
The 2011 Manitoba Budget Address

Honourable Rosann Wowchuk
Minister of Finance
April 12, 2011

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- The 2011 Manitoba Budget Address
- Budget 2011
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 - A Economic Review and Outlook
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 - B Supplementary Financial Information
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 - Age-Friendly Manitoba: The Golden Years
 - D An Update on Fiscal Transfer Arrangements
 - E Education and Training -
 - Investing in the Future Success of Manitoba Youth and Families
- Manitoba's Five-Year Economic Plan
- Estimates of Expenditure and Revenue for the Fiscal Year Ending March 31, 2012
- Tax News
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- Discours du Budget 2011 du Manitoba
- Budget 2011
- Accroître la capacité d'innovation du Manitoba
- Éducation et formation professionnelle -
 - Investissement dans les futurs succès des jeunes et des familles du Manitoba
- Plan économique quinquennal du Manitoba
- Budget des dépenses et des recettes pour l'exercice se terminant le 31 mars 2012
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- Statistiques économiques

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THE 2011 MANITOBA BUDGET ADDRESS

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Mr. Speaker, I am proud to present Budget 2011, which builds on Manitoba's momentum by focusing on the priorities of families.

During the winter, we began preparations to address serious flooding this spring. Manitobans

have come together to face this immense challenge.

When I introduced last year's budget, our province was threatened by the worst global economic downturn since the Second World War.

We had a choice to make. We could have absorbed the effects of the global recession all at once – with major cuts to health, education and public safety, and at the risk of derailing economic recovery.

Although some voices urged us to travel down that path, we chose a different way.

We rejected calls to cut public services and we refused to let thousands of Manitobans lose their jobs.

Instead, Mr. Speaker, we chose to put families first by protecting jobs and services.

Now, a year later, and thanks to the hard work and spirit of Manitobans, our province's strong, steady recovery from the economic downturn is well under way.

Mr. Speaker, over the past year, Manitoba has had a lower unemployment rate than any province in the country.

Over the last decade, Manitoba has developed a balanced and responsible approach to taxation. It includes a combination of reducing taxes and implementing tax credits.

Mr. Speaker, for the twelfth consecutive year, we will not increase major business or personal taxes.

The effects of our stimulus program went beyond the public sector. In fact, Manitoba's private firms account for the creation of four out of five jobs since the onset of the recession. There are 14,000 more Manitobans working in

the private sector now than when the recession began, the third-best private jobs growth in Canada.

We have achieved all this while protecting and enhancing the priorities of Manitoba families: health care, infrastructure, education, water quality and public safety.

It was this focus that allowed us to achieve what *Maclean's* magazine referred to as the "Manitoba Miracle."

Mr. Speaker, last year we introduced a plan – and that plan is working.

Budget 2011 builds on these positive results and continues to put families first.

Manitobans tell us they are optimistic about the future. We share that optimism.

Perhaps the best reason is that Manitoba's population is growing and getting younger. This is a major positive change; since October 1999, Manitoba's population has grown by more than 100,000 people.

More young families than ever before are choosing to build their future here in Manitoba.

They want the best possible health care available when they need it, and excellent education and training opportunities to ensure the success of their children.

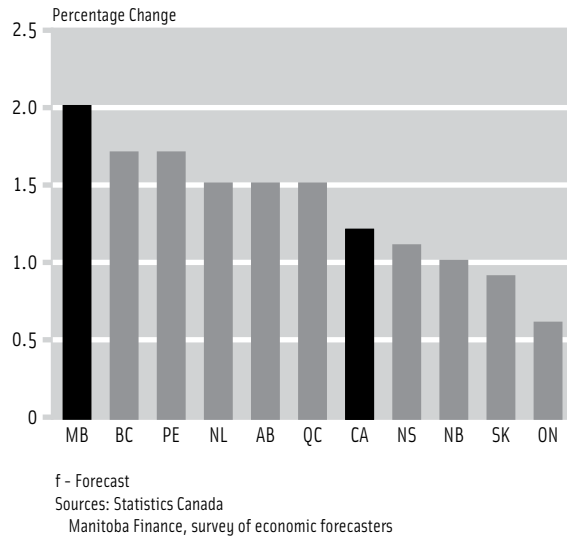
They want a strong, dynamic economy, where entrepreneurs with new ideas create rewarding jobs. They want us to protect our water and natural heritage, so future generations can enjoy them as we enjoy them today.

They want – and deserve – to know they are safe in their homes and communities.

They want a high quality of life, with good roads, world-class amenities and modern recreation opportunities. And they want lower taxes and a cost of living that remains among the most affordable in Canada.

These are the priorities of Manitoba families, Mr. Speaker. And Budget 2011 delivers on these priorities.

Real GDP, Average Annual Growth, 2005 to 2010f



Moving Forward

Manitoba's economic recovery is steady, and our five-year plan is delivering positive results.

Manitoba's future is bright. But we will not be complacent.

The global economy is recovering but remains fragile. Our largest international trading partner, the United States, faces major challenges of its own.

Now is not the time to risk everything we've built together. Our plan is working, but there is still more to do.

Growing Our Economy Responsibly

Like the federal and other provincial governments, we chose to run a deficit to deal with the global recession. Our priority was to protect jobs and front-line services.

Our decade of balanced budgets puts Manitoba in a strong place to address the economic downturn.

In the first year of our five-year plan, we took measured action to manage government spending, reduce debt and restore budgetary balance. Despite ongoing economic challenges, we are on track to return to surplus by Budget 2014.

Sound Financial Management

We are demonstrating fiscal prudence through the sound management of public resources, including:

- negotiating zero per cent increases for the general civil service in 2011/2012
- freezing overall discretionary salary and operating expenditures for existing services government-wide
- reducing ministerial salary levels
- continuing the second year of a freeze on salaries for members of the legislative assembly, their staff and senior government officials
- freezing the salaries for senior management in the regional health authorities
- continuing to find new ways to foster innovative, cost-effective services

This will help us keep Manitoba as one of the most affordable places in the country to live, work and raise a family.

Infrastructure Investments

Budget 2011 continues to invest in new infrastructure projects that will support employment and enhance our quality of life. A total of \$1.8 billion is dedicated to infrastructure and capital asset renewal this year.

The Len Evans Centre for Trades and Technology in Brandon opened last fall. Work is under way on the expansion of the University College of the North in The Pas, and construction will soon begin on the new campus in Thompson.

Since 1999, we have made significant investments in Manitoba's hospitals and personal care homes.

The Western Manitoba Cancer Centre will soon be delivering quality care closer to home, and a new cardiac unit at St. Boniface General Hospital has just opened.

Highway and Bridge Projects – 2011

This year, design and construction will take place on more than 1,100 kilometres of highway across the province. Highway and bridge projects include:

- the interchange between Highway 1 and Highway 16 just west of Portage la Prairie
- Highway 3 between Carman and Winkler
- sections of Highway 10 north of Brandon, east of Swan River and north of The Pas
- re-building Highway 6, our key route to the north
- Highway 11 near Lac du Bonnet and Pine Falls
- Highway 16 between Binscarth and Foxwarren
- Highway 17 and the completion of Highway 68 in the Interlake
- Highway 373 near Norway House
- Highway 75 south of Winnipeg
- work on Highway 2 near Sinclair and Reston
- the Brandon eastern access
- the Letellier Bridge
- lane improvements at the Emerson border crossing to reduce waits

A new personal care home in south Winnipeg will open later this year.

Budget 2011 continues to invest in health-care facilities, including:

- the first-in-Canada mental health crisis response centre
- a hospital expansion in Ste. Anne
- new or expanded EMS stations in Flin Flon, Pine Falls, Oakbank/Springfield, Lac du Bonnet, Stonewall and Vita
- a new specialized centre for children and youth
- a youth crisis response centre in Thompson
- a groundbreaking later this year for a new hospital in Selkirk

After just two years, we have already added close to 700 social and affordable housing units toward our five-year goal of 1,500. Affordable housing remains an important part of our infrastructure plans this year, including family, student and senior housing projects across the province.

We are continuing to support homeownership in older neighbourhoods, and extending tax increment financing to support residential housing development in downtown Winnipeg.

Strong transportation links help drive economic growth. This year marks the fifth year of our four-billion dollar, 10-year commitment to renew our highways. We will introduce a new plan to guide our investments for the next five years.

A number of projects on highways and bridges around the province will get under way this year, including more than \$520 million on roads and additional funds for municipal bridge projects. We will continue to partner with the City of Winnipeg on their priority streets such as Plessis Road.

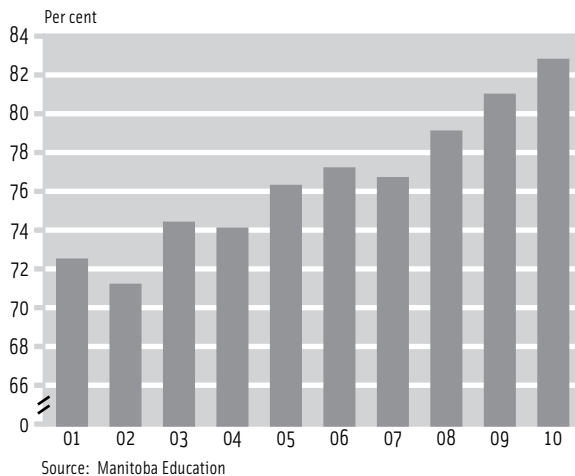
A number of companies have announced new business or expansion plans at CentrePort Canada over the last year. Construction of the \$212 million expressway is well under way, with new investments this year.

Our government will provide several hundred acres of land purchased from Canadian Pacific Railway to CentrePort Canada to support the future development of the site. There will be more new developments in the coming year.

The multiyear East Side Transportation Initiative will result in an all-season road network connecting several First Nations communities on the east side of Lake Winnipeg. Agreements signed so far will provide an estimated \$47 million in jobs, training and economic opportunities for 12 east-side communities.

This year, we will almost double funding for capital investment in water management, including drainage, dams and control structures, flood protection, culvert replacement and conservation district projects, particularly in high-needs areas such as the

Manitoba High School Graduation Rate Public and Funded Independent Schools



Interlake. We're also providing additional support for drainage licencing.

Education and Training

Budget 2011 invests in education at all levels to support our youth, helping them to develop and succeed.

Mr. Speaker, our high school graduation rate climbed to 82.7 per cent in 2010. This builds on 10 years of success, with rates up more than 14 per cent from 2001.

To build on this success, we are increasing financial support to schools. This includes a guaranteed increase of 2.2 per cent for all school divisions, as well as:

- support for services for special needs students
- reading supports for middle and senior years students
- expansion of the Inner-City Science Centre program
- new stay-in-school initiatives
- the expansion of the SAFE Workers of Tomorrow pilot project to more school divisions

We will also expand the successful Community Schools program, as recommended by the Premier's Advisory Council on Education, Poverty and Citizenship.

We recently announced a \$94.2 million investment in public school capital projects to address priorities such

as planning new schools, and building gymnasiums and child-care facilities.

Projects include:

- a new early-learning to Grade 8 elementary school in Amber Trails in the Seven Oaks School Division
- planning for a new elementary school in Sage Creek
- continued work on the design and construction of middle schools in La Broquerie, Schanzenfeld and Steinbach, high school projects in Winkler and Steinbach, and the replacement of Woodlands School
- funding of \$3 million for projects to improve accessibility for students with disabilities
- the introduction of the Active Schools Fund, a five-year, \$50 million program for Manitoba public schools, to provide funding for high-quality gymnasium facilities

Since 1999, the Education Property Tax Credit has been increased from \$250 to \$650. Budget 2011 includes another increase from \$650 to \$700, which will save Manitoba families an estimated \$16 million more annually.

The Farmland School Tax Rebate will rise from 75 per cent to 80 per cent, providing a total of \$35.5 million in property tax relief for thousands of farm families.

A university or college education can open the door to a successful career.

We are working with universities and colleges to improve completion times and graduation rates, strengthen the quality of programs, make it easier for students to transfer credits between institutions and programs and make post-secondary education more accessible.

Capital Investments in Post-Secondary Education

A number of capital projects are under way or nearing completion at educational facilities across the province, including:

- final work on the Richardson College for the Environment and Science Complex at the University of Winnipeg
- the Buller Building science lab renovations at the University of Manitoba
- a new health sciences pavilion at College universitaire de Saint-Boniface
- the new culinary arts building at Red River College's downtown campus
- the new Swan River site of the University College of the North
- construction of the mining academy in Flin Flon
- the campus expansion of Assiniboine Community College in Dauphin

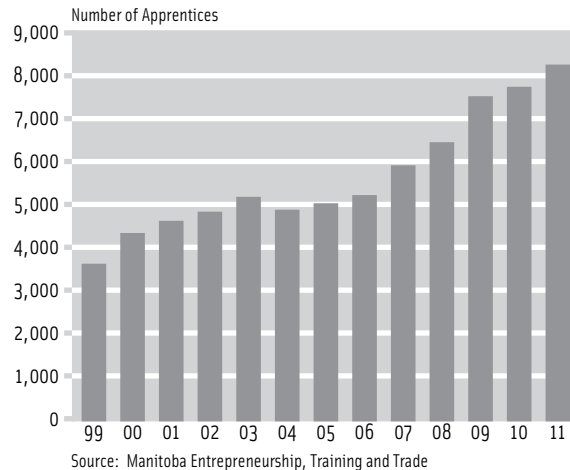
Mr. Speaker, our government has increased overall funding for post-secondary education by more than 80 per cent over the last 11 years.

This year, we have developed a multiyear funding arrangement for universities, which will increase operating grants by five per cent per year for the next three years.

Manitoba's tuition fees remain among the lowest in the country, ensuring affordability for Manitoba students. We are introducing a new policy to hold tuition increases to the rate of inflation at universities. As well, tuition fees will increase by \$100 at colleges this year.

Graduates will benefit from an estimated \$26 million in rebates through the Manitoba Tuition Fee Income Tax Rebate in 2011.

Number of Active Registered Apprentices



Budget 2011 will also:

- increase operating grants for colleges
- increase the Manitoba Bursary Fund to keep student debt among the lowest in the country
- increase the number of graduate scholarships available at universities

We plan to update the legislation for the College Universitaire de Saint-Boniface.

Funding will be provided to develop a plan for the third phase of construction at Assiniboine Community College's new campus.

Over the last several years, our government has expanded the technical training capacity of post-secondary institutions to better support apprentices and, in turn, produce a highly skilled labour force.

We're adding hundreds of new seats this year and are on target to meet our commitment to add 4,000 new apprenticeship seats. We will also partner with the federal government, the Island Lake First Nation and other interested stakeholders to develop apprenticeship training for First Nations residents to retrofit homes for improved water and sewer infrastructure.

To help apprentices remain in their home communities in rural and remote areas, we will create new, online apprenticeship training programs.

Other opportunities to help youth develop skills and get a job include:

- increasing investments in adult learning centres and literacy programs
- additional funding for the Bright Futures Fund to help students explore future school and career options
- enhancing job opportunities through our Youth Job Corps, which includes pre-employment supports, jobs, mentoring and coaching for more than 7,600 youth
- additional funding for the successful Green Team program
- investing in the new Manitoba Mentors program recommended by the Premier's Economic Advisory Council

Innovation and Red Tape Reduction

Investments in education and training are investments in future economic growth and rewarding careers. We continue to enhance supports to help Manitoba's innovators and entrepreneurs create good jobs and build our economy.

Based on recommendations from the Manitoba Innovation Council, we are introducing a new, five-year, \$30 million program to support business innovation. This will help entrepreneurs and businesses create new ideas, new products, new services, new processes, new markets and new jobs.

We are also keeping our commitment to improve the Research and Development Tax Credit, and increase funding to the Manitoba Research and Innovation Fund.

The newly formed Council on International Trade will work to increase the number of Manitoba exporters, help Manitoba firms diversify, find new markets abroad, and attract new investment. The council will begin its work by targeting emerging markets such as Brazil, Russia, India and China.

We are working with the private sector to explore joining the World Trade Centre Association, which will provide

Red Tape Reduction

BizPal is a successful online, one-stop service that simplifies the process of finding information on business permits and licences from all levels of government. The service continues to grow and expand to new communities across the province, and is now in more than 56 municipalities. Today, the service is available to more than 70 per cent of Manitobans.

Building on our BizPal investments, we have expanded Manitoba business gateways, which are resource centres providing information and referrals for a wide range of business and employment information and services. This includes business starts, permits and licences, financial programs, business expansion and growth, exporting and more.

This year, we are reducing red tape for the not-for-profit sector, by implementing a single-window approach for funding, creating multiyear funding agreements and looking at ways to pool resources.

access to the association's global network of 323 locations in 96 countries.

We are supporting the Centre of Manufacturing Excellence Initiative, designed to support manufacturers working to become globally competitive.

To streamline government services, we have transferred the Mechanical and Engineering Branch of Manitoba Labour and Immigration to the Office of the Fire Commissioner. Staff will become part of the area responsible for technical safety and building inspections, supporting a more efficient allocation of staff and resources.

To improve efficiency and reduce costs, we will explore new technologies to support paperless meetings for Cabinet and other committees.

Today, 360 communities representing 90 per cent of Manitobans have access to high-speed networks. We will

According to the most recent statistics from the Canadian Federation of Independent Business, costs for complying with regulations for small business in Manitoba are among the lowest in the country.

Source: Canadian Federation of Independent Business Report: Prosperity Restricted by Red Tape, 2nd Edition, 2010

continue to move forward, and 66 new communities will be connected by the end of this year.

This year, we are also introducing a number of initiatives that will help Manitoba families and businesses get the services they want and need more quickly.

This includes more online services, such as:

- expanding the online child-care registry province-wide
- introducing direct deposit for maintenance support
- applying for student loans online
- an online apprenticeship registration system
- paying for traffic tickets and other fines online
- creating a financial literacy resource website

We're also making it easier for businesses to get the information and support they need from government.

We have already introduced a number of initiatives, such as the innovative TAXcess service. This year, we're implementing:

- additional online business and employment services
- a single-window approach for innovation funding
- more BIZPal online services for Manitoba businesses
- red-tape reduction measures for not-for-profit organizations

Manitoba families expect timely, high-quality health care close to home. They also expect their government to eliminate waste and inefficiencies in health-care administration and direct funding to front-line care.

During the last recession in the 1990s, decisions were made to implement devastating cuts to front-line health care while a new level of health-care bureaucracy

was created. The province saw a net loss of more than 100 doctors and 1,500 nurses, while 13 regional health authorities were created.

Mr. Speaker, we stand firmly against cutting front-line health services. We see innovation as the key to improving and sustaining our universal health-care system.

Since 1999, we have reduced the number of regional health authorities from 13 to 11, improved efficiency and eliminated administrative waste, all of which has helped the province see a net gain of more than 400 doctors and 2,500 nurses.

Over the last several years, we have implemented numerous innovative strategies designed to improve services for patients while also increasing efficiency in the system, including:

- better procurement strategies for drugs, supplies and equipment
- introducing new technologies such as electronic health records
- improving telehealth services, which makes care more convenient
- applying LEAN management strategies to streamline health services

Building on this important work, more innovative initiatives will be implemented this year, including:

- the Releasing Time To Care pilot program, which helps increase the time nurses can spend with patients
- expanding the successful Advanced Access initiative to help more patients get an appointment sooner

These efforts are paying off, saving an estimated \$50 million last year in spending, which has been

re-invested in improved front-line care for patients and families. In fact, the Canadian Institute for Health Information reports that Manitoba has the third most cost-effective in-patient care and the third-lowest hospital administrative costs in Canada.

Corporate spending at the Winnipeg Regional Health Authority is now below three per cent of its total budget, and strict guidelines for all regional health authorities will be introduced in legislation to cap corporate spending, strengthen accountability and ensure public funding is directed to front-line services.

Greening our Environment and Supporting Agriculture

Investing in Manitoba's green economy helps ensure a healthy environment and strong opportunities for the future.

We are introducing the Manitoba Climate Change Investment Program, which allows building owners and companies to apply for grant funding to reduce greenhouse gas emissions in their operations.

Manitoba is renewing its agreement with the International Institute for Sustainable Development to continue world-class climate change and wetlands research, environmental education and best practices planning.

We are maintaining our ongoing commitment to the Lake Winnipeg Action Plan, to restore the health of Lake Winnipeg and large and small marshes across the province.

We introduced the Trees for Tomorrow program as part of the Manitoba government's action plan to reduce greenhouse gas emissions. We are expanding the program and will plant an additional one million trees, bringing our total to six million trees.

Our abundance of clean energy presents an opportunity for Manitobans to benefit from affordable, emissions-free electric transportation. In partnership with industry we will implement an Electric Vehicle Strategy that

will enable Manitoba to become an early adopter of emerging technology.

To restore the moose population and bring it to sustainable numbers, we are investing in a moose population restoration plan.

Municipalities have raised concerns about beaver dams causing flooding and damage to roads and fields. This spring we will introduce a project to address these concerns.

Building Urban Industries for Local Development, or BUILD, in Winnipeg and the Brandon Energy Efficiency Program, or BEEP, both work to lower utility bills while training workers in the construction industry. To date, this work has led to lower utility bills at 6,000 Manitoba Housing units.

Building on this success, we will continue to partner with these organizations to work on the rest of the provincially funded housing units.

Manitoba Hydro's Lower Income Energy Efficiency Program has already seen success by re-insulating more than 2,200 houses across the province, saving more than \$1 million in energy bills. Now, Manitoba Hydro will work with the William Whyte neighbourhood to re-insulate homes in central Winnipeg.

Manitoba continues to be committed to developing renewable energy resources. The province's largest wind farm at St. Joseph just opened, and the new hydro-electric dam at Wuskwatim will come online later this year.

Burning coal generates the highest level of greenhouse gas emissions compared to other fossil fuels. As announced in Budget 2008, coal will be subject to a new Emissions Tax to further reduce Manitoba's carbon footprint, beginning January 1, 2012.

A new biomass support program will use the revenue from the tax to provide grants to coal users who switch to biomass, provide targeted support for biomass producers and provide new funding for research and development. In addition, the Retail Sales Tax will now be removed from all

biomass used for cooking or heating to encourage a switch from coal use.

To ensure significant greenhouse gas reductions, Manitoba will also ban the use of coal for space and water heating effective January 1, 2014.

Geothermal heat pumps eliminate the need for natural gas and reduce greenhouse gas emissions by an average of five tonnes per home per year.

This year, the Green Energy Equipment Tax Credit for geothermal heating systems is increased from 10 per cent to 15 per cent, effective for installations after April 12, 2011.

Our natural areas are some of our most important resources. To encourage more Manitobans to visit, parks entry will once again be free in 2011.

We're also introducing a five-year plan for exciting new capital infrastructure projects in our parks across the province, including Bird's Hill Park.

Further funding is also being directed to support operating costs as well as upgrades and maintenance at parks, including road upgrades, new playgrounds and trails, wastewater treatment improvements, and washroom and shower upgrades at sites across the province.

This year, we are investing in staff and operating costs to open a new full-service, 120-site campground at Winnipeg Beach Provincial Park. We are also making investments to service and operate campgrounds in Rivers, Wellman Lake and Childs Lake.

Other initiatives include:

- developing cottage lots at Black River First Nation by partnering with the community to create economic development opportunities
- expanding several wildlife management areas to mark the fiftieth year of the creation of wildlife management areas
- supporting finalization of the UNESCO World Heritage Site nomination and the submission to Parks Canada

to protect the boreal forest in partnership with First Nations communities

- investing in the operation of the Waabanong Anishinaabe Interpretive Centre at Hollow Water First Nation

Additional funds will strengthen the capacity of the Office of Drinking Water, supporting our ongoing efforts to improve access to safe, reliable drinking water.

We are committed to supporting farmers and producers, especially in what could be a challenging year.

Rural Economic Development Initiative funds will be maintained this year to support a wide range of projects that help rural communities seize new opportunities for economic growth.

The expansion of the Food Development Centre will create a full-service facility that will help producers, processors and entrepreneurs start up new businesses. We're also investing in research that will identify potential opportunities for new prairie-grown and prairie-made foods.

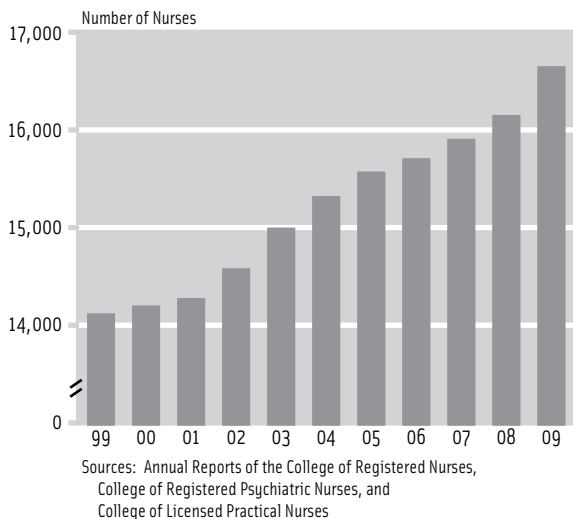
We are increasing compensation from 80 per cent to 90 per cent for agricultural producers who have experienced losses such as crop damage or loss of livestock due to wildlife. We're also working to develop a range of livestock insurance programs to support producers.

Additional resources will be committed to further increase funding for production insurance to make sure producers can deal with excessive moisture or other potential hazards.

Protecting Front-Line Services

History has shown us that severe cuts to core services are reckless and would only cost more later. Mr. Speaker, we will not cut the services that Manitoba families value. Budget 2011 continues to protect and strengthen these services.

Total Active Practising Nurses



Advancing Health and Healthy Living

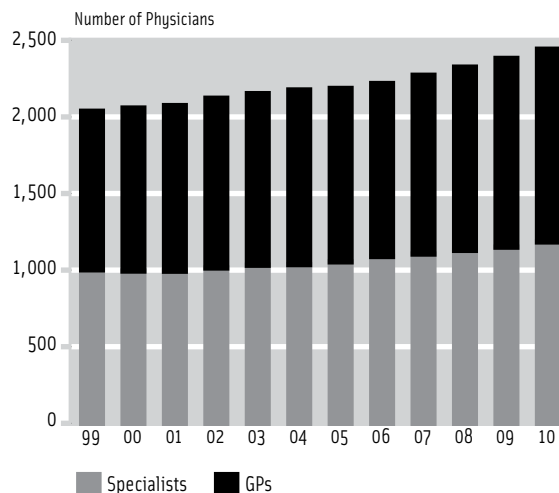
Budget 2011 supports our comprehensive plan to move health care forward and strengthen our health-care system. It is a top priority for us for a simple reason: it is a top priority for Manitobans.

One of the most important things we can do is support healthy families. In 2003, Manitoba was one of the first provinces to appoint a minister of healthy living. Today, we're continuing to focus on keeping Manitobans healthy and improving their quality of life.

Good nutrition is an important part of healthy living. This year, we are investing in a number of programs that support good food choices, including:

- expanding projects such as the successful Farm to School Healthy Choice Fundraiser Program, where schools sell healthy products instead of chocolate bars
- investing in the Winnipeg Foundation's Nourishing Potential endowment fund
- maintaining support for the dietitian hotline
- increasing funding for the Northern Healthy Food Initiative

Doctors Practising in Manitoba



- launching a new program to help Manitobans identify locally-grown products in stores and markets more easily

A new pilot program will support partnerships between schools and municipal recreation providers to open some schools after hours for community recreation programs.

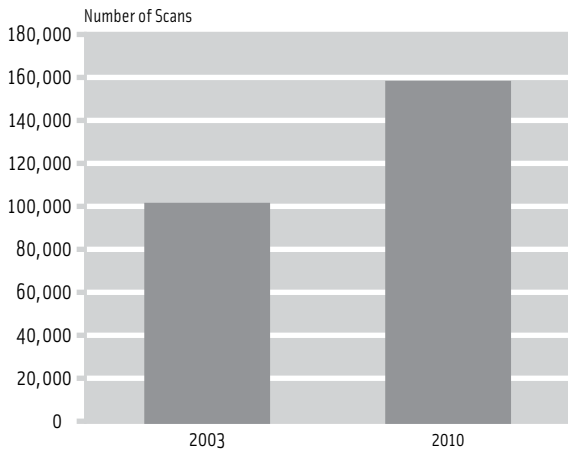
Earlier this year, we announced new support for chronic disease prevention, including a new tobacco reduction strategy. This year, we will increase tobacco taxes by two cents a cigarette while adding Pharmacare coverage for some smoking cessation aids to support Manitobans who want to quit.

Another way for people to stay healthy is to have timely access to a family doctor and primary health care teams, including nurse practitioners. By 2015, every Manitoban who wants a family doctor will have one.

Budget 2011 moves Manitoba forward by implementing several new initiatives, including:

- opening five quick-care clinics where nurse practitioners will offer some common medical services
- introducing a mobile primary care unit to offer routine care for northern and rural residents where they live

CT Scans Performed in Manitoba



Source: Regional Diagnostic Information

- establishing primary care networks, where teams of health professionals deliver and co-ordinate health services with patients and their families
- providing funding to physicians to implement electronic medical records to better serve patients

Construction on three Winnipeg projects – ACCESS St. James, ACCESS Nor’West and a new clinic in Weston/ Brooklands – will begin this year, improving access to family doctors and primary care.

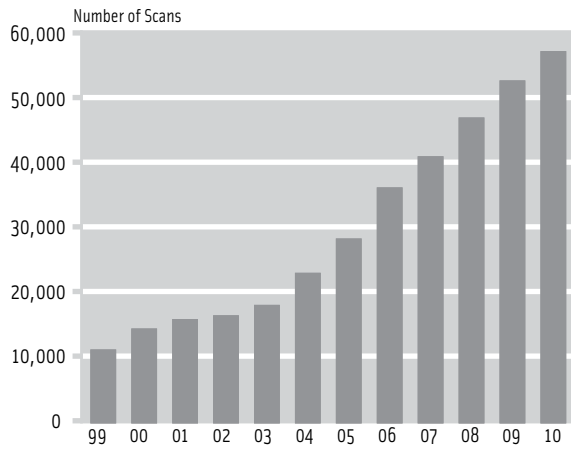
Together, these initiatives will provide Manitobans with improved access to health care, as well as reduce reliance on emergency rooms and hospitals.

To support increasing the number of doctors and nurses in Manitoba, we are:

- increasing resources for the Aboriginal Medical Student Scholarship Program
- providing incentives to encourage medical students to work in under-served areas of the province after graduation
- providing permanent and stable annual funding for the Nurses Recruitment and Retention Fund

Bringing health care closer to home for families across this province is a priority. The last decade has seen diagnostic equipment, dialysis units, cancer services

MRI Scans Performed in Manitoba



Source: Manitoba Health

and surgical services added at sites across rural and northern Manitoba.

New dialysis units have opened or will open this year in Russell, Gimli, Berens River and near Peguis First Nation.

Budget 2011 provides funding for a new cataract surgery program in Swan River, which will complement existing sites in Brandon, Winnipeg, Portage la Prairie and Minnedosa.

Cancer treatment has seen major improvements since 1999. Manitobans now have the fastest access to radiation therapy in the nation. Radiation therapy will soon be available outside of Winnipeg for the first time when the Western Manitoba Cancer Centre opens this spring in Brandon.

Screening programs have been introduced or expanded to help detect cancers earlier, and the budget for cancer drugs has more than doubled. We will make further investments in our cancer system to ensure quality care.

In 1999, four MRI machines in Winnipeg performed just more than 10,600 scans. In 2010, eight MRI machines located around the province performed more than 56,700 scans, an increase of 434 per cent in just 12 years.

We’ve also seen an increase in CT scans, moving from 100,400 scans in 2003 to 157,100 scans in 2009 after

investments in eight additional machines, many in rural and northern communities for the first time.

Budget 2011 provides funding for new and replacement diagnostic equipment, to ensure these much-needed services continue to be available in communities across the province. There is also increased funding for these and other services that will help to reduce wait times for patients.

This year will see a number of milestones in caring for moms and babies, including:

- the opening of a new birthing centre in south Winnipeg that will serve as a hub for the region's midwifery program
- the start of construction at the new women's hospital
- continued planning for a 10-bed hospital in Notre Dame de Lourdes, which will include new birthing facilities
- the opening of the expanded maternity ward at St. Boniface General Hospital
- additional funding for neonatal intensive care unit capacity

Ensuring universal health care is not only accessible but affordable is also a priority. Budget 2011 continues to protect Manitobans from rising drug costs. As part of our five-year plan, Pharmacare deductibles will again only rise by the rate of inflation. We will invest additional funding in provincial drug programs to ensure 100 per cent of all eligible drug costs above deductibles remain covered.

Fees have been eliminated for soft, foldable lenses used in cataract procedures and coverage will be added for pediatric insulin pumps.

Budget 2011 includes a number of investments for emergency services across the province. Planning for a new helicopter ambulance is under way, and Budget 2011 also includes funding for:

- dedicated pharmacists in the province's busiest emergency departments

- improvements to the emergency departments at Health Sciences Centre Winnipeg
- an expanded emergency department at the Grace General Hospital
- the start of construction on the emergency department redevelopment at Bethesda Hospital in Steinbach
- planning a new emergency department in Dauphin
- more ambulance services and inter-facility transports across the province
- making permanent a successful paramedic pilot initiative at Winnipeg's Main Street Project

Over the last 11 years, we have made a number of changes to renew our mental health system. This year, we are introducing a new strategic plan to guide our work and will provide additional funds for several projects, including working with the courts to establish a mental health court.

Work is also beginning on the redevelopment of River Point Centre in Winnipeg, which will provide a range of addiction and mental health services through collaboration with a number of community organizations.

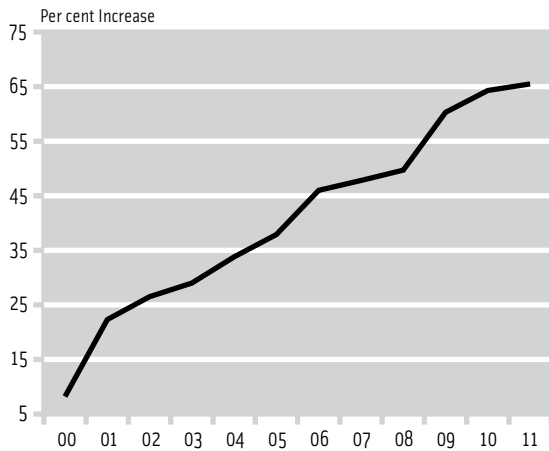
Supporting Manitoba Families, Children and Seniors

Budget 2011 continues to focus on services for families, children and seniors.

A new funding model for Child and Family Services will focus investments on preventative services to better support families and reduce the number of children who are taken into care.

We are establishing a children's victim centre to support children who have been abused, and investing in resources to address domestic violence, sexual exploitation and human trafficking.

Funded Child-Care Spaces, 2000-2011



Note: Data from 2000 to 2011 are for the fiscal years ending March 31.
Source: Manitoba Family Services and Consumer Affairs

We are also providing more support for families, including additional funding:

- to help people with intellectual disabilities live in the community
- for children with autism
- to address fetal alcohol spectrum disorder in Manitoba

Manitoba leads the country in the reduction of poverty rates for families with children. Between 2000 and 2008, the poverty rate for families with children in Manitoba declined by 44 per cent, lifting 19,000 children out of poverty. But there is still more to do.

That's why Manitoba introduced the ALL Aboard strategy in 2009, which focuses on long-term solutions to get at root causes of poverty. This has included increases to the minimum wage and the low-income tax threshold, increases for the RentAid program, implementing a new homeless and mental-health housing strategy and creating new, affordable child-care spaces.

Manitoba families with children on income assistance now keep the full value of federal child benefits, worth more than \$53 million annually.

Benefits for low-income families are more accessible today than ever before.

Support for Seniors

We honour our seniors and recognize the contributions they have made over their lives to every community in this province.

A wide range of programs and services supports their needs, from health and social services to safety and housing. We believe our multidimensional approach addresses the needs of seniors across the province.

Investments to support seniors and their families in Budget 2011 include:

- enhancements to the Primary Caregiver Tax Credit
- increases in the seniors' maximum Education Property Tax Credit
- expansion of the successful SafetyAid program
- continued investments to raise awareness and prevent elder abuse
- investments in long-term care, home care and rehabilitation services
- holding Pharmacare deductible increases to the rate of inflation
- providing funding for new affordable housing for seniors

Under the successful Rewarding Work program, Manitobans receiving employment and income assistance can get increased education and training opportunities and enhanced work incentives. As well, people who leave income assistance can continue to receive support for rent and their children to bridge any gaps once they obtain a steady job.

We are building on these accomplishments with further investments in poverty reduction, including funding for:

- further increases to help low-income Manitobans pay their rent
- a funding increase of one per cent for social service agencies

- new outreach support at the West Central Women's Resource Centre to link people in need to housing, social and health services
- 100 per cent of the funding for the Main Street Project in Winnipeg

Some neighbourhoods have a significant need for child-care services but schools do not have surplus space. School divisions can now apply for funding to build a child-care centre on existing school property.

This year, the internationally recognized Triple P parenting program will launch its hotline to provide parenting tips and support.

Manitoba families need child-care spaces that provide quality care. Under the Family Choices Program, we are funding 2,100 new spaces, as well as an additional 400 enhanced nursery spaces to meet the needs of Manitoba families. Further efforts will be made to support the stability of the early childhood educators' workforce.

Thousands of Manitobans are now part of the "sandwich generation," taking care of both their parents and their children. Budget 2011 provides support for these dedicated, caring Manitobans.

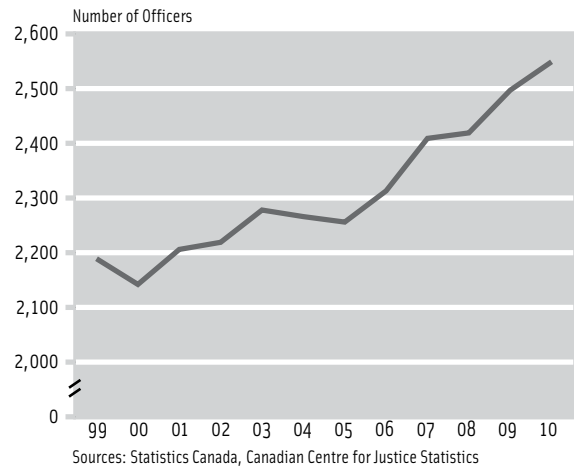
The Primary Caregiver Tax Credit is a one-of-a-kind provincial tax credit that provides recognition and financial support to individuals who serve as volunteer caregivers. To further support these generous caregivers, we are increasing the maximum credit.

We are also expanding the successful SafetyAid program to south-central and south-western Manitoba to provide information on home safety and fall prevention and installation of safety equipment for low-income seniors.

As Manitobans grow older, some may need more specialized care than their families can provide. We are focusing on providing a wide range of long-term care services, and we recently announced the renewal of our long-term care plan.

This includes a new pilot program called HomeSafe that will provide medical care in the home for people with fragile health so they don't have to be admitted to hospitals.

Police Officers in Manitoba



Budget 2011 also includes additional funding for more staff at all personal care homes, a capital expansion at Holy Family Personal Care Home in Winnipeg, a new personal care home in Lac du Bonnet and increased hours for home care.

Safe, Secure Communities

All Manitobans are entitled to feel secure in their homes and communities, and we are investing in initiatives to ensure the safety of all Manitobans.

Mr. Speaker, we'll meet our four-year commitment to add 100 new police officer positions for a total of 255 new officers since 1999. This year, we are funding 17 new officers for the City of Winnipeg and providing additional resources for the RCMP in rural and northern Manitoba.

We are also funding 50 per cent of the cost of hiring 50 police cadets in Winnipeg. An additional 20 cadets will be trained and deployed this year to join the 30 cadets that started work this past January.

In the months ahead, we will introduce legislation to create a new squad dedicated to locating and apprehending high-risk fugitives who are the subject of outstanding warrants.

We are extending the police in schools program, and expanding it to add three additional officers in Winnipeg.

An additional 10 prosecutors and seven support staff will also be hired this year as part of our commitment to add 82 new staff to the prosecutions branch by 2016. We're also investing in enhanced security for corrections staff.

Construction continues on the new women's correctional centre and the expansion of the Milner Ridge Correctional Facility.

Budget 2011 includes an increase in provincial funding for Legal Aid to ensure continued services for Manitobans, including vulnerable women and children. We are also increasing resources to enforce *The Safer Communities and Neighbourhoods Act*, which has supported shutting down almost 500 drug dens.

We continue to invest in crime-prevention initiatives. Budget 2011 includes funding to support the expansion of the innovative Gang Response and Suppression Program and the successful COACH Project in the Winnipeg School Division to help children at risk of dropping out of school.

We are investing in the Gang Awareness for Parents project, which helps parents, caregivers and other adults identify signs of gang involvement, and links people with resources to deal with children who are at risk of, or involved in, gang activity.

More resources will support projects that prevent youth from getting involved in crime such as auto theft, and the Lighthouses program will be expanded to five additional sites.

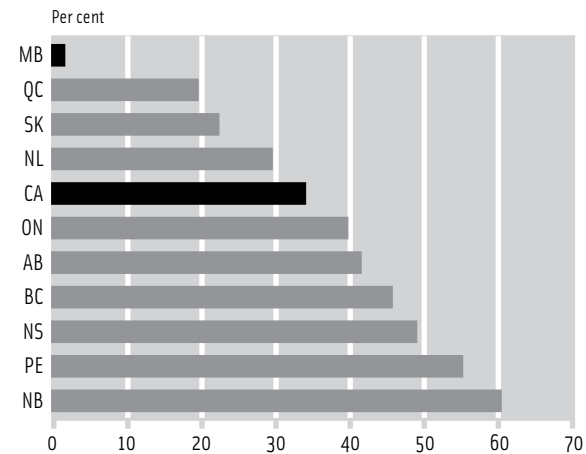
Culture and the Arts

Manitoba provides some of the strongest support for arts and culture in Canada, and our recreation and cultural opportunities enrich the quality of life we enjoy.

Two new libraries will be established in rural Manitoba this year, and we are providing funding to support these important projects.

We are sustaining funding to the cultural community, including museums, concert halls and other valuable institutions, with a special focus on urban arts centres.

Property Tax Changes, 2000 to 2010



Source: Statistics Canada

We're also making new investments to support film and television production equity through Manitoba Film and Music.

Restore Balance and Maintain Affordability

Manitoba's Five-Year Economic Plan demonstrates how we are able to provide priority services and manage government spending while returning to balance responsibly.

We have already made good progress. Manitoba surpassed the targets for Budget 2010 and we are ahead of our projections.

In Budget 2011, overall expenditures are expected to rise by 2.3 per cent. The projected deficit of \$438 million is 0.8 per cent of GDP, third lowest among provinces.

The share of the total revenue spent on debt servicing costs is forecast to be six cents of every dollar – down from 13 cents in 1999. In 2011/2012, \$438 million will be used for debt-related payments.

Since 1999, specific initiatives have been undertaken to ensure sound fiscal debt management. These include:

- addressing the unfunded pension liability and funding the employer's share of current service pension entitlements for the first time since 1961

MANITOBA'S FIVE-YEAR ECONOMIC PLAN

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
	2010/11	2011/12	2012/13	2013/14	2014/15
	Forecast	Budget	Projection	Projection	Projection
	(Millions of Dollars)				
REVENUE					
Core Government ¹	10,496	10,799	11,096	11,563	12,151
Other Reporting Entities*	2,634	2,622	2,620	2,696	2,740
TOTAL REVENUE	<u>13,130</u>	<u>13,421</u>	<u>13,716</u>	<u>14,259</u>	<u>14,891</u>
EXPENDITURE					
Core Government Programs and Services ¹	11,030	11,378	11,581	11,849	12,106
Other Reporting Entities*	2,637	2,626	2,625	2,701	2,745
TOTAL EXPENDITURE	<u>13,667</u>	<u>14,004</u>	<u>14,206</u>	<u>14,550</u>	<u>14,851</u>
In-Year Adjustments/Lapse **	(70)	(145)	(145)	(145)	(145)
SUMMARY NET INCOME (LOSS)	<u>(467)</u>	<u>(438)</u>	<u>(345)</u>	<u>(146)</u>	<u>185</u>
Budget 2010 Plan Summary Net Income (Loss)	(545)	(448)	(345)	(146)	185
Improvement from Budget 2010	78	10	-	-	-

¹ includes 2011 Spring Flood Contingency of \$30 million in expenditures offset by \$27 million in revenue

* includes consolidation adjustments

** In-Year Adjustments/Lapse could be an increase in revenue and/or decrease in expenditures

- appropriating money for the amortization of all capital investments which is used to pay down the cost of much-needed assets
- repaying general purpose debt
- dedicating money from the Fiscal Stabilization Account to pay down the core government deficit arising from the economic downturn

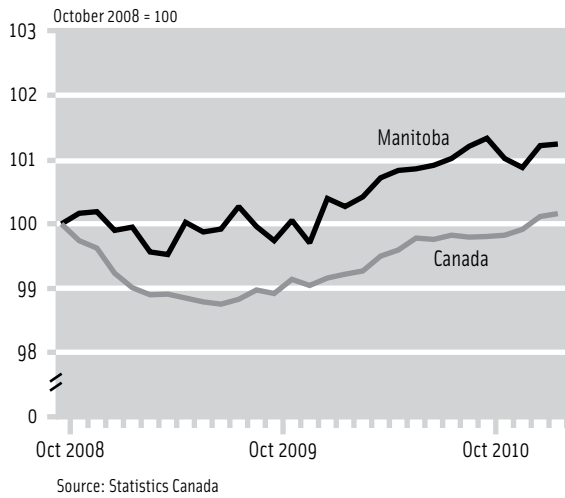
Manitoba's economy expanded by 2.5 per cent in 2010, with employment growing 1.9 per cent compared to Canada's 1.4 per cent increase.

Manitoba's unemployment rate in 2010 was 5.4 per cent, second lowest among provinces for the second consecutive year and below the national rate of 8.0 per cent. Manitoba's youth unemployment rate was 11.1 per cent, also the second lowest in Canada.

Manitoba's economy continues to grow steadily, including:

- lower unemployment rate than any province in the country over the past year
- strong labour force and employment numbers over the last 12 months, led by private sector job growth
- a retail sales increase of 5.5 per cent in 2010, the third-highest increase among provinces
- a housing start increase of 41.1 per cent in 2010, higher than the national average
- the most consistent growth in private capital investment among provinces over the last 20 years
- an increase in total capital investment spending in 2010, ahead of the national increase
- the second-strongest growth in private capital investment among provinces over the last five years

Employment Index - Canada and Manitoba



- an estimated increase in capital investment in manufacturing of 29 per cent in 2011

Since 1999, we have cut taxes to benefit Manitoba families and businesses, while maintaining front-line services.

Mr. Speaker, for the twelfth consecutive year, we will not increase major business or personal taxes. Rather, we are reducing them by almost \$65 million this year.

In fact, income tax reductions will remove 5,600 Manitobans from the tax rolls in 2011, and about 22,000 Manitobans by 2014.

The basic personal amount, the spousal amount and the eligible dependent amount will all be increased by \$1,000 over the next four years.

This is the first full year where small companies will pay no provincial income tax, as we were the first province in Canada to eliminate the small business income tax.

Manitoba has the largest provincial income tax-free zone for small companies in Canada.

Tax Credit Extensions

Budget 2011 also extends a number of tax credits that were scheduled to expire before the next budget, including:

- the Manufacturing Investment Tax Credit
- the Book Publishing Tax Credit, which is also being expanded to include digital and electronic publishing
- the Community Enterprise Development Tax Credit
- the Mineral Exploration Tax Credit
- the Odour Control Tax Credit
- the Co-op Education and Apprenticeship Tax Credits

This, in addition to the elimination of the general corporation capital tax, helps create a healthy business climate and a strong job market.

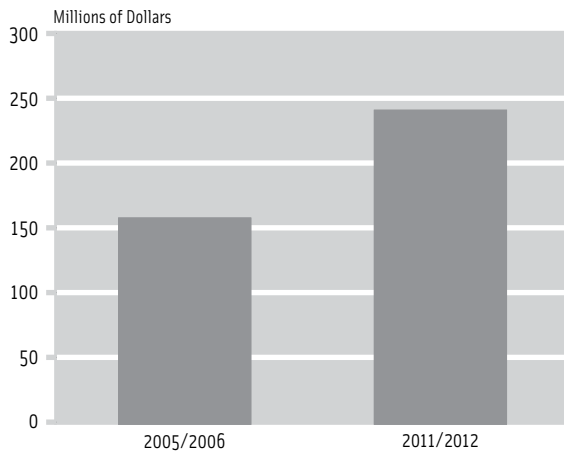
Access to capital remains an ongoing concern for local businesses. To provide support to smaller financial institutions which are better positioned to best serve local needs, we are introducing a provincial capital tax exemption for small banks with paid-up capital of up to \$4 billion.

Tax credits help Manitoba families save money and make our province a more attractive investment option to businesses.

The maximum Education Property Tax Credit for seniors will increase to \$1,100 over three years. This year, the maximum credit will be increased from \$800 to \$950.

We are continuing to provide the Manitoba Fitness Tax Credit for youth up to age 24. In order to foster enriching extra-curricular activities for children, a new tax credit will be introduced and will apply to organized and supervised arts and cultural activities taking place in Manitoba and outside a school's regular program.

Total Municipal Infrastructure and Transit Grants



Source: Manitoba Entrepreneurship, Training and Trade

Families can earn a credit of up to \$54 per child, totaling an additional \$3 million a year in income tax savings.

When combined, changes to the personal exemption, the property tax credit and the new credit for children's activities will save a family of four \$212 this year, and \$374 annually by 2014.

To promote innovation and entrepreneurship in the non-profit sector, we will be introducing the Neighbourhoods Alive! Tax Credit. This new tax credit will support partnerships between businesses and charitable community-based organizations to create jobs for people facing barriers to employment.

We are introducing the Cultural Industries Printing Tax Credit, a 15 per cent income tax credit for Manitoba printers who contract with publishers anywhere in Canada to print books authored by Canadians.

TD Economics recently reported that Manitoba households are the least vulnerable in the country to negative economic events, such as house price corrections, income disruption or increased interest rates.

In fact, they note Manitoba is the only jurisdiction in the country where households are even less at risk than in 2006.

Manitoba's hydro rates continue to be among the lowest in North America, keeping electricity costs low for Manitoba families and businesses.

Developing Our Communities

We continue to support links between the public sector, the private sector, not-for-profit organizations and communities themselves to build a stronger province.

This year, our government will spend the equivalent of one point of the provincial sales tax on municipal infrastructure and public transit. Mr. Speaker, this is an investment we believe should grow every year with the success of Manitoba's economy.

Therefore, our government will enhance the Building Manitoba Fund by changing the legislated annual revenue-sharing formula to the equivalent of one point of provincial sales tax.

This will ensure more predictable funding and greater future revenue growth in grants for municipalities. At the same time, we will enhance accountability and transparency so Manitobans will know these revenues are being invested in infrastructure across the province.

The successful Neighbourhoods Alive! program will be expanded to five new neighbourhoods in Winnipeg to support community development opportunities.

Brandon, the Wheat City of Canada, is Manitoba's second-largest city, and we work with the community to build opportunities, through projects such as the Strand Theatre.

As I have noted, investments in health care, education, infrastructure and affordable housing have been consistent and extensive. These partnerships are making a positive difference in people's lives.

This year, we are also providing funding to support the Brandon Regeneration Strategy, which is developing a long-term vision for the community's downtown renewal.

We will introduce a new, four-year capital infrastructure program for municipal recreation opportunities, including projects in Brandon.

The residential sump pump and back-up valve program introduced this spring has seen a strong response. In response to demand in Winnipeg, we are increasing our funding commitment by more than 66 per cent.

To support flood protection efforts, municipalities will no longer have to pay sales tax on flood-proofing materials.

Mr. Speaker, while some fight against a strong minimum wage, Manitoba families can count on us to fight for a strong minimum wage. This year, the minimum wage will be increased.

We're providing funding for a worker advocacy centre in Brandon that will also serve rural and northern Manitoba by helping workers access the services and benefits they need.

The Manitoba Mineral Exploration Assistance Program provides support to companies and individuals undertaking mineral exploration across the province. We are investing an additional \$500,000 this year to support a wide range of research, including the search for rare earth elements.

We continue to support economic development in our Metis communities. This year, we will provide additional funding for the Metis Economic Development Fund, which will be used to invest in Metis-owned businesses.

We're also focusing on the need for training for older Manitoba workers who have been affected by the economic downturn. This year, we're allocating increased funding for training supports for unemployed workers aged 55 to 64.

Manitoba has seen great results in reducing workplace injury. Mr. Speaker, workers are safer: the time-loss injury rate has been reduced by more than 40 per cent since 2000. This means more than 10,000 fewer workers sustain a workplace injury serious enough to lose time from work.

We've almost doubled the number of workplace safety and health officers since 1999. Updated workplace safety and health regulations for mines will be enacted this year,

completing our update of the legislative framework for health and safety.

Newcomers to Manitoba do well, find jobs and stay to make Manitoba their permanent home.

Manitoba welcomed a record 15,805 immigrants between January 2010 and January 2011. We will continue to work with business and community leaders to push for the removal of the cap on the Provincial Nominee Program, which has been so successful in recruiting and retaining newcomers who help our economy grow.

As another step in the development of our innovative settlement strategy, we'll be implementing a made-in-Manitoba solution for co-ordinated case management for refugees to determine their needs and support them as they begin their new lives in Manitoba.

Conclusion

Manitoba's Five-Year Economic Plan continues to bring steady growth and positive results through sound financial management. Our economy is among the strongest in Canada, our communities are thriving and Manitobans are optimistic about where we're going.

Changing direction now would only risk what we have built together. Manitobans have told us what they want, and we have listened.

This budget will create exciting opportunities, new jobs and steady growth. We are leading the way to a better future by investing in:

- families
- education
- innovation
- economic development
- affordability
- clean energy and water
- safer communities

Mr. Speaker, this budget keeps Manitoba on the right track – and moving forward.