

Fiscal Fitness Means a Debt-Free Future



For the fifth straight year, the Manitoba government has tabled a balanced budget. This marks the first time in a quarter century that Manitoba government has lived within its means for five consecutive years. The 1999 Budget projects a \$21 million surplus.

Because of this responsible approach, the Manitoba government is on track to pay off the provinces debt within 27 years. As the debt decreases, fewer tax dollars will go toward interest costs. This year, interest costs will be \$116 million lower than they were five years ago.

Paying off the debts of the past is one of the best things we can do to build a better future for our children.

Manitoba's Strong Economy: The Basis for a Better Tomorrow

Responsible management and competitive taxes have built a strong and diversified economy. Achievements of the past mean Manitoba is well-poised to meet the new challenges ahead.

- Manitoba's economic growth outpaced the national economy in 1996, 1997, and 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 – our lowest in almost 20 years.
- Recent statistics show family incomes in Manitoba experienced the largest increase in Canada – more than four times the national average.
- Our province continues to set new records for manufacturing shipments, exports and consumer spending.

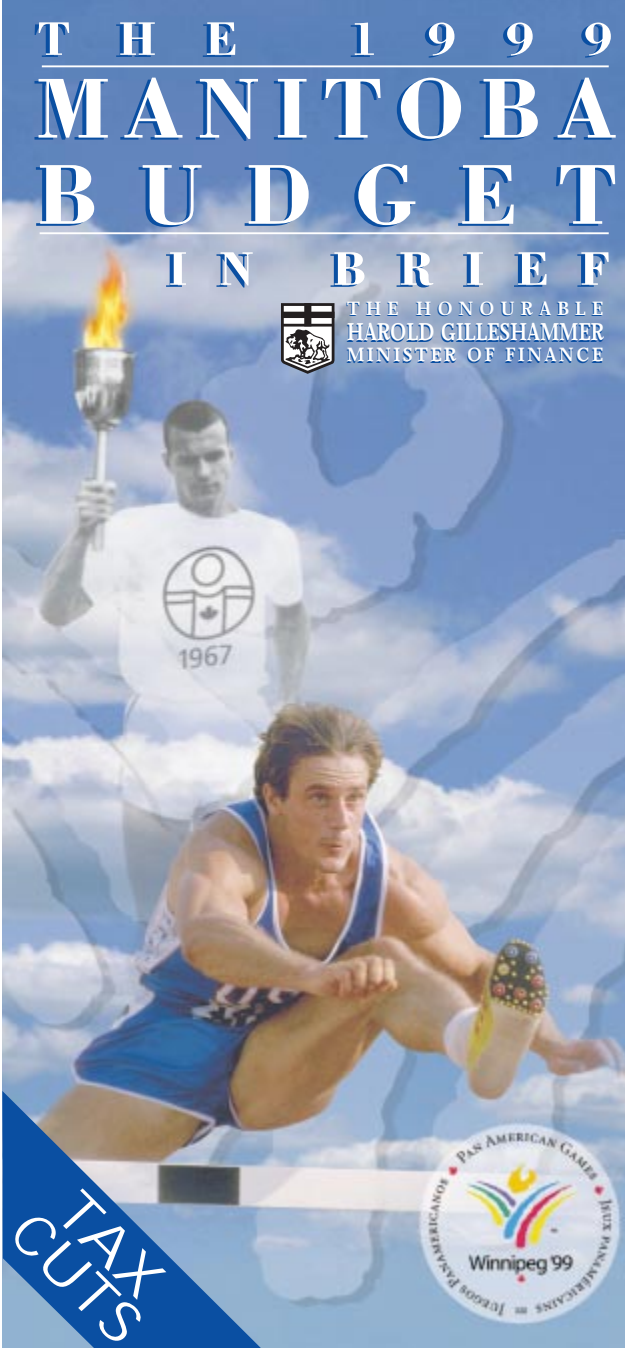
Cover photo: In 1967, Premier Duff Roblin welcomed the Pan American Games to Manitoba. This year, Premier Gary Filmon does the same. The cover of the 1999 Budget features a torch bearer for the 1967 Games, with a modern-day hurdler in the foreground. Together, they represent our pride in past achievements, and our determination to meet new challenges.

The 1999 Budget is available on the Internet at www.gov.mb.ca/finance and by special arrangement in alternative formats for the visually impaired.

Offert en français.



TAX CUTS



A Budget to Meet New Challenges

Message from the Minister of Finance

As we approach a new millennium, Manitoba is at a critical crossroads. After a decade of careful management, our government's finances are healthier than at any other time in the last quarter century. We have overcome a legacy of deficit financing and high taxes to enjoy several years of steady growth and the lowest unemployment rate in Canada.

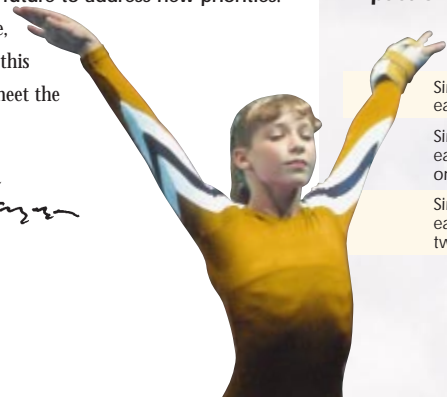
This is certainly a time for optimism, but also a time to avoid the dangers of complacency. The status quo is not an option. Careful spending and forward-looking policies have brought us this far. We must continue these policies and move forward with even greater strength.

A competitive tax environment is one focus we must maintain. In our 1999 Budget, we are proud to introduce another across-the-board cut to Manitoba's personal income tax rate. This and other tax reductions will help our economy stay competitive and growing.

A strong economy is vital to support important social services and the many improvements now under way in our health system. In the year ahead, we will see our past investments paying off in terms of shorter waits for diagnosis and treatment, more beds and improved services. Health care will continue to be our number one priority.

Manitoba's 1999 Budget shares the benefits of responsible fiscal leadership, but also looks to the future to address new priorities. Our government has the experience, vision and commitment to stay on this path. Together, we stand ready to meet the new challenges ahead.

Harold Gilleshammer
Harold Gilleshammer
 MINISTER OF FINANCE



Tax Cuts Encourage Growth

Further cuts to personal and business taxes make our province the best place to live, work and invest in the future.

- Manitoba's personal income tax rate will be cut by three full percentage points by January 2000 to put more money into the hands of Manitobans.
- In total, provincial personal income tax reductions will save Manitobans \$70 million this year and \$112 million in 2000.
- Small business income tax rate will be cut from 9% to 5% by 2002 to help small companies expand and create more jobs.
- Manitoba Equity Tax Credit will be introduced as a further incentive to invest in Manitoba companies and create jobs.
- Manufacturing Investment Tax Credit will be extended to 2003 to spur on the growth of Manitoba's booming manufacturing sector. About 10,000 manufacturing jobs have been created since this Tax Credit was introduced.
- Manitoba Film and Video Production Tax Credit will be extended to 2002. Since 1997, budgets for local productions have almost tripled, providing \$10 million in wages for Manitobans.
- Lower Tax Commission will be established to ensure the provincial tax system is simple, fair and competitive.



Impact of Manitoba Tax Cuts, 1997-2000

	Per Cent Reduction in Manitoba Tax	Combined Manitoba/Federal Reduction
Single senior earning \$15,000	100%	\$423
Single-income family earning \$40,000, one parent, one child	11.5%	\$765
Single-income family earning \$60,000, two parents, two children	9.3%	\$1,248

A 10% Increase in Health Care Funding

The 1999 Budget shares the benefits of a healthy economy by investing \$194 million more in our health system. With a total budget of \$2.1 billion, we are now spending \$5.8 million on health care every day.

New funding supports our plan to reduce waiting times, increase bed numbers and provide more community-based care.



Reducing Waiting Lists

- \$27.5 million for new equipment will help reduce waiting times for CT scans and other procedures.
- \$62 million, or 8% more funding, will expand surgery capacity and other acute care services. The new funding means shorter waits and improved access to services. This year alone, our health care system will offer 11,000 more mammograms, and 15,000 more dialysis treatments.
- \$1.3 million more will provide a 30% increase in the number of radiotherapy treatments for cancer.

Relieving Hospital Overcrowding

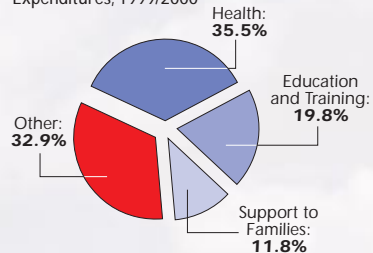
- \$123 million will be used to build and upgrade health care facilities, including those for long-term care. With the completion of these projects, 850 personal care home beds will have been added to the system since 1997. As long-term care patients move to these facilities, more hospital beds will become available.
- Funding for personal care home services will increase to \$300 million, a 5% increase, to support the growing need for long-term care.

More Community-Based Care

- \$20.5 million more for home care funding, a 16% increase, brings total annual spending to \$147 million. This funding will help more Manitobans remain in comfortable and familiar surroundings, while reducing the average length of hospital stays. About 32,000 Manitobans are expected to benefit from the service this year.
- \$2.8 million will be used to create community-based health care centres providing more convenient access to a wide range of services.
- \$3 million more will expand palliative care services.
- \$400,000 will be used to expand specialized services for stroke patients.

Over 35% of our provincial budget is devoted to health care. Since 1988, our government has increased annual health care funding by almost \$800 million, or 60%.

Meeting the Health Care Challenge
Expenditures, 1999/2000



Better Jobs and Training Opportunities

The 1999 Budget will direct more funding to programs that help Manitobans prepare for the new economy.

- A 5% increase in support of post-secondary education includes \$4 million in new funding for the Colleges Growth Fund, to help colleges develop and expand programming that responds to labour market needs.
- The extension of the Manitoba Scholarship and Bursary Initiative will generate \$40 million in assistance over the next four years.
- \$2.4 million more for the in-school Apprenticeship Program is part of our plan to double apprenticeship training capacity by 2000/01.

Our Children, Manitoba's Future

More funding for schools will help educators prepare our young people for the opportunities ahead.

- School divisions will receive a \$17.7 million or 2.3% funding increase.
- Schools will receive \$8 million more to add new learning technology. Information Technology Grants will increase from \$10 to \$40 per pupil.
- \$3.2 million more will support curriculum development and standardised testing.
- \$1 million more will be directed to paediatric speech, language and audiology services.
- \$47.6 million will be spent on school renovations and construction.

An additional \$25 million will be devoted to programs supporting children and families:

- \$5.3 million more to increase quality, affordable child care spaces and options.
- Expansion of services for children and youth with special needs, and programs that help our children enjoy the best possible start in life.

Improvements to Roads and Streets

- Almost \$180 million will be put to work to construct and maintain our highways and transportation infrastructure.
- \$5 million is earmarked for residential street repairs in Winnipeg.

More Support for Communities

- 10% increase in tax transfers will direct an additional \$6.5 million to municipal governments. This means Winnipeg will receive almost \$4 million more in tax transfers alone.
- The Take Back the Streets initiative will help Neighbourhood Renewal Committees find innovative solutions to problems in Winnipeg's inner city.
- \$18.6 million is committed to capital projects that renew and enhance Winnipeg's urban infrastructure.



Strengthening the Rural Economy

- The Rural Economic Development Initiative (REDI) will continue to stimulate local growth by providing \$21 million in funding.
- Manitoba farmers can continue to branch out into more profitable ventures with help from the Diversification Loan Guarantee Program, which has been extended to March 31, 2001.
- \$25 million for the Manitoba Producer Recovery Program will provide stability for farmers affected by recent market downturns.

