of our Government's commitment to the future of our great province is our record of prudent management. The legacy of many years of deficits, growing debt and rising taxes, brought on by the reckless spending practices of previous administrations, was reversed under the decisive leadership of our Premier, the Honourable Gary Filmon. Our Province's finances are healthier than at any other time in the last quarter century.

Our record speaks for itself. It proves, conclusively, that balanced budgets and competitive taxes are essential for a strong and diversified economy.

Here are the results.

- Manitoba's economy outpaced the national economy in 1996, in 1997, and again in 1998.
- More people are working in our province than ever before. Manitoba gained almost 22,000 new jobs in the private sector in the last two years.
- Manitoba has the lowest unemployment rate in Canada – and the lowest in our province in almost twenty years.
- As reported by Statistics Canada earlier this month, family incomes in Manitoba increased by over \$2,000 in 1997 alone – the largest increase in the country, and more than four times the national average.
- Manitoba continues to experience record levels of manufacturing shipments, exports and consumer spending.

But things haven't always been this good. Since our Government took office, our Province has faced some significant challenges, not the least of which was overcoming the legacy of deficits, high taxes and growing debt left by our



predecessors. In addition, Manitobans have had to cope with significant federal cutbacks in transfers for key social programs, such as health care.

Our Government worked hard to meet these challenges. We focussed spending on priority social programs, such as health care and education. We made a commitment to create a competitive tax environment. We froze major tax rates for 11 consecutive years – the longest running tax freeze in Canada – and we cut taxes. All of this effort has paid off most impressively.

In 1995, our Government tabled the first balanced budget the people of our province had seen in 22 years. To protect that hard-won accomplishment, our Government introduced balanced budget legislation – hailed as the best in North America. We made a commitment to Manitobans that our Government would never run deficits, would not raise major tax rates without a province-wide referendum, and would repay the Province's general purpose debt within 30 years. We followed up the 1995 Budget with balanced budgets in 1996, in 1997, and again in 1998.

Manitobans, including provincial civil servants, supported our Government when we had to make some difficult decisions, including carefully managing spending. I would like to take this opportunity to thank all Manitobans for helping us to balance the budget and to keep it balanced.

Manitobans understand that balanced budgets sustain vital programs by allowing us to direct additional resources to health care, education, and support to children and families. Over the past 11 years, our Government has devoted nearly 90 cents of every additional dollar to these important programs.

Prudent stewardship has strengthened business and investor confidence in our province. The Investment Dealers Association of Canada recently described Manitoba as having “the best-managed public finances during the 1990s.” Nesbitt Burns gave the Province “full marks for fiscal integrity. Under Gary Filmon...Manitoba has not increased taxes and now is in the process of cutting them.”

*Manitoba has the lowest unemployment rate in Canada – and with 22,000 more jobs created in the private sector in the last two years, more people are working than ever before.*

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**“Manitoba is benefitting from the legacy of the best-managed public finances during the 1990s.”**

**Investment Dealers Association of Canada**

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**Continue to spend  
money wisely –  
Manitobans can  
no longer  
afford deficits.**

**Russell Budget  
Consultation**

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*This is the first  
time in a quarter  
century that a  
government in  
Manitoba has  
tabled a series of  
five consecutive  
balanced budgets.*

In 1998, both Moody's Investors Service and Standard and Poor's recognized our consistent efforts to improve our Province's financial position. Both agencies upgraded Manitoba's credit rating to double A. This is a remarkable turnaround from the mid-1980s when these same agencies downgraded the Province's credit ratings.

Balanced budgets underpin our legislated commitment to repay our Province's general purpose debt. Our Government established a 30-year plan to eliminate this collective mortgage because we believe that the money currently used to service the debt would be better used for key social programs and to sustain further tax cuts. A payment in 1997/98 and a double payment last year mean we are on track to pay off the debt in 27 years.

Balanced budgets, lower debt costs, and a strong and dynamic economy continue to give Manitobans real choices and real flexibility in setting budget priorities. During our annual Budget consultations, we asked Manitobans for their views on where we should concentrate available resources.

We received input from over 1,200 people from all across Manitoba. Manitobans told us to continue taking a balanced approach to improving health care and investing in education, reducing taxes, and repaying the debt. This Budget acts on their advice.

- Manitobans told us they value our Government's careful financial management. Therefore, I am extremely pleased to present our Government's fifth straight balanced Budget. This is the first time in a quarter century that a provincial government in Manitoba has tabled five consecutive balanced budgets. I am very proud to be a part of this accomplishment!
- Manitobans told us their highest priority for action was increased resources for health care and other important social programs, such as education. Therefore, this Budget devotes significant additional resources to improve health care services further, to expand educational opportunities, and to support children and families.

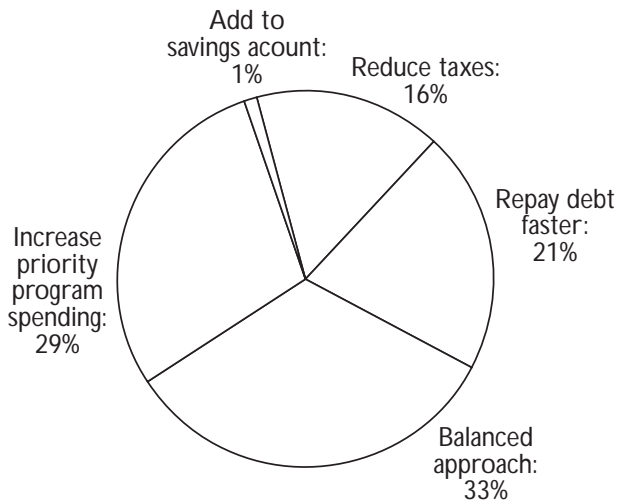




- Manitobans told us to continue cutting taxes to fuel our growing economy by keeping more money in people's hands. Therefore, the 1999 Budget makes further cuts to personal and small business taxes.
- Manitobans told us to continue to pay down the debt so our children will be free of this collective mortgage on our future. Therefore, I am pleased to announce that this Budget allocates \$75 million for debt repayment. We put this payment, along with the other funds that were set aside in the Debt Retirement Fund, to good use. Earlier this month, our Government made a \$305 million payment on Manitoba's debt.

*During Budget consultations, Manitobans told us their highest priority for action was increased resources for health care.*

Manitobans told us how best to use resources created by Budget surpluses



Percentage of respondents favouring each policy option.

Source: 1999 Budget Consultations  
Questionnaire Responses

**Cutting taxes keeps more money in the hands of Manitobans and improves the overall economy.**

**Souris Budget Consultation**

With a vision, solid plans, hard work, and the support of Manitobans, we have come a long way and we look forward to an even brighter future for our province. But there is no room for complacency. Even though we have successfully met many challenges of the past, new challenges have arisen which, if not addressed head on, threaten to undermine all that we have achieved.



*We are at a  
critical junction.  
The world is changing  
quickly and Manitoba  
must be ready to meet  
new challenges.*

*We believe that  
the path we have  
chosen will make  
Manitoba an even  
more dynamic  
province.*

As was stated in the recent Speech from the Throne:

*... we are at a critical junction... The problems and challenges we face today will not disappear overnight. Building on our sound financial and economic foundations we can set priorities and be prepared for problems we cannot foresee today.*

The world is changing quickly and Manitoba must be ready to meet new challenges.

A recent study commissioned on the city of Winnipeg, recognized that the city and our province have enjoyed several years of solid growth, but warned that the status quo is not an option. One challenge outlined in the study is the need to make our urban centres, particularly Winnipeg, safer and more attractive places for our families. Another challenge is to further increase the competitiveness of our province as a place to live and do business.

The present era offers unprecedented freedom for our citizens to move, and we know we must take decisive steps to create an environment that is attractive for our children and our grandchildren. With neighbouring provinces taking steps to cut taxes, we know we must act immediately and be prepared with a longer-term plan for maintaining a competitive tax environment.

In line with our commitment to tackle these and other new challenges, this Budget looks ahead to the next century and charts a path that reflects the priorities of Manitobans. This is the path of fiscal fitness – a strong and growing economy, competitive taxes, and less debt.

By taking this path, we will secure the resources we need to make further investments in our health care system, and to continue building an education system that offers our children and youth the knowledge and skills they need to be successful, now and in the future.

We believe that the path we have chosen will make Manitoba an even more dynamic province, where our children will enjoy opportunities even greater than those we enjoy today.



## ■ Meeting New Challenges – Keeping Manitoba’s Taxes Competitive

### Personal Income Tax Cuts

Competitive taxes are an important factor in ensuring our economy remains successful. Our strong economic record underscores the fact that Manitobans can succeed in the world economy. Manitoba’s competitive advantage has many components: an unsurpassed quality of life, affordable housing, low-cost office and industrial space, and electricity rates that are among the lowest in the world, to name a few. But we must not be complacent. Competitive taxes today mean a stronger economy tomorrow. And a stronger economy means more high-quality jobs for our young people right here at home, and a higher standard of living for all. A stronger economy also generates more resources to provide health care, education, and the other vital services that Manitobans value. In short, tax cuts help secure our future and the future of our children.

A fifth consecutive balanced budget for Manitoba represents a remarkable turnaround. Prior to 1995, there were 22 consecutive deficit budgets. That long period of deficit financing was also a period of rising taxes. In fact, the biggest tax increases occurred when the deficits were rising most sharply in the early- to mid-1980s. Now, with sustained balanced budgets, we are able to use the resources generated by the dynamic economy to provide tax reductions, and increased support for health care and other key programs.

The connection is clear: chronic, persistent deficits led to higher taxes that hurt the economy; balanced budgets have led to lower taxes, and have made our economy competitive. Because Manitoba’s economy now is competitive, many more jobs are being created.

Manitobans understand this connection. In our Budget consultations, we heard clearly that Manitobans want sustainable tax reductions, consistent with our obligations to provide quality services, to balance the budget, and to pay down the debt. In particular, participants in the consultations indicated a strong preference for further personal income tax cuts.

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**Cut taxes to keep our young people interested in staying in Manitoba.**

**Winnipeg Budget Consultation**

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**Competitive taxes and a diversified economy promote healthy viable communities and jobs.**

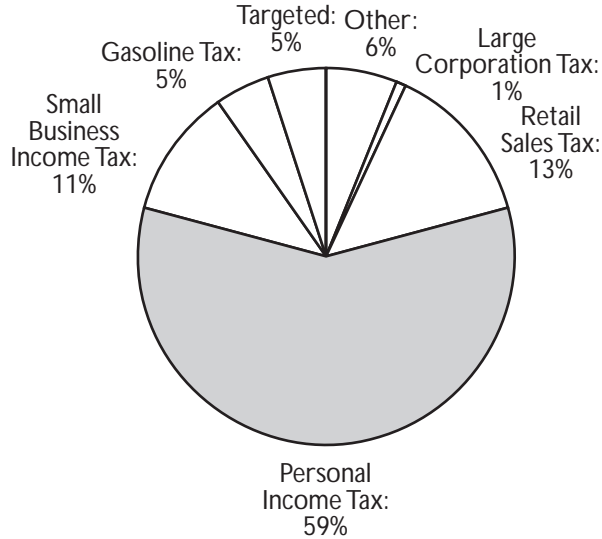
**Swan River Budget Consultation**

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*During consultations,  
Manitobans indicated  
a strong preference  
for further personal  
income tax cuts.*

### 1999 Budget Consultations: Tax Cut Priorities



Source: 1999 Budget Consultations

*Personal income  
tax cuts mean  
\$70 million more  
in the hands of  
Manitobans this year,  
and \$112 million  
more in 2000/01.*

We are acting on this advice. I am pleased to confirm that Manitoba's personal income taxes will be reduced as a result of changes to basic personal credits announced in the recent federal Budget. These changes reduce provincial income taxes by \$19 million in 1999/2000, and \$31 million in the following year.

These reductions complement the Manitoba tax cuts announced in last year's Budget, when our Government cut personal income taxes from 52% of Basic Federal Tax to 51% in 1998, and to 50% in 1999. There are those who have said that these reductions are enough. We disagree. We believe that hard-working Manitobans deserve additional tax reductions. Furthermore, during Budget consultations, Manitobans told us that taxes must remain competitive. I am, therefore, pleased to announce further "across-the-board" income tax cuts for all Manitobans. The personal income tax rate will fall from 50% to 47%.

The reduction will take effect in two stages. For 1999, we are cutting the rate to 48.5%. Manitobans will see the benefits of the reduction on their pay slips starting July 1. On January 1, 2000, we will cut the rate again, to 47%.

In total, our Government is cutting the income taxes of Manitobans by \$70 million this year, and \$112 million next year.



These income tax cuts leave Manitobans with more money to provide for their children, more money to save for retirement, more money to pay down mortgages, more money to spend in local businesses, and more money to invest in our province.

Let me give you a few examples of the impact of our income tax cuts between 1997 and 2000.

- A single senior earning \$15,000 sees her Manitoba taxes eliminated. Her combined Manitoba and federal tax reduction is \$423.
- A taxpayer earning \$40,000 and supporting one child sees an 11.5% Manitoba tax cut. The combined tax reduction is \$765.
- A taxpayer earning \$60,000 and supporting a spouse and two children sees a 9.3% Manitoba tax cut. The combined tax reduction is \$1,248.

Since taking office, we have increased the Manitoba Tax Reduction for children, and we now have cut personal income tax rates by seven points, saving Manitobans over \$200 million a year. As fiscal circumstances allow, we will look at opportunities to reduce taxes further in budgets to come.

*We will look at opportunities to further reduce taxes in budgets to come.*

## Manitoba Personal Income Taxes are Falling

		Taxes	Taxes	Tax Savings	
		in 1997	in 2000	(Dollars)	(Per Cent)
		(Dollars)	(Dollars)	(Dollars)	(Per Cent)
Single Senior \$15,000	Manitoba	115	0	115	100.0
	Manitoba plus Federal	630	207	423	67.1
Single \$20,000	Manitoba	1,473	1,306	167	11.3
	Manitoba plus Federal	3,658	3,298	360	9.8
Single, 1 child \$40,000	Manitoba	3,085	2,729	356	11.5
	Manitoba plus Federal	7,659	7,019	765	9.8
Married, 1 income \$60,000 2 children	Manitoba	7,060	6,402	658	9.3
	Manitoba plus Federal	17,973	16,725	1,248	6.9

## Supporting Manitoba's Small Businesses

Our Government has always promoted a positive and competitive environment for small businesses. Not only do small businesses create a significant proportion of the jobs in our economy, they also form the entrepreneurial pool from which the large Manitoba firms of tomorrow will emerge.



*The small business  
tax rate will drop  
to 5% over the next  
three years.*

Today, I am pleased to announce that our Government is slashing the small business income tax rate from 9% to 5% by 2002. On July 1 of this year, we are cutting the rate from 9% to 8%. We will then cut the small business income tax rate an additional 1% on January 1 in each of the next three years. By 2002, the rate will be just half of what it was in 1994. When fully implemented, this measure will save Manitoba small businesses \$24 million in taxes annually, better enabling them to compete, expand, and create even more jobs.

### **Lower Tax Commission**

Manitoba has an impressive record of fiscal responsibility which has allowed our economy to flourish. However, we have to ensure that we continue to offer a competitive environment for further economic growth.

It is also important to make the tax system simpler and fairer. There has been substantial discussion across Canada recently about such issues as moving to a flat tax, and changing the tax treatment of parents who choose to stay home with their children. These issues warrant careful consideration, and the views of Manitobans must be taken into account.

*The Lower Tax  
Commission will  
identify options for  
a tax system that  
not only reduces the  
tax burden, but is  
fairer, simpler,  
and competitive.*

As was recently announced, a Lower Tax Commission will consult with Manitobans, and will then identify options for a tax system for Manitoba that not only reduces the tax burden, but is fairer, simpler, and competitive.

The Commission will consider how Manitoba's tax environment compares with other relevant jurisdictions, and will suggest which taxes most influence Manitoba's competitiveness. It will examine whether Manitoba's structure and mix of taxes are appropriate for Manitoba's economy, and will advise on the relative merits of targeted and general tax reductions.

Provinces will soon be able to levy personal income taxes directly on taxable income, rather than on Basic Federal Tax. Such a system will give Manitoba the opportunity to simplify our income tax system by doing away with the net income tax and the surtax. The Commission will provide advice on the design of a tax on income system for Manitoba, including:



- the number and level of tax brackets (including the possibility of a flat tax);
- refundable and non-refundable tax credits;
- the levels for the basic personal and spousal exemptions; and
- the tax treatment of families where one parent stays home with their children.

**■ Meeting New Challenges – Changing Health Care for the Better**

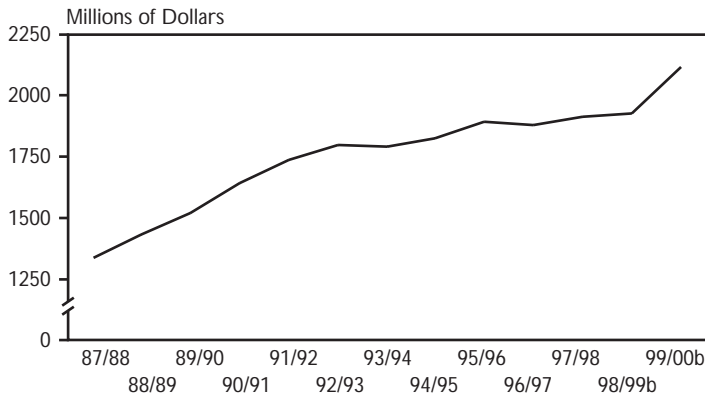
All across Canada, provinces are dealing with growing pressures and changing needs in health care. Health care systems in every part of this country face the challenges of reducing waiting lists, relieving hospital overcrowding, and overcoming nursing shortages. It is becoming clear that today, more than ever, we must ensure that available resources are used effectively, and focussed where they will do the most good.

Like Canadians from coast to coast, Manitobans want assurance that quality health care services will be there when they need them. That is why our Government has consistently made health care our top priority. Today, over 35% of our program spending is devoted to health. Since our Government took office, we have increased annual health care funding by almost \$800 million, or 60%.

*Available resources must be used effectively and focussed on where they will do the most good.*

*Since our Government took office, we have increased health care funding by almost \$800 million, or 60%.*

**Manitoba's Health Care Expenditures 1987/88 - 1999/2000**



b - Budget



*This Budget increases health care funding by \$194 million. We are making the largest single investment in health care by any government in Manitoba's history.*

*We will spend \$5.8 million every day in support of health care for Manitobans.*

During Budget consultations, Manitobans told us that health care should continue to be our Government's top priority. I am pleased to announce that this Budget responds by increasing health care funding by \$194 million, a 10% increase over last year. In 1999/2000, our budget for health care is \$2.1 billion, which translates into over \$1,800 in health care services for every Manitoban this year alone. We are making the largest single investment in health care services by any government in Manitoba's history.

In the coming year, we will spend \$5.8 million every day in support of health care for Manitobans. That is a great deal of money, and it is very important that it be spent where it will do the most good.

As part of our plan to provide quality health care services for Manitobans, we established regional health authorities to co-ordinate hospital and community services, and to respond more effectively to local needs. Co-ordination allows regions to deal with changing health needs and to ensure that resources are used appropriately.

I would like to take a few moments to explain how the additional resources will be used to implement the next steps in our overall plan to meet the changing health care needs of Manitobans.

- We are reducing waiting times and increasing access to necessary medical services.
- We are actively recruiting and working to retain health care professionals, particularly nurses and specialists.
- We are continuing to provide more options for community-based care to ensure timely and appropriate treatment for Manitobans.

We believe that our plan will make health care services better for Manitobans now and in the future.

### **Reducing Waiting Times and Increasing Access to Services**

A key objective of our health care plan is to reduce waiting lists so that Manitobans have faster access to tests and treatments. Our strategy is to:



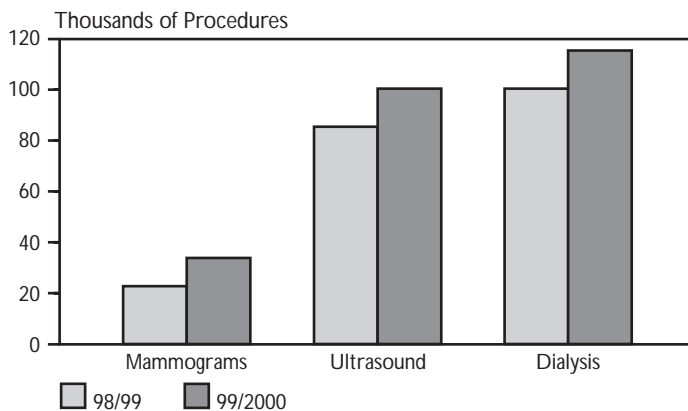


- purchase additional medical equipment such as CT scanners;
- expand surgery capacity and provide more service; and
- further implement our comprehensive bed-management strategy to relieve hospital overcrowding.

A modern health care system relies on advanced and highly technical medical equipment. I am pleased to announce a further allocation of \$5 million to purchase additional equipment to meet clinical and patient care needs. This announcement extends the special funding commitments made in the last two years, and is over and above our ongoing annual commitment of \$22.5 million for the purchase of new, specialized and basic equipment.

To reduce waiting times further and to increase access to necessary procedures, we will expand surgery capacity and provide more services. To implement these next steps, we are increasing funding for acute care services by \$62 million, an 8% increase over 1998/99. This year alone, our health care system will provide a total of 33,000 mammograms, 11,000 more than last year. A 15% increase in our dialysis capacity means 15,000 more treatments annually. And, up to 600 more Manitobans will receive hip or knee replacement surgery than last year.

**Increase in Medical Procedures  
1998/99-1999/2000**



Manitoba's main centre for cancer treatment and research is doubling in size through a partnership between the Manitoba Cancer Treatment and Research Foundation and our Government. We also will provide an additional \$1.3 million to increase the

**“Waiting lists for diagnostic tests are shrinking.”**

**Winnipeg Free Press,  
March 30, 1999**

*Our health care system will offer 11,000 more mammograms and 15,000 more dialysis treatments annually.*



*We will increase  
the number  
of radiotherapy  
treatments by 30%.*

number of radiotherapy treatments by 30%. This expansion will significantly reduce waiting times to ensure that Manitobans have access to the treatments they need on a timely basis.

Another key objective of our plan to reduce waiting times is to relieve hospital overcrowding. As part of a comprehensive bed-management strategy, the Winnipeg Health Authority (WHA) and the Winnipeg Community and Long Term Care Authority (WCA) are working together to seek appropriate solutions. One successful example of the bed-management strategy was the opening of Misericordia Urgent Care Centre to take pressure off emergency rooms by offering faster care for urgent needs. In the first four months of operation, the Urgent Care Centre served over 14,000 patients.

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**Develop more  
incentives for health  
care staff to stay and  
work in Manitoba.**

**Ste. Agathe Budget  
Consultation**

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### **Actively Recruiting and Working to Retain Health Care Professionals**

We appreciate the hard work and dedication of Manitoba's health care professionals. In the coming months, our Government will continue to work diligently to address the shortage of health care professionals in our province. Our strategy is to:

- improve working conditions;
- attract more students into the health care professions; and
- recruit enough staff to ensure quality care.

To implement our strategy, this Budget allocates an additional \$55.5 million for medical services, bringing total expenditure to over \$416 million, an increase of 15%. This funding will be used to expand services such as anesthesiology, orthopaedic surgery, cardiac care, obstetrics, intensive care and additional physician resources.

*Our Government is  
working diligently to  
recruit and retain  
health care  
professionals,  
especially nurses.*

In particular, our Government is taking proactive steps to address the shortage of nurses across our province. The Provincial Nursing Resources Task Force was established to identify the extent of the nursing shortage, and to facilitate more effective monitoring of the numbers of nurses required throughout Manitoba.

Through the Nursing Recruitment and Retention Fund, we have set aside \$7 million to encourage former nurses to re-enter the profession, to recruit nurses who have left the province, and



to assist nurses who wish to upgrade their skills. This year, there will be up to 174 graduates from nursing programs in our province. More graduates are needed to meet the growing demand for nurses across our province. Our Government will work with Manitoba's universities and community colleges to recruit more students into nursing.

This Budget includes \$32.5 million to fill about 650 nursing positions. These include existing vacancies and the new positions created as a result of additional health care initiatives.

### More Options for Community-Based Care

In the coming year, our Government will provide more options for community-based care, including primary care initiatives. The primary health care concept is a community-based approach, where health care providers – such as nurses, dietitians, mental health workers, physiotherapists and physicians – all deliver services and care in one location. This Budget allocates \$2.8 million for the development of primary health care centres. The first site, at the St. Boniface General Hospital, will offer primary health care services in both English and French.

Our population as a whole is aging. In fact, after Saskatchewan, Manitoba has the highest percentage of population over 75 years of age. In the past, the focus was institutional care. Today, however, services such as home care allow Manitobans to remain in the comfort of their homes, facilitate shorter hospital stays, and provide an alternative to personal care homes or other long-term care arrangements. Expanding community-based care options, such as home care, companion care, personal care home services, and community and mental health services, free up hospital beds and make it possible for more Manitobans to remain independent in comfortable, familiar surroundings.

We are proud of Manitoba's home care services, which are unrivalled in North America. I am pleased to announce that this Budget provides an additional \$20.5 million to bring total funding to our Home Care Program to \$147 million. This 16% increase will help us provide home care services to approximately 32,000 Manitobans in the coming year. In addition, we will spend over \$300 million on long-term care services, an increase of \$15 million.

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## Focus health care spending on community-based care.

### Brandon Budget Consultation

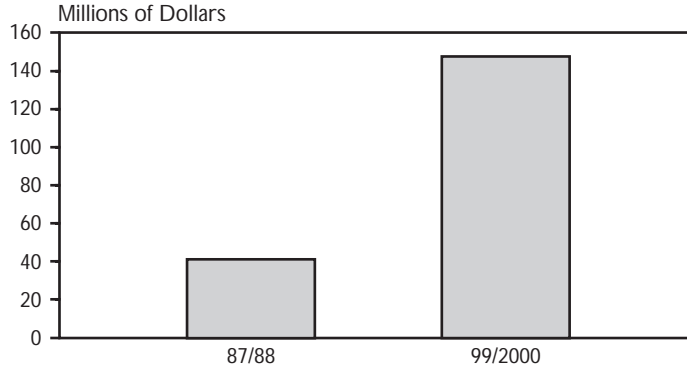
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*We are meeting the growing needs of an aging population by expanding home care, long-term care services and Pharmacare.*



*Our plans for enhanced palliative care services and a new Stroke Services Plan will ensure Manitobans have access to the care and treatment they need.*

**Increased Commitment to Home Care Services**



We also are expanding palliative care services for the terminally ill and providing enhanced support for their families. Palliative care is a specialized service that has traditionally been offered in hospitals. With our Palliative Care Strategy, we will provide terminally ill people the option of receiving care in their home. We will provide funding to each of the northern and rural regional health authorities to allow them to hire a palliative care resource person. Over the next two years, we will put into place a 24-hour response team, offer expanded home care services, and enhance the palliative care unit at St. Boniface General Hospital. This Budget provides \$3 million to begin implementing our plan to expand palliative care services.

**Ensure the health system is equipped to respond to changing demographics.**  
Stonewall Budget Consultation

Since 1990, Winnipeg hospitals have reported that they are caring for increasing numbers of patients who have suffered acute strokes. This Budget expands rehabilitation and therapy services for stroke patients in Winnipeg personal care homes. Due to our aging population, it is estimated that the incidence of strokes will continue to increase by 10-20% per year. The WHA and WCA are working together to develop further a Stroke Services Plan to meet this anticipated growth.

Manitoba has one of the most comprehensive publicly funded pharmacare programs in Canada. To help meet rising costs, we are allocating over \$72 million to our Pharmacare Program in 1999/2000, an increase of \$10.3 million.



## Keeping Manitobans Healthy

A key emphasis of our health care plan is to help Manitobans stay healthy. By encouraging good health and lifestyle choices at an early age, we will reduce future demands on the health care system. Consistent with this goal, we are expanding a number of programs and strategies designed to prevent future health problems. These include child health programs such as Women and Infant Nutrition, and Stop Fetal Alcohol Syndrome. We are also continuing our work with communities to develop strategies to prevent and treat diabetes. To reduce the incidence of diseases such as Hepatitis B, this Budget provides \$1.2 million to initiate a program of immunization for newborns.

## Health Capital and Research

As was recently announced, our health capital commitment will total \$123 million in 1999/2000. New projects to be undertaken include the redevelopment of the Obstetrics and Neonatal Intensive Care Unit at Brandon Regional Health Centre, expansion and renovations to Gimli Hospital to provide for community and primary care, as well as hospital services, major renovations to the Flin Flon Hospital, and over 200 more personal care home beds. With the completion of these projects, our Government will have added over 850 personal care home beds since April 1997.

Manitoba's research centres and institutions undertake vital health research in many significant areas. Our Government recognizes the importance of their search for new solutions and treatments. This Budget provides \$3 million for the Health Research Initiative in 1999/2000, an increase of \$1 million over 1998/99. This funding supports over \$50 million in new health research activity being undertaken at the Manitoba Cancer Treatment and Research Foundation, Children's Hospital Research Foundation, St. Boniface Research Centre, Health Sciences Centre Research Foundation, and the University of Manitoba.

## Changing Health Care for the Better

We are changing health care for the better. The health care system will deliver more high-quality health services this year than ever before. It will offer more options for appropriate,

*In recognition of the work of Manitoba's research centres and institutions, we are providing \$3 million for the Health Research Initiative.*

*Our health care system will deliver more high-quality health services this year than ever before.*



flexible and responsive care. And, our Government will continue to implement high standards of service across our province. Manitobans are already seeing the difference.

*Addressing health care issues is the top priority of all Canadians.*

**Federal Funding for Health Care**

As the people of Manitoba know, our Premier, along with all other Premiers and Territorial Leaders, consistently urged the Government of Canada to respond to the top priority of all Canadians by restoring federal health funding. As a direct result, the 1999 federal Budget took a first step toward restoring Ottawa's funding for social programs. On behalf of all Manitobans, I would like to extend my appreciation to Premier Filmon and his colleagues for their diligent efforts.

Action was required because the federal government, since 1994/95, reduced its funding to all provinces for health care and other social programs by \$19.4 billion. During that same period, Manitoba lost \$752 million in Canada Health and Social Transfer (CHST) payments, including \$347 million in cuts for health care. Since 1994/95, we not only backfilled these federal cuts, we provided an additional \$700 million to our health care system.

**Manitoba Health Care Funding Increases Since the 1998 Budget**

(Millions of Dollars)

	<b>1998 Budget</b>	<b>1998/99 Projected</b>	<b>1999 Budget</b>	<b>Total Health Care Increase</b>
Total Health Care Expenditures	1,925	2,035	2,119	-
Additional Health Care funding since 1998 Budget	-	110	194	304

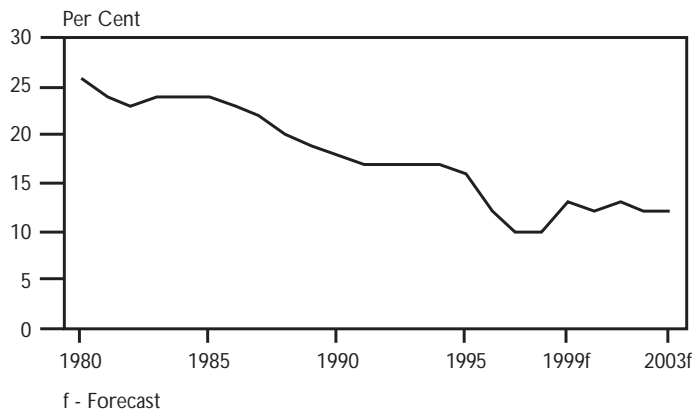
Throughout 1998, the federal government assured Canadians that it was preparing a health care Budget for 1999. Acting on those assurances, our Government accelerated our plans to invest more in health care services. In 1998/99, we devoted an additional \$110 million to our health care system. We believed immediate action was preferable to deferring some of our more important initiatives. In 1999/2000, we are adding a further \$194 million to health care over last year's budget. In total, our funding for health



care over the last two years is up by \$304 million. To support this increase, we are drawing our \$131 million share of the one-time \$3.5 billion federal health supplement.

While the federal Budget set out a plan to restore a portion of the federal funding for health care, further federal action is necessary commensurate with the importance that Canadians attach to these services. Action is also required to restore federal funding for post-secondary education and other social programs supported through CHST. Otherwise, by 2003/04, the federal government's contribution to health and other key social programs will be under 12%, and will continue to fall.

### Federal Government's Declining Share of Health Care Funding, 1980-2003



As a partner in managing Canada's social union, our Government expects that the federal government will continue to respond to the priorities of Canadians, and make adequate levels of federal funding available to provinces and territories so they can sustain and improve health care and other key social programs.

### ■ Our Children, Manitoba's Future

Investing in our children is simply the best way to invest in Manitoba's future. Our Government firmly believes that the future of our province's social and economic life will be measured in the healthy development, well-being and educational accomplishments of our children.

*Further action is necessary to ensure adequate federal funding for health. Otherwise by 2003/04, the federal share of health and other social programs will be under 12%.*

*Investing in our children is simply the best way to invest in Manitoba's future.*



*This Budget allocates  
an additional  
\$25 million for  
programs designed to  
identify problems early,  
and to provide  
supports that will help  
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the needs of  
their children.*

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**Target additional  
funding to prevent  
problems such  
as FAS.**

**Thompson Budget  
Consultation**

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Our *ChildrenFirst* policy outlines our Government's commitment to children, and reinforces our commitment to Manitoba's future. *ChildrenFirst* sets out our plan for prevention services, early identification and intervention, and ongoing support to families. Through the Children and Youth Secretariat and partner departments, our Government has co-ordinated and expanded the range of programs and services available to children and families in their communities and, wherever possible, in their homes.

In addition to the immediate benefits that children and families realize from these programs, studies have shown that they will provide life long advantages. By working closely with a variety of partners, our Government is helping families with young children access a number of community-based resources. In total, this Budget allocates an additional \$25 million for programs designed to identify problems early, and to provide supports that will help families better meet the needs of their children.

In Canada, Fetal Alcohol Syndrome (FAS) is recognized as the leading cause of preventable birth defects and developmental delays in children. In this Budget, we are increasing funding to over \$1 million to improve the diagnosis and treatment of children with FAS. Additional resources will go to the Stop Fetal Alcohol Syndrome Program to connect at-risk women with mentors and other existing community-based resources. In addition, to help families in Northern Manitoba, \$170,000 has been devoted for a tele-diagnostic link to connect health practitioners in Thompson with FAS experts in Winnipeg. The tele-diagnostic model developed in Manitoba will lead to the creation of common screening tools and referral materials that can be shared with other provinces.

Through our Government's participation in the Winnipeg Development Agreement, we are working with Ma Mawi Wi Chi Itata Centre to introduce a parenting support project designed to work with at-risk adolescent mothers and their children. The project will provide adolescent mothers with support, and help them to build parenting skills in a residential setting, prior to independent living. In 1999/2000, we will provide almost \$500,000 in operating support for the project, plus an additional \$346,000 for refurbishing living space.

Two excellent examples of the type of early intervention





programs that we developed and are providing in partnership with community-based resources, are BabyFirst and Early Start. BabyFirst provides in-home assistance and education through public health nurses, to ensure infants receive the care and stimulation so crucial to their healthy development and long-term well-being. I am pleased to announce that our Government is providing an additional \$1.1 million to expand the BabyFirst initiative across Manitoba. In 1999/2000, our Government will direct over \$2.7 million to this important initiative.

We are also expanding Early Start. This program provides home visitor services to families with children aged 2-5 who have been identified as being at risk. The home visitors provide emotional support, teach parenting skills, and link families to community resource programs. I am pleased to announce that our Government will contribute an additional \$400,000 to this program, bringing the total commitment in 1999/2000 to almost \$1 million.

As part of our focus on providing a continuum of early years programming, we provide funding to schools for early literacy programs. These programs have already helped 2,000 grade one students develop the reading skills they need to succeed in school and later in life. The parent and student response to these programs has been very positive – parents tell us that early literacy programs are giving their children a real chance to learn. To increase the total number of students who will benefit from this early intervention, this Budget allocates an additional \$1.9 million for early literacy programs.

Children with special needs require special assistance. We will provide better co-ordination of services for children and youth with a lifelong disability. In addition, we will allocate significantly more resources to help families and schools care for children with special needs.

- We are developing a comprehensive response to the recommendations of the Report of the Special Education Review. However, as an immediate first step, I am pleased to announce that our Government will provide \$2 million to help schools provide appropriate support for children who have emotional and behavioural disorders.
- We are providing an additional \$800,000 to introduce innovative special needs programming for pre-school and school-age children.

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## **Early literacy programs are helping to give children a good head start.**

### **Niverville Budget Consultation**

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*We will provide better co-ordination of services and significantly more resources to help families and schools care for children with special needs.*



*Accessible, quality  
child care helps  
parents to enter  
and remain in  
the work force.*

- Families caring for a child with a disability may need access to respite care, child development assistance and counselling. To ensure that more families can access these services, I am pleased to announce that we are increasing funding to Children's Special Services by \$645,000.
- Following up on our announcement of \$420,000 for speech, language, and audiology services in Winnipeg, we are providing \$1 million to enhance remedial paediatric speech, language, and audiology services in rural and Northern Manitoba. In conjunction with service providers, professionals, and parents, we will develop a comprehensive and integrated plan for the delivery of therapy services for all children throughout the province. A provincial therapy program will help children with a lifelong disability receive the necessary physiotherapy, occupational, and speech and language services.
- To ensure that families with children with a disability are able to access child care support, this Budget allocates \$1 million to expand the Children with Disabilities Program.

Accessible, quality child care helps parents to enter and remain in the work force. In Manitoba, we have one of the best licensed child care systems, with our standards among the highest in Canada. We have recently announced a new child care policy to accommodate the development of child care centres not only in new schools, but also when an existing school is renovated. In addition, to increase further the number of child care options available to children and their parents, this Budget dedicates a further \$4.3 million to the Child Day Care Program. By increasing grants, adding new licensed child care spaces, and increasing the number of subsidies, we are ensuring that parents will be able to access quality child care services.

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**Increase the  
exemption for  
children's clothing –  
to keep pace with  
increased costs.**

**Ste. Agathe Budget  
Consultation**

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Our Government understands that it is expensive to provide for all the needs of growing children. That is why clothing and footwear for children under 15 are exempt from the provincial retail sales tax, up to a limit of \$100 per item. Because some necessary clothing items, such as snowsuits, now exceed that level, I am pleased to announce that the exemption limit is being raised to \$150 per item, effective at midnight tonight. This change will save parents an estimated \$1 million per year.



The National Child Benefit (NCB) was successfully launched over the past year, and is recognized across Canada as a good step in addressing child poverty. In 1999/2000, an additional \$7 million for services to lower-income families with children has been made available through our participation in the NCB.

Our Government will continue to work with other governments to improve support and services for families with children. In the coming weeks, we expect that a broad vision document for a National Children's Agenda (NCA) will be released for discussion with Canadians. This Canada-wide approach builds on the one that we began in 1995 with our *ChildrenFirst* policy. The programs our Government has developed in partnership with many community organizations and other stakeholders, have made Manitoba a leader in the provision of innovative children's services.

## ■ Securing the Future Success of our Children and Youth

### Support for Schools

As a parent, and a former teacher and school principal, I fully understand that the education of our children is one of the best investments we can make in Manitoba's future. An effective education system helps to prepare our children and youth for the opportunities that will be available to them in the coming years. During the Budget consultations, Manitobans emphasized that a quality education system that focusses on results was the key to a child's successful future.

Our Government is continuing to implement our educational renewal initiatives, which enhance our education system by:

- focussing on core subjects including mathematics, science and language arts;
- establishing regular assessments to measure student performance;
- giving parents a stronger voice in our schools;
- opening the doors to new learning opportunities through the use of technology; and
- enhancing professional development opportunities for teachers.

*The programs our  
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have made Manitoba  
a leader in the  
provision of  
innovative children's  
services.*

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**A good education  
today gives children  
and youth more  
opportunities  
tomorrow.**

**Winnipeg Budget  
Consultation**

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*As part of our Government's plan to improve the quality of education, we will continue to implement standards testing so that parents, teachers and school divisions know how well students are learning.*

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**Use technology in schools to open doors to new opportunities.**

**Thompson Budget Consultation**

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As part of our Government's plan to improve the quality of education, we will continue to implement standards testing so that parents, teachers and school divisions know how well students are learning. This information also will help us to improve further the curriculum and the learning environment. I am pleased to report that this Budget provides an additional \$3.2 million to support curriculum development, standards development, piloting, and implementation. Since 1994/95, our Government has committed over \$17 million more for education renewal.

This Budget increases funding to school divisions so they will have more resources to meet the needs of our children. In total, we will provide \$17.7 million more in public school funding in the 1999/2000 school year, a 2.3% increase. This brings the budget for public school funding up to \$779 million. To provide school divisions with predictable funding to assist them with future planning, we have made a further commitment to increase overall education funding again in 2000/01 by at least 2%.

The additional funding in 1999/2000 will be directed to a number of priority areas, including \$5 million to offset increasing classroom costs, \$900,000 more for professional development opportunities for teachers related to the introduction of new curricula, and an extra \$1 million for the purchase of school buses.

We recognize that there are some students who need additional support to help them succeed at school and to graduate. As part of the additional funding for public schools, we will provide \$1.3 million more, or \$11.4 million in total, toward programming for students at risk of dropping out or underachieving while in school.

Our Government recognizes that training in technology has become one of the new "basics" in education. We want Manitoba students to have the tools they need to excel in the new economy. We are increasing the Information Technology Grants from \$10 per pupil to \$40 per pupil. The total funding available for a variety of technology-related purposes, such as computer hardware and software, curriculum-based technology requirements, and the wiring and cabling of schools, is up by almost \$8 million in 1999/2000.



To expand access to the number of courses available to senior-years students, in particular those attending rural and northern schools, we are in the process of developing a number of web-based courses for delivery through the Internet. The first of these courses, Senior 3 (Grade 11) Applied Math, will be on-line to pilot sites in September 1999.

We want our students to receive quality instruction in a quality learning environment. As was recently announced, our Government has made a long-term \$60 million commitment to the Aging Buildings Program. As part of this Program, \$13 million will be available for upgrade projects in 1999/2000 to help school divisions extend the life of structurally sound older schools. In addition, this Budget provides significant support for the Schools Capital Program. \$34.6 million will be available for improvement initiatives such as roofing projects, systems replacement projects and new capital projects. In total, we have committed \$47.6 million toward the Schools Capital Construction Program in 1999/2000.

### Accessing Post-Secondary Opportunities

We want our young people, and indeed all Manitobans, to access the educational opportunities that will prepare them for future success in the new economy. I am proud that Manitoba's colleges and universities have among the lowest tuition fees of post-secondary institutions in Canada. Low tuition fees, coupled with our Learning Tax Credit, the Manitoba Scholarship and Bursary Initiative, and our student financial assistance programs, all continue to keep post-secondary education in Manitoba among the most accessible and affordable in Canada.

- The Manitoba Learning Tax Credit, the only one of its kind in Canada, will provide up to \$15 million in support to post-secondary students and their families in the coming year.
- Our Scholarship and Bursary Initiative will continue to provide up to \$5 million to Manitoba's post-secondary institutions to match the contributions made by private donors and other partners. On a matching basis, our long-term commitment to the Initiative will generate \$40 million in scholarships and bursaries, and benefit up to 10,000 students in each of the next four years.

*To expand rural and northern students' access to senior-years programs, we are developing a number of web-based courses for delivery through the Internet.*

**“Congratulations for recognizing that investment in university and college students makes sense. A very special thanks...for daring to make education available for students who merit scholarships or require bursary support.”**

Dr. Emőke Szathmáry,  
President of the  
University of Manitoba



*We are keeping post-secondary education in Manitoba among the most accessible and affordable in Canada.*

- Through our participation in the national harmonized student loans program, we are reducing duplication and providing better assistance to students and recent graduates. In 1999/2000, we will devote \$8.7 million to support student loans and bursaries, and \$2.2 million to our Interest Relief and Debt Reduction Programs.

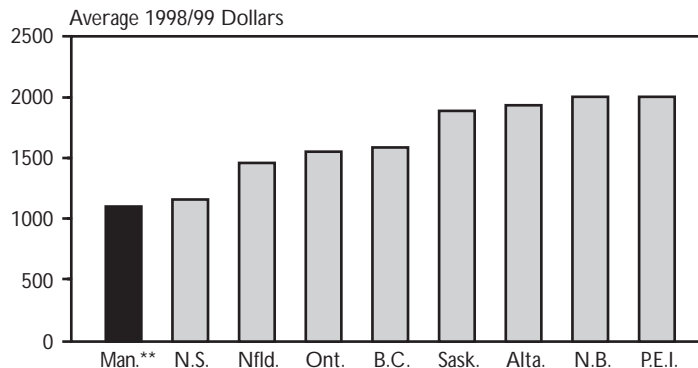
Our support for students and post-secondary institutions gives all Manitobans the freedom to develop the knowledge and skills they need to take advantage of the growing opportunities in our province. In 1999/2000, our Government will provide \$339 million in support of post-secondary education, including assistance to students, operating grants and capital grants, an increase of almost 5% over last year.

We are introducing new resources to help our post-secondary institutions respond to labour market needs.

- During the past several years, our colleges have developed an impressive track record of providing Manitobans with the knowledge and skills they need to be successful in the work force. To help our colleges develop new programs that respond to current labour market needs, and to expand existing high-demand programs, I am pleased to announce our new \$4 million Colleges Growth Plan. It is anticipated that the Colleges Growth Plan will create 1,000 new spaces at our colleges.

*Our new Colleges Growth Plan will help meet labour market needs by expanding high demand college programs and creating new ones.*

### Interprovincial Comparison of College Tuition Fees\*



\* Quebec does not charge tuition fees for its colleges (CCGEP)

\*\* Includes the Manitoba Learning Tax Credit

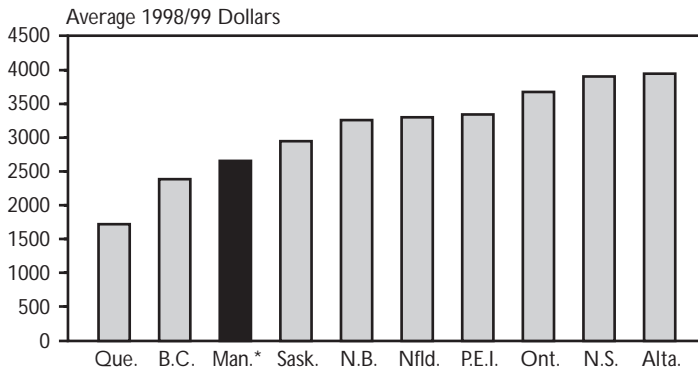
Source: Ontario Ministry of Education & Training



- Our Government is working with universities and community colleges to provide them with the resources that they need to expand high-demand training opportunities. Our Post-Secondary Strategic Initiatives Fund will receive \$1.3 million to help Manitoba's post-secondary institutions support the ongoing costs of developing new and expanded programs.

For 2000/01, we will increase overall support to the post-secondary education sector by at least another 2%.

### Interprovincial Comparison of University Tuition Fees



\* Includes the Manitoba Learning Tax Credit

Source: Statistics Canada

### ■ Creating Opportunities for all Manitobans

Our economy continues to grow and to create jobs for Manitobans, driving our unemployment rate down even further. Across Canada, the media have showcased the abundance of good jobs available in our province. For example, a Cape Breton radio station recently broadcast the “help wanted” section of a Manitoba newspaper to its listeners, encouraging them to move to our province of opportunity.

Generating this economic momentum has not come easily. When our Government first took office, we faced the challenge of creating the right conditions to stimulate economic development and job growth. I can say with confidence that we fully met that challenge, and our province has been rewarded with strong job growth. Looking forward to the 21<sup>st</sup> century, our province's challenge now lies not just

**A well-educated  
work force will  
attract further  
investment  
in Manitoba.**

**Winnipeg Budget  
Consultation**

**Manitoba has  
“an astounding  
competitive  
advantage...it has  
the knowledge base  
to compete  
effectively in this  
smart new  
economy.”**

**Nuala Beck and Associates**



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**Emphasize  
employability skills  
and apprenticeship.**

Swan River Budget  
Consultation

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**“Manitoba...  
on the basis  
of our research,  
[has] the most  
productive work  
force in the  
country.”**

Angus Reid,  
Angus Reid Group, Inc.  
Winnipeg Free Press,  
April 15, 1999

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in job creation but also in assuring sufficient numbers of skilled workers – workers that our businesses need to keep growing.

To ensure that all Manitobans can take advantage of the growing number of job opportunities in our province, we are expanding our Apprenticeship Program, focussing our youth employment programs, and targeting training to available job opportunities.

- We will double the apprenticeship training system by 2000/01 to support 6,000 apprentices. To achieve our goal of 4,800 apprentices by the end of this year, we will devote an additional \$2.4 million to further expand our in-school Apprenticeship Program.
- We continue to develop new opportunities for our young people. For example, in the past year, we introduced three new programs – Business Mentorships, Youth Serves Manitoba, and Part-time STEP – to generate career-related employment. In total, last year, 16,000 young Manitobans took advantage of our youth employment programming. In 1999/2000, we will provide over \$7 million for these successful programs.
- By offering EI claimants access to training opportunities that complement the needs of our provincial economy, our Government helped almost 10,000 Manitobans develop the skills and knowledge they needed to find jobs last year. In the coming year, \$2 million has been earmarked for training programs associated with the development of the Maple Leaf Foods plant in Brandon. In total, almost \$50 million will be invested in labour market development programs in 1999/2000.
- Through our *Employment First* focus, we continue to help hundreds of Manitobans make the transition from welfare to work. This Budget invests \$6.5 million in our Making Welfare Work programs, such as Opportunities for Employment, and Taking Charge! These programs provide education, training and job search services to enhance the employment prospects of income assistance recipients. Since 1996, the overall number of income assistance recipients has dropped significantly, and general assistance caseloads are at their lowest level since 1980.





Aboriginal peoples comprise 12% of Manitoba's total population, the highest proportion among provinces. In fact, Aboriginal youth represent the fastest growing segment of our population. Our Government continues to support partnerships among governments, Aboriginal organizations, the community, and the private sector as the best way to address the education, training and employment, social services, and other needs of Aboriginal peoples. Our Government provides programs and services, including health care, support to families, education, and job training for all Manitobans. In addition, we have worked to develop a number of programs designed to help Aboriginal peoples enjoy the opportunities of Manitoba's growing economy.

One successful initiative that has emerged from a co-ordinated partnership is Partners for Careers. I am pleased to announce that we are directing an additional \$100,000 toward this program in 1999/2000, with our total expenditure reaching \$400,000. This federal-provincial job placement program has helped place 520 unemployed Aboriginal high school, college, and university graduates in career-oriented, entry-level positions with private sector employers.

We also are developing new programs for Aboriginal youth. As announced in the Throne Speech, we are creating an Aboriginal Education Strategy to improve graduation rates from both high school and post-secondary institutions. In the coming weeks, my colleague, the Minister of Education and Training, will provide further details on the Aboriginal Education Strategy.

We continue to support strategies that will make our civil service more diverse and representative of Manitoba's population. Our Aboriginal Public Administration Program will recruit and introduce Aboriginal participants to the processes of government. This training will provide Aboriginal peoples with access to employment opportunities in government and the broader public sector. Furthermore, our Aboriginal Management Development Project will continue to give Aboriginal employees the skills they need to compete effectively for management positions within the Manitoba Civil Service.

*The successful Partners  
for Careers Initiative  
has helped place over  
500 Aboriginal youth  
in career-oriented jobs.*

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**Continue assisted  
employment  
and training  
opportunities for  
Manitobans.**

**Stonewall Budget  
Consultation**

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*Adult Literacy Programs help to remove obstacles that keep some Manitobans from taking advantage of the opportunities that arise from our growing economy.*

*We are devoting \$8.7 million more to help adults with a disability live independently and participate fully in the community.*

Our Government is helping to foster a greater level of autonomy within Northern communities. To ensure that Northern communities have resources to provide for local delivery of municipal services, this Budget provides over \$1.6 million to the Self-Reliance Initiative. A recent success of this Initiative was the incorporation of South Indian Lake, through which the community gained the powers and responsibilities of a municipality.

The early successes being achieved in some of the more focussed initiatives are encouraging. In the coming months, we look forward to continuing work with Aboriginal organizations, the federal government, the City of Winnipeg, and the community to find solutions that help to meet the significant challenges facing Aboriginal peoples.

Four years ago, we made a commitment to increase Adult Literacy Grants by \$500,000 over five years. Consistent with this promise, our Government, for the fourth straight year, is increasing Adult Literacy Grants by \$100,000. In 1999/2000, \$1.1 million will allow 2,500 Manitobans to participate in community-run literacy programs. Programs such as Partners for Careers and Adult Literacy Grants remove obstacles that keep some Manitobans from taking advantage of the opportunities that arise in our growing economy.

We recognize that living with a disability poses an additional challenge for many Manitobans. We offer support to these Manitobans through a variety of programs, including our Income Assistance for the Disabled Program. I am pleased to announce that this Budget provides an additional \$1.4 million to increase the support provided by this Program by \$10 per month. Almost 12,000 Manitobans with a disability will benefit from this increase.

Our Government also believes it is important to provide support to adults with a mental disability so they can live as independently as possible, and participate fully in the community. Therefore, I am pleased to announce that this Budget increases funding for Adult Services programming by \$8.7 million, a 12% increase. These funds will extend community living services, including residential and day services, to more Manitobans with a mental disability, and provide additional resources to community organizations.



## ■ Safer Communities

Our Government remains committed to the safety and security of Manitobans. We continue to work in partnership with other governments, police and community organizations to ensure that Manitobans feel safe in their neighbourhoods.

Preventing crime is the first and best way to protect our citizens and our communities. Throughout Manitoba, crime prevention programs such as Citizens on Patrol, are reducing crime. I am pleased to announce that in 1999/2000, we will increase the crime prevention grants to expand these effective initiatives. We will also continue to support programs, such as Urban Sports Camps and Urban Safety Initiatives, that help to protect our youth by reducing their chances of involvement in street gangs and crime.

As was recently announced in the Throne Speech, we will develop a Take Back The Streets Initiative which will create Neighbourhood Renewal Committees to lead the way in finding solutions to local problems.

The Winnipeg Police Service's community policing program keeps police visible in neighbourhoods, helping to prevent crime and to provide positive role models for children and youth. As our part in a seven-year agreement signed in 1995, our Government will continue to provide \$2 million to offset the cost of an additional 40 police officers in the City of Winnipeg. Winnipeg now has the second-highest per capita number of police officers of any major city in Canada. This Budget also provides a \$1.3 million increase for the RCMP Provincial Police Service Agreement. In total, our Government will contribute almost \$56 million to provincial police services in 1999/2000.

Living free of violence is a right, not a privilege. Domestic violence is a matter of deep concern for our Government. Manitoba is widely acknowledged as a leader in dealing with domestic violence, with such initiatives as the first Family Violence Court, specialized prosecutors for domestic violence crimes, and automatic charging practices where evidence of abuse exists. However, the problem still persists in our province. That is why we moved swiftly to implement the recommendations of the Lavoie Inquiry Report. In 1999/2000, we have allocated almost \$1 million toward

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*Our Take Back The  
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finding solutions to  
local problems.*



*Living free of  
violence is a right,  
not a privilege.*

further implementation of the Lavoie Inquiry Action Plan, bringing our total commitment to this initiative in the last two years to \$2.8 million.

We recognize that the criminal justice system must acknowledge and support victims of crime. Manitoba's Victims' Rights Act affirms that victims have a voice and will be treated with courtesy, compassion and respect by the criminal justice system. Almost \$1 million has been allocated to Victim Services so victims of crime have access to comprehensive services. In 1999/2000, we will allocate an additional \$500,000, or a total of \$3.2 million, to reimburse victims of crime for personal injuries, out-of-pocket medical costs, and counselling services.

To ensure that staff are working in safe and secure environments, this Budget commits over \$20 million for improvement, expansion, and upgrading of our adult and youth correctional institutions and courtrooms. Capital projects include the construction of security units at Headingly Correctional Institution and Agassiz Youth Centre, and a high-security courtroom. This Budget also allocates an additional \$4.2 million to increase staff at correctional institutions.

Our Government is committed to the safety and security of all Manitobans. Reflecting this commitment, this Budget also provides a \$23.5 million increase to Justice, bringing our total allocation in 1999/2000 for services provided through this Department to \$205 million. To maintain safe communities, we must continue to develop partnerships among the community, police, other governments, businesses and people in our neighbourhoods. Only by working together will we have lasting success in reducing crime.

*Manitoba is the only  
province to allocate a  
portion of provincial  
personal and corporate  
income tax revenue  
directly to local  
governments.*

### ■ Working with Local Governments to Meet New Challenges

Close partnerships among governments help to provide Manitobans with efficient and effective public services. Our Government continues to work closely with local governments to make Manitoba the best place in Canada to live.

Direct grants to municipalities include the Provincial-Municipal Tax-Sharing (PMTS) payments. This year,



PMTS payments will total almost \$71 million, up 10% over last year's Budget. Manitoba is the only province to allocate a portion of provincial personal and corporate income tax revenue directly to local governments. Moreover, last year, we were one of only three provinces to increase grants to local governments.

We continue to support the Rural Economic Development Initiative (REDI), which was established by our Government in 1992 to stimulate long-term economic development and diversification in rural communities. REDI supports projects in areas such as business development, infrastructure development, and tourism. This year, our Government has allocated \$21 million for this Initiative.

In 1997/98, our Government committed \$96 million in capital funding to the City of Winnipeg through a six-year Urban Capital Projects Allocation. Unique in Canada, this program supports the renewal and enhancement of urban infrastructure. This Budget provides \$18.6 million for our contribution toward urban capital projects in 1999/2000. In addition to this funding, I am pleased to announce that for the second year in a row, we are providing the City of Winnipeg with \$5 million for residential street repairs.

Our Government believes that the federal government must place priority on the renewal of the National Infrastructure Program. The former Program has been hailed as a good start in meeting a growing infrastructure deficit across Canada, especially at the municipal level.

In 1994, our Government introduced a retail sales tax rebate program for first-time buyers of new homes. Under this program, first-time homebuyers can apply for a rebate of up to \$2,500 of the provincial sales tax paid on the materials used in the construction of a home. To date, this program has assisted more than 1,500 Manitoba families purchase their first house, and they have saved a total of \$3.4 million in taxes. I am pleased to announce today that this program will be extended for another year.

*We are providing  
\$21 million to the  
Rural Economic  
Development  
Initiative (REDI)  
which supports  
business development  
and tourism.*

*For the second  
year in a row, we are  
providing \$5 million  
for residential street  
repairs in Winnipeg.*



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**“Spurred by rising activity in its food processing and transportation industries, Manitoba’s economy will grow at a rate above the national average for the fifth year in a row.”**  
TD Bank, March 1999

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*Our new Manitoba Equity Tax Credit will strengthen the links between Manitobans with savings to invest, and those who can put that capital to good use in our province.*

## ■ Meeting New Challenges – Strengthening our Economy

### Investing in Manitoba

To grow and to create jobs, businesses need access to capital. For the Manitoba economy to reach its full potential, there must be a well-developed capital market. That is why our Government has introduced a number of initiatives to facilitate investment by Manitobans in Manitoba businesses. Manitoba’s successful tax credit for two labour-sponsored investment funds has encouraged Manitobans to invest well over \$100 million in Crocus and Ensis. These Funds, in turn, invest in Manitoba companies and create jobs for Manitobans.

To provide much needed capital to Manitoba’s small businesses, we have committed \$3 million to create the Renaissance Capital Manitoba Ventures Fund. Our investment is expected to leverage \$7 million in private sector risk capital, which will be used to assist small Manitoba growth companies in the information technology, communications, value-added agriculture, and health care sectors.

To further strengthen the links between Manitobans with savings to invest, and Manitobans who can put that capital to work right here in our province, I am pleased to announce an important new initiative. The Manitoba Equity Tax Credit will encourage local investors to purchase new shares of small- and medium-sized Manitoba companies on the Winnipeg Stock Exchange. The Credit will be 5% per year for up to three years, and the maximum Credit for an individual in any year will be \$1,500. This initiative is another step in our ongoing plan to expand local capital markets so that the Manitoba economy can reach its full potential.

In 1992, our Government introduced the 10% Manufacturing Investment Tax Credit. Since then, manufacturing investment in Manitoba has tripled. More than 10,000 new manufacturing jobs have been created. I am pleased to announce that the Manufacturing Investment Tax Credit will be extended for a further three years to June 30, 2003.



The successful Manitoba Film and Video Production Tax Credit has been instrumental in promoting Manitoba as a prime location for the making of films and videos. Between 1997/98 and 1998/99, production budgets almost tripled to approximately \$50 million. Manitobans earned an estimated \$10 million in wages working on these productions. In light of these strong results, I am pleased to announce that the Manitoba Film and Video Production Tax Credit will be extended to March 1, 2002.

The annual Invest Manitoba Venture Showcase has developed into a focal point for the Government's "access to capital" strategy. The event, held in Winnipeg each April, gives 20 of Manitoba's most exciting young growth companies exposure to a motivated audience of local investors.

### Highways and Transportation

Manitoba enjoys unsurpassed transportation links. We are served by three continental railways. We are home to a number of Canada's major trucking firms. We have a seaport at Churchill. And Winnipeg International Airport is an important centre for cargo because it is one of the few airports in North America that operates 24 hours per day.

To help Manitoba's transportation system support our growing economy, our Government is committed to maintaining and improving our highway system. For the second year, we are allocating an additional \$10 million from capital initiatives for highway construction, for a total highway construction budget of \$110 million. In 1999/2000, our Government will spend almost \$180 million on infrastructure programs related to highways and transportation, including construction and maintenance.

Our Government continues to call upon the federal government to work with provinces and territories to establish a National Highways Program. In every other G-7 country, the national government invests in its highway system because there is an important link to economic development and jobs. The time has come for the Government of Canada to make a National Highways Program a top priority.

Our Government has participated in a number of initiatives in recent years to help secure the future of the Port of Churchill,

*We are extending the successful Manitoba Film and Video Production Tax Credit which has been instrumental in promoting Manitoba as a prime location for the making of films and videos.*

*In the coming year, we will spend almost \$180 million on infrastructure programs related to highways and transportation.*



*Through the  
Diversification Loan  
Guarantee Program,  
farmers can access the  
capital necessary to  
diversify into more  
profitable  
commodities.*

*We are providing  
\$4 million to support  
our growing agri-food  
industry and  
agricultural projects  
that promote long-  
term, sustainable  
farming practices.*

including our \$6 million contribution toward the harbour dredging program. At present, international ships do not purchase fuel at Churchill because they can purchase it tax-free at other ports. Effective at midnight tonight, motive fuel purchased by international vessels in Manitoba will be exempt from the motive fuel tax. This measure will boost the Churchill economy by making refuelling at Canada's northern port more attractive to shippers.

### **Promoting Agricultural Diversification**

Our Government is continuing to promote diversification and value-added activities. Despite low commodity prices, the Manitoba agriculture and agri-food sector continues to achieve significant success in diversifying and adding value to primary production.

Through the Diversification Loan Guarantee Program, farmers can access the capital necessary to diversify into more profitable commodities, and add value to primary production. Since the Program began in 1996, over 35 loans totalling approximately \$35 million have been approved. Given its success, I am pleased to announce that this Program will be extended until March 31, 2001.

Sustainable agricultural practices contribute to a healthy environment, economic growth and efficient food production. We continue to support the Agri-Food Research and Development Initiative (ARDI) which helps our province's expanding agri-food industry to develop ways to process commodities into higher-valued products. In 1999/2000, we will contribute \$2.6 million to this Initiative. Since the program began, more than 100 agricultural research projects, valued at over \$19 million, have been undertaken, including the National Centre for Agri-Food Research in Medicine at the St. Boniface General Hospital.

In addition, this Budget provides \$1.2 million to the Agricultural Sustainability Initiative to support agricultural projects that promote long-term, sustainable farming practices and environmental improvements, and \$200,000 for regional agricultural services. The objective of the latter is to work with producers through on-farm demonstrations on how to diversify their operations and increase incomes.





Manitoba's livestock industry has experienced very strong growth in recent years. This development has been very important for our economy – especially in rural Manitoba. Given this growth, it is important for producers to continue to take action and protect our environment. To reduce the cost of manure management and to promote sustainable practices, I am pleased to announce that manure slurry tanks and lagoon liners for use in farm livestock operations will be exempt from retail sales tax from midnight tonight until December 31, 2000. This exemption will reduce costs for livestock producers by \$1 million per year.

In recent years, there has been an increased need for veterinary services in order to support sustainable diversification and the continued expansion of the livestock industry. Last year, our Government announced \$300,000 to upgrade equipment in veterinary clinics. This Budget commits an additional \$300,000 to upgrade veterinary clinics in agricultural areas throughout Manitoba. The upgraded facilities will allow veterinarians to service the growing livestock numbers, ensuring effective disease control and increasing production efficiency.

### Supporting Farmers

Our Government is committed to providing safety-net programming that helps farmers overcome the risks inherent in agriculture.

To ensure that producers have the cash flow to help them plant the coming year's crops, and to maintain their livestock herds, in December 1998, our Government announced a \$25 million Manitoba Producer Recovery Program. The Program offers loans of up to \$50,000 for individual farmers and up to \$100,000 for corporations, partnerships and farming co-ops.

As part of our contribution to the Agricultural Income Disaster Assistance (AIDA) program, we have committed up to \$62 million over two years to help Manitoba producers cope with depressed commodity prices. Manitoba producers will have access to as much as \$155 million in assistance. In addition, in 1999/2000, we will provide over \$53 million in crop insurance related support to farmers, including

*To protect our environment by promoting sustainable practices, manure slurry tanks and lagoon liners for farm livestock operations will be exempt from retail sales tax.*

*Our \$25 million Manitoba Producer Recovery Program helps to ensure producers have the cash flow to help them plant crops and maintain their livestock herds.*



Enhanced Crop Insurance and the Net Income Stabilization Account (NISA).

### **Mining, Oil and Gas**

*To ensure Manitoba's mining sector remains attractive to developers, the mining tax rate will be reduced from 20% to 18%.*

*Our Government will provide over \$9 million to encourage mining investment and exploration.*

The mining sector in Manitoba is a major employer throughout the province, and especially in the North. The industry has suffered from low world mineral prices this past year. To maintain Manitoba's mineral extraction sector, and to ensure that it remains attractive to developers, I am pleased to announce that the mining tax rate will be reduced from 20% to 18% of mining profits, effective for taxation years commencing after December 31, 1998. As commodity prices improve over the next five years, this tax cut is expected to save the industry approximately \$1 million per year.

I am pleased to note that a high level of exploration activity continues in Manitoba. To help ensure that our province continues to have a healthy mining industry for many years to come, our Government will provide over \$9 million to encourage mining investment and exploration in Manitoba. Three years of additional funding, up to \$8.2 million beginning this spring, has been approved for the Mineral Exploration Assistance Program. An industry survey has shown that this Program has played a significant role in companies selecting Manitoba for exploration investment.

The Manitoba oil and gas industry employs a work force of 400 to 450, primarily in Southwestern Manitoba. Our Government has announced a two-year extension to the Manitoba Drilling Incentive Program, which allows a tax holiday on production from new wells and qualifying wells where a major workover has been completed. The extension ensures that the Program will remain in effect until at least January 1, 2004.

### **■ Manitoba's Savings Account – The Fiscal Stabilization Fund**

Our Government established the Fiscal Stabilization Fund in 1989 to act as a savings account for Manitoba's future. During this year's Budget consultations, Manitobans told us that the Fund must remain to provide protection against unforeseen developments. However, they also told us that they placed a



higher priority on increased spending on health care and education, on cutting taxes and on reducing the debt, than on increasing the balance of the Province's savings account.

In 1999/2000, a \$184.7 million transfer will be made from the Fiscal Stabilization Fund to finance a number of priority initiatives including:

- \$75 million to support social programs.
- \$37.2 million to cover the Province's 1999/2000 share of costs for the 1997 flood and the flood proofing program.
- \$12 million for farm income disaster assistance.
- \$4 million for Millennium Projects that will result in enduring benefits, such as capital initiatives, endowments or trusts.
- \$55 million to support capital initiatives. Some of the projects that will be funded this year include:
  - \$10 million for highway construction;
  - \$5 million for residential street repair in Winnipeg;
  - \$5 million for health equipment purchases;
  - \$7 million toward the Manitoba Innovations Fund;
  - \$4.5 million for school divisions and universities; and
  - \$14.9 million for water, sewer and infrastructure development projects in rural and Northern Manitoba.

The transfer from the Fiscal Stabilization Fund will bring the balance of the Fund to approximately \$226.1 million as of March 31, 2000. Manitoba's savings account continues to be one of the key features of our fiscal strength, providing welcome insurance that we will be able to sustain public services in the event of unforeseen difficulties.

*The Fiscal  
Stabilization Fund  
continues to act as  
the Province's  
savings account.*

*We will devote  
\$55 million  
for capital  
initiatives.*



*Our Government has assumed delivery of income assistance and public health services from the City of Winnipeg. These changes will improve administrative efficiency and reduce program overlap and duplication between governments.*

*Our Year 2000 project will ensure that our systems are prepared for Y2K.*

## ■ Better Government – Better Service

Our Government and our employees work diligently to ensure that Manitobans receive the best possible public services. We will continue to spend taxpayers' money wisely while providing Manitobans with high-quality programs and services.

As part of our commitment to provide efficient and effective services, our Government has assumed from the City of Winnipeg responsibility for delivery of income assistance and public health services. These changes will improve services and administrative efficiency, and reduce program overlap and duplication between governments.

As of April 1, 1999, we introduced a one-tier welfare system for the delivery of income assistance in Winnipeg. This change expands our income assistance program to include all clients formerly served by the City of Winnipeg, and transfers City staff and related costs to the Province.

As a further step toward integrating community health service delivery and co-ordinating services, the delivery of public health services in Winnipeg has been transferred from the City to the Winnipeg Community and Long Term Care Authority. As part of this amalgamation, public health staff and related costs have been transferred to the Province.

In recognition of the reduced expenditures by the City of Winnipeg, and to ensure that these transfers are completed on a cost-neutral basis, provincial grant funding to the City has been adjusted to offset the additional costs to the Province.

We continue to look for the most effective and efficient ways of serving Manitobans. In many instances, our Special Operating Agency (SOA) initiative has improved the quality of public services while implementing innovative management practices. There are 17 SOAs now operating in various government departments.

Public sector reform and renewal activities are well under way. Service First and its component initiatives, Better Methods and Better Systems, along with Manitoba Measures, are developing ways to improve public services. Through our Year 2000 project, our systems will be prepared for 2000. In



keeping with our commitment to seek ways to provide cost-effective public services, this June, Manitoba will host an International Summit on Public Service Reform. Under the theme, "Leading the Way to Better Government," the Summit will bring together innovators and leaders from around the world to share ideas and advancements on public sector reforms and initiatives.

Over the next five years, almost 25% of provincial employees will be eligible to retire. This presents our Government with a unique opportunity to reorganize to better serve our citizens. We believe we can achieve this with a smaller government. In the Throne Speech, we set a goal of reducing, through attrition, the size of the civil service by 10% over this period.

We will continue to examine opportunities to provide lower-cost government while we strive to offer better services to Manitobans. By spending smarter, eliminating duplication, and increasing accountability, Manitobans will be better served.

## ■ Let the Games Begin – Celebrating the Spirit of Manitoba

This year, and in the years to come, we celebrate the spirit of Manitoba as we play host to numerous sporting events and activities. Because of our enormous success with recent events, such as the 1997 Canada Summer Games in Brandon, and the 1999 World Junior Hockey Championship, Manitoba has proven to be a choice location for hosting national and international sporting events.

Manitobans are proud to host the Pan American Games this summer. With 5,000 athletes and thousands more in visitors from 42 participating countries, the 1999 Games will be the largest celebration of sport and culture ever staged in Canada, and the third-largest multi-event athletic competition ever held in North America. The international exposure the Games will provide is an opportunity for Manitoba to promote new economic and cultural relationships.

Over the next few years, Manitoba will host other sporting events. Next year, our province welcomes the Senior Softball World Championships. This is the first time ever that this

*We continue to look for the most effective and efficient ways to provide public services.*

*Manitoba's success in hosting world-class sporting events is due to the dedication of thousands of volunteers.*



*In the coming  
months and years,  
Manitoba will be  
showcased as the  
best place to live,  
work, invest and  
raise a family.*

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**Reducing Manitoba's  
debt is short-term  
pain for long-term  
gain. Just Do It!**  
Winnipeg Budget  
Consultation

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event will be held in Canada. 150 teams will arrive in Manitoba between August 26 and September 6, 2000.

Through the efforts of our Aboriginal leaders, the North American Indigenous Games will come to Manitoba in 2002. Our province will welcome as many as 10,000 participants to this cultural and sporting event.

Manitoba's success in hosting world-class sporting events is due in large part to the dedication and commitment of thousands of volunteers. I would like to take this opportunity to thank these Manitobans for their time, commitment and enthusiasm.

As Manitoba prepares to welcome athletes, officials and visitors from around the world, we do so with great pride and confidence because it gives us the opportunity to showcase our province as the best place in the world to live, work, invest and raise a family.

### ■ 1998/99 Fiscal Results

The projections for the 1998/99 fiscal year confirm that Manitoba's economy continues to demonstrate remarkable economic strength and vitality. In each of the last three years, Manitoba's economy has grown faster than Canada's.

In 1998/99, we will achieve a fourth consecutive budgetary surplus. The 1998/99 surplus is now projected to be \$20.7 million.

Our Government made a \$150 million payment to the Debt Retirement Fund in 1998/99, double what was required under *The Balanced Budget, Debt Repayment and Taxpayer Protection Act*.

### ■ 1999/2000 Budget Plan

The 1999 Budget meets the priorities of Manitobans. This Budget provides sustainable personal income tax and small business tax reductions which will make our economy even more competitive. It directs significantly more resources for health care, education, and services to children and families. It makes a deposit to the Debt Retirement Fund.

Balanced budgets allow more resources for a quality health care system, a modern and responsive education system, and

## Comparative Statement of Budgetary Revenue, Expenditure and Surplus 1999/2000 and 1998/99

	Budget	Budget	1999/2000	
	1999/2000	Adjusted* 1998/99	Change from 1998/99 Budget	%
	(Millions of Dollars)		(Millions of Dollars)	%
<b>Revenue</b>				
Own-Source Revenue	4,320	4,058	262	6.4
Government of Canada	1,693	1,646	47	2.9
<b>Total Revenue</b>	<b>6,013</b>	<b>5,704</b>	<b>309</b>	<b>5.4</b>
<b>Expenditure</b>				
Program Expenditure	5,436	5,085	351	6.9
Debt Servicing Costs	481	515	(34)	(6.6)
<b>Total Expenditure</b>	<b>5,917</b>	<b>5,600</b>	<b>317</b>	<b>5.7</b>
	96	104	(8)	(7.7)
Debt Retirement Fund Allocation	75	150	(75)	(50.0)
Less: Transfer from Fiscal Stabilization Fund for Debt Retirement	-	75	(75)	(100.0)
	75	75	-	-
<b>Budgetary Surplus Before Extraordinary Item</b>	<b>21</b>	<b>29</b>	<b>(8)</b>	<b>(27.6)</b>
<b>Extraordinary Item</b>				
Flood Disaster Assistance and flood proofing	69	130	(61)	(46.9)
Less: Recoveries from other levels of government and Fiscal Stabilization Fund	69	130	(61)	(46.9)
	-	-	-	-
<b>Budgetary Surplus</b>	<b>21</b>	<b>29</b>	<b>(8)</b>	<b>(27.6)</b>

\* As a result of the change in capital assets accounting policy, the 1998/99 Budget has been restated to provide comparability with the 1999/2000 Budget. Adjustments are as follows:

	Program	Surplus
	Expenditure	
	(Millions of Dollars)	
1998/99 Budget	5,091	23
Net Adjustment for Change in Accounting policy	(6)	6
1998/99 Budget Adjusted	5,085	29



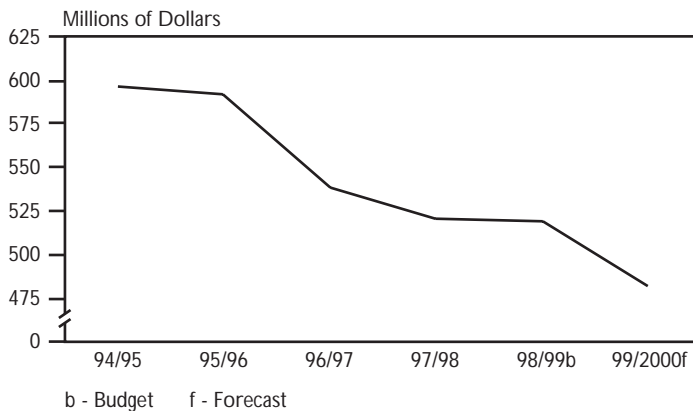
*This Budget cuts personal income tax, directs significantly more resources for health care, education, and services to children and families, and makes a further payment toward the debt.*

forward-looking programs for children and families. This Budget provides an additional \$194 million for health care, and invests in Manitoba's future by targeting more resources to education and services to children and families.

Declining debt service costs free up resources for future tax reductions and priority program initiatives. This Budget is helping to relieve the next generation of the burden of Manitoba's general purpose debt by making a \$75 million debt retirement payment. This payment, combined with money already set aside in the Debt Retirement Fund, was used earlier this month to pay off \$305 million of Manitoba's debt. Consecutive balanced budgets, debt repayment, and favourable interest rates have resulted in reduced debt servicing costs. Interest costs on the debt are expected to drop again – from \$515 million in 1998/99 to \$481 million in 1999/2000. This represents a \$34 million savings over last year.

*Our plan to pay down the debt reduces debt service costs and frees up resources for the future.*

**Five-Year Comparison of Debt Interest Charges**



As announced last year, the Province of Manitoba's accounting policy for tangible capital assets changed effective April 1, 1999, in accordance with new Canadian Institute of Chartered Accountants standards. Under the new accounting policy, expenditure on tangible assets is now amortized on an expense basis over the useful life of the asset.

Total regular expenditure in this Budget is \$5,917 million. This is a \$317 million, or 5.7% increase over last year. Almost two-thirds of this increase is allocated for health.





The 1999 federal Budget announced a one-time \$3.5 billion federal health care supplement. In recognition of the urgency of acting immediately to implement the next steps in our plan to change health care for the better, our Government has decided to draw the maximum available funding in 1999/2000, approximately \$131 million. In addition, Manitoba will receive \$499 million in CHST payments.

The federal government renewed the Equalization Program from April 1, 1999 to March 31, 2004. Equalization changes resulted in a reduction in entitlements to Manitoba of \$37 million annually. The effects of the technical changes will be phased in over five years.

Manitoba's own-source revenue is projected to grow by \$262 million, or 6.4%. This growth is after our tax cuts, and results from Manitoba's strong economic performance in the past year.

Manitoba's total revenue is expected to be up \$309 million, or 5.4% higher than last year's Budget.

This Budget invests significantly in Manitoba's future and projects a surplus of \$21 million. Our Government has provided Manitobans with five balanced budgets in a row.

## ■ The Medium-Term Plan

The Medium-Term Plan charts the fiscal course of our Government over the next four years. In doing so, it:

- extends the string of consecutive balanced budgets to eight;
- provides resources to continue paying down Manitoba's debt; and
- continues support for priority social programs.

Over the medium term, tax and transfer revenues are expected to grow at an average annual rate of 2.6% from 1999/2000 – a rate consistent with the Conference Board of Canada's forecasts for the Canadian and Manitoba economies.

*The 1999 Budget invests significantly in Manitoba's future and projects a surplus of \$21 million.*

*The Medium-Term Plan extends our string of consecutive balanced budgets to eight.*



## Medium-Term Fiscal Plan

	1999/2000	2000/01	2001/02	2002/03
	(Millions of Dollars)			
Revenue	5,882	6,040	6,154	6,362
Federal Health Supplement	131	-	-	-
1997 Flood Related Revenue	69	49	-	-
<b>Total Revenue</b>	<b>6,082</b>	<b>6,089</b>	<b>6,154</b>	<b>6,362</b>
Program Expenditure	5,436	5,454	5,517	5,583
1997 Flood Related Expenditure	69	49	-	-
Public Debt Costs	481	480	479	478
<b>Total Expenditure</b>	<b>5,986</b>	<b>5,983</b>	<b>5,996</b>	<b>6,061</b>
Debt Retirement Fund Deposit	75	96	96	96
<b>Budgetary Surplus</b>	<b>21</b>	<b>10</b>	<b>62</b>	<b>205</b>

**Focus on priorities –  
strategic spending  
positions our  
province for future  
growth.**

**Winnipeg Budget  
Consultation**

Excluding one-time initiatives, underlying program expenditures are projected to grow at an annual average rate of 1.2% after 1999/2000. This rate reflects anticipated savings as more efficient ways of delivering public services are implemented.

The Plan envisions surpluses over the medium term. Continued surpluses give Manitobans options for the future.

### ■ Building Our Vision for the New Century

On certain occasions, people naturally pause to reflect on their achievements and their goals. The last Budget of a century – Manitoba's first full century – surely is such an occasion.

In a young province like ours, many of us have met the pioneers whose dreams led them to our beautiful province, and whose hard work built the foundations of the Manitoba we enjoy today.

I am sure those early pioneers did not foresee all the advances in knowledge we have at our disposal today. They could not have imagined the technologies we now use in our day-to-day activities. They probably had only the vaguest notion of how rapidly the world would shrink and change for their successors. In short, I am sure that they would be amazed at the way we live our lives today.



They would not be surprised, however, that Manitobans now enjoy all the advantages and amenities of the most advanced societies in the world. They also would not be surprised that Manitoba's farms, businesses, schools, universities, and hospitals compare favourably with their counterparts anywhere. This was their goal, and they were confident it would be achieved.

In the 20<sup>th</sup> century, Manitoba took its place with the best in the world. And with our vision and hard work, and with the support of Manitobans, in the 21<sup>st</sup> century, we will take the lead.

From 1988 on, our Government's primary purpose was to renew confidence in Manitoba and its future. We cannot predict which technologies will be used by our children, much less our grandchildren. But we do know that our children and grandchildren will be at the forefront of inventing, developing, and producing the services and products that will characterize life at the end of the next century.

Our Government's vision for Manitoba has been instrumental in building the confidence and the social and economic momentum to make our children's future better and brighter than we can imagine today. We have brought the finances of our Province under control, and we are lifting the burden of debt from the next generation.

As I said before, there is no room for complacency. As new challenges arise, we must act decisively to meet them. This Budget takes another important step to meet the challenges of keeping our taxes competitive, improving health care for Manitobans, and preparing our children for future opportunities.

Our plan for Manitoba reflects an important message: "Live in Manitoba" – "Work in Manitoba" – "Raise a family in Manitoba." There is no better place.

*In the 20<sup>th</sup> century,  
Manitoba took its  
place among the best  
in the world. In the  
21<sup>st</sup> century, we will  
take the lead.*

*This Budget takes  
another important  
step to meet the  
challenge of keeping  
our taxes competitive,  
improving health care  
for Manitobans,  
and preparing our  
children for future  
opportunities.*



- We are building a stronger future for our province by cutting taxes. This makes Manitoba's businesses more competitive, creates more jobs, and leaves more money in people's hands. Balanced budgets mean we can cut taxes even more in the future.
- We are building a stronger future for our province by investing \$5.8 million each day to change health care for the better. Balanced budgets and lower debt costs mean we can devote more funds to health care to ensure Manitobans have timely access to quality and appropriate health care services.
- We are building a stronger future for our province by renewing the education system and increasing education funding. We want our children and young people to have the knowledge and skills they need to take full advantage of the opportunities the future holds. Balanced budgets mean we can devote more resources to equipping Manitoba's children and youth for the new economy.

The investments we make in our children, in our youth, and in our province in 1999, will guarantee a brighter future for all Manitobans. As the next century approaches, Manitoba stands ready to seize the significant new opportunities of our future.

*MEETING **new** CHALLENGES*