This is an exciting time to live in Manitoba. There is a renewed spirit of optimism and strong momentum for growth. Our province’s success over eight years can be measured in many ways:

- We have more doctors and nurses.
- Housing values are up.
- Education property taxes are down.
- Building cranes dot the skyline of Winnipeg.
- Our youth population is growing.
- Investments in highway renewal are at historic high levels.
- Water and environmental protection are a government priority.
- Record tax reductions have been delivered.

Building 2007 – The Building Budget – builds on these collective successes by charting a strong path for the future. I’m proud to note that this is the eighth balanced budget and the first summary budget in Manitoba’s history that fully reflects Generally Accepted Accounting Principles (GAAP). This will provide an open and accountable report of our province’s financial well-being and dynamic economic future.

With this budget, we are continuing to build our province’s position as a prosperous green economy. The building budget means that our province’s growth and prosperity are delivering record tax relief for all Manitobans.

Greg Selinger
Minister of Finance

What Manitoba’s Budget Means to YOU

Building a Green and Growing Economy

We are setting a new course for our province based on our extraordinary entrepreneurship and innovation, growing the skills of our labour force and the expansion of our clean energy advantages. Budget 2007 builds on this success with strategic investments in a prosperous green economy.

- A new 10% Green Energy Manufacturing Tax Credit is being introduced to encourage new and expanded manufacturing of machinery and equipment used to produce renewable energy.
- Eligible for Manitoba Agricultural Services Corporation’s alternative energy loan program will be broadened to support economic diversification in rural Manitoba.
- Investments will make us market leader in Digital Media Fund to assist the growing number of Manitoba digital media companies with content development, marketing and promotion.
- New resources will focus on strengthening Manitoba’s position as a national and international transportation hub.

Building Safe and Strong Communities

The safety and strength of our communities is a priority for all Manitobans. Budget 2007 earmarks funds for programs that will continue to build thriving and safe communities across our province.

- A new specialized unit will be funded to handle child exploitation cases, including a new dedicated Crown Attorney.
- The budget doubles the support – to $800,000 – for the Manitoba Integrated Organized Crime Task Force.
- Adding a total of 30 new police officers in Winnipeg and Brandon as well as the RCMP – including two officers to deal with repeat offenders in Winnipeg’s Stolen Auto Unit.
- The budget enhances support – to $600,000 – for the Manitoba Integrated Organized Crime Task Force.
- A new 50-50 funding partnership with the federal government is complete to provide the entire Red River Floodway Expansion Project.
- Up to $81 million will be provided to the University of Winnipeg to support capital projects such as the new Ricketson Centre for the Environment.

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Now, more than ever, Manitoba is building for the future by investing in key infrastructure projects across the province. From schools to hospitals to highways, the buzz of heavy construction is signaling our province’s growth and prosperity. Budget 2007 provides funds that will help build this momentum.

- $476 million is designated for highways spending – part of the five-year, $2 billion highway renewal plan that will be the largest highways investment in Manitoba’s history.
- Many capital investments will be made in public schools over eight budgets; three investments total more than $423 million – including 24 new or replacement schools, 49 school additions and renovation projects and over 750 renewal and access projects.
- A new hospital will be built in Selkirk and renovations will be funded at St. Boniface Hospital, St. John’s Regional Hospital at The Pas – a new acquired brain injury unit and a new addition will also be built in Thompson.
- $311 million will be provided for cost-shared projects such as a wastewater treatment upgrade in Winnipeg, water and sewer projects in Grand Rapids, wellness centres in Swan River, The Pas and St. Paul and PUMAFA facilities in Brandon as well as north and south Winnipeg.
- A $50-50 funding partnership has been secured with the federal government to complete the entire Red River Floodway Expansion Project.
- Up to $81 million will be provided to the University of Winnipeg to support capital projects such as the new Ricketson Centre for the Environment.

Manitoba

The province of Manitoba has been recognized in BusinessWeek magazine for making sustainable development a key component of economic development.

Building

The BUILDING BUDGET

MANITOBA BUDGET 2007

Greg Selinger
Minister of Finance

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Building and Improving Health Care

Building the health care system has been Manitoba’s number one priority. Budget 2007 continues the commitment to provide Manitobans with better care sooner and closer to home.

- More health care professionals will be trained through an expanded Faculty of Medicine class.
- Increased spaces in the licensing program for registered medical graduates.
- More than 50 new technology training seats and 2,000 hours of training.
- $3 million in new funding will be provided to the physician specialist training including emergency room doctors, anesthesiologists, and pediatrics.
- Investments will be made in a new site of the Art Centric Centre of Excellence at St. Boniface General Hospital.
- A new leading-edge, research cancer facility – the first in Canada – will treat cancers in all parts of the body.
- Funding will be provided for a new NEXUS Centre in northeast Winnipeg that will provide local residents with integrated community-based health care and social services.
- Funds will be invested in a new non-profit personal care home for Winnipeg.
- Specific resources will be invested in a new bone Marrow to the Health Sciences Centre that will honour Manitoba firefighters and provide improved care for bone cancer.
- New funding will expand Manitoba’s long-term care strategy in rural and northern Manitoba.

Building Support for Children and Families

Budget 2007 continues the commitment to Manitoba’s children and families by investing in key programs to help them grow and prosper.

- A $241 million real estate plan – supported by the Federal Housing Trust – will fund safe, secure and affordable housing for seniors and Manitobans as well as inner-city and northern residents.
- More than $40 million in new resources will be provided to improve child protection services, including caseworker reductions, increased funds for foster families and early intervention supports for families.
- The Rewarding Work program will be launched – a two-year initiative to help low-income Manitobans achieve employment and higher incomes.
- A new Manitoba Child Benefit will be available for low-income working families – for families on income assistance, a separate Child Benefit will replace a portion of existing child-related assistance.
- The UF Mitre income supplement will be increased providing low-income seniors an additional $2 million annually.
- Budget 2007 increases the provincial investment in childcare care by more than $14 million.
- $195 in new funding for immigration services will enhance settlement services, language training, labour market integration and other cultural and anti-violence initiatives.

Building Tax Savings for Manitobans

Budget 2007 builds on the commitment to provide strong tax relief with $297 million in new tax benefits including personal tax cuts for all Manitobans and $93 million in business tax savings.

- Personal Taxes
  - The Education Property Tax Credit will increase by a further 25% to 325% representing annual savings of an additional $40 million for Manitobans.
  - The middle income tax rate will fall from 9% to 8%.
  - For Manitobans on income assistance, the personal tax brackets will be increased to $40,000 and a $1,000 rebate of part of an enrollee plan will raise the middle and upper income tax brackets to $58,000 and $80,000 respectively reducing the first bracket tax rate to 8%.
  - Manitoba is matching the federal pension income-splitting tax changes – saving pensioners an estimated $11 million annually.
  - Farmland education property taxes will be reduced by a further 20% over four years – bringing the total rebate to 80%.
  - New climate change legislation will be introduced that will set our target for reducing greenhouse gases and protecting the environment while at the same time contributing to economic development in the province.
  - A $2,000 rebate will be available for Manitobans who purchase hybrid electric vehicles.
  - A $3 million investment in renewable energy will expand the province’s support for new low carbon technologies.
  - Community-based energy-efficiency projects will be expanded in Winnipeg, Brandon and the four First Nations of the Interlake region.
  - Federal rules are provided to support First Nations in securing a UNESCO world heritage designation for the east side of Lake Winnipeg and to develop renewable management boards for sustainable land and resource training.

Business Taxes

- Budget builds on previous reductions over the past eight years, the small business tax rate will be further reduced to 2% on January 1, 2008 and will be cut again to 1% on January 1, 2009.
- The corporate income tax rate will be further reduced to 5% on January 1, 2009.
- For manufacturing, the corporate income tax rate will be reduced to 10%.
- The corporate income tax rate will be further reduced to 5% on July 1, 2008.
- The Manufacturing Investment Tax Credit will be increased to 50%.
- The personal income tax cut will be extended by a further 10% in the year ending January 30, 2008.
- Farmland property taxes will be reduced by 30% the last year or more than 5 years.
- The small business income tax rate will be reduced by 5%.
- The federal government will provide a tax allowance for personal income-splitting tax savings – saving pensioners on estimated $30 million annually.

A recent report from the Canadian Institute of Health Information indicates Manitoba has the shortest wait time in Canada for cardiac bypass surgery and is a leader for radiation therapy with a median wait time of one week.

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Building Opportunities for Manitoba Youth

Manitoba’s economy is moving forward and the opportunities for our youth increase every day. Budget 2007 invests in new and existing programs that help young Manitobans achieve success right here at home.

- The new Manitoba Family Income Tax Benefit will provide post-secondary students who live and work in Manitoba with a 49% income tax rebate on eligible tuition fees – making post-secondary education an even higher return investment and encouraging our youth to pull down roots and establish careers in Manitoba.
- The 9% reduction in post-secondary tuition fees will be maintained for the eighth year in a row.
- The 10% reduction in post-secondary tuition is being maintained for the eighth year in a row with full offsetting business tax savings.

- The new Manitoba Tuition Fee Income Tax Rebate will provide post-secondary graduates who live and work in Manitoba with a 60% income tax rebate on eligible tuition fees – making post-secondary education an even higher return investment and encouraging our youth to put down roots and establish careers in Manitoba.
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- New funding will expand Manitoba’s long-term care strategy in rural and northern Manitoba.

Manitoba has been nationally and internationally recognized for its leadership in environmental initiatives. This year’s budget continues this commitment by funding projects and programs that protect our province’s precious natural resources.

- More than $10 million in additional funds will be invested in water protection, water and sewer projects and the implementation of the Lake Winnipeg Stewardship Board in communities.
- New climate change legislation will be introduced that will set our target for reducing greenhouse gases and protecting the environment while at the same time contributing to economic development in the province.
- A $72,000 rebate will be available for Manitobans who purchase hybrid electric vehicles.
- As part of the vision to ensure Manitoba’s future leadership in biodiesel production, the province is supporting new biodiesel use in long-haul trucking fleets and school buses.
- Community-based energy-efficiency projects will be expanded in Winnipeg, Brandon and the four First Nations of the Interlake region.
- Federal rules are provided to support First Nations in securing a UNESCO world heritage designation for the east side of Lake Winnipeg and to develop renewable management boards for sustainable land and resource training.

Manitoba received a first place international award for reducing emissions and tackling climate change at the UN Climate Change Conference.