Manitoba moves forward
Manitoba’s five-year economic plan

create jobs
health care
education & training
Manitoba’s Five-Year Economic Plan

Manitoba’s Five-Year Economic Plan builds on a solid foundation of budget stability and strategic investments in key services, infrastructure and debt reduction. This plan grows the economy, supports families and ensures Manitoba is strong and ready to embrace the future.

Economies around the globe have been hit hard by the worst economic downturn since the Second World War. Manitoba’s stable economy shielded the province from the most severe impacts of this global recession, but Manitoba is feeling the effects of the world-wide financial downturn. Like other provinces, Manitoba faces a budget shortfall.

This plan will return the province to surplus while continuing to support families and invest in strengthening the economy.

1. Invest in Vital Front-Line Services

Manitobans have identified clear priorities and services they want protected, particularly with a challenging economy: health care, education and training, policing and supports for families. This plan targets new spending to these priorities to move the province forward.

- Continue training more doctors and nurses.
- Maintain investments in diagnostic equipment and programs that help Manitobans stay healthy.
- Create more apprenticeship training opportunities and provide children and youth with the education and training they need to thrive in a growing economy.
- Add hundreds of new child care spaces and make it easier for parents to find child care through an online service.
- Continue supporting police services and crime prevention efforts that help make our communities safe.
- Continue investing in Manitoba’s All Aboard strategy to reduce poverty.

Budget 2010 will:

- Increase the number of doctors and nurses in training this year.
- Increase operating supports for universities and colleges by 4.5 per cent.
- Increase support for public schools by almost three per cent.
- Expand the number of child care spaces across the province.
- Continue building a regional cancer centre and upgrading the Westman Lab in Brandon.
- Construct a new mental health crisis response centre, upgrade the emergency department at Health Sciences Centre and proceed with plans for the new women’s hospital in Winnipeg.
- Fund the new police helicopter for the Winnipeg Police Service by covering operating costs.
- Provide more police officers and prosecutors, and additional locations for Lighthouses youth programs.
- Support the Winnipeg Police Service’s cadet program.

Manitoba’s Five-Year Economic Plan will:

1. Invest in Vital Front-Line Services: continue to improve health care, education, training, policing and supports for families.

2. Stimulate Economic Growth: build and upgrade needed infrastructure to create jobs, and invest in innovation to secure a prosperous future.

3. Manage Government Spending: responsibly limit spending to ensure Manitobans’ priorities come first.


5. Maintain Affordability: keep Manitoba as one of the most affordable places to live, work and raise a family.
2. Stimulate Economic Growth
Infrastructure investments create jobs and help position the province for the world-wide economic recovery. Supporting innovation and the green economy will pay long-term dividends to the province’s future.
- Continue with the province’s 10-year, $4 billion plan to upgrade highways, keep Manitobans moving and support businesses and the economy.
- Upgrade drinking water and wastewater treatment plants to protect the environment, provide clean, safe drinking water and help businesses and communities grow and prosper.
- Contribute to the province’s future prosperity by developing clean, renewable hydro power for Manitobans and valuable export markets – development of the Keeyask generating station will begin and the new Wuskwatim generating station will start producing electricity next year.
- Add 1,500 new social housing units and upgrade existing social housing across the province.
- Invest in the winter road system to move needed goods to isolated communities and begin constructing the all-weather east-side road.

Budget 2010 will:
- Invest $1.8 billion in infrastructure spending – a 90 per cent increase over 2008.
- Fund close to $600 million this year for highway projects such as Highway 1 East, Highway 75 South, Highway 2 and Highway 6 North.
- Invest in the Manitoba Research and Innovation Fund to support science and health research projects.
- Build CentrePort Canada Way, to further develop the province’s inland port.
- Complete the final phases of the Red River Floodway expansion.
- Provide $43 million to upgrade drinking water and wastewater treatment systems in rural and northern Manitoba.
- Invest in infrastructure in south Winnipeg to make way for the IKEA store.
- Complete the Len Evans Centre for Trades and Technology at Assiniboine Community College in Brandon.

3. Manage Government Spending
Managing the effects of the world-wide recession will lead to reduced spending in many government departments to focus on the priority services Manitobans have identified: health care, education and training, policing and supports for families. For the past decade, the province has seen the second lowest per capita spending growth in Canada. Over the five-year plan, core government spending growth will be limited to an annual average of less than two per cent, and new spending will be targeted to front-line services.

Budget 2010 will:
- Decrease the budgets of one-half of all government departments to free up resources for Manitobans’ priorities.
- Direct 90 per cent of new spending to health, education and training, family services and justice.
- Create a new Health Innovation Network to improve the delivery of health care services.
- Reduce the pay of cabinet ministers and propose to freeze the wages of members of the legislative assembly (MLAs) and senior government staff.
- Negotiate a pause in public sector wage increases.

Infrastructure investments create jobs and help position the province for the world-wide economic recovery.
4. Restore Balance

Manitoba faces this world-wide recession from a position of strength after a decade of balanced budgets. The province’s economy has fared better than most, but like governments across Canada, Manitoba faces a budget shortfall. This multi-year plan will restore balance over five years, returning the budget to surplus in 2014. Targeted strategies will be used to manage the shortfall.

- Reduce the budget deficit by one-third within the first three years of the plan.
- Dedicate $600 million from the Rainy Day Fund (Fiscal Stabilization Account) to keep paying down principal and interest on the debt incurred as a result of the economic downturn.

By growing the economy and responsibly limiting spending, economic projections show annual average government spending growth of less than two per cent and annual average government revenue growth of 3.2 per cent. This will return the budget to surplus.

Continuing to meet the requirements of current balanced budget legislation in today’s environment would require deep cuts to public services, tax increases and the cancellation of stimulus investments.

By restoring balance over five years, the plan is both financially and socially responsible, balancing priority investments in vital services and in infrastructure with sound fiscal management.

To implement the five-year plan, the government will introduce legislative changes that would:

- require the budget shortfall to be eliminated over four years with a return to surplus in year five of the plan;
- keep the legal requirement to have balanced budgets in the future;
- exceed debt payment requirements under the current law;
- retain restrictions that prohibit increases to major taxes without a referendum; and
- reduce ministerial salaries and freeze MLA pay.

Managing the effects of the global recession over five years instead of absorbing them all in one year restores financial balance without deep cuts to front-line services. This approach preserves important investments that might otherwise be at risk including:

- increased numbers of doctors and nurses in training, including the largest class of medical students in Manitoba history;
- operating support for new, state-of-the-art medical equipment like the Artiste, which offers new hope for patients with otherwise inoperable cancer;
- construction work on the regional cancer centre in Brandon, the new birth centre in south Winnipeg, and Winnipeg’s new police helicopter;
- investments in hundreds of new, safe, high-quality child care spaces;
- construction work on schools across Manitoba, including new schools in Steinbach, Winkler and La Broquerie;
- incentive grants for school divisions that hold the line on property taxes;
- support for universities and colleges that will help keep Manitoba tuition fees the third lowest in Canada;
- infrastructure stimulus projects that will create 29,000 direct and indirect jobs across Manitoba;
- investments in hundreds of new, safe, high-quality child care spaces; and
- limiting Pharmacare deductible increases to no more than the rate of inflation.

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5. Maintain Affordability

Manitoba is the ideal place to live, work and raise a family. The cost of living is low and the standard of living is high. The plan maintains Manitoba’s affordability advantage.

- Maintain a competitive tax environment so families can prosper and businesses can grow and expand by building on the $723 million in tax relief for Manitoba families and $422 million in tax relief for Manitoba businesses since 1999.
- Target gas tax dollars directly to fund road construction and improvements that help create jobs and keep goods and services moving.
- Continue support for both rural and urban communities across the province to ensure they remain vibrant and strong.
- Work with community partners to improve housing, education, safety and crime prevention through programs such as Neighbourhoods Alive!

Budget 2010 will:

- Provide college and university students with earlier access to part of the Tuition Fee Income Tax Rebate while they are still in school.
- Provide a tax credit to help offset fertility treatment costs.
- Introduce a new consumer protection strategy.
- Extend the fitness tax credit.
- Keep combined living costs and taxes for Manitobans among the best in Canada.
- See the elimination of the small business tax and the general corporation capital tax.
- Provide a partially refundable research and development tax credit for companies that invest in new ideas.
- Provide incentive grants to school divisions that hold the line on property taxes.

Over the next five years Manitobans will meet the challenge of the world-wide economic recession.

This five-year plan provides steady, stable investments that will support the services families rely on most, while returning the province to balance.

The plan, along with the hard work of Manitobans will help bring Manitoba through the world-wide economic downturn and into a bright and prosperous future.