



MINISTER'S MESSAGE

Budget 2006 is about meeting our commitments and building opportunities for all Manitobans.

The energy, optimism and confidence Manitobans are feeling today reflect the unprecedented success that is being achieved by the people of our province. The spectacular number of Olympic medals recently won by our Manitoba athletes is an outstanding accomplishment and proves beyond a doubt that Manitobans can take on the world.

This budget responds to that spirit by harnessing resources to meet our commitments to Manitobans. We have delivered seven solid, balanced budgets under balanced budget legislation that are helping to grow our economy and provide opportunities for success across the province. Manitoba's advantages are many and our province continues to be an attractive place to live, work and raise a family.

Our four main building blocks in Budget 2006 advance our economic plan:

- Growing Green, Growing Smart
- Healthy Families, Healthy Communities
- Tax Savings for Manitoba Families and Business
- Balanced Budgets

We are delivering on our commitments within a balanced and responsible fiscal framework. Together, we are building a strong future for Manitoba.

Greg Selinger

Minister of Finance



2006

MANITOBA BUDGET

WHAT MANITOBA'S BUDGET MEANS to YOU

MEETING COMMITMENTS. BUILDING OPPORTUNITIES.

A GREEN AND GROWING ECONOMY

There is a renewed optimism and confidence in Manitoba. Our economy is strong, consumer spending is up and business investment has increased. Manitoba's clean energy advantage is a key element of our economic growth strategy. Budget 2006 builds on this advantage through strategic economic and energy investments.



- A \$1.5 million federal-provincial program will promote community-based biodiesel production facilities - this year's budget also removes fuel and sales tax from biofuel.
- The proposed Conawapa generating station will provide enormous community and economic benefits as well as energy export opportunities.
- Following the success of the St-Léon wind farm, more projects are planned and are expected to generate \$2 billion in investment and \$100 million in wind-rights payments for landowners.
- This year's budget increases the refundable portion of the Manufacturing Investment Tax Credit from 20% to 35%.
- A new business mentoring program - BizCoach Manitoba - will connect new entrepreneurs with successful Manitoba business leaders.
- A new investment will be made in the Industrial Technology Centre and the capacity of the Manitoba Interactive Media Fund will be doubled.
- Support for the Manitoba Centres of Excellence Fund is being enhanced to provide additional investment for our world-class research industry.

“SUSTAINABLE DEVELOPMENT HAS BECOME AN ECONOMIC LINCHPIN IN THE CANADIAN PROVINCE OF MANITOBA.” BUSINESS WEEK, DECEMBER 2005

OPPORTUNITIES FOR MANITOBA'S YOUTH

Manitoba's growing economy offers training and job opportunities for our youth. Budget 2006 provides new funds and introduces new programs to help our young people reach their goals.

- A new three-year, \$60 million funding commitment is being made to universities and colleges - the largest in Manitoba's history.
- Budget 2006 maintains the 10% tuition reduction for students, while fully compensating universities and colleges for this reduction.
- The Graduate Scholarship and Hope Bursary programs are being expanded and funding for the Canadian Millennium Scholarship Fund is increasing.
- A co-op education hiring incentive is being introduced to encourage employers to hire more Manitoba graduates.
- Increased resources are being provided for the College Expansion Initiative, Adult Learning Centres and training partnerships with industry.
- Provincial operating support for public schools will be increased to \$926 million.



HEALTHY MANITOBA FAMILIES



Budget 2006 continues the commitment to building active and healthy Manitoba families. Programs that help our families grow and prosper are a priority in this year's budget.

- \$7.8 million will be provided to assist low-income Manitobans with rising shelter costs and \$13.6 million more will be available for supported living for persons with mental disabilities.
- New healthy food and nutrition guidelines and an enhanced physical education curriculum will be introduced into Manitoba schools.
- The Healthy Baby program will expand to more sites, the *Centres de la petite enfance et de la famille* will be placed in more Francophone schools and more support will be provided for school-based teen clinics.
- Investments will be made in the new Aging in Place Strategy for seniors including expanded services and an enhanced elder abuse prevention program.
- Manitoba will introduce a new Children's Physical Activity Tax Credit when the federal government implements its proposed credit.



STRATEGIC HEALTH CARE INVESTMENTS

Budget 2006 makes strategic investments in key health care projects that will provide Manitobans with better care, sooner and closer to home.

- More than 20,000 additional MRI tests and 15,000 additional CT scans will be performed over the next three years.
- A new Cardiac Centre of Excellence will be created at St. Boniface Hospital.
- The reconstruction of the Health Sciences Centre will continue and capacity will be increased for the Pan Am Pain Clinic.
- This year's budget fulfills the commitment to expand the number of medical spaces at the U of M, increase the intake of international medical graduates and expand nursing enrollment to 3,000.
- The replacement of the entire provincial fleet of 160 ambulances is complete, with new models that provide improved care and safety.
- Budget 2006 eliminates the retail sales tax on lancets and blood glucose monitors purchased by diabetics.



RESPONSIBLE, BALANCED GOVERNMENT

Budget 2006 continues the commitment to a responsible, balanced approach to managing government finances. This year's budget builds on the prudent management that has led to credit ratings increases.

- Budget 2006 is our government's seventh straight balanced budget under balanced budget legislation.
- A summary budget surplus of \$148 million is projected.
- This year's budget provides for a \$110 million payment toward general purpose debt and pension liabilities, bringing total contributions to \$704 million over seven years.
- Total provincial spending per capita is the 2nd lowest in Canada.

MANITOBA CREDIT RATINGS

Moody's Investors Services:	Aa2
Standard and Poor's:	AA-
Dominion Bond Rating Service:	A (high)

“BY 2007, MANITOBANS WILL ENJOY ANNUAL SAVINGS IN PERSONAL, PROPERTY AND BUSINESS TAXES OF \$618 MILLION COMPARED TO 1999.”

2006 BUDGET SPEECH

STRONG AND SAFE COMMUNITIES

Manitoba's strong economy creates opportunities for our communities. Budget 2006 invests in programs that will continue to build vibrant, safe communities throughout our province.



- Significant new investments will be made in Manitoba's Crime Fighting Action Plan with a special focus on gangs and organized crime.
- The Gang Prosecutions Unit will double in size and a total of 31 additional police positions will be added in Winnipeg, Brandon and Aboriginal communities.
- The Lighthouses after-school program for youth will be expanded to 45 sites throughout Manitoba.
- Support for community-based family violence prevention initiatives and crisis accommodation for vulnerable adults is being increased.
- Additional funds will be provided for highway upgrades including Highways 1 and 75.
- The Building Manitoba Fund will grow by \$7.9 million in 2006, providing \$127 million to support municipal infrastructure and services.
- \$32 million will be provided for cost-shared infrastructure and other projects, including the Kenaston Underpass, Winnipeg's waste water and treatment upgrade, Brandon's Keystone Centre, Broadband Communications North and the Parklands Telecommunications Network.
- Funding will be provided to engage Aboriginal communities in mineral resource activities that could provide new economic opportunities.



\$99 MILLION IN NEW TAX SAVINGS

Manitoba's bottom line benefits and quality of life advantage make it the ideal place to live, work and raise a family. Budget 2006 provides tax savings that will make our province even more affordable for families and more competitive for business.

- Budget 2006 delivers on the commitment to eliminate the Education Support Levy on residential property, saving Manitobans an additional \$34 million this year.
- The farmland education tax reduction will exceed our commitment, increasing from 50% to 60% and providing \$4.6 million in new savings for farmland owners.
- The middle income tax rate will be reduced to 13% effective January 1, 2007 and the basic personal amount will increase by another \$100, providing Manitobans with \$32.3 million in annual tax savings.
- The small business tax rate will be reduced to 3% on January 1, 2007, exceeding our commitment and providing a cumulative reduction of 63% since 1999.
- This year's budget doubles the corporation capital tax deduction from \$5 million to \$10 million, reducing the number of firms paying this tax by 19%.

“MANITOBA'S CLIMATE CHANGE PLAN IS THE BEST OF ALL THE PROVINCIAL AND TERRITORIAL PLANS.” DAVID SUZUKI FOUNDATION, OCTOBER 2005

WATER AND ENVIRONMENTAL PROTECTION



Manitoba is blessed with a clean, natural environment and vast water resources. Budget 2006 builds on our commitment to protect Manitoba's precious natural resources. Our success has been recognized internationally - Business Week magazine recently ranked Manitoba as the number one regional government in the world for battling climate change.

- A new Environmental Enhancement Loan Program will be established to help farmers increase the environmental performance of their land.
- Budget 2006 provides for a 30% increase in funding for water infrastructure projects and funding for drainage is more than doubling.
- Expanded resources will be provided for improved drinking water safety.
- Additional resources will help protect sensitive ground and surface water.
- Funding will be increased for the Canada-Manitoba Hydrometric program for flood forecasting.
- New support will be provided to advance the UNESCO World Heritage site nomination as well as First Nations land planning and sustainable resource management projects on the east side of Lake Winnipeg.