

Budget Paper B

**SUPPLEMENTARY
FINANCIAL INFORMATION**

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■ SPECIAL ACCOUNTS

Fiscal Stabilization Account

The presentation of the Fiscal Stabilization Account (FSA) balance was modified in 2004/05 to reflect the deposit into the Account of \$210 million in pre-funding of health programming. The FSA now reports on health programs and general programs component revenues, expenditures and balances.

The FSA is projected to have a total balance of \$742 million as at March 31, 2009, after a draw of \$47 million for wait-time reduction programming and other health-related programming, with a draw of \$49 million for general requirements, including \$13 million related to ecoTrust. The health programs component balance will be \$104 million, while the general programs component will end 2008/09 with a \$638 million balance.

The budgeted draw in 2009/10 is \$47 million for wait-time reduction programming and other health-related programming and \$61 million for general requirements, including \$13 million related to ecoTrust. The health programs component balance as at March 31, 2010 is budgeted at \$57 million. The general programs component will end 2009/10 with a \$577 million balance.

To support the accelerated level of infrastructure investment, in 2009/10 instead of providing interest earnings to the fiscal stabilization account, the funds will be used to offset increases in amortization required to support capital expenditures within departments.

Fiscal Stabilization Account Revenue, Expenditure and Balance

Projection as at March 31, 2010 and March 31, 2009

Millions of Dollars

	<u>2009/10</u> <u>Budget</u>	<u>2008/09</u> <u>Forecast</u>
Total Account Balance, Beginning of Year	<u>742</u>	<u>818</u>
Health Programs		
Balance, Beginning of Year	104	148
Interest Earnings	-	3
Core Government Transfers		
Wait-time Reduction Programming and Other Health-related Programming	<u>(47)</u>	<u>(47)</u>
Balance, End of Year	<u>57</u>	<u>104</u>
General Programs		
Balance, Beginning of Year	638	670
Interest Earnings	-	17
Core Government Transfers		
General	(48)	(36)
ecoTrust	<u>(13)</u>	<u>(13)</u>
Balance, End of Year	<u>577</u>	<u>638</u>
Total Account Balance, End of Year	<u><u>634</u></u>	<u><u>742</u></u>

Debt Retirement Account

In 2009/10, a deposit of \$20 million will be made for debt retirement.

As required by legislation, the Account was collapsed in 2004/05, leaving a nil balance at the beginning of 2005/06. In 2008/09, the Allocation Committee determined that \$55 million of the deposit will be transferred to the Pension Assets Fund, leaving a balance of \$136 million at March 31, 2009.

Interest earnings for 2009/10 are expected to be approximately \$1 million.

In 2009/10 it is anticipated that there will be a \$10 million allocation to the pension liability.

Debt Retirement Account Revenue, Expenditure and Balance

Projection as at March 31, 2010 and March 31, 2009

Millions of Dollars

	<u>2009/10 Budget</u>	<u>2008/09 Forecast</u>
Account Balance, Beginning of Year	136	78
Revenue		
Core Government Transfer	20	110
Interest	1	3
	<u>21</u>	<u>113</u>
Expenditure		
Transfer to Pension Assets Fund	(10)	(55)
Account Balance, End of Year	<u><u>147</u></u>	<u><u>136</u></u>

Pension Assets Fund

It is anticipated that there will be a \$10 million allocation to the Pension Assets Fund for 2009/10 from the Debt Retirement Account. The balance will also increase for 2009/10 as a result of the Government's plan to set aside an additional \$330 million in funding in order to continue addressing the Province's unfunded liability for the Civil Service Superannuation Fund (CSSF).

During the year, the Government continued on its commitment to fund the Province's unfunded pension liabilities. As part of this commitment, the Province changed the trust conditions of the funds held in the Pension Asset Fund to clarify that these funds are irrevocably restricted for pension purposes only. As a result of this restriction, these funds are classified as pension assets and will be accounted for and reported in keeping with Generally Accepted Accounting Principles (GAAP) for senior governments. Net investment earnings include the expected rate of return during the year as well as adjustments to market related value. Under GAAP, market fluctuations of pension assets are not recorded in the year in which they occur but are recognized over the employee average remaining service life (EARSL).

The Fund is expected to have a balance of \$2,889 million by the end of the 2009/10 fiscal year.

Pension Assets Fund

Projection as at March 31, 2010 and March 31, 2009

Millions of Dollars

	<u>2009/10 Budget</u>	<u>2008/09 Forecast</u>
Balance, Beginning of Year	<u>2,599</u>	<u>2,242</u>
Contributions and Revenue		
New Investment	330	350
Debt Retirement Account	10	55
Net Investment Earnings	58	48
Departments and Crown Corporations	136	130
	<u>534</u>	<u>583</u>
Transfers		
TRAF and CSSF payments	<u>(244)</u>	<u>(226)</u>
Balance, End of Year	<u><u>2,889</u></u>	<u><u>2,599</u></u>

SUMMARY OF ACCOUNT/FUND ACTIVITY

	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03
	<u>Budget</u>	<u>Forecast</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
	(Millions of Dollars)							
Fiscal Stabilization Account								
Transfers to Account	2	2	128	110	31	405	13	4
Transfers from Account	(110)	(98)	0	0	0	0	(171)	(22)
Redemption of Repap Preferred Shares								
Transfer re: Manitoba Telephone System								
Investment Revenue	0	20	27	21	15	2	1	7
Balance, End of Year	634	742	818	663	532	486	79	236
Debt Retirement Account								
Contribution	20	110	110	110	110	99	96	96
Interest Earnings	1	3	2	1	0	2	7	3
Transfers to Pension Assets Fund	(10)	(55)	(85)	(85)	(85)	(79)	(75)	(48)
Transfer for General Purpose Debt Reduction						(202)		
Balance, End of Year	147	136	78	51	25	0	180	152
Pension Assets Fund								
Transfers from Debt Retirement Account	10	55	85	85	85	79	75	48
Net Investment Earnings	58	48	16	67	61	31	38	(6)
Net Current Service Contributions	(108)	(96)	(60)	10	8	6	3	2
TRAF/CSSF Funding	330	350	1,502					
Balance, End of Year	2,889	2,599	2,242	699	537	383	267	151

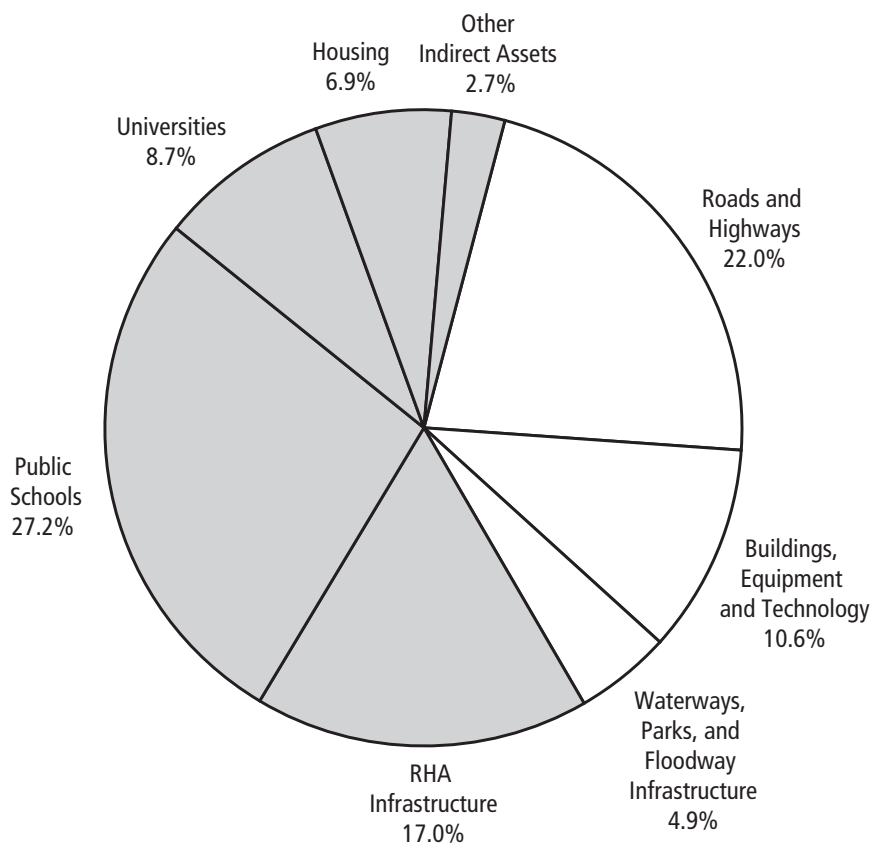
<u>2001/02</u>	<u>2000/01</u>	<u>1999/00</u>	<u>1998/99</u>	<u>1997/98</u>	<u>1996/97</u>	<u>1995/96</u>	
<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	
(Millions of Dollars)							
Fiscal Stabilization Account							
63	40	11	31	76	91	157	Transfers to Account
(150)	0	(185)	(186)	(100)	0	0	Transfers from Account
						20	Redemption of Repap Preferred Shares
					265		Transfer re: Manitoba Telephone System
14	15	12	17	11	11	3	Investment Revenue
247	320	265	427	565	577	210	Balance, End of Year
Debt Retirement Account							
96	96	75	150	75	0	0	Contribution
5	0	0	4	1			Interest Earnings
(75)	(21)	0	0	0			Transfers to Pension Assets Fund
		(305)					Transfer for General Purpose Debt Reduction
101	75	0	230	76			Balance, End of Year
Pension Assets Fund							
75	21						Transfers from Debt Retirement Account
2	0						Net Investment Earnings
9	0						Net Current Service Contributions
							TRAF/CSSF Funding
107	21						Balance, End of Year

■ CAPITAL INVESTMENT – REPLACEMENT VALUE OF PUBLIC ASSETS

Over the years, Manitoba’s communities and the economy have benefited from many investments in general assets such as schools, health facilities and public service buildings as well as infrastructure assets such as roads, water control structures and parks. To meet the needs of today’s and future generations it is necessary to invest in renewal of the current assets. These assets have contributed to vital public services, including learning, health, physical access and electronic access to other government programs, as well as providing the infrastructure for economic and community development. The public good provided by these investments is immeasurable. However, it is estimated that the insured or replacement value of these investments exceeds **\$36 billion**, an increase of \$5 billion from 2008/09.

Replacement Value of Public Assets¹

Per cent of Total



Total Value: **\$36.0 billion**

Note 1: excludes municipal assets and assets of government business enterprises such as Manitoba Hydro

■ Indirect Assets: 62.5%

□ Direct Assets: 37.5%

Totals may not add due to rounding.

■ CAPITAL INVESTMENT – CORE GOVERNMENT

Provincially owned capital assets such as highways, waterways, buildings, machinery and computer systems are amortized over their useful life based on established guidelines for amortization (see Appendix B of the 2009/10 Estimates of Expenditure). The amortization and interest costs are borne by departments that are responsible for each asset and are reflected as annual costs related to capital assets. In total, costs related to capital assets are estimated at \$252 million in 2009/10, an increase of \$18 million from 2008/09. In 2009/10, departmental appropriations include \$135 million for amortization and \$137 million for allocation of interest.

Authority for the annual cost to acquire provincially owned assets is reflected as Part B – Capital Investment which totals \$754 million in 2009/10, an increase of \$168 million from 2008/09, largely due to \$110 million for increased investment in provincial roads and highways infrastructure, \$50 million for increased investment in provincially owned buildings, equipment and information technology, and \$7 million for parks and camping infrastructure.

Capital Investment, 2009/10

(Thousands of Dollars)

	2009/10	2008/09
	Budget	Budget*
General Assets		
Government Services Capital Projects.....	125,000	88,000
Transportation Equipment and Aircraft	32,037	23,719
Information Technology Projects		
Corporate Information Technology Projects	17,978	13,969
Advanced Education and Literacy	600	600
Competitiveness, Training and Trade	789	1,030
Family Services and Housing	855	900
Health and Healthy Living	3,241	1,500
Justice	1,205	1,364
Other Projects	262	442
Other Equipment and Buildings	4,847	4,553
	<u>186,814</u>	<u>136,077</u>
Infrastructure Assets		
Provincial Roads, Highways and Airport Infrastructure.....	366,725	256,708
Manitoba Floodway Expansion	172,846	172,009
Water Control Infrastructure	10,600	11,400
Parks, Cottage and Camping Projects.....	16,757	9,711
	<u>566,928</u>	<u>449,828</u>
Total Capital Investment	<u><u>753,742</u></u>	<u><u>585,905</u></u>

*The 2008/09 Budget has been restated to be consistent with the 2009/10 Budget presentation.

■ LOAN REQUIREMENTS

The Loan Act provides borrowing and expenditure authority for the Government and its agencies to undertake self-sustaining programs, where self-sustaining means having the ability for repayment.

Incremental Loan Authority Requirements for Non-Budgetary Programs, 2009/10

(Thousands of Dollars)

The Loan Act, 2009

The Manitoba Hydro-Electric Board.....	\$535,000
Manitoba Opportunities Fund.....	137,329
Manitoba Housing and Renewal Corporation	131,333
Business Support (including Manitoba Industrial Opportunities Program).....	123,283
Post-Secondary Institutions.....	116,829
The Manitoba Lotteries Corporation	104,300
Manitoba Agricultural Services Corporation	60,332
Health Capital Program	30,186
Special Operating Agencies Financing Authority - Vehicles and Equipment Management Agency	23,000
Manitoba Student Aid Program	13,926
Communities Economic Development Fund.....	9,225
Rural Entrepreneur Assistance Program.....	8,656
Northern Affairs Communities	8,200
The Manitoba Water Services Board.....	5,740
Diagnostic Services Manitoba.....	4,268
Special Operating Agencies Financing Authority - Vital Statistics.....	1,272
Manitoba Film Guarantee Program.....	1,000
Leaf Rapids Town Properties Inc.	1,000
Special Operating Agencies Financing Authority - Companies Office	800
Special Operating Agencies Financing Authority - Pineland Nursery	300
	\$1,315,979

Non-Budgetary Programs, 2009/10

(Thousands of Dollars)

The Manitoba Hydro-Electric Board	\$1,248,000
Health Capital Program.....	170,904
Manitoba Housing and Renewal Corporation	169,744
Business Support (including Manitoba Industrial Opportunities Program)	144,820
Post-Secondary Institutions.....	136,300
Manitoba Opportunities Fund.....	118,000
Manitoba Agricultural Services Corporation.....	106,000
The Manitoba Lotteries Corporation	83,300
The Manitoba Water Services Board.....	36,691
Special Operating Agencies Financing Authority - Vehicles and Equipment Management Agency	33,552
Manitoba Student Aid Program.....	31,062
Diagnostic Services Manitoba.....	12,683
Communities Economic Development Fund.....	8,800
Northern Affairs Communities	8,200
Rural Entrepreneur Assistance Program	5,800
Miscellaneous Corporations, Agencies and Other Programs	18,129
	<u>\$2,331,985</u>

■ BORROWING REQUIREMENTS

Manitoba's borrowing requirements in respect of both general and self-sustaining borrowings is estimated to total \$3.3 billion in 2009/10, of which \$1.5 billion is required for refinancing purposes. New cash requirements of \$1.8 billion are required for capital investments including the Manitoba Floodway Expansion, Manitoba Hydro and for the funding of the unfunded pension liability for the Civil Service Superannuation Plan. *The Loan Act, 2009*, provides incremental authority of \$1.3 billion.

Borrowing Requirements 2009/10

(Thousands of Dollars)

	<u>Refinancing</u>	<u>New Cash Requirements</u>	<u>Estimated Repayments</u>	<u>Borrowing Requirements</u>
Government Business Enterprises				
Manitoba Hydro	804,295	800,000	-	1,604,295
Manitoba Lotteries	9,144	50,000	-	59,144
Subtotal	<u>813,439</u>	<u>850,000</u>	<u>-</u>	<u>1,663,439</u>
Other Borrowings				
General Purpose Borrowings	453,951	-	-	453,951
Capital Investment General Assets	74,070	-	-	74,070
Capital Investment Infrastructure Assets	-	450,000	-	450,000
Civil Service Superannuation Plan	-	330,000	-	330,000
Health Facilities	150,000	100,000	68,136	181,864
Other Crowns and Organizations	50,000	50,000	-	100,000
Subtotal	<u>728,021</u>	<u>930,000</u>	<u>68,136</u>	<u>1,589,885</u>
Total Borrowing Requirements	<u>1,541,460</u>	<u>1,780,000</u>	<u>68,136</u>	<u>3,253,324</u>

■ SUMMARY NET DEBT

Change in Summary Net Debt

(Millions of Dollars)

2008/09 Summary Net Debt (forecast)	11,100
Net Investment in Tangible Capital Assets	
Core Government	593
Other Reporting Entities	164
	<u>757</u>
Less: Net income for the year	
Core Government	(2)
Other Reporting Entities	(46)
	<u>(48)</u>
Change in Net Debt	<u>709</u>
2009/10 Summary Net Debt (Budget)	<u><u>11,809</u></u>

Net debt is an important indicator of a government's financial position as this highlights the affordability of future government service. Summary net debt represents the difference between the Government Reporting Entities' (GRE's) total liabilities, such as borrowing and financing, less its financial assets* – it reflects the residual liability that must be financed by future revenues. Net debt may grow in absolute terms from time to time, as needed investments in capital assets – like the Red River Floodway, highway infrastructure and economic stimulus investments – are made. These investments underpin and support Manitoba's economic performance. It is important to measure changes in net debt against the growth of the economy, as measured by the nominal GDP.

Net financial assets and summary net debt as a percentage of GDP include the projected impact of changes in Other Comprehensive Income (OCI). OCI is unrealized gains and losses due to the change in fair market value of financial instruments held by certain entities or on changes in the exchange rate of debt in a foreign currency.

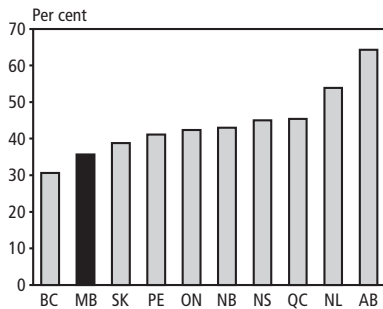
Changes in OCI are based upon "mark-to-market" variances at year end and therefore, are a one-day snapshot of a change in value when compared to the same day in the previous year. While changes in OCI can have a significant impact on the net debt to GDP ratio, there is no impact on net income because OCI is an unrealized gain or loss and only reflects a change to the book value at the end of the year.

* Financial assets are liquid assets such as cash, investments, loans and accounts receivable that could be readily converted to cash.

Fiscal Year	Net Debt	GDP	Net Debt
			as a % of GDP
2003/04 Actual	11,052	37,314	29.6%
2004/05 Actual	10,723	39,499	27.1%
2005/06 Actual	10,585	41,402	25.6%
2006/07 Actual	10,465	44,728	23.4%
2007/08 Actual	10,188	48,225	21.1%
2008/09 Budget	10,922	50,367	21.7%
2008/09 Forecast	11,100	51,275	21.6%
2009/10 Budget	11,809	51,429	23.0%

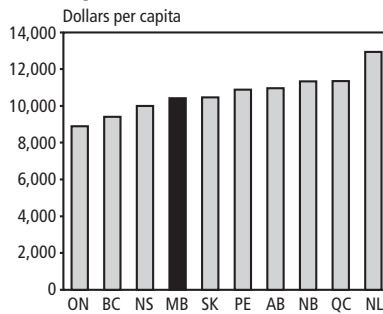
INTERPROVINCIAL COMPARISONS

Total Provincial Expenditure Per Capita Increase from 1999/00 to 2007/08



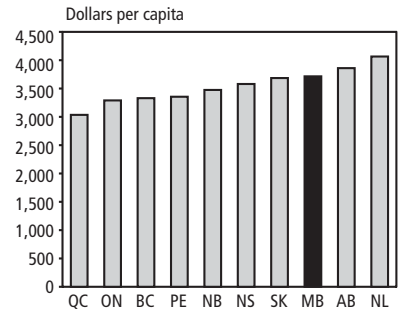
Source: Statistics Canada

Total Provincial Expenditure Per Capita, 2007/08



Source: Statistics Canada

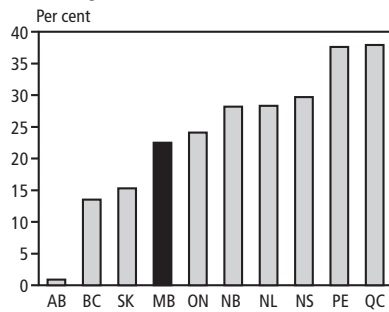
Provincial Government Expenditure on Health, 2008/09f



f - Forecast

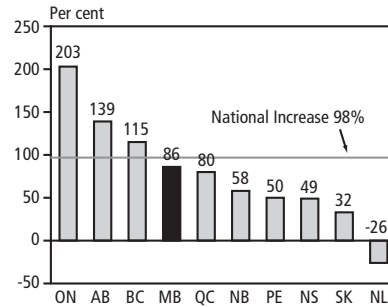
Source: Canadian Institute for Health Information

Net Tax Supported Debt to GDP Ratio by Province, 2007



Source: Standard and Poor's

Major Federal Cash Transfers Change from 1999/2000 to 2009/10



Note: This presentation includes Offshore Accord payments to NL and NS.

Source: Finance Canada

■ APPENDIX A

WHAT IS MODERNIZING GOVERNMENT?

Modernizing government means constantly improving the way government operates to ensure the provision of the best possible services to all Manitobans. It is about identifying what works and moving ahead with those efforts, while improving on activities and services that can be better achieved in a more effective, efficient, innovative and affordable manner.

A Made-In-Manitoba Approach to Modernizing Government

Modernization is not a one-time, one-department, or one-person job – it needs an overarching approach and the capacity to make adjustments with the total system in mind. Our efforts to continuously improve are focused on three fundamental areas:

1. improving service delivery for citizens and businesses;
2. strengthening the control and management of public resources; and
3. strengthening the capacity of our civil service.

Improving Service Delivery for Citizens and Businesses

Continuous Citizen-focused Service Improvements

The Government has made a commitment to continuously improve the way it operates and delivers services to citizens. Ensuring the best possible services means leveraging technology and partnerships for simple, effective and innovative services. Following are some of our recent efforts to modernize services for citizens.

- ‘**Just click and you’re there**’ promotes manitoba.ca exclusively as a single point of entry to a wide range of Government programs and services. Key services currently available on-line include the child-care finder, career planning, on-line wait-times, highway conditions reports, student aid and campground reservations, with many more to come. In 2008, manitoba.ca had over 10 million visits.
- **Child Care On-line** enables families to search on-line, 24 hours a day, for licensed child care in their neighbourhood and submit subsidy applications on-line. It also allows child-care providers to display information about their facility, the programs offered and current vacancies. In 2008, 933 licensed child-care facilities were listed on-line, representing 73% of all licensed child-care facilities in Manitoba. The on-line service is being updated to include a centralized child-care wait-list to show the availability of early learning and child care in the community.
- The award-winning **Parks Reservation Service** allows citizens to book daily campsites, yurts, and cabins on-line 24 hours a day. It features an interactive website with services listings, pages that graphically show all the campsites in every park, and secure on-line credit card payment. There are over 60,000 reservations made each year through the service.
- Manitoba’s on-line **career development portal** has been designed to aid Manitobans in obtaining the knowledge, abilities and confidence to set and achieve career goals while developing essential employability skills. The portal links users to existing career development information and applications, including those of other jurisdictions, and supports Manitobans in the development of essential skills for employability.

- Manitoba's **statutory publications e-commerce website** will enable on-line ordering of Manitoba's Acts and Regulations, reports of major public commissions and inquiries, legal forms and other publications related to Government programs and services.
- **My Student Aid Online (MySAO)** is a 24 hour web service that interacts with students filling out student aid applications. With 90% of student loan applications now being completed on-line, the service has reduced student loan processing times from seven to approximately four weeks, resulting in greater efficiencies and more timely processing for applicants. Internet banking has also been introduced as an option for repayment of student loans.
- The Government has leveraged information technology to make health care more accessible and affordable for all Manitobans. In 2008, **Manitoba Health Links-Info Santé** offered over 160,000 Manitobans quick, free health information and advice, 24 hours a day, seven days a week from registered nurses. The **Family Doctor Connection Program** responded to over 19,000 enquiries, providing citizens with the contact information of Manitoba family doctors accepting new patients in their area. **MBTelehealth** links medical expertise to local health care professionals in 50 communities across Manitoba, meaning more patients can stay in their communities for medical treatment.
- Driver and Vehicle Licensing and the Manitoba Public Insurance Corporation (MPI) have merged to offer a '**single-window**' service for all vehicle licensing, registration and insurance. The merger laid the groundwork for further service improvements, such as customers receiving licence and insurance renewal information in one envelope, doubling the number of outlets available for licensing service throughout the province, and allowing customers to renew their driver's licence through any Autopac agent.
- The **Winnipeg Auto-theft Suppression Strategy** is an innovative partnership between Manitoba Justice, MPI and the Winnipeg Police Service. This involves intensive monitoring and supervision of high-risk offenders. This strategy combined with other separate efforts such as Manitoba's comprehensive car immobilizer installation program and tactical police enforcement by the City of Winnipeg have helped to decrease auto-theft rates by well over 50% since 2006. Savings to date have topped \$58 million and Manitobans are seeing the benefit in lower Autopac rates which have decreased by 3.6% over the last two insurance years.
- **Bilingual Service Centres** have enhanced the delivery of French and English language services in St. Boniface, St. Pierre-Jolys, Notre Dame de Lourdes and St. Laurent by providing access to federal, provincial and municipal services as well as community-based organizations in one location and in either official language. Services include business counselling, employment and economic development resource services, and in some cases residents can pay for municipal bills.
- Specialized agricultural and community support services are offered to Manitobans through expanded offices now called **Growing Opportunities Centres (GO Centres)**. GO Centres provide producers and rural communities with 'single-window' locations for services such as farm production, rural economic development, business development, leadership capacity building and production insurance. To date, 40 GO Centres have been established across Manitoba with 300 business development projects under way.
- The Government has partnered with the Winnipeg Regional Health Authority to establish **Community ACCESS Centres**, which co-locate primary care services with health and social services such as child care co-ordination, supports for persons with disabilities, children's special services, and community mental health. Sites were opened in River East in 2004 and Transcona in 2007, with a third downtown site scheduled to be opened later in 2009. Plans are under way for new ACCESS Centres in the Inkster and St. James communities.

Streamlining and Improving Business Interactions

Since 1999, the Government has streamlined its interactions with businesses and enhanced the ability to deliver new services to the private sector. Launched in 2006, the **Single Window for Business Initiative** is making the province's business services easier to find, easier to use and easier to understand whether accessed on-line, in person or by phone. Here are some of our recent efforts to modernize government interactions with businesses.

- Created in 2006, **Manitoba Competitiveness, Training and Trade (CTT)** is dedicated to strengthening our Provincial economic strategy with a solid education and training strategy. CTT brings together industry and training to both grow Manitoba businesses, invest in skill development, and attract and retain skilled workers in Manitoba.
- **BizPal** is an award-winning on-line service that combines federal, provincial and municipal permitting and licensing information to help Manitoba businesses identify which permits and licences they require and how to obtain them. It has been introduced in Winnipeg, Brandon and 15 other municipalities in Manitoba, available to more than two-thirds of Manitobans and continuing to expand.
- The **Manitoba business portal** creates a more user-friendly web-based portal for provincial business information services, building upon the Biz Gateway and providing 'single-window' access to the province's on-line business services and information. In 2008, over 120,000 users accessed a wide range of business information and services, including On-line Gas Permitting, and the Personal Property Registry.
- The **Invest in Manitoba** website provides on-line, 'single-window' access to information for individuals and businesses seeking to invest or establish businesses in Manitoba. This site is focused on the international investment community and cuts across Government departments and agencies.
- Manitoba's overall competitive advantage has included **reductions in red tape and paper burden for small businesses**. Some reduction measures include the consolidation of administrative and compliance provisions under seven provincially administered taxation statutes to make it easier for businesses to understand what is required of them; reducing the frequency of filing sales tax remittances for small businesses, helping over 11,000 small business owners spend more time with customers and staff and not on paperwork; removing the sales tax registration and collection requirements for small home-based businesses; and increasing the threshold for Corporation Capital Tax quarterly installments, reducing paperwork and tax administration costs for an estimated 200 corporations that will be eligible to file annually instead of quarterly.
- The **Manitoba e-learning network** has been established and is working toward the goal of 38 video conference sites across the province in Canada/Manitoba Business Service Centre Access Sites and GO Centres. This network allows entrepreneurs to access as many as 200 seminars each year.
- **TAXcess** allows more than 40,000 businesses across Manitoba, Canada and the United States to apply for registration of their accounts, file returns and pay provincial taxes on-line, in both official languages. TAXcess allows 24/7 secure access to review account balances and amend returns previously filed.
- The **Provincial Nominee Program for Business** is implementing "lean thinking" into its modernization efforts in order to cut the time it takes to approve an application for potential business investors. Our efforts to streamline this process will make it easier for immigrants and their families to successfully settle and establish their businesses in Manitoba. Since the program's inception, there have been 237 initial business investments worth more than \$115 million.
- A new **Job Referral Service System** will be available for job seekers, employers and other third parties in the summer of 2009 to address Manitoba Hydro and Manitoba Floodway Authority's requirements to deliver services and construction of

new projects. The on-line service will also allow job seekers and other agencies to register, and employers to enter their job opportunities.

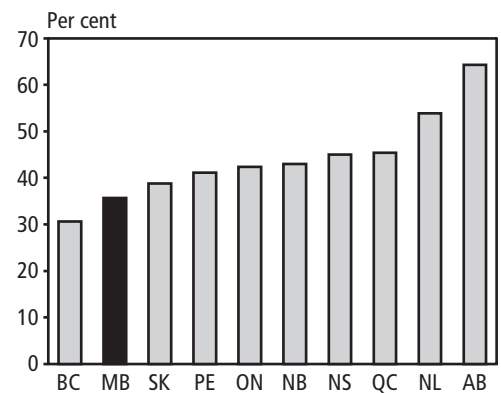
- Manitoba’s **Industry Sector Councils** successfully bring together representatives from key stakeholder groups in industrial sectors across Manitoba to develop provincial work force policies. In 2008, the Government passed legislation to create the **Advisory Council on Work Force Development**, which will provide input into the development of Manitoba’s Labour Market Development Strategy as well as advice on labour market policy and programs.
- Manitoba will appoint a new **Manitoba Innovation Council** to help develop innovative and commercialization strategies, while at the same time forming new and improved relationships between the business, research and investment communities.

Strengthening the Control and Management of Public Resources

Sound control, management and use of public resources are key to making government more effective, efficient, accountable and transparent. The Government has made sure that public spending remains under control and that every tax dollar invested into government delivers results in an effective and efficient way.

- According to Statistics Canada, since 1999/2000, Manitoba’s total per capita expenditure growth has been the second lowest of all provincial governments. As well, Manitoba’s rank in total per capita spending has fallen from fifth highest to fourth lowest among all provinces. The Government plans to maintain its advantage by continuing to test new ways to reform government processes in order to improve services without increasing costs.
- In tough economic times, it is particularly important for government to pursue efficiencies. Budget 2009 includes measures to optimize the use of public resources while managing overhead costs. Necessary corporate adjustments such as managing vacancies and reducing general operating costs are being implemented.
- Manitoba has a plan to retire general purpose debt and to eliminate the Government’s pension liability. Over nine years the Government has committed \$924 million to debt retirement and to reducing the Province’s unfunded pension liability. In the 2002 Budget, the Government announced a plan to make current service employer pension contributions for new employees. In Budget 2008, current service employer contributions for all employees were extended.
- The Government has implemented reforms within existing Government organizations to better manage public resources, capitalizing on synergies, regional capabilities, expertise and talent. The appointment of a **Healthy Living Minister** focusses on creating conditions and supporting behaviours that promote the best possible health choices for everyone. **Manitoba Water Stewardship** now has sole responsibility for protecting and managing Manitoba’s high-quality water resources. **Manitoba Science, Technology, Energy and Mines** was created to better align existing resources in support of the development of energy, research and innovation as key contributors to the provincial economy. Through a process known as “**clustering**,” some internal administration, finance and information technology services have been reorganized to consolidate services in fewer administrative groups.

Total Provincial Expenditure Per Capita Increase from 1999/00 to 2007/08



Source: Statistics Canada

- The 2008 *Balanced Budget, Fiscal Management and Taxpayer Accountability Act* continues our commitment to achieving positive fiscal results. It also furthers our commitment to summary budgeting and reporting, while remaining consistent with the accounting standards established by the Public Sector Accounting Board for applying generally accepted accounting principles (GAAP) for public sector entities. These accounting standards are used by the Office of the Auditor General in assessing the Province's financial statements' compliance with GAAP.
- Introduced in 2007, the **Financial Management Strategy (FMS)** – a statement of the Government's priorities for sound financial management – further demonstrates the commitment to enhancing transparency and accountability. The FMS sets out what the Government intends to achieve over the next year and into the future. The results achieved are reported at the end of each year; the first report on outcomes was released in 2008. This gives the public a real opportunity to assess the success of the Government's performance.
- In 2008, the **Comptrollership Change Management Initiative (CCMI)** was launched to continue implementation of modern comptrollership practices in the Government. The CCMI will enhance the ability of departments to generate information that is accurate, relevant, understandable, and timely about their financial situation, their results relative to costs incurred, and mitigation strategies relative to financial and operational risks.
- **Planning for outcomes and performance measurement** enhances both transparency and accountability by providing information on the actual impacts, benefits or changes experienced as a result of a program or government service. Departmental **annual reports** include key performance measures to provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens. The **Budgeting for Outcomes Pilot Project** is testing a comprehensive way of budgeting that defines desired outcomes for particular projects dealing with greenhouse gas reduction, and decides on the funding to be made available to achieve these outcomes.
- In 2001, Manitoba's *Auditor General Act* was reformed to establish an **Auditor General of Manitoba**. The previous Provincial Auditor's Act was passed in 1969 and since that time the practice of legislative auditing and the relationships of legislative auditors to governments have evolved. Changes to the legislation have improved accountability of the Office of the Auditor General to the Legislature; clarified the mandate and authority of the Office of the Auditor General; and strengthened the scope of confidentiality requirements in the conduct of audits.
- In 2008, *The Freedom of Information and Protection of Privacy Act* was modernized to maintain open and transparent government and better protect the individual privacy of Manitobans. Changes include the creation of an adjudicator to resolve access and privacy issues and the mandating of the regular disclosure of ministerial expenses. Improvements were also made to *The Personal Health Information Act* to better access personal health information and enhance public education to ensure Manitobans are aware of their privacy rights.
- Manitoba's **Green Building Policy** ensures that new Government-funded buildings are among the most environmentally and energy efficient in North America, helping to reduce energy expenditures and reliance on expensive, non-renewable fossil fuels. For example, by focussing on green retrofits and upgrades for operational savings, the NOR-MAN Regional Health Authority has saved \$219,500 per year and reduced greenhouse gas emissions by an estimated 670 tonnes per year. It is projects like this that have made Manitoba number one in the country for energy efficiency two years running.

Strengthening the Public Service Capacity

Modernizing Manitoba's civil service is an ongoing process that faces two significant challenges in delivering on Manitoba's priorities for the future: the increasing competition for new workers; and providing new and better services without increasing the cost to Government. Modernizing efforts work to effectively deal with these challenges.

- The Government is committed to a **Civil Service Renewal Strategy** that aims to effectively manage human resources, advance an engaged and productive civil service, and maximize the competencies that employees bring to the workplace. Over 300 renewal actions have been implemented that focus on building leadership capacity, increasing diversity and modernizing human resources management. Examples include the Leadership Development Initiative, the corporate internship programs, and the development of new and improved human resources policies dealing with corporate learning, respectful workplaces, and ethics in the civil service.
- The **Provincial Civil Service Diversity Strategy** sets a new and comprehensive approach to bringing together in one integrated effort a number of measures to promote further equity and diversity. Building on the principles of merit, equity and fairness, the strategy has committed to increase the number of well-qualified persons in the following equity groups: persons with disabilities, Aboriginal peoples, women, and visible minorities.
- In 2008, **job classification functions** were consolidated to a single office in Government, improving both the timeliness and consistency of classification activities across all sectors of Government.
- In 2007, *The Public Interest Disclosure (Whistleblower Protection) Act* was passed to provide a clear process for disclosing concerns about significant and serious wrongdoing in the Manitoba public service while providing protection from reprisal. The Act, the broadest of its kind in Canada, helps ensure the public sector operates within an environment of integrity, accountability and trust.

Future Directions

The Government supports continuous internal review and reform in order to provide Manitobans with affordable, innovative and effective Government operations, programs and services. The Government will continue to emphasize reforms that improve accountability and transparency, two important goals of modern government.

Selected Government Websites

'Just Click and You're There':	http://www.manitoba.ca
Child Care Online:	http://www.gov.mb.ca/fs/childcare/index.html
Parks Reservation Service:	http://prsdpr.gov.mb.ca/
Career development portal:	http://web6.gov.mb.ca/cdi/index.html?/index.html
My Student Aid Online:	http://www.gov.mb.ca/educate/sfa/pages/sfaFrontDoor_en.html
Manitoba Public Insurance:	http://www.mpi.mb.ca/
Winnipeg Auto Theft Suppression Strategy:	http://www.mpi.mb.ca/english/autotheft/ATWATSS.html
Bilingual Service Centres:	http://www.csbsc.mb.ca/
BizPal:	http://www2.gov.mb.ca/bizen/wizard/welcome.aspx
Manitoba business portal:	http://www.manitoba.ca/business/
Invest in Manitoba:	http://www.investinmanitoba.ca
TAXcess:	https://taxcess.gov.mb.ca/
Manitoba Finance Publications:	http://www.manitoba.ca/finance/publications.html
Manitoba Civil Service Commission:	http://www.gov.mb.ca/csc/
