
The 2015 Manitoba Budget Address

Honourable Greg Dewar
Minister of Finance
April 30, 2015

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THE 2015 MANITOBA BUDGET ADDRESS

CONTENTS

INVESTING IN YOUR FUTURE	1
EDUCATION AND TRAINING	2
INFRASTRUCTURE: BUILDING A STRONGER MANITOBA	3
AGRICULTURE	5
TRUE BALANCE: AFFORDABLE GOVERNMENT, STRONG SERVICES	5
HEALTH	5
HEALTHY KIDS	6
AFFORDABILITY	7
PREVENTION AND PROTECTION	7
ENVIRONMENT	8
TOURISM AND CULTURE	8
CONCLUSION	8



I am honoured to present the 2015 Manitoba Budget. Budgets are about choices. This budget chooses to build instead of cut. It builds on what is working to provide more jobs, better roads and stronger services.

In short, Mr. Speaker, it says to Manitoba families: we are on your side.

INVESTING IN YOUR FUTURE

Across Canada, and around the world, governments have faced a momentous challenge: how to achieve steady growth and good jobs at a time when the global economy is still struggling to recover from the Great Recession.

Rather than shrink from this challenge, our government acted quickly and boldly to keep people working. We put in place a plan based on investing in infrastructure and skills. We call it our Plan to Build a Stronger Manitoba.

Investing in strategic infrastructure projects allows us to build and repair roads, bridges and flood protection. Doing so creates jobs now as it lays the foundation for an even stronger economic future.

And by investing in education and training we are helping more Manitobans, especially young Manitobans, get the skills they need. Skills that will help them start careers and take advantage of the opportunities created by a growing economy – here at home.

That is our plan. And the results are compelling.

The Conference Board of Canada forecasts Manitoba's average rate of economic growth to lead the country for 2015 and 2016 combined. That's right, Mr. Speaker: best in Canada.

Of course, a forecast of three per cent GDP growth in 2016 is an impressive number, and an important one. But it is just that: a number. What really matters is: how does this affect Manitoba families?

For most people, the most important economic indicator is a job. And here, too, our plan is delivering. We know our plan is working because Manitobans are working.

Our economy is creating jobs faster than any other province – more than 20,000 new jobs since we delivered our last budget. Once again, Mr. Speaker: best in Canada.

In fact, our rate of employment growth is nearly four times the national average.

And wages are following suit: average weekly earnings in Manitoba grew 4.3 per cent last year. That's right, Mr. Speaker, here too we are the best in Canada.

The average working Manitoban saw their wages go up \$40 per week over the last year, or about \$2,000 a year. That is money that makes a real difference in the lives of families – money a family can use to buy hockey equipment, or tuck away for retirement, or do some renovations around the home.

Growth. Jobs. Wages.

Mr. Speaker, that is what a strong economy means for Manitobans. And that is what our plan is delivering.

For most people, the most important economic indicator is a job. Our economy is creating jobs faster than any other province.

Businesses share our confidence in Manitoba's future. Three out of every four new jobs are in the private sector. And these are good jobs: four out of five are full time. For thousands of young Manitobans, this is the start of a new career.

With numbers like these it is easy to understand why BMO Capital Markets named Manitoba a "rising star" in job creation.

Let me put it plainly, Mr. Speaker: we have a plan and that plan is working.

And people are noticing – not just across Canada, but around the world. Last year over 16,000 people immigrated to Manitoba to take advantage of the opportunities our province has to offer. Mr. Speaker, that is a new modern-day record.

The social benefits of a strong economy are widespread. Wages rise and crime rates fall.

“Increased public infrastructure investment raises output in both the short and long term... the time is right for an infrastructure push.”
-International Monetary Fund

We are fixing the roads, creating jobs and keeping health care strong for the future. More people are living and working in Manitoba than ever before, and they are earning more to support their families. Budget 2015 keeps our momentum building.

Our plan is based on the priorities of Manitobans. We listened to industry. We listened to labour. We listened to educators. And then we moved forward together to implement our plan.

Let me emphasize one important point. Manitoba’s economic success is the result of a deliberate choice made by our government to invest in the future. It is no accident that Manitoba leads the country in economic growth and job growth – and we must not take it for granted. Because our momentum could be stopped in its tracks by a turn to austerity and reckless cuts.

EDUCATION AND TRAINING

Education goes hand in hand with infrastructure investment in our plan.

Budget 2015 introduces a Youth Jobs Strategy, building on some of our most successful programming and targeting new funding to help more young Manitobans

take advantage of the opportunities offered by our growing economy.

We have all heard the expression: you need experience to get a job, but you need a job to get experience. Our Youth Jobs Strategy will offer programs that meet the needs of students. Whether they need to get their foot in the door with that first job, or are university graduates looking to move one step closer to a career.

Enhanced tax credits will help more firms cover the costs of training young people – helping businesses hire and grow, and helping students get work experience when they need it most.

It is no accident that Manitoba leads the country in economic growth. Our momentum could be stopped in its tracks by a turn to austerity and reckless cuts.

Two of out every three jobs created in the next decade will require university, college or apprenticeship training. Our education system will rise to meet this labour-market challenge.

Since 1999:

- college enrollment has increased by 51 per cent;
- university enrollment by 45 per cent; and
- apprenticeship spaces have more than tripled.

During that period over \$1 billion was invested to rebuild and expand campuses after the neglect of the 1990s. Mr. Speaker, Budget 2015 continues to make strong investments in colleges, universities and apprenticeship training, while protecting affordability for students.

This budget also:

- adds 200 more apprenticeship seats in Manitoba’s colleges;
- funds additional engineering seats at the University of Manitoba; and
- increases funding for Adult Learning Centres.

And, Mr. Speaker, this August, Manitoba student loans will be interest-free for the first time.

In the months ahead we will release our new Post-Secondary Strategy, which will ensure the system is responsive to the needs of students and the labour market.

Students at the University of Manitoba and the University of Winnipeg support the expansion of the U-Pass for affordable public transit. Manitoba has the most generous transit funding agreement in Canada, and we are pleased to support affordable public transit for students.

We commend students and the administration at the University of Winnipeg for making a credit in Aboriginal content mandatory.

To support French students we will provide new resources to the Université de Saint-Boniface to expand career development opportunities and course options, including delivering more French university courses for students while still in high school. We will also build new training facilities with the Division scolaire franco-manitobaine.

The University College of the North, with newly opened facilities in Thompson, The Pas and a dozen other communities, provides students across northern Manitoba with greatly expanded opportunities for post-secondary education close to home.

Budget 2015 marks the sixteenth consecutive year we have increased K-12 education funding at or above the rate of economic growth. Mr. Speaker, we have re-built the system after the days of the 1990s when teachers were laid off and classrooms were over-crowded.

Since we formed government in 1999, we have built or replaced 35 schools. And soon we will announce even more.

I am also pleased to announce our high school graduation rates have improved to 87 per cent in 2014 – a modern-day record.

We are collaborating with the Deans of Education to strengthen teacher education in math, opening new science labs and hiring more teachers to reduce class sizes.

We continue to advocate for federal funding of on-reserve schools at the same level as provincial schools. We look forward to partnering with the federal government to secure funds to increase Aboriginal graduation rates.

Our government will invest in Aboriginal students by increasing Aboriginal Academic Achievement grants. Successful partnerships with Manitoba Institute for Trades and Technology and Frontier School Division help support the educational aspirations of First Nations students.

Budget 2015 continues to move Manitoba toward a truly universally accessible child-care system by:

- investing in 900 newly funded child-care spaces;
- supporting higher wages for child-care workers; and
- building and expanding child-care centres.

Our education strategy is at the heart of our economic strategy. And it is working. As our province welcomes more newcomers every year, we recognize the ongoing need to ensure they have access to English as an Additional Language supports.

INFRASTRUCTURE: BUILDING A STRONGER MANITOBA

Last year we invested over \$1 billion in core infrastructure – the most ever. This year we'll invest even more.

Hundreds of investments, large and small, are changing the face of Manitoba and creating jobs and long-term economic benefits. For example:

- Improving Highway 1 west of Winnipeg allows us to safely increase the speed limit to 110km/hr.
- The new interchange at Highway 59 and the Perimeter, where work will begin this year, will allow traffic to flow faster through one of the busiest intersections in the province. This investment will not only save time and money, it will reduce an estimated 18,000 tonnes of greenhouse gases every year.
- Work will continue on Highway 75 to bring it to interstate standards for flood protection, and planning work is also underway on raising Highway 75 to ensure access during major floods.

- Work continues on the all-season road on the east side of Lake Winnipeg, including bridges and strategic investments in winter roads. These projects create local community benefits and jobs.
- Work has begun on an expansion of the Cartier water treatment plant to serve CentrePort and surrounding communities. Since the completion of CentrePort Canada Way, 39 businesses have opened in the inland port, creating hundreds of new jobs.

Our government continues to provide record funding to municipalities, including the City of Winnipeg. Budget 2015 will provide more than \$440 million in support of communities' priorities from roads, to flood protection, to police.

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in core infrastructure – the most ever.
This year we'll invest even more.*

We have made record levels of investment in Winnipeg roads and will continue to cost-share all City of Winnipeg road renewal projects.

Today we commit to working with the City of Winnipeg to advance its priorities for major road projects to the federal government. Mr. Speaker, this includes the Waverly Street and Marion Street underpasses.

We will also increase our support for transit with funding for Stage 2 of rapid transit, widening the Pembina underpass and active transit corridors.

We are committing \$5 million to Mayor Bowman's new Build Winnipeg Partnership. We will also assist the City of Winnipeg and University of Manitoba Faculty of Engineering in the establishment of a new Research Chair in Municipal Infrastructure Innovation.

Outside of Winnipeg, funding has been increased for the municipal road improvement program, the municipal bridge program, rural transit and rural handi-transit services.

In Brandon, major projects that have begun, or will begin soon, include:

- repairs to the Keystone Centre roof;
- continued redevelopment of the Assiniboine Community College historic north hill campus;
- upgrades to allow the Brandon Airport to serve more commercial flights;
- twinning the bridge at First Street; and
- pre-construction work on the Daly Overpass.

We are already recognized as a leader in Canada at securing and advancing funding for rural community projects through the New Building Canada Plan. In the year ahead, we look forward to working with communities and the federal government to identify more priority projects.

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This includes the Waverly Street
and Marion Street underpasses.*

Manitoba Hydro is creating jobs and opportunities across the province, and Aboriginal people are partnering with Hydro and benefiting from economic development. Hydro is committed to working with Aboriginal communities to ensure they share in the benefits of hydro development, as well as increasing Aboriginal employment at Manitoba Hydro itself. Currently, nearly one in five Manitoba Hydro employees is Aboriginal, and 45 per cent of Hydro employees in northern Manitoba are Aboriginal.

The construction of Keeyask and Bipole will boost the provincial economy by more than \$1.5 billion and create thousands of jobs, especially in northern and Aboriginal communities. These projects will ensure Manitobans always have reliable electricity, while keeping rates affordable for years to come.

Our government's commitment to First Nations and Metis economic development is creating jobs. As of this month, the First Peoples Economic Growth Fund and the Metis Economic Development Fund have invested over \$23 million combined and created or maintained over 700 jobs.

AGRICULTURE

We are investing in innovation to support growth and competitiveness in Manitoba agriculture. We will build on Manitoba's international reputation as a global grain centre by investing in the Manitoba Grain Innovation Hub. Through collaboration with industry, we will identify research to help capture opportunities. And we will continue investment in diversification centres.

In Manitoba the Richardson Centre for Functional Foods and Nutraceuticals, the Food Development Centre in Portage la Prairie, and The Canadian Centre for Agri-Food Research and Medicine together make up a world-class value-added cluster.

Manitobans love farmers markets and local produce. We will help local small-scale food producers turn their ideas and skills into successful enterprises.

TRUE BALANCE: AFFORDABLE GOVERNMENT, STRONG SERVICES

This budget is responsible. It limits the increase in overall spending to the same rate as the growth of the economy. While other provinces are cutting front-line services and introducing user fees and health premiums, we have chosen a different path: growing the economy and strengthening services.

Despite our successes in Manitoba, we know that global economic uncertainty is the new normal. Our plan is delivering results: nation-leading economic and employment growth.

Our government also has a long-standing commitment to return to a balanced fiscal position. We have taken meaningful steps to deliver government more efficiently,

including: reducing the number of regional health authorities from 11 to 5 and directing the savings to the front lines; merging two Crown corporations; and reducing the number of government-appointed agencies, boards and commissions.

In our last Throne Speech we committed to reducing the total footprint of government office space by 100,000 square feet. I am pleased to report that this year we will exceed that target by 40 per cent. Two years ago we committed to reduce the size of the civil service by 600. We have now met that commitment.

Manitoba's deficit is getting smaller year-over-year. And relative to the size of the provincial economy, it is shrinking even faster. We will continue to reduce the deficit responsibly.

Industry tells us not to take our foot off the gas. Cutting now would devastate our economy. Families tell us to protect the jobs and services they rely on. Mr. Speaker, that means we will not make massive cuts to front-line services or put thousands of Manitobans out of work.

HEALTH

While some governments have chosen cuts, we have chosen to grow the economy and protect front-line services like health care.

Mr. Speaker, we are putting patients and their families first.

In the 1990s, doctors and nurses were fleeing the province. Today, we have record numbers. This means stronger hospitals and ERs, and faster screening, diagnosis and treatment for cancer patients.

While other provinces are imposing cuts, we are proud to work in partnership with health-care providers to ensure our system is sustainable for future generations.

Earlier this year we reached an agreement with Manitoba's doctors to work together to enhance the sustainability of the health-care system. Together we will find efficiencies of \$50 million over four years.

Modernizing health care keeps it strong.

Our new Family Doctor Finder has already connected nearly 28,000 Manitobans with a family doctor since it was launched last year.

Two new QuickCare Clinics are nearing completion, in Southdale and Seven Oaks, bringing the total to seven. Over 122,000 patient visits have already taken place at these innovative clinics, which offer better, faster care for families closer to home.

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Construction on the new Women's Hospital is schedule to be complete in 2016.

Rural and northern Manitobans are also getting better care closer to home. New and improved health facilities are under development in communities across Manitoba.

More and more Manitobans find themselves caring for aging parents and school-aged children at the same time. Our government introduced an innovative caregiver tax credit to help members of the so-called sandwich generation.

Mr. Speaker, Budget 2015 increases this benefit by 10 per cent, which will give thousands of caregivers support of up to \$4,200 each.

We look forward to continuing our work with a broad community coalition to advance a new International Centre for Dignity and Palliative Care.

We are also making sure supports are in place to allow seniors to live at home as long as possible, including:

- more home-care workers and extended home-care hours;
- more hospital home teams;

- prescription drugs that are less costly and more effective; and
- a Home Cancer Drug Program that has to-date saved families over \$17 million in Pharmacare deductibles.

Mr. Speaker, our free Home Cancer Drug Program is the best in the country.

Every person ages differently. An effective, compassionate, long-term care system must recognize this and ensure that everyone is treated with dignity. This is why our government is building a long-term care system that is better able to respond to the specific needs of individuals, whether those needs are basic, like help with laundry or preparing dinner, or more complex, like a safe place to age with Alzheimer's. In the year ahead, we will further support our Alzheimer's and Dementia Strategy to help families care for their loved ones. This is what our loved ones want and they deserve nothing less.

We are in the process of adding hundreds of personal care home beds in Winnipeg, Morden-Winkler and Lac du Bonnet.

Manitoba is the birthplace of home care. We built it and we have fought to make sure it remains universal and without fees or co-payments.

Mr. Speaker, we continue to reject the Opposition's approach to health care, which is based on cuts, two-tier health care and privatization. Instead of reckless cuts, we are building to ensure our system is strong for future generations.

HEALTHY KIDS

This year marks the fifteenth anniversary of our path-breaking Healthy Child policy. We are helping children get a better start in life by supporting innovative childhood development initiatives. Budget 2015 introduces a new child and youth mental health strategy, as well as a number of other prevention measures, including new supports for foster parents and new resources to support capacity development in Aboriginal-led community organizations.

Budget 2015 increases our anti-smoking supports significantly. Working with community organizations and the Canadian Cancer Society, we will put a special emphasis on youth this year.

AFFORDABILITY

Budget 2015 keeps life affordable for Manitobans.

- The Seniors' School Tax Rebate is doubled.
- Rent Assist is enhanced by \$22 million to move it to 75 per cent of median market rent, while also allowing recipients to retain the benefit as they move into training and jobs – avoiding the “welfare wall.”
- We are building more affordable housing.

Our government made Manitoba the first and only province to eliminate the small business tax. This year over 2000 additional small businesses will pay no income tax as we change the Corporate Income Tax threshold – freeing up more money for them to expand and hire.

Budget 2015 introduces new supports for volunteer firefighters and search and rescue volunteers in Manitoba.

And we are renewing tax credits for film and video production, cultural industries and interactive digital media, among others. We are also expanding the Green Energy Equipment Tax Credit.

Manitoba benefits from connections around the world. We will work with the Winnipeg Airport Authority to support more direct international flights between Manitoba and locations outside North America.

This year over 2000 additional small businesses will pay no income tax.

The Research and Development Tax Credit is being enhanced by allowing companies to carry forward credits for 20 years instead of 10 – allowing innovators additional time to realize profits.

Unlike the previous government, we believe in a strong minimum wage. Mr. Speaker, I am proud to announce that this October the minimum wage will increase to \$11.00 per hour. And Manitobans know they can count on us to keep it strong in the future.

Earlier this week we marked the Day of Mourning when we remember those who lost their lives while on the job. Since being elected, we have worked hard to ensure fewer Manitobans lose loved ones to workplace tragedies. We have more than doubled the number of Health and Safety officers, increased inspections from 1,600 to 12,000 annually, and brought in strict fines for Workers Compensation Board claims suppression.

Mr. Speaker, this spring we will introduce groundbreaking legislation for workers suffering from Post-Traumatic Stress Disorder.

PREVENTION AND PROTECTION

Manitoba's crime rate is falling, and violent crime is falling even faster. It is vital that this progress continue.

We have added new investigators to close down properties where drug dealing and illegal activities were happening. We are now working with local communities and the police in innovative ways. For example, programs like Block By Block are helping to prevent crime.

We will continue to work with everyone to keep the crime rate falling and to address the tragedy of missing and murdered Indigenous women, an issue our government has helped raise nationally.

Our government continues to work with the Poverty Reduction Council on the goal of ending homelessness. Budget 2015 introduces multi-year support for a community-based approach.

In the year ahead, we will allow MPI to provide greater financial benefits to families of victims of dangerous driving, with approximately \$3 million expected to flow to families under this new initiative.

ENVIRONMENT

Manitobans value our lakes, forests, beaches and parks. Having so many natural resources to enjoy so close to home improves our quality of life. This year \$15 million will be invested to modernize and enhance provincial parks, including Birds Hill Park, Grand Beach and Spruce Woods. Budget 2015 will help support new opportunities for families to own a cottage.

This budget will also help protect our lakes, boreal forest and natural environment. Budget 2015 continues to support First Nations land-use planning. At least \$1 billion is being leveraged over the next five years, with the help of this budget, to enhance water quality, fight zebra mussels and restore the health of Lake Winnipeg.

Our plan to mitigate climate change includes a new fund to help companies reduce emissions, while creating green jobs in sectors like transportation and agriculture.

We are already seeing the effects of climate change in the form of more extreme weather. Infrastructure investments will further enhance flood-proofing efforts, including expanded wetland protection.

Manitoba's first drought strategy will be introduced. Fire-fighting will be enhanced with the opening of a new \$9 million facility for more effective forest fire suppression.

TOURISM AND CULTURE

From the Canadian Museum for Human Rights to the Journey to Churchill polar bear exhibit, Manitoba now boasts numerous world-class attractions. In 2013, we set an ambitious target of attracting \$2 billion in visitor spending on tourism within a decade. We are on track to meet that goal.

Today I am pleased to announce further tourism initiatives. A Tourism Development Fund will offer grants to help rural, northern and Aboriginal communities launch or enhance attractions or events to help bring more tourists to their regions.

More Liquor Mart Express locations in urban grocery stores will open before the end of summer, and Manitoba Liquor & Lotteries plans to open additional locations across the province over the next two years. And measures will be introduced to boost Manitoba's craft brewing industry.

We proudly declared 2015 as the Year of Sport in Manitoba, and it will be filled with exciting events like the 2015 FIFA Women's World Cup and the 2015 Grey Cup.

We are pleased to announce a new three-year commitment to support Sport Manitoba's High Performance Athlete Development Initiative. Since its launch in 2011, it has supported hundreds of Team Manitoba athletes.

Mr. Speaker, this year the Winnipeg Jets gave us all a gift: the first whiteout in nearly 20 years. And now we are cheering for the Brandon Wheat Kings as they make their run to the Memorial Cup.

CONCLUSION

This is our budget for the year ahead. It is a budget that continues to deliver on the priorities of Manitoba families.

Ultimately, budgets are not simply about numbers, they are about people. For governments, budgets are about choices. Our government has made it clear: we will always choose to put families first, protecting the jobs and services they rely on from the threat of reckless cuts.

So you see, Mr. Speaker, this is why Budget 2015 says to Manitoba families: we are on your side.