

Manitoba Finance

Ministère des Finances

**Annual Report  
2016-2017**

**Rapport annuel  
2016-2017**



Manitoba Finance

General Inquiries:  
Room 109 Legislative Building  
Winnipeg, MB R3C 0V8  
Phone: 204-945-5343  
Fax: 204-945-1640  
Email: [DMFIN@leg.gov.mb.ca](mailto:DMFIN@leg.gov.mb.ca)

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**MINISTER OF  
FINANCE**

Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

Her Honour the Honourable Janice Filmon, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235 Legislative Building  
Winnipeg, MB R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Finance for the year ending March 31, 2017.

Respectfully submitted,

*Original signed by Cameron Friesen*

Minister of Finance





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**MINISTER OF  
FINANCE**

Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

Son Honneur l'honorable Janice Filmon, C.M., O.M.  
Lieutenant-gouverneure du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba) R3C 0V8

Madame la Lieutenant-Gouverneure,

J'ai l'honneur de vous présenter, à titre d'information, le rapport annuel du ministère des Finances du Manitoba pour l'exercice qui s'est terminé le 31 mars 2017.

Le tout respectueusement soumis.

*Original signé par Cameron Friesen*

Ministre des Finances





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**MINISTER  
OF CROWN SERVICES**

Room 314  
Legislative Building  
Winnipeg, Manitoba CANADA  
R3C 0V8

Her Honour the Honourable Janice Filmon, C.M., O.M.  
Lieutenant Governor of Manitoba  
Room 235 Legislative Building  
Winnipeg, MB R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of Manitoba Crown Services included within the Manitoba Finance Annual Report for the year ending March 31, 2017.

Respectfully submitted,

*Original signed by Cliff Cullen*

Minister of Crown Services





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**MINISTRE  
DES SERVICES DE LA COURONNE**

Bureau 314  
Palais législatif  
Winnipeg (Manitoba) Canada  
R3C 0V8

Son Honneur l'honorable Janice Filmon, C.M., O.M.  
Lieutenant-gouverneure du Manitoba  
Palais législatif, bureau 235  
Winnipeg (Manitoba) R3C 0V8

Madame la Lieutenant-Gouverneure,

J'ai l'honneur de vous présenter, à titre d'information, le rapport annuel de Services de la Couronne Manitoba inclus dans le rapport annuel du ministère des Finances du Manitoba pour l'exercice qui s'est terminé le 31 mars 2017.

Le tout respectueusement soumis.

Le ministre des Services de la Couronne,

*Original signé par Cliff Cullen*

L'honorable Cliff Cullen





Deputy Minister of Finance  
Room 109, Legislative Building, Manitoba, Canada R3C 0V8  
[www.manitoba.ca](http://www.manitoba.ca)

Honourable Cameron Friesen  
Minister of Finance  
Room 103 Legislative Building  
Winnipeg, MB R3C 0V8

Dear Sir:

I am pleased to present the 2016/2017 Annual Report of the Department of Finance.

This report provides a summary of the key results for the operating divisions within the department of Finance. These targets are based on the different priorities, objectives and actions set out in our 2016 Budget Estimates.

The Corporate Services Division provides executive administration, planning and management of departmental policies, programs and communication. Key results include co-ordinating and supporting the development of annual estimates for the departments of Finance and Crown Services, the Civil Service Commission and Executive Council, in accordance with established timetables and accounting policies and a greater alignment of information technology investments with program needs. The division also manages access to information requests under The Freedom of Information and Protection of Privacy Act for the departments of Finance and Crown Services, the Civil Service Commission and Executive Council.

The Treasury Division manages and administers provincial financial assets, primarily the borrowing programs and debt management activities, as well as the investment and banking activities of the government. Treasury Division also manages the borrowing programs and investment activities for all Crown corporations and government agencies, including the arrangement of financing for municipalities, universities, schools and hospitals. For 2016/2017, the division managed the issuing of securities in both domestic and international markets valuing approximately \$6.6 billion, and serviced approximately \$4.0 billion in long-term investments of the province and its agencies, generating earnings of approximately \$125.0 million.

The Comptroller Division establishes and fosters a corporate comptrollership function for the government. This includes the development and operation of financial and management systems in support of legislative and governmental decision making, service delivery effectiveness and accountability requirements. The province's Summary Financial Statements for the fiscal year ended March 31, 2017 contained in the annual Public Accounts received an unqualified audit opinion, indicating that the financial statements are prepared in accordance with generally accepted accounting principles and are free from material errors. Key results include eight new departmental and cross-government audits, conducting approximately 830,000 payroll and vendor payment transactions, as well as issuing the Quarterly Financial Reports and annual Public Accounts in accordance with established timetables and accounting policies.

The Taxation Division works to efficiently and effectively administer various provincial taxation statutes and ensures revenues are collected as required. The division also maintains TAXcess, an efficient online system relating to filing and payment of taxes, facilitating business registrations and permitting taxpayer browsing of account status. The division also participates in joint investigations with other agencies and jurisdictions. For 2016/2017, key results included developing measures to promote self-compliance, such as developing or updating informational bulletins for taxpayers, ensuring taxpayer queries were answered in a timely manner, conducting new vendor reviews and ensuring audit and collection programs were effective. Additionally, 99.9 per cent of amounts owing to the province were collected.

The Taxation, Economic and Intergovernmental Fiscal Research Division supports intergovernmental fiscal and policy relations and conducts economic and fiscal analysis, policy formulation and manages tax programs and federal-provincial agreements. The division provides research, technical and analytical support and advice to departments, the Minister and Cabinet regarding national and provincial economic, fiscal and taxation matters and intergovernmental issues. In 2016/2017, the division participated in the preparation of Budget 2016 and other financial reports, particularly with respect to \$11.0 billion in provincial revenue estimates and forecasts, the administration of fiscal arrangements (\$3.5 billion in federal transfers) and tax agreements (\$3.9 billion in tax revenue) with the federal government, and administered tax credit programs including corporation, personal and property tax credits involving the federal government, departments and other administrators. This year included transferring the processing of the Seniors' School Tax Rebate from a provincial office to the individual income tax return administered by the Canada Revenue Agency, which created nearly \$1.0 million annually in savings for the province. The year also saw legislation enacted which entrenched the indexation of the basic personal income tax exemption and the personal income tax brackets. The division also provided policy analysis and advice related to fiscal arrangements, including major federal and other transfer programs and on the Canadian retirement income system. Most notably, Manitoba agreed to support future enhancements to the Canada Pension Plan (CPP) and secured a commitment from the federal government to examine improvements to CPP death, survivor and disability benefits.

The Insurance and Risk Management Branch provides centralized insurance and risk management services to government departments and agencies, including most Crown corporations. In 2016/2017, commercial insurance premiums paid were \$2.2 million for departments and \$2.3 million for agencies with total insured values being in excess of \$10.0 billion.

The Manitoba Bureau of Statistics (MBS) serves as a cross-departmental service agency and provides the informational requirements for the Manitoba government, its departments and Crown agencies. In 2016/2017, MBS participated with the 2016 Census formal review, and in consultation with Statistics Canada and provincial departments reviewed and analysed the latest 2016 Census population and dwelling counts for all Manitoba Census Sub-Divisions and Designated Places geography.

The Office of the Superintendent - Pension Commission administers pension benefits legislation. In 2016/2017, the office processed 1,833 requests for written notice concerning one-time transfers, responded to approximately 2,500 telephone inquiries and issued over 450 pieces of correspondence in response to inquiries received. It also conducted six Pension Administration Reviews to assess whether the administrative systems and practices of pension plans were sufficient to meet legislative compliance.

Central Services delivers corporate information and communications technology (ICT) support services, accommodation and construction and capital project management and procurement services to meet government's current and future needs. In 2016/2017, central Business Transformation and Technology provided ICT goods and services procurement and contract negotiation services to government programs and ensured an adequate level of ICT governance was in place to manage ICT resources. Procurement Services facilitated the acquisition of a wide range of products and related services valued at approximately \$80.1 million and processed 569 requisitions valued at \$55.1 million. Accommodation Services administered in excess of 1,000 ongoing construction and consulting contracts, and awarded 117 new construction contracts with a total value of \$13.9 million and 99 new consultant contracts with a total value of \$8.7 million.

The Public Utilities Board (PUB) provides efficient and effective fiscal and regulatory oversight of Manitoba Hydro and Manitoba Public Insurance Corporation. Additionally, PUB is responsible for setting the rates for approximately 300 water and waste water utilities. In 2016/2017, PUB convened 16 oral public hearings over 38 days and two pre-hearing conference days. As a result of those oral public hearings and approximately 100 paper-based proceedings, which included public notices, the board issued 155 formal orders.



It is an honour and a privilege to submit this report which provides a summary of the valuable work accomplished by staff across the department.

Respectfully submitted,

*Original signed by Jim Hrichishen*

Deputy Minister of Finance



# Manitoba



Deputy Minister of Finance

Room 109, Legislative Building, Manitoba, Canada R3C 0V8

[www.manitoba.ca](http://www.manitoba.ca)

Monsieur Cameron Friesen  
Ministre des Finances  
Palais législatif, bureau 103  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai le plaisir de présenter le rapport annuel 2016-2017 du ministère des Finances.

Ce rapport fournit un résumé des principaux résultats des divisions au sein du ministère des Finances. Ces cibles reposent sur les priorités, les objectifs et les actions énoncés dans le Budget de 2016.

La Division des services ministériels fournit des services à la haute direction en administration, en planification et en gestion des politiques, des programmes et des communications du ministère. Les résultats essentiels comprennent la coordination et le soutien de l'élaboration des prévisions budgétaires annuelles du ministère des Finances, du département ministériel des Services de la Couronne, de la Commission de la fonction publique et du Conseil exécutif conformément aux calendriers établis et aux conventions comptables, et une meilleure harmonisation des investissements en technologies de l'information avec les besoins des programmes. La Division gère également les demandes d'accès à l'information en vertu de la Loi sur l'accès à l'information et la protection de la vie privée pour le compte du ministère, du département ministériel des Services de la Couronne, de la Commission de la fonction publique et du Conseil exécutif.

La Division de la trésorerie gère et administre les actifs financiers provinciaux, principalement les programmes d'emprunt et la gestion de la dette, ainsi que les investissements et les activités bancaires du gouvernement. La Division gère également les programmes d'emprunt et les investissements pour toutes les sociétés d'État et les organismes gouvernementaux. Elle participe à l'organisation du financement des municipalités, des universités, des écoles et des hôpitaux. Pour l'exercice 2016-2017, la Division a géré l'émission de titres, sur le marché national et les marchés internationaux, pour une valeur d'environ 6,6 milliards de dollars, et elle a assuré le service de quelque 4 milliards de dollars d'investissements à long terme de la Province et de ses organismes, générant des recettes d'environ 125 millions de dollars.

La Division du contrôleur établit et développe une fonction de contrôle pour le gouvernement. Cette fonction comprend l'élaboration et la mise en œuvre de systèmes financiers et de gestion qui apportent un soutien en ce qui concerne la prise de décisions législatives et gouvernementales, l'efficacité de la prestation des services et les exigences liées à l'obligation redditionnelle. Les états financiers sommaires de la Province pour l'exercice qui s'est terminé le 31 mars 2017 tels qu'ils sont représentés dans les comptes publics annuels ont reçu une opinion sans réserve des vérificateurs, ce qui indique que les états financiers sont préparés conformément aux principes comptables généralement reconnus et exempts d'erreurs importantes. Les résultats clés comprennent huit nouvelles vérifications ministérielles et interministérielles, la conduite d'environ 830 000 opérations de paiement aux salariés et aux fournisseurs, ainsi que la publication des rapports financiers trimestriels et des comptes publics annuels conformément aux calendriers et aux conventions comptables établis.

La Division des taxes et des impôts applique avec efficacité diverses lois fiscales provinciales et veille à ce que les recettes soient perçues tel que cela est requis. La Division gère également TAXcess, un système efficace de dépôt de déclarations et de paiement de taxes et d'impôts en ligne, qui facilite l'enregistrement des entreprises et permet aux contribuables de vérifier l'état de leur compte en ligne. La Division participe aussi à des enquêtes conjointes avec d'autres organismes et autorités administratives. Pour l'exercice 2016-2017, les résultats essentiels comprennent la mise en place de mesures favorisant

l'autoconformité, telles que l'élaboration ou la mise à jour des bulletins d'information destinés aux contribuables, la réponse dans les délais prévus aux demandes des contribuables, l'examen de nouveaux fournisseurs et l'évaluation de l'efficacité des programmes de vérification et de perception. De plus, 99,9 % des sommes dues à la Province ont été collectées.

La Division des recherches fiscales, économiques et intergouvernementales appuie les relations intergouvernementales en matière de fiscalité et de politiques, et s'occupe des analyses des questions d'économie et de fiscalité, de la formulation des politiques fiscales et de la gestion des programmes de crédit d'impôt. La Division a fourni aux ministères, au ministre et au Cabinet un soutien et des conseils d'ordre technique ainsi qu'en matière de recherche et d'analyse, relativement aux questions économiques et fiscales (tant nationales que provinciales) et aux questions intergouvernementales. Au cours de l'exercice 2016-2017, la Division a participé à la préparation du Budget 2016 et d'autres rapports financiers, en particulier relativement à 11 milliards de dollars en budget des recettes et prévisions, à la gestion d'arrangements fiscaux (3,5 milliards de dollars en transferts fédéraux) et d'ententes relatives à l'impôt (3,9 milliards de dollars en recettes fiscales) avec le gouvernement fédéral, et a administré des programmes de crédit d'impôt y compris les crédits d'impôt personnel, foncier et pour les corporations avec le gouvernement fédéral, des ministères et d'autres administrateurs. Par ailleurs, le traitement du remboursement de l'impôt sur le revenu aux personnes âgées au titre de la taxe scolaire, jusque là assuré par un bureau provincial, a été transféré à la déclaration de revenus individuelle administrée par l'Agence du revenu du Canada, ce qui a fait économiser près d'un million de dollars annuels à la Province. Au cours de l'exercice, l'indexation de l'exemption personnelle de base et les tranches de l'impôt sur le revenu des particuliers ont été inscrites dans la loi. La Division a également fourni des analyses et des conseils en matière de politiques ayant trait aux arrangements fiscaux, y compris les principaux programmes de transfert, notamment fédéraux, et le système de revenu de retraite au Canada. En particulier, le Manitoba a accepté d'appuyer l'amélioration future du Régime de pensions du Canada et a convaincu le gouvernement fédéral de se pencher sur des moyens d'améliorer les prestations de décès, de survivant et d'invalidité du Régime.

La Direction de l'assurance et de la gestion des risques fournit des services centralisés d'assurance et de gestion des risques aux organismes et ministères gouvernementaux, y compris la plupart des sociétés d'État. En 2016-2017, les primes d'assurance commerciale payées se sont élevées à 2,2 millions de dollars pour les ministères et à 2,3 millions de dollars pour les organismes. Le total des valeurs assurées a dépassé les 10 milliards de dollars.

Le Bureau des statistiques du Manitoba est un organisme de service interministériel qui répond aux exigences en matière de renseignements du gouvernement du Manitoba, de ses ministères et de ses organismes. En 2016-2017, le Bureau a participé à l'examen officiel du recensement de 2016. En collaboration avec Statistique Canada et les ministères provinciaux, le Bureau a examiné et analysé les plus récents chiffres de population et des logements du recensement de 2016 pour toutes les subdivisions de recensement et localités désignées au Manitoba.

Le Bureau du surintendant des pensions applique les lois relatives aux prestations de pension. En 2016-2017, le Bureau a traité 1 833 demandes d'avis écrit concernant des transferts uniques, a répondu à environ 2 500 demandes au téléphone et a publié plus de 450 écrits administratifs pour répondre aux demandes reçues. Le Bureau a aussi effectué la vérification administrative de six régimes de pension afin d'évaluer si ses systèmes et usages administratifs suffisaient à en assurer la conformité.

La Division des services centralisés offre aux ministères des services de soutien des technologies de l'information et des communications(TIC), des services d'installation et de construction, des services de gestion des projets d'immobilisations et des services d'approvisionnement afin de répondre aux besoins présents et futurs du gouvernement. Au cours de l'exercice 2016-2017, Technologie et transformation opérationnelle a fourni des services de négociation de contrats et d'approvisionnement de biens et de services de TIC aux programmes du gouvernement et a veillé à ce qu'un niveau adéquat de gouvernance des TIC soit en place pour gérer les ressources des TIC. La Direction des services d'approvisionnement a facilité l'acquisition d'un large éventail de produits et de services connexes d'une valeur de quelque 80,1 millions de dollars et a traité 569 demandes d'une valeur de 55,1 millions de dollars. La Division des services des installations a administré plus de 1 000 contrats de construction et de conseillers, et a attribué

117 nouveaux contrats de construction représentant une valeur totale de 13,9 millions de dollars et 99 nouveaux contrats de conseillers représentant une valeur totale de 8,7 millions de dollars.

La Régie des services publics offre des services efficaces et efficients de surveillance financière et réglementaire de Manitoba Hydro et de la Société d'assurance publique du Manitoba. La Régie est également chargée de l'établissement des tarifs d'environ 300 services publics d'eau et d'eaux usées. En 2016-2017, la Régie a tenu 16 audiences publiques qui ont duré 38 jours et des conférences préparatoires pour une durée de deux jours. À la suite de ces audiences publiques et des quelque 100 instances sur papier, comprenant des avis publics, la Régie a délivré 155 ordonnances officielles.

C'est un honneur et un privilège pour moi, Monsieur le Ministre, de déposer à votre attention ce rapport qui offre un résumé du précieux travail accompli par le personnel du ministère.

Le tout respectueusement soumis.

*Original signé par Cameron Friesen*

Le sous-ministre des Finances





Deputy Minister of Crown Services  
Room 109, Legislative Building, Manitoba, Canada R3C 0V8  
www.manitoba.ca

Honourable Cliff Cullen  
Minister of Crown Services  
Room 314 Legislative Building  
Winnipeg, MB R3C 0V8

Dear Sir:

I am pleased to present the 2016/2017 Annual Report of the Department of Crown Services included within the Department of Finance Annual Report.

On May 2, 2016, responsibility for Manitoba Hydro, Manitoba Public Insurance Corporation, Manitoba Liquor and Lotteries, and the Manitoba Centennial Centre Corporation was placed under the newly formed ministry of Crown Services. From that day forward, staff members within Finance and the newly formed Crown Services Secretariat have worked tirelessly to ensure new processes and government policies are implemented effectively and on time.

The report provides a summary of the key results for the Crown Services Secretariat. These targets are based on the different priorities, objectives and actions set out in our 2016 Budget Estimates.

The Crown Services Secretariat provides advice and management of departmental policies, programs and communication. Key results include co-ordinating and supporting the development of annual reporting documents for Crown corporations, co-ordinating responses for Ministerial correspondences, drafting *The Crown Corporations Governance and Accountability Act* and *The Efficiency Manitoba Act*, and overseeing government policy direction with Crown corporations in accordance with established timetables and government needs.

It is an honour and a privilege to submit this report which provides a summary of the valuable work accomplished by staff in the secretariat with support from other departments.

Respectfully submitted,

*Original signed by Jim Hrichishen*

A/Deputy Minister of Crown Services





Deputy Minister of Crown Services  
Room 109, Legislative Building, Manitoba, Canada R3C 0V8  
www.manitoba.ca

Monsieur Cliff Cullen  
Ministre des Services de la Couronne  
Palais législatif, bureau 314  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai le plaisir de présenter le rapport annuel 2016-2017 du ministère des Services de la Couronne inclus dans le rapport du ministère des Finances.

Le 2 mai 2016, la responsabilité de Manitoba Hydro, de la Société d'assurance publique du Manitoba, de la Société manitobaine des alcools et des loteries et de la Société du Centre du centenaire du Manitoba a été confiée au nouveau département ministériel des Services de la Couronne. Depuis ce jour, des membres du personnel du ministère des Finances et du nouveau Secrétariat des services de la Couronne travaillent sans relâche pour veiller à ce que les nouveaux processus et les nouvelles politiques gouvernementales soient mis en œuvre efficacement et sans retard.

Ce rapport résume les principaux résultats obtenus par le Secrétariat des services de la Couronne. Ces cibles reposent sur les priorités, les objectifs et les actions énoncés dans le Budget de 2016.

Le Secrétariat des services de la Couronne fournit des conseils et des services de gestion des politiques, des programmes et des communications du ministère. Les principaux résultats comprennent la coordination et le soutien de l'élaboration de documents annuels de reddition des comptes pour les Sociétés d'État; la coordination des réponses à la correspondance ministérielle; la rédaction de la Loi sur la gouvernance et l'obligation redditionnelle des corporations de la Couronne et de la Loi sur la Société pour l'efficacité énergétique du Manitoba; et la supervision de l'orientation de la politique gouvernementale à l'égard des Sociétés d'État, en conformité avec des calendriers et des besoins gouvernementaux déterminés.

C'est un honneur et un privilège pour moi, Monsieur le Ministre, de déposer à votre attention ce rapport qui offre un résumé du précieux travail accompli par le personnel au sein du Secrétariat des services de la Couronne avec le soutien d'autres ministères.

Le tout respectueusement soumis.

*Original signé par Jim Hrichishen*

Le sous-ministre par intérim des Services de la Couronne,



Honourable Cameron Friesen  
Minister of Finance  
Room 103 Legislative Building  
Winnipeg, MB R3C 0V8

Dear Sir:

I am pleased to present for your approval the 2016/2017 Annual Report of the Department of Finance.

The report provides a summary of the key results for Treasury Board Secretariat. These targets are based on the different priorities, objectives and actions set out in our 2016 Budget Estimates.

Treasury Board Secretariat (TBS) provides financial and analytical support as well as advice to the Minister of Finance and Treasury Board in fulfilling fiscal management responsibilities. Key results include the tabling of the 2016/2017 Estimates of Expenditure and Revenue along with Budget 2016. TBS provided support to departments to strengthen the government's capacity to measure, monitor and evaluate programs through performance management processes. TBS also co-ordinated government's Fiscal Performance Review throughout 2016/2017.

It is an honour and a privilege to submit this report which provides a summary of the valuable work accomplished by staff within Treasury Board Secretariat.

Respectfully submitted,

*Original signed by Paul Beauregard*

Secretary to Treasury Board





Secrétariat du Conseil du Trésor

386, Broadway, bureau 200, Winnipeg (Manitoba) R3C 3R6  
www.manitoba.ca

Monsieur Cameron Friesen  
Ministre des Finances  
Palais législatif, bureau 103  
Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai le plaisir de soumettre à votre approbation le rapport annuel 2016-2017 du ministère des Finances.

Ce rapport résume les principaux résultats obtenus par le Secrétariat du Conseil du Trésor. Ces cibles reposent sur les priorités, les objectifs et les actions énoncés dans le Budget de 2016.

Le Secrétariat du Conseil du Trésor apporte au ministre des Finances et au Conseil du Trésor de l'aide et des conseils en matière de finances et d'analyse, leur permettant d'exercer leurs responsabilités dans la gestion financière. Les principaux résultats comprennent le dépôt des prévisions de dépenses et de recettes de 2016-2017 avec le Budget de 2016. Le Secrétariat du Conseil du Trésor a aidé les ministères à renforcer la capacité du gouvernement à mesurer, surveiller et évaluer les programmes, grâce aux processus de gestion de la performance. Le Secrétariat du Conseil du Trésor a également coordonné l'examen de la performance financière du gouvernement durant l'exercice 2016-2017.

C'est pour moi un honneur et un privilège de présenter ce rapport qui offre un résumé du précieux travail accompli par le personnel du Secrétariat du Conseil du Trésor.

Le tout respectueusement soumis.

*Original signé par Paul Beauregard*

Secrétaire du Conseil du Trésor





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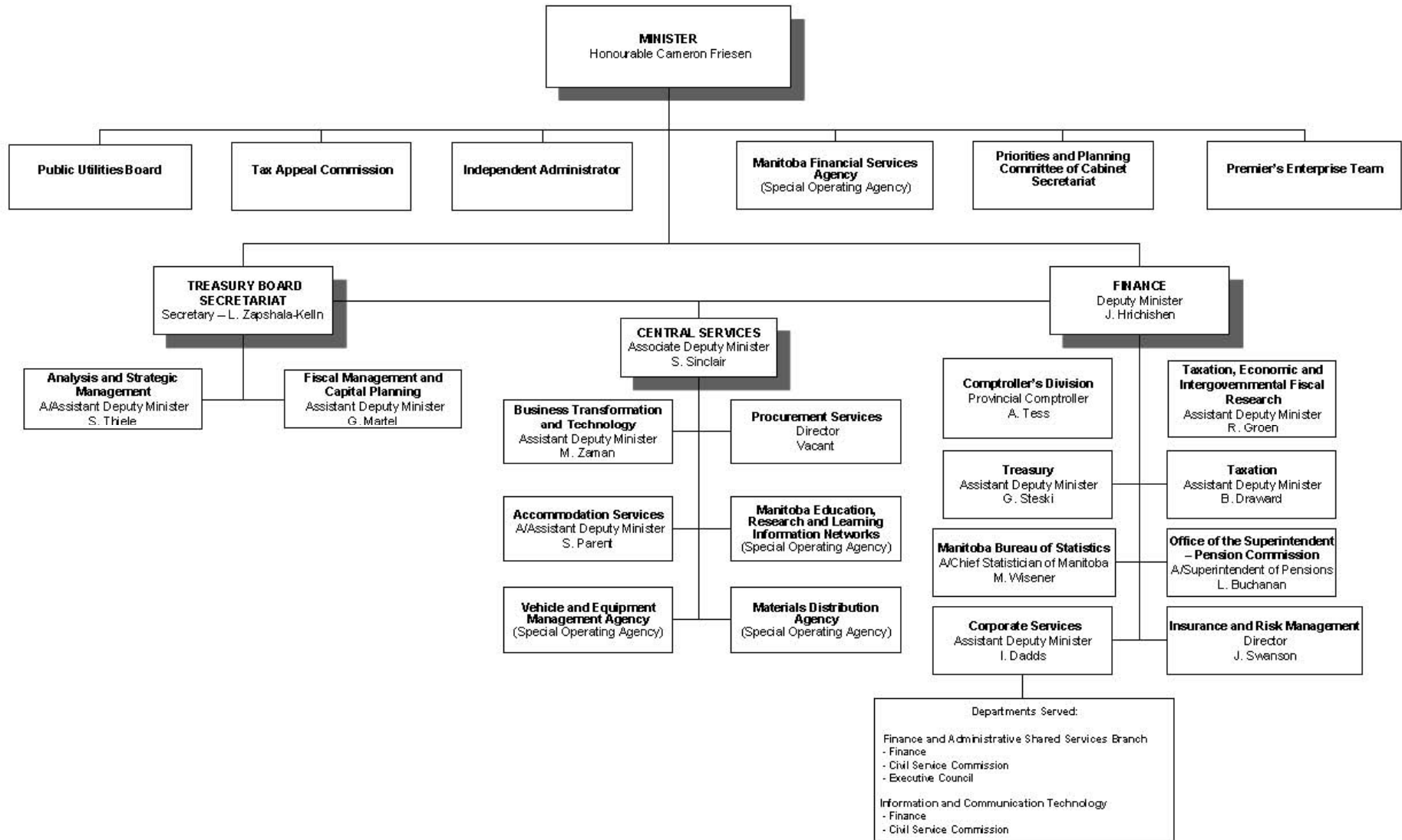
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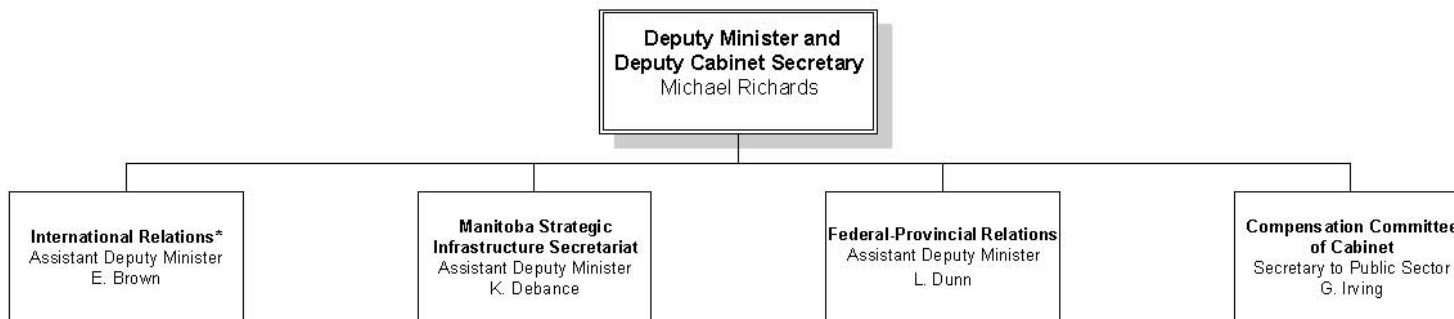
# DEPARTMENT OF FINANCE

## ORGANIZATION CHART

### AS AT MARCH 31, 2017



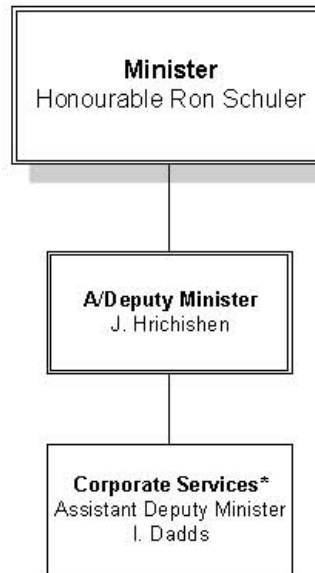
**INTERGOVERNMENTAL AFFAIRS**  
**ORGANIZATION CHART**  
**AS AT MARCH 31, 2017**



2

\*International Relations is with Department of Growth, Enterprise and Trade

**CROWN SERVICES  
ORGANIZATION CHART  
AS AT MARCH 31, 2017**



\*Corporate Services has designated staff assigned to Crown Services.

# PREFACE

## **Report Structure**

The Annual Report of the department of Finance is organized in accordance with the departmental appropriation structure as of March 31, 2017, which reflects the department's authorized votes approved by the Legislative Assembly. Exceptions to this format have been made for Net Tax Credit Payments and Public Debt. These areas have been included within the divisions responsible for their administration.

The report includes information at the main and sub-appropriation levels relating to the department's objectives, actual results achieved, financial performance and variances, and provides a five-year historical table giving the departmental expenditures and staffing. Expenditures and revenue variance explanations previously contained in the Public Accounts of Manitoba are now provided in the annual report.

## **Vision and Mission**

### **Vision**

A dynamic and innovative organization that supports a strong and growing province.

### **Mission**

Implementing and managing effective financial, fiscal and economic policies, practices and services for Manitoba and its citizens.

## **Highlights**

In 2016/2017, the department activities and achievements included:

- preparing the annual Provincial Budget
- managing and controlling government expenditures and revenues, and evaluating government programs
- providing policy direction on matters relating to financial management and administration, and ensuring appropriate government-wide management practices and systems
- ensuring accountability for the delivery of government programs
- maintaining the core government accounting and financial reporting systems, and preparing the annual Public Accounts and other reports which show the financial condition of the entire government reporting entity
- managing daily cash requirements, the public debt, the investment of public money, and loans and advances made and guarantees given by the government
- advising on fiscal and other economic policies and measures including taxation
- analyzing and appraising the economic situation and prospects in Manitoba, in co-operation with other ministries as appropriate
- representing the province in negotiations and participating in meetings related to finance, taxation and economic development
- insuring government assets and managing risk

- providing effective and innovative regulatory processes and decisions for Manitobans and ensuring that rates charged by public utilities are fair and reasonable
- providing statistical and labour force information to the department, other government departments and other agencies of government
- promoting the improvement of employment pension plans registered under The Pension Benefits Act and initiating the 'Five-year' review
- managing the province's financial assets and liabilities
- promoting international relationships and strategic partnerships between and among the Province, Federal government, local government and non-governmental organizations
- advising on strategic policies that relate to federal-provincial relations
- providing corporate accommodation services, including strategic planning and management of capital projects, while advancing green building practices
- providing centralized corporate procurement services to government and agencies
- providing a centralized corporate information and communication technology environment and support services

Through its efforts, the department manages strategic, financial and operational risks at a corporate level so that the value government obtains for money expended, and for revenues owing and received, is optimized.

The department also encompasses the Manitoba Education, Research and Learning Information Networks, the Manitoba Financial Services Agency, the Materials Distribution Agency and the Vehicle and Equipment Management Agency. Each of these special operating agencies prepares and presents its own annual report.

## STATUTORY RESPONSIBILITIES OF THE MINISTER OF FINANCE

	Continuing Consolidation Chapter
The Affordable Utility Rate Accountability Act	A 6.8
The Chartered Professional Accountants Act	C 71
The Commodity Futures Act	C 152
The Cooperatives Act	C 223
The Corporations Act [part XXIV]	C 225
The Corporation Capital Tax Act	C 226
The Credit Unions and Caisses Populaires Act	C 301
The Credit Unions and Caisses Populaires Profits Tax Act	C 302
The Crocus Investment Fund Act [section 11]	C 308
The Emissions Tax on Coal and Petroleum Coke Act	E 90
The Energy Rate Stabilization Act	E 115
The Financial Administration Act	F 55
The Fire Insurance Reserve Fund Act	F 70
The Fuel Tax Act	F 192
The Government House Act	G 80
The Government Purchases Act	G 90
The Health and Post Secondary Education Tax Levy Act	H 24
The Hospital Capital Financing Authority Act	H 125
The Income Tax Act [except sections 7.13 to 7.16, 10.4, 10.5 10.6 and 11.8 to 11.12]	I 10
The Insurance Act	I 40
The Insurance Corporations Tax Act	I 50
The Manitoba Investment Pool Authority Act	I 100
The Labour-Sponsored Venture Capital Corporations Act [except Part 2 and sections 16 to 18 as they relate to Part 2]	L 12
The Mining Claim Tax Act	M 165
The Mining Tax Act	M 195
The Mortgage Brokers Act	M 210
The Municipal Taxation and Funding Act [except Part 2]	M 265
The Pari-Mutuel Levy Act	P 12
The Pension Benefits Act	P 32
The Property Tax and Insulation Assistance Act [Parts I, I.1, III, III.3, IV, V.1 and V.2, and section 1 and Part VI as they relate to subjects covered under Parts I, I.1, III, III.3, IV, V.1 and V.2]	P 143
The Public Officers Act	P 230
The Public-Private Partnerships Transparency and Accountability Act	P 245
The Public Sector Compensation Disclosure Act	P 265
The Public Utilities Board Act	P 280
The Public Works Act [as it relates to matters within the mandate of the Accommodation Services Division of the Department of Finance]	P 300
The Real Estate Brokers Act	R 20
The Retail Sales Tax Act	R 130
The Securities Act	S 50
The Securities Transfer Act	S 60
The Statistics Act	S 205
The Succession Duty Act (S.M. 1988-89, c. 42)	-
The Suitors' Moneys Act	S 220
The Tax Administration and Miscellaneous Taxes Act	T 2
The Tax Appeals Commission Act	T 3
The Tobacco Tax Act	T 80

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Per Order-in-Council 192/2016 Schedule F



## STATUTORY RESPONSIBILITIES OF THE MINISTER OF CROWN SERVICES

	Continuing Consolidation Chapter
The Manitoba Centennial Centre Corporation Act	C 40
The Crown Corporations Public Review and Accountability Act	C 336
The Manitoba Hydro Act	H 190
The Manitoba Liquor and Lotteries Corporation Act	L 155
The Manitoba Public Insurance Corporation Act [except for sections 174.1 to 174.4 (claimant adviser office) and sections 175 to 185 (Automobile Injury Compensation Appeal Commission)]	P 215

# ADMINISTRATION AND FINANCE

Administration and Finance provides executive administration, management and strategic planning for the departments of Finance and Crown Services. It provides central co-ordination and oversight of policies and programs; financial and administrative functions and information communication technology; as well as other services such as the Tax Appeals Commission, the Independent Administrator and the operation of the Office of the Lieutenant Governor.

## Executive Support

The ministers' salaries provides additional compensation to which individuals appointed to the Executive Council are entitled.

Executive Support provides support and advice to the ministers on all policy and program matters related to the departments, co-ordinates and administers the activities of the departments in order to meet government policy objectives, and provides administrative leadership to the departments.

1 (a) Ministers' Salaries					
Expenditures by Sub-Appropriation	Actual	Estimate	Variance		Expl. No.
	2016/2017 \$(000s)	2016/2017 FTEs	Over/(Under) \$(000s)	Over/(Under) \$(000s)	
Ministers' Salaries	98	2.00	102	(4)	
<b>Total Sub-Appropriation</b>	<b>98</b>	<b>2.00</b>	<b>102</b>	<b>(4)</b>	

1 (b) Executive Support					
Expenditures by Sub-Appropriation	Actual	Estimate	Variance		Expl. No.
	2016/2017 \$(000s)	2016/2017 FTEs	Over/(Under) \$(000s)	Over/(Under) \$(000s)	
Salaries and Employee Benefits	1,034	13.00	1,079	(45)	
Other Expenditures	144		92	52	1
<b>Total Sub-Appropriation</b>	<b>1,178</b>	<b>13.00</b>	<b>1,171</b>	<b>7</b>	

### Explanation:

1. Over-expenditure is primarily due to Crown Services.

## Corporate Services

The Corporate Services Division supports the corporate needs of the department by liaising and co-operating with other areas of the shared services departments and central agencies to develop and implement departmental policies and procedures for financial management, administration, business processes and information technology management.

The division supports the minister, deputy minister and the department on corporate policy matters, access to information, issues management, legislation, regulation, executive management and strategic planning. In addition, the division provides support on the development and implementation of policy matters for the Manitoba Financial Services Agency, a special operating agency.

The division ensures appropriate management of and accountability for the department's resources, as well as effective, efficient and economical operation of the departmental financial functions, in compliance with requirements of the shared services departments, Treasury Board, Comptroller and Auditor General. It further manages and provides support to the department of Finance and the Civil Service Commission for matters related to information technology and technological policies, procedures and directives.

### Results:

- provided leadership and support of strategic planning, comptrollership and the effective use of information technology resources for the department

- supported management through the provision of analytical, consultative and evaluative advice on financial, policy and planning proposals and ongoing operations; supported and ensured continuity in the administrative process of the department
- provided policy support to the minister, deputy minister and department, including briefing and planning materials, authority seeking documents, correspondence and public reporting documents
- ensured the departments of Finance and Crown Services, Executive Council and the Civil Service Commission met their responsibilities under The Freedom of Information and Protection of Privacy Act (FIPPA)
- ensured timely reporting of departmental management reports, annual estimates information, detailed budget forecasts and related reports, the Supplementary Information for Legislative Review, as well as the Annual Report to the Legislature
- maintained strong fiscal management, accountability and control over departmental financial resources, monitored and advised of emerging financial and program management issues, and provided financial information to departmental managers and other government agencies and departments
- ensured prompt and accurate payment of accounts payable, and collected and deposited all revenues and receipts to which the departments were entitled
- managed cost-effective investments in information systems to enable delivery of departmental program needs for automated functionality, system performance, security and availability

## Crown Services Secretariat

The Crown Services Secretariat provides support and policy advice to the minister and deputy minister of Crown Services in overseeing the four Crown corporations of Manitoba Hydro, Manitoba Liquor and Lotteries, Manitoba Centennial Centre Corporation, and Manitoba Public Insurance Corporation.

In addition, the secretariat also ensures effective communication and issues management for ministerial correspondence sent to the minister's office.

### Results:

- drafted new legislation for oversight of the four Crown corporations responsible to the minister of Crown Services and co-ordinated the transition to the Crown Services Secretariat
- drafted new reporting documents including mandate letters, business plans, and roles and responsibilities records for Crown corporations to ensure transparency and accountability
- provided policy support to the minister, deputy minister and secretariat including briefing materials, correspondence, and authority seeking documents

<b>1 (c) Corporate Services</b>				
<b>Expenditures by Sub-Appropriation</b>	<b>Actual</b>	<b>Estimate 2016/2017</b>	<b>Variance</b>	<b>Expl.</b>
	<b>2016/2017</b>			
	<b>\$(000s)</b>	<b>FTEs</b>	<b>\$(000s)</b>	<b>No.</b>
Salaries and Employee Benefits	3,000	48.00	3,159	(159)
Other Expenditures	298		324	(26)
<b>Total Sub-Appropriation</b>	<b>3,298</b>	<b>48.00</b>	<b>3,483</b>	<b>(185)</b>

## Tax Appeals Commission

The Tax Appeals Commission Act provides for the appointment of one or more commissioners for the purpose of dealing with appeals filed by taxpayers who disagree with assessments issued by the Taxation Division. The Tax Appeals Commission provides taxpayers with an objective review of a taxpayer's appeal, independent of the taxation officials who issued the assessment.

The activity of the commission and results for 2016/2017 are as follows:

Outstanding appeals as at March 31, 2016	36
Appeals received in 2016/2017	
Administration	6
Audit	12
	<u>54</u>
Disposition of appeals in 2016/2017	
Varied	5
Affirmed	8
Rescinded	2
Withdrawn	<u>6</u>
Appeals Resolved	<u>21</u>
<b>Outstanding appeals as at March 31, 2017</b>	<b><u>33</u></b>

### 1 (d) Tax Appeals Commission

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017	Variance	Expl.
	2016/2017 \$(000s)	FTEs \$(000s)	Over/(Under) \$(000s)	No.
Tax Appeals Commission	26	16	10	1
<b>Total Sub-Appropriation</b>	<b>26</b>	<b>16</b>	<b>10</b>	

#### Explanation:

1. Over-expenditure is due to increased legal and professional services.

## Independent Administrator

The independent administrator was created under The Labour-Sponsored Venture Capital Corporations Act. The independent administrator reports to the minister of Finance and monitors provincially registered labour-sponsored funds and issuers under the Small Business Venture Capital Tax Credit program to ensure compliance with governing legislation.

### 1 (e) Independent Administrator

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017	Variance	Expl.
	2016/2017 \$(000s)	FTEs \$(000s)	Over/(Under) \$(000s)	No.
Independent Administrator	43	31	12	
<b>Total Sub-Appropriation</b>	<b>43</b>	<b>31</b>	<b>12</b>	

## Office of the Lieutenant Governor

Administration and Finance provides a support function to the Office of the Lieutenant Governor. The division manages the finances of the Office of the Lieutenant Governor, including administrative staff salaries, materials and supplies and transportation expenses.

### 1 (f) Office of The Lieutenant Governor

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	2016/2017 \$(000s)	Variance	Expl. No.
	2016/2017 \$(000s)			Over/(Under) \$(000s)	
Salaries and Employee Benefits	357	3.00	259	98	1
Other Expenditures	99		102	(3)	
<b>Total Sub-Appropriation</b>	<b>456</b>	<b>3.00</b>	<b>361</b>	<b>95</b>	

#### Explanation:

1. Over-expenditure is primarily due to additional salary costs due to retirement.

# FISCAL AND FINANCIAL MANAGEMENT

## Treasury

The Treasury Division manages and administers the cash resources, borrowing programs, and all investment and debt management activities of the government. It further manages the borrowing programs and investment activities for all of its Crown corporations and government agencies. The division also arranges for the financing of municipalities, universities, schools and hospitals.

Major changes are continually taking place in the world's economic and financial markets. These changes have a significant impact on both short and long-term management strategies, as well as the day-to-day decisions made by Treasury Division staff.

The division maintains contact with a large number of domestic and foreign financial institutions, as well as regulatory and rating agencies, to inform them of the fiscal and economic performance of the province and its policies, while at the same time obtaining information about the state of world financial markets and financial products and opportunities available to the province.

### Results:

- maintained the best possible financial arrangements that minimize risk and cash flow requirements for the province, Crown corporations, government agencies, school boards, hospitals and municipalities
- ensured policies, legislation and regulations are sufficient for the needs of the government
- ensured investment returns are the maximum possible within acceptable risk parameters
- issued securities in both domestic and international markets valuing approximately \$6.6 billion
- provincial borrowings serviced by the division were represented by debentures, savings bonds, treasury bills, promissory notes and Canada Pension Plan debentures payable in Canadian dollars; borrowings also include: debenture issues payable in United States dollars, euros, New Zealand dollars, Australian dollars, Hong Kong dollars and Japanese yen; in servicing foreign issues, the division administered approximately 400 swap agreements whereby, all the foreign debt has been swapped into fixed or floating rate Canadian or United States dollar liabilities in order to mitigate risk to foreign currency fluctuation
- advanced \$4.1 billion in new loans and advances to government programs, Crown corporations and government agencies; and managed an aggregate outstanding of \$21.0 billion in loans and advances to government programs, Crown corporations, and agencies
- the Cash Management program managed the cash flow and investment of significant dollar amounts processed through the accounts of the government
- departments, agencies and Crown corporations deposited surplus funds with the minister of Finance in approximately 80 interest-bearing trust deposit accounts; these trust funds averaged \$1.5 billion and paid interest of approximately \$9.9 million
- managed approximately \$4.0 billion in long-term investments of the province and its agencies, generating earnings of approximately \$125.0 million
- managed an average balance of approximately \$3.0 billion in short-term investments of the province, requiring processing of transactions representing purchases, sales and maturities of approximately \$190.0 billion; this servicing was accomplished while maintaining loss-free safekeeping, payment and receipt operations

**2 (a) Treasury**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	2,302	25.00	2,153	149
Other Expenditures	109		152	(43)
<b>Total Sub-Appropriation</b>	<b>2,411</b>	<b>25.00</b>	<b>2,305</b>	<b>106</b>

## Public Debt (Statutory)

This appropriation provides for the required net cost of interest and related expenses payable with respect to the Public Debt of the province.

**7.9 Public Debt (Statutory)**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.
	2016/2017 \$(000s)			
(a) Interest on:				
(1) Interest on the Public Debt of Manitoba and related expense	1,354,161		1,382,041	(27,880)
(2) Interest on departments' capital assets	247,647		249,120	(1,473)
(3) Interest on Trust and Special Funds	10,060		5,400	4,660
<b>Subtotal (a)</b>	<b>1,611,868</b>		<b>1,636,561</b>	<b>(24,693)</b>
(b) Less: Interest and Other Charges to be received from:				
(1) Sinking Fund Investments	(46,026)		(44,277)	(1,749)
(2) Manitoba Hydro	(838,645)		(871,187)	32,542
(3) Manitoba Housing and Renewal Corporation	(39,032)		(37,118)	(1,914)
(4) Manitoba Agricultural Services Corporation	(18,547)		(15,561)	(2,986)
(5) Other Government Agencies	(13,001)		(21,666)	8,665
(6) Other Loans and Investments	(120,872)		(93,620)	(27,252)
(7) Other Appropriations	(321,659)		(323,132)	1,473
<b>Subtotal (b)</b>	<b>(1,397,782)</b>		<b>(1,406,561)</b>	<b>8,779</b>
<b>Total Sub-Appropriation</b>	<b>214,086</b>		<b>230,000</b>	<b>(15,914)</b>
				<b>1</b>

**Explanation:**

1. Net under-expenditure is primarily due to favourable interest rates.

## Comptroller

The Comptroller Division establishes and fosters a corporate comptrollership function for the Manitoba government that includes the development and operation of financial and management systems in support of legislative and governmental decision-making, service delivery effectiveness and accountability requirements.

Some of the key components integral to the division's government-wide comptrollership function include: designing management processes; establishing financial and accounting policies; assisting in the co-ordination of the government's Summary Budget; preparing and presenting financial information for internal and external reporting, including the government's Public Accounts on a summary basis; maintaining the central accounts of the province; controlling all disbursements and revenue transactions for the Consolidated Fund; facilitating the integration and co-ordination of financial and management information; and providing advisory and problem solving services to corporate government and line departments.

### Results:

- completed eight new audit projects and 20 audit projects continuing from prior years
- developed guidance to assess funded organizations
- developed and maintained a process to track audit projects and follow-up on the implementation of internal audit recommendations
- led the development of the new Deputy Ministers Audit and Enterprise Risk Management Committee
- prepared reports summarizing the audit activities for the year and the audit plan for the upcoming year for the Deputy Ministers Audit and Enterprise Risk Management Committee
- participated in Chartered Professional Accountants of Manitoba (CPA Manitoba), Institute of Internal Auditors, and Information Systems Audit and Control Association activities
- performed payroll transactions that included 483,692 direct deposits, 332 cheques and 328 new or amended garnishments while adhering to all deadlines and all related laws, regulations and policies.
- The office also successfully implemented the first ever retroactive Government Employees Master Agreement settlement that affected all or part of three fiscal years
- released 346,000 payments for grants, supplies and services, to corporations, firms and other recipients based on documents and supporting information provided by the government's operating departments; of this total, 166,000 were direct deposit payments to vendors
- processed and collected amounts owing to the government for shared-cost agreements on a timely basis
- issued quarterly financial report statements of the government in accordance with established timetables and accounting policy
- prepared and released the annual financial reports, as represented by the Public Accounts in accordance with The Financial Administration Act; 2015/2016 summary financial statements of the government represented by Volume 1 of the Public Accounts, and the more detailed financial statements, schedules and reports of the Consolidated Fund represented by Volumes 2 and 3 of the Public Accounts were all released on September 14, 2016
- continued to provide consultation and financial guidance for appropriate financial processes within the Consolidated Fund



**2 (b) Comptroller**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance	Expl.
	2016/2017 \$(000s)	2016/2017 FTEs \$(000s)	Over/(Under) \$(000s)	No.
Salaries and Employee Benefits	4,241	65.00	5,076 (835)	1
Other Expenditures	865		834 31	
Less: Recoverable from Other Appropriations	(581)		(560) (21)	
<b>Total Sub-Appropriation</b>	<b>4,525</b>	<b>65.00</b>	<b>5,350 (825)</b>	

**Explanation:**

1. Under-expenditure is primarily due to vacancies resulting from retirements and staff turnover.

**Taxation**

The Taxation Division is responsible for efficiently and effectively administering the following provincial taxation acts and ensuring revenues are collected as provided in these acts:

- The Corporation Capital Tax Act
- The Credit Unions and Caisses Populaires Profits Tax Act
- The Emissions Tax on Coal and Petroleum Coke Act
- The Fuel Tax Act
- The Health and Post Secondary Education Tax Levy Act
- The Mining Tax Act
- The Retail Sales Tax Act
- The Tax Administration and Miscellaneous Taxes Act
- The Tobacco Tax Act
- The continuing phase-out of The Succession Duty Act

Activities of the division include administering the collection, processing and reporting of taxation revenues; informing, investigating and auditing taxpayers and businesses; and developing and distributing public tax information to protect revenue by promoting voluntary compliance.

Actual revenues for the 2016/2017 fiscal year under the taxation acts noted above as well as for the Mining Claim Lease Tax, Environmental Protection Tax and Insurance Corporations Tax, were \$3,637.9 million, which was more than estimated revenues by \$8.8 million.

Revenue variances by source are discussed in the Revenue Variance Explanations section (page 49). The major variances from the estimate are as follows:

- Corporation Capital Tax revenue was greater than the estimate by \$28.2 million, due to an increase in reported taxable capital and percentage of allocation over forecasted projection.
- Fuel Tax revenue was greater than the estimate by \$14.3 million, due to the elimination of the ethanol grant program.
- Retail Sales Tax revenue was less than the estimate by \$27.1 million, due to not meeting the economic growth projection.
- Tobacco Tax revenue was less than the estimate by \$12.8 million, due to lower than expected wholesale shipments and the impact of e-cigarette sales.

Further details on all taxation revenues are presented in the Revenue Summary by Source table (page 47).

The following table details the historical revenues collected under the taxation acts noted above for the past five years:

**Provincial Taxation Acts**  
**Comparative Statement of Actual Revenues \$(000s)**  
For Fiscal Years Ending March 31, 2013 to March 31, 2017

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
Corporation Capital Tax	133,516	155,169	135,341	158,359	185,846
Fuel Tax	313,615	322,253	317,363	319,189	335,512
Insurance Corporations Tax	78,324	82,681	86,214	90,771	94,263
Levy for Health and Education	410,284	426,867	439,231	457,512	475,284
Succession Duty and Gift Tax	22	3	3	3	3
Mining Claim Lease Tax	71	71	71	71	71
Mining Tax	37,632	8,354	2,429	2,035	1,345
Retail Sales Tax	1,763,900	2,024,952	2,201,955	2,266,868	2,298,215
Tobacco Tax	252,058	272,124	256,022	256,119	243,266
Environmental Protection Tax	4,562	4,558	3,471	4,670	3,464
Credit Unions and Caisses Populaires Profits Tax	746	740	527	865	710
<b>Total</b>	<b>2,994,730</b>	<b>3,297,772</b>	<b>3,442,627</b>	<b>3,556,462</b>	<b>3,637,979</b>

**Results:**

- maintained effective and efficient tax administration systems, to reduce tax administration costs and maintain accurate and current filing of tax returns and business registrations, with a deterrent to tax avoidance or evasion
- maintained and delivered enhancements to TAXcess - an efficient online system relating to filing and payment of taxes, facilitating business registrations and permitting taxpayer browsing of account status
- ensured accurate processing of taxpayer refund claims
- recovered unpaid taxes through audits and investigations resulting in increased voluntary compliance
- maintained tax administration processes and systems to ensure continued efficiency in the filing and processing of returns and business registration under the acts
- evaluated the implications of administrative and revenue options considered by the government on a timely basis
- maintained and updated key public information bulletins including online information pertaining to all acts, and responded in a timely basis to taxpayer enquiries to promote voluntary compliance
- liaised with the Canada Revenue Agency and other jurisdictions on co-operative information exchanges, joint compliance and audit initiatives, and other taxation administration and management issues
- collected outstanding taxes and delinquent return

<b>Vendors</b>  Note: represents all vendors registered under all statutes	Registered Vendors	47,800
	Returns generated	117,000 (paper) 132,000 (electronic)
<b>Administration</b>  Note: includes all refunds and resulting disbursements under all statutes except for First Nations fuel and tobacco tax exemptions	Completed refunds (not including fuel and tobacco tax exemptions on First Nations)	9,225
	Disbursements	\$45.4 million
<b>Fuel Tax exemption on First Nations</b>	Total active retailers	60 (on 34 First Nations)
	Bands with agreements	2
	Claims (retailers and Bands)	1,336
	Bulk fuel collectorship agreements	11
	Disbursed	\$12.3 million
<b>Tobacco Tax exemption on First Nations</b>	Total active retailers	8 (on 2 First Nations)
	Bands with agreements	56
	Claims (retailers and Bands)	1,623
	Disbursed	\$36.8 million
<b>Audit</b>  Note: represents all files under all statutes	Completed refunds	111
	Completed files	1,376
	Audit recoveries	\$47.5 million
<b>Investigations</b>  Note: includes all files except tobacco	Completed files	111
	Charges	46
	Convictions	48
	Fines	\$ 22,439
	Penalties	\$ 893,557
<b>Tobacco Interdiction</b>	Completed audit or investigation files	145
	Charges	20
	Convictions	36
	Fines	\$ 72,738
	Penalties	\$2.9 million

## 2 (c) Taxation

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	11,519	191.50	13,007 (1,488)	1
Other Expenditures	6,994		3,578 3,416	2
<b>Total Sub-Appropriation</b>	<b>18,513</b>	<b>191.50</b>	<b>16,585 1,928</b>	

### Explanation:

1. Under-expenditure is primarily due to vacancies resulting from retirements and staff turnover.
2. Over-expenditure is primarily due to the requirement for doubtful accounts provision, as required under generally accepted accounting principles, exceeding the forecast amount.

## Taxation, Economic and Intergovernmental Fiscal Research

The Taxation, Economic and Intergovernmental Fiscal Research Division provides research, policy advice, analysis and support to government with respect to national and provincial fiscal and economic matters; taxation policy and programs; and strategic intergovernmental arrangements including cost-shared programs.

Activities of the division include producing policy advice and analysis; developing revenue forecasts; drafting legislation and implementing tax and other budget measures; co-ordinating the preparation of the Manitoba Budget and preparing budget documents; and operating the Tax Assistance Office. Total provincial revenue from income taxes administered by the division in 2016/2017 amounted to \$3.5 billion in individual income tax and \$0.5 billion in corporation income tax. Total provincial revenues governed by federal-provincial transfer arrangements and administered by the division in 2016/2017 included \$1.7 billion in equalization and \$1.8 billion in cash payments for major health and social programs.

### Results:

- provided research, technical and analytical support and advice to the minister and Cabinet in respect of national and provincial economic, fiscal and taxation matters and intergovernmental issues
- prepared fiscal and taxation research and analysis necessary for the minister and Cabinet to develop the Manitoba Budget
- co-ordinated the production of the Manitoba Budget and related documents
- implemented budget measures through The Budget Implementation and Tax Statutes Amendment Act, 2016 and worked with Finance Canada and the Canada Revenue Agency to implement the changes. Introduced legislation to establish pooled registered pension plans in Manitoba
- administered fiscal arrangements and tax administration agreements with the federal government and administered tax credit programs with the federal government, departments, municipalities and other administrators; this included the renewal in 2016/2017 of the Canada-Manitoba Reciprocal Taxation Agreement
- the Tax Assistance Office managed or oversaw the administration of a variety of programs. The office informed and assisted taxpayers, and enforced Manitoba income tax and Manitoba tax credit programs
- developed and maintained the province's revenue estimates and projections
- prepared components of provincial borrowing prospectuses and securities registration with regard to economic and financial data, and represented the province in related due diligence reviews
- prepared financial, economic and fiscal presentations and publications for financial institutions and credit-rating agencies
- undertook research and analysis and provided support on fiscal arrangements, including the renewal of major federal and other transfer programs and future enhancements to the Canada Pension Plan

- provided expertise and analysis to facilitate participation in federal-provincial-territorial finance working groups related to the major federal transfer programs, Canada Pension Plan, tax policy, tax compliance and enforcement, and economic and fiscal policies
- reviewed and evaluated policy and program initiatives related to intergovernmental relations and provided policy advice on relations with the federal government and other provinces and territories

The following table details the revenues collected under federal-provincial fiscal arrangements for the past five years:

**Federal-Provincial Fiscal Arrangements**  
**Comparative Statement of Actual Revenues \$(000s)**  
 For Fiscal Years Ending March 31, 2013 to March 31, 2017

	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
<b>Income Taxes</b>					
Individual Income Tax	2,846,037	2,978,304	3,116,666	3,261,344	3,498,544
Corporation Income Tax	456,447	467,797	561,669	516,598	459,116
Subtotal	3,302,484	3,446,101	3,678,335	3,777,942	3,957,660
<b>Federal Transfers</b>					
Equalization	1,871,962	1,799,228	1,749,949	1,737,951	1,735,593
Canada Health Transfer (CHT)	1,056,305	1,089,908	1,167,188	1,230,233	1,312,872
Canada Social Transfer (CST)	431,033	435,391	453,908	466,559	485,600
Corporation Capital Tax Phase-Out	-	1,405	-	-	-
Government of Canada Subsidy	2,321	2,711	2,745	2,745	2,745
Infrastructure and Economic Program	452	280	-	198	900
Subtotal	3,362,073	3,328,923	3,373,790	3,437,686	3,537,710
<b>Total from Fiscal Arrangements</b>	<b>6,664,557</b>	<b>6,775,024</b>	<b>7,052,125</b>	<b>7,215,628</b>	<b>7,495,370</b>

**2 (d) Taxation, Economic and Intergovernmental Fiscal Research**

Expenditures by Sub-Appropriation	Actual	Estimate	2016/2017	Variance	Expl.
	2016/2017			Over/(Under)	
	\$(000s)	FTEs	\$(000s)	\$(000s)	
Salaries and Employee Benefits	2,059	35.50	2,198	(139)	
Other Expenditures	790		884	(94)	
<b>Total Sub-Appropriation</b>	<b>2,849</b>	<b>35.50</b>	<b>3,082</b>	<b>(233)</b>	

## Net Tax Credit Payments

This appropriation provides for the cost of provincial tax credit payments and the federal administration fee.

### 7.8 Net Tax Credit Payments

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017		Variance	Expl. No.
	2016/2017	FTEs	\$(000s)	Over/(Under)	
	\$(000s)		\$(000s)	\$(000s)	
Education Property Tax Credit	327,587		334,610	(7,023)	1
Film and Video Production Tax Credit	18,818		15,700	3,118	2
Tuition Fee Income Tax Rebate	6,335		5,523	812	
School Tax Assistance for Tenants and Homeowners (55+)	768		751	17	
Book Publishing Tax Credit	487		688	(201)	
Cultural Industries Printing Tax Credit	427		1,100	(673)	
Interactive Digital Media Tax Credit	1,032		1,330	(298)	
Co-op Development Tax Credit	30		50	(20)	
Federal Administration Fee	1,451		1,347	104	
Less: Recoverable from Other Appropriations:	(335,722)		(342,214)	6,492	1
<b>Total Sub-Appropriation</b>	<b>21,213</b>		<b>18,885</b>	<b>2,328</b>	

#### Explanations:

1. *Under-expenditure of the Education Property Tax Credit and reduced recoveries from other appropriations were mainly due to lower than anticipated assessments for the 2015 taxation year.*
2. *Over-expenditure of the Film and Video Production Tax Credit is due to higher than anticipated assessment for the 2015 taxation year.*

## Insurance and Risk Management

The Manitoba Comptrollership Framework defines risk management as a systematic approach to setting the best course of action under uncertainty by identifying, assessing, understanding, communicating and acting on risk issues. The Insurance and Risk Management Branch works with departments and agencies to reduce the impact of uncertainty upon organizational goals and to protect assets and programs through management of risk.

Activities of the branch include: recommending appropriate risk control measures; administering insurance related claims; reviewing contracts, requests for proposals, legislation and commercial insurance; implementing risk financing measures including self-insurance and commercial insurance; and contributing to the Manitoba government policy on risk management.

### Results:

- assisted departments and agencies in conducting risk assessments of programs and facilities
- commercial insurance premiums paid during 2016/2017 fiscal year were \$2.2 million for departments and \$2.3 million for agencies
- liability insurance costs remain unchanged due to a three-year policy renewal while aviation insurance costs were reduced due to competitive insurance markets
- agency Self-Insurance Fund premiums collected were \$6.1 million; Manitoba Housing and Renewal Corporation's annual property losses have the largest influence on self-insurance costs; Insurance and Risk Management utilizes actuarial assistance to underwrite the fund, servicing 48 agencies, Crown corporations and special operating agencies
- owner-controlled construction insurance was purchased for several larger infrastructure projects
- department-retained losses (including new reserves and claim payments) in 2016/2017 totalled \$1.6 million (\$1.4 million for property claims plus \$0.2 million for liability claims), a decrease of 27 per cent from the previous year
- costs for independent adjusters for department claims were \$31,995, an increase of 2.5 per cent from the previous year
- opened 471 new department claims and closed 245 claims
- under the Foster Parents' Intentional Damage Compensation Plan, 142 claims were reported in 2016/2017 and settlement payouts totalled \$135,154 (33 per cent decrease over 2015/2016) plus administrative costs of \$26,305 (a decrease of 20 per cent from the previous year)
- agency retained losses, including new reserves and claim payments, in 2016/2017 totalled \$3.8 million (\$3.4 million property claims and \$0.4 million liability claims), a decrease of 43 per cent from the previous year
- costs for independent adjusters for agency claims were \$202,065, an increase of one per cent from the previous year
- opened 137 new agency, Crown corporations and special operating agency claims and closed 187 claims
- assisted departments and agencies, especially Legal Services and Procurement Services, with numerous contract reviews, legislative requirements and insurance and indemnification phrasing and concerns
- lead Business Continuity Management and Workplace Health and Safety Committees for the department of Finance

## 2 (e) Insurance and Risk Management

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under) \$(000s)	Expl. No.	
	2016/2017 \$(000s)				
Salaries and Employee Benefits	435	5.00	456	(21)	
Other Expenditures	44		40	4	
Insurance Premiums	2,228		2,770	(542)	1
Less: Recoverable from Other Appropriations	(2,228)		(2,770)	542	1
<b>Total Sub-Appropriation</b>	<b>479</b>	<b>5.00</b>	<b>496</b>	<b>(17)</b>	

### Explanation:

1. Under-expenditure and corresponding reduction in recoveries from other appropriations reflect reduced insurance premium costs, essentially due to the insurance markets remaining competitive during 2016/2017.

## The Public Utilities Board

The Public Utilities Board (board) is an independent quasi-judicial regulatory body operating under the authority of the Manitoba Legislature.

The board is responsible for the regulation of public utilities as defined under The Public Utilities Board Act and includes:

- Centra Gas Manitoba Inc. - natural gas distribution
- Stittco Utilities Man Ltd. - propane distribution
- Water and Sewer Utilities - excluding the City of Winnipeg and the Manitoba Water Services Board

The board regulates the rates of compulsory driver and vehicle insurance premiums charged by the Manitoba Public Insurance Corporation, and electricity rates charged by Manitoba Hydro, with respect to The Crown Corporations Public Review and Accountability Act.

Pursuant to The Gas Pipe Line Act, the board assures that natural gas and propane are distributed to Manitoba consumers in a safe manner.

Other legislation that assigns either regulatory or adjudicative responsibilities to the board includes:

- The Greater Winnipeg Gas Distribution Act
- The Gas Allocation Act
- The Prearranged Funeral Services Act
- The Manitoba Water Services Board Act (Appeals)
- The Highways Protection Act (Appeals)
- The Consumer Protection Act (maximum rates for cashing government cheques)
- The City of Winnipeg Charter Act (passenger carrier agreements)
- The Municipal Act
- The Emergency 911 Public Safety Answering Point Act (Appeals)



**Results:**

The board convened 16 oral public hearings over 38 days and two pre-hearing conference days. As a result of those oral public hearings and approximately 100 paper-based proceedings, which included public notices, the board issued 155 formal orders (156 in 2015/2016):

<u>Orders</u>	<u>2015/2016</u>	<u>2016/2017</u>
Water and Sewer Utilities	66	68
Natural Gas Utilities and Propane	15	7
The Highways Protection Act	4	5
Manitoba Hydro	60	67
Manitoba Public Insurance	7	6
Government Cheque Cashing Fees	0	1
Pay Day Loans	4	1
<b>Total</b>	<b>156</b>	<b>155</b>

The board also issued 39 annual licences:

	<u>2015/2016</u>	<u>2016/2017</u>
<b>Direct Purchase of Natural Gas</b>		
Brokers	11	9
<b>The Prearranged Funeral Services Act</b>		
Renewal	31	30
<b>Total licences issued</b>	<b>42</b>	<b>39</b>

The board also supervised the Service Disconnection and Reconnection policies and procedures of Centra Gas Manitoba Inc. and Stittco Utilities Man Ltd. In this regard, the board received and resolved a number of customer complaints.

During the 2016/2017 year, the board received five appeals of a decision handed down by the Highway Traffic Board. One appeal was carried over to the following year.

**2 (f) The Public Utilities Board**

Expenditures by Sub-Appropriation	Actual	Estimate	2016/2017	Variance	Expl.
	2016/2017			Over/(Under)	
	\$(000s)	FTEs	\$(000s)	\$(000s)	
Salaries and Employee Benefits	960	8.00	764	196	
Other Expenditures	545		736	(191)	
<b>Total Sub-Appropriation</b>	<b>1,505</b>	<b>8.00</b>	<b>1,500</b>	<b>5</b>	

# MANITOBA BUREAU OF STATISTICS

Manitoba Bureau of Statistics (MBS) serves as a cross-departmental service agency, providing the informational requirements for the Manitoba government, its departments and Crown agencies.

MBS is the focal point for interface between the Province and Statistics Canada. MBS actively participates in and co-ordinates the development of the Manitoba statistical system (data needs, collection, dissemination, analysis and presentation) and adapts the Manitoba statistical system to the changing policy and program requirements of the Manitoba government, its departments and Crown agencies.

## Results:

- maintained the Manitoba Economic Accounts (MEA) system for the Manitoba economy, and measured the overall performance of the provincial economy
- developed a new macro econometric model for conducting short-term forecasts of the provincial economy and developed a tool to challenge the MEA
- as part of the 2016 Census formal review, in consultation with the department of Indigenous and Municipal Relations, MBS reviewed and analyzed the latest 2016 Census population and dwelling counts for all Manitoba Census Sub-Divisions (CSD) and Designated Places (DPL) geography
- developed Manitoba economic and tax revenue impact assessments to help inform government decision-making on infrastructure and other building projects, and to estimate provincial employment impacts and net cost to government of select government programs/initiatives; MBS Economic and Tax Revenue Impact Assessment Models were often engaged for projects requested by Manitoba government departments, Crown agencies and private sector to determine the total provincial impacts to gross domestic product (GDP), and employment and tax revenue resulting from a wide range of projects or activities in the province
- disseminated key statistical information (i.e. Labour Force, Consumer Price Index, Population, Foreign Trade, Retail Trade, Manufacturing Shipments and Capital Investment), on day of release, and ensured the information was made available to all government of Manitoba employees through the MBS Intranet website
- provided statistical, economic, data analytics and survey consulting services to Manitoba government departments and Crown agencies on both a “public good” basis and a cost-recovery basis (larger consulting projects)
- designed and implemented surveys/information development projects for individual Manitoba government departments and Crown agencies on a cost-recovery basis
- represented Manitoba's views on statistical matters to Statistics Canada, including the challenge and review of numerous work-in-progress data releases relative to Manitoba; additionally, as part of the national statistical system, represented Manitoba on four different subject matter areas as part of its annual federal-provincial and territorial meeting in Ottawa including: the Consultative Council on Statistical Policy, Social Statistics and Labour Force, Census of Population and Demography, and Economic Statistics
- responded to inquiries for information from MBS developed databases (e.g. Economic Accounts, Investment Statistics, Trade Statistics, Business Register, Vital Statistics, Postal Code Translator File), and responded to requests for non-MBS developed data requiring the development of custom analysis and generated reports

**2 (g) Manitoba Bureau of Statistics**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	801	13.00	1,029	(228)
Other Expenditures	451		106	345
Less: Recoverable from Other Appropriations	(11)		(60)	49
<b>Total Sub-Appropriation</b>	<b>1,241</b>	<b>13.00</b>	<b>1,075</b>	<b>166</b>

**Explanation:**

1. Over-expenditure is due to costs related to the Census.

**Office of the Superintendent - Pension Commission**

The Office of the Superintendent - Pension Commission safeguards employees' rights to benefits promised under employment pension plans as provided under pension benefits legislation.

The branch administers and enforces The Pension Benefits Act and regulations, which set minimum standards for members' pension benefits, the funding of pension benefits, and the investing of plan assets. The branch also promotes the establishment, extension and improvement of employment pension plans registered under the act.

**Results:**

- reviewed for compliance, 113 pension plan amendments; two plan registrations; eight full plan windups and two partial windups
- reviewed for compliance, 392 Annual Information Returns, detailing the contributions and membership changes under a pension plan over its fiscal year, and 32 actuarial valuation reports, which detail the funded and solvency positions of a defined benefit pension plan and the contribution requirements over the next three years
- processed 1,833 requests for written notice concerning one-time transfers
- responded to approximately 2,500 telephone inquiries and issued over 450 pieces of correspondence in response to inquiries received
- conducted six Pension Administration Reviews to assess whether the administrative systems and practices of pension plans were sufficient to meet legislative compliance and monitored progress on the issues identified in the Reviews' reports
- delivered one public education session to industry participants
- published two electronic documents, updated one Policy Bulletin, posted two regulations under The Pension Benefits Act and maintained up-to-date information on the website
- implemented two regulations under The Pension Benefits Act
- worked with pension regulators from other jurisdictions on several new and continuing initiatives through the activities of the Canadian Association of Pension Supervisory Authorities (CAPSA)

**2 (h) Office of the Superintendent - Pension Commission**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under) \$(000s)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	351	5.00	430	(79)
Other Expenditures	60		81	(21)
<b>Total Sub-Appropriation</b>	<b>411</b>	<b>5.00</b>	<b>511</b>	<b>(100)</b>

# TREASURY BOARD SECRETARIAT

## Treasury Board Secretariat

The Treasury Board Secretariat provides financial and analytical support as well as advice to the minister of Finance and Treasury Board in fulfilling fiscal management responsibilities. The secretariat is headed by a deputy minister who acts as secretary to the board.

Activities include monitoring, analyzing and reporting the financial position of the province, planning and co-ordinating the budgetary process; co-ordinating expenditure management and the planning and reporting processes for government; reviewing and evaluating government programs; developing and communicating policies, procedures and guidelines on administrative matters and maintaining the General Manual of Administration.

### Results:

- monitored, analyzed and reported on the financial position of the province through timely provision of quarterly reports
- planned and co-ordinated the review and preparation of the annual estimates and participated in the development of the 2016 Budget, tabled in the Legislature on May 31, 2016
- provided analyses in support of the efficient and effective utilization/allocation of the province's financial and human resources, both in the context of the annual estimates process and on an ongoing basis throughout the year
- provided guidance to departments in developing proposals and business plans for special operating agencies
- co-ordinated government capacity to plan, measure, monitor and evaluate programs toward greater efficiency and effectiveness through support to departments on performance management processes
- co-ordinated government's Fiscal Performance Review, which assessed core government departments for effectiveness, efficiency and economy and provided a Fiscal Performance Review Framework to support outcomes based on decision-making

<b>3(a) Treasury Board Secretariat</b>				
<b>Expenditures by Sub-Appropriation</b>	<b>Actual</b>	<b>Estimate 2016/2017</b>	<b>Variance</b>	<b>Expl.</b>
	<b>2016/2017</b>			
	<b>\$(000s)</b>	<b>FTEs</b>	<b>\$(000s)</b>	<b>No.</b>
Salaries and Employee Benefits	3,105	39.00	3,451	(346)
Other Expenditures	1,060		714	346
<b>Total Sub-Appropriation</b>	<b>4,165</b>	<b>39.00</b>	<b>4,165</b>	<b>-</b>

**Note:** The Estimate 2016/2017 includes an allocation of \$473 from Internal Service Adjustments.

# PRIORITIES AND PLANNING

## Priorities and Planning Committee of Cabinet Secretariat

The Priorities and Planning Committee of Cabinet Secretariat is a small staff group, which provides advice and support to the Premier, the Priorities and Planning Committee of Cabinet and Cabinet in advancing major government initiatives.

### Results:

- provided timely and effective policy advice and services to the Priorities and Planning Committee of Cabinet
- supported the advancement of major government commitments and initiatives
- provided timely and thorough analysis of information and submissions for the Premier and Cabinet

#### 4 (a) Priorities and Planning Committee of Cabinet Secretariat

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.	
	2016/2017 \$(000s)				\$(000s)
Salaries and Employee Benefits	1,398	10.00	1,268	130	1
Other Expenditures	242		166	76	1
<b>Total Sub-Appropriation</b>	<b>1,640</b>	<b>10.00</b>	<b>1,434</b>	<b>206</b>	

**Note:** The actual expenditures reflected in this appropriation include expenditures prior to May 3, 2016. Actual Salaries and Employee Benefits paid after May 3, 2016 total of approx. \$740 of the \$1,398.

### Explanation:

1. Over-expenditures in both Salaries and Employee Benefits and Other Expenditures are primarily due to a number of expenses incurred prior to May 3, 2016, including severance paid to former technical staff.

## Premier's Enterprise Team

The Premier's Enterprise Team (PET) is an advisory body of business leaders that works with the Premier and government to provide advice related to economic growth.

### Results:

- held its first two meetings on December 8, 2016 and February 11, 2017
- provided timely and thorough analysis of information and advice for the Premier

#### 4 (b) Premier's Enterprise Team

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.	
	2016/2017 \$(000s)				\$(000s)
Salaries and Employee Benefits	205	2.00	208	(3)	1
Other Expenditures	11		214	(203)	2
<b>Total Sub-Appropriation</b>	<b>216</b>	<b>2.00</b>	<b>422</b>	<b>(206)</b>	

**Note:** The actual expenditures reflected in this appropriation include expenditures prior to May 3, 2016 for the Previous Premier's Economic Advisory Council (PEAC). Premier's Enterprise Team (PET) was established in December 2016 and one administrative staff member's salary was funded from this appropriation as of August 2016 with total actual salary and employee benefits expenditures of approx. \$45.

**Explanation:**

1. *Actual Salaries and Employee Benefits paid in 2016/2017 primarily represent costs associated with the previous Premier's Economic Advisory Council (PEAC), including severance paid out to former technical staff. The new government took office on May 3, 2016, and the Premier's Enterprise Team's staff complement has been one administrative staff member (since August of 2016).*
2. *Actual Other Expenditures paid in 2016/2017 were primarily incurred by the previous PEAC (prior to May 3, 2016).*

# INTERGOVERNMENTAL AFFAIRS

## Manitoba Strategic Infrastructure Secretariat

The Manitoba Strategic Infrastructure Secretariat (MSIS) provides central co-ordination, negotiation and delivery of Strategic Capital Infrastructure that includes large complex projects and federal-provincial programs/projects. MSIS facilitates the development of government-wide initiatives, processes and tools that provide a consistent and accountable framework for capital planning.

Some of MSIS's key components include: developing effective capital planning processes utilizing evidence-based decision-making tools in order to make strategic investments in infrastructure based on Value for Money (VFM), Private-Public Partnerships (P3), Asset Management (AM) framework and Return on Investment (ROI); streamlining the review and decision-making processes for funding of capital projects; negotiating, implementing and administering the delivery of cost-shared infrastructure funding initiatives; and providing administrative support to the various federal-provincial Management and Oversight Committees mandated to oversee the management of each federal-provincial infrastructure agreement.

### Results:

- continued to provide central agency implementation and administrative support in the delivery of intergovernmental and non-government infrastructure funding initiatives such as: New Building Canada Fund; National and Regional Projects; Small Communities Fund; Post Secondary Institutions (Strategic Infrastructure Fund); P3's; Building Canada plan; Provincial/Territorial Base Fund; Building Canada Fund - Major Infrastructure Component; and Federal Gas Tax Fund.
- negotiated the bilateral agreement between Canada and Manitoba for Phase 1 of Investing in Canada programs (executed on July 25, 2016), which outlined the federal allocations and terms and conditions of the Clean Water and Wastewater Fund (CWWF) and the Public Transit Infrastructure Fund (PTIF)
- launched the application intake for the Small Communities Fund (SCF), CWWF and the PTIF programs in August 2016, and ensured funding announcements were undertaken in March 2017
- developed, implemented and co-ordinated government-wide processes to reduce red tape and create administrative efficiencies
- developed effective capital planning processes utilizing evidence-based decision-making tools in order to make strategic investments in infrastructure
- streamlined the review and decision-making processes for funding of capital projects
- negotiated, implemented and administered the delivery of cost-shared federal infrastructure funding initiatives
- provided administrative support to the various federal-provincial Management and Oversight Committees mandated to oversee the management of each federal-provincial infrastructure agreement
- provided program support to both the federal and provincial ministers responsible for cost-shared federal-provincial infrastructure programs and the federal Gas Tax Fund
- monitored approved projects for status of completion and potential issues, performed due diligence on claim submissions, reported project milestones as required under agreements and consulted with federal and provincial departments where required
- provided support for federal-provincial oversight committee activities and respective federal-provincial processes and oversaw the environmental assessment of projects where required

**5(a) Manitoba Strategic Infrastructure Secretariat**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	1,004	11.00	988	16
Other Expenditures	184		204	(20)
Infrastructure Projects	25,970		27,575	(1,605)
Less: Recoverable From Building Manitoba Fund	(25,970)		(27,575)	1,605
<b>Total Sub-Appropriation</b>	<b>1,188</b>	<b>11.00</b>	<b>1,192</b>	<b>(4)</b>

## Federal-Provincial Relations

Federal-Provincial Relations co-ordinates and provides strategic policy advice, analysis and support to the Premier of Manitoba concerning Manitoba's relationships with the federal government and other provincial and territorial (PT) governments. The branch promotes Manitoba's interests in the development of interprovincial/territorial positions and policies in co-operation with other provinces and territories, and in the development and implementation of national policies in co-operation with the federal government.

Activities of the branch include ensuring a consistent, government-wide approach and strategy to advance Manitoba's priorities in intergovernmental affairs. Federal-Provincial Relations also ensures that members of the Government of Manitoba have adequate and timely information on the implications resulting from national and regional trends, and the implementation of programs and policies by the federal government and/or other PT governments.

**Results:**

- provided support to the Premier of Manitoba in his responsibilities as minister of Federal-Provincial Relations, including his involvement in regular First Ministers' meetings, annual Western Premiers' Conferences, Council of the Federation, bilateral meetings with the Prime Minister and other inter-jurisdictional meetings and conferences
- co-ordinated government-wide approach to intergovernmental affairs

**5(b) Federal-Provincial Relations**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	Variance Over/(Under)	Expl. No.
	2016/2017 \$(000s)			
Salaries and Employee Benefits	689	10.00	930	(241)
Other Expenditures	278		390	(112)
<b>Total Sub-Appropriation</b>	<b>967</b>	<b>10.00</b>	<b>1,320</b>	<b>(353)</b>



# CENTRAL SERVICES

Central Services delivers corporate information and communications technology (ICT) support services, accommodation and construction and capital project management and procurement services to meet government's current and future needs.

## Accommodation Services

Accommodation Services is responsible for operating and maintaining safe, quality and sustainable working environments and to ensure the efficient operation and good stewardship of government buildings and assets.

Some of the key components integral to Accommodation Services' corporate service include: providing life cycle accommodation strategies for the owned building portfolio; providing leadership and project management for accommodation projects and major capital projects through internal and external professional and technical services that include planning, design, leasing and construction management.

Accommodation Services provides the acquisition, renewal, space inventory and monitoring of leased facilities for government and commercial real estate expertise with realty-related issues. The division also supports Manitoba's sustainability goals through the administration and implementation of the provincial Green Building Policy, programs and guidelines.

### Results:

- continued to apply government building strategies that address deferred maintenance, identify opportunities to re-align the portfolio, and the owned building investment framework including footprint reduction, and the identification and disposal of surplus properties
- continued to apply government building strategies that address deferred maintenance, identification of the infrastructure gap, and the owned building investment framework including disposal of surplus properties
- operated a real estate portfolio of about 397 owned buildings across Manitoba totalling 7.64 million square feet with an estimated replacement value of approximately \$3.0 billion
- completed over 62,169 preventative maintenance work orders for over 28,773 pieces of equipment to ensure that government owned buildings were managed and safe for occupants
- managed 241 leases consisting of 217 leases for almost two million square feet, 19 parking leases and five land leases. Renewed 28 leases, terminated eight leases and negotiated nine new leases
- processed 10,119 parking requests and managed a parking program, which consisted of 208 owned and leased parking facilities with 8,071 parking stalls
- administered in excess of 1,000 ongoing construction and consulting contracts; and awarded 117 new construction contracts with a total value of \$13.9 million and 99 new consultant contracts with a total value of \$8.7 million
- allocated 56 per cent of the \$60.0 million capital project program to Life Cycle upgrades; 10 per cent to complete regulatory Landlord Requirements including safety and security, and enhancing accessibility; and 34 per cent to accommodate specific client program needs such as relocations, expansions and new program requirements; project highlights include:
  - the completion of \$13.8 million in roof replacements on 11 provincially owned buildings
  - the completion of the initial phase of redevelopment of The Manitoba Museum – expansion of the Alloway Hall exhibit centre, with the new exhibit hall opening with its first international exhibit in April 2017.

- the completion of a number of accessibility projects at the Legislative building, such as: the upgrade of doors and washrooms; the creation of two gender-neutral washrooms; and an increase to the number of accessible offices for staff and visitors; and additionally, a renovation project to upgrade the Legislative Chamber is underway as well as planning for the exterior restoration of the Legislative building.
- a City of Winnipeg Access Award for Excellence in Universal Design and Design Accessibility for a project that improved accessibility for judges, staff and the public in 12 courtrooms in the new Law Courts building
- piloted sustainability measurements for housing, in collaboration with Manitoba Housing
- completed report and guidelines document for diversion of construction, renovation and demolition waste
- gross emissions of green house gas from Accommodation Services owned and operated facilities fell from 34,898 tonnes in 2015/2016 to 25,885 tonnes in 2016/2017; the reduction of 8,288 CO<sub>2</sub>e tonnes is due largely to divestment of Red River College and avoiding the purchase of generator fuels; a net reduction of 714 CO<sub>2</sub>e tonnes may be attributed to reductions in energy consumption
- expanded a multi-stakeholder pilot project on energy and water benchmarking for buildings to include over 2,600 buildings across the Government Reporting Entity
- maintained **Certificate of Recognition** accreditation for Accommodation Services frontline operations and Occupational Health and Safety programs in accordance with national standards
- provided administrative support for over 1,000 events in the Legislative building, on the Legislative grounds, or in Memorial Park

**6(a) Accommodation Services**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	2016/2017	Variance	Expl. No.
	2016/2017 \$(000s)			Over/(Under) \$(000s)	
Salaries and Employee Benefits	28,786	463.35	30,955	(2,169)	1
Other Expenditures	98,137		102,247	(4,110)	2
Less: Recoverable From Other Appropriations	(21,592)		(25,773)	4,181	3
Less: Recoverable From Part B- Capital Investment	(4,811)		(6,826)	2,015	3
<b>Total Sub-Appropriation</b>	<b>100,520</b>	<b>463.35</b>	<b>100,603</b>	<b>(83)</b>	

**Explanations:**

1. *Under-expenditure is primarily due to vacancies resulting from retirements and staff turnover.*
2. *Under-expenditure is primarily due to delays in client projects and lower lease costs resulting from delayed renewals, cancelled leases and cancellation of anticipated new leases.*
3. *Under-recovery is primarily related to under-expenditures in salaries and employee benefits and other expenditures.*

## Procurement Services

Procurement Services provides corporate procurement services to all government departments and certain agencies to ensure that each purchase contract represents a fair and reasonable cost to taxpayers, and that it extends competitive opportunity to all interested suppliers.

### Results:

- facilitated the acquisition of an extensive and wide range of products and related services valued at approximately \$80.1 million annually (five-year average).
- processed 569 requisitions containing 1,818 goods and services items valued at \$55.1 million. Approximately \$35.5 million (64.5 per cent) was awarded to Manitoba suppliers, \$18.1 million (33 per cent) to suppliers in other parts of Canada, and \$1.4 million (2.5 per cent) to international suppliers. Of the \$35.5 million awarded to Manitoba suppliers, approximately \$2.7 million was awarded to rural suppliers.
- delegated purchases made through purchasing card transactions were valued at \$7.0 million, of which about \$5.6 million was to Manitoba suppliers.
- provided consulting services to client departments, special operating agencies and suppliers on the end-to-end procurement process for consulting and professional services including: assessment and interpretation of procurement policy and practices which impact on operations, policy, legal and legislative areas; and Request For Proposals development, contract terminology, proposal evaluation and contract award.
- continued negotiations for enhancements to the Procurement Chapter of the Canada Free Trade Agreement.
- communicated procurement related sustainable development policies and initiatives to government and vendors.
- established specifications and corporate standards for procurement of environmentally preferred goods.
- engaged key stakeholders to advance procurement related sustainable development initiatives, including participation in a public sector forum for the exchange of best practices to provide procurement professionals with information that promotes the selection and use of products and services that are sustainable and environmentally preferred.
- contributed to the development and maintenance of the Sustainable Procurement Manitoba website, designed to provide guidance and support for public sector purchasing practices that are environmentally preferable and socially responsible.
- the Indigenous Procurement Initiative is designed to increase the participation of Indigenous businesses in providing goods and services to government
- continued to raise awareness of the Indigenous Procurement Initiative through participation in meetings with Indigenous organizations such as the Aboriginal Chamber of Commerce, department purchasing co-ordinators, purchasing agents and contract administrators; and additional training workshops are delivered on request.

**6(b) Procurement Services**

Expenditures by Sub-Appropriation	Actual	Estimate	Variance		Expl. No.
	2016/2017 \$(000s)	2016/2017 FTEs	Over/(Under) \$(000s)	Over/(Under) \$(000s)	
Salaries and Employee Benefits	1,675	29.60	2,350	(675)	1
Other Expenditures	229		251	(22)	
<b>Total Sub-Appropriation</b>	<b>1,904</b>	<b>29.60</b>	<b>2,601</b>	<b>(697)</b>	

**Explanation:**

1. Under-expenditure is primarily due to vacancies as a result of retirements and staff turnover.

## Business Transformation and Technology

Provides strategic leadership to continuously improve the Manitoba government's service delivery by planning and implementing corporate information and communications technology (ICT) solutions to meet current and future needs.

The branch also provides services to non-government staff including the Legislative Assembly, offices of the Speaker and the Clerk, the Opposition Leaders and the Caucus offices.

**Results:**

- developed, deployed and supported critical ICT infrastructure services and applications to support the delivery of clients' program delivery needs
- maintained and operated existing applications that support the delivery of government program services
- implemented continuing improvements in security to keep pace with challenging and emerging cyber threats
- researched and designed new ICT products and services to help build new effective solutions and maximize the potential of the SAP system and other shared ICT assets
- participated on inter-jurisdictional committees and forums where information and knowledge on service delivery and operational transformation are exchanged
- developed and continually improved ICT strategic plans, policies and measurement protocols
- worked with stakeholders to optimize and align the ICT investment portfolio
- established and monitored security standards and architecture
- provided ICT goods and services procurement and contract negotiation services to government programs
- ensured an adequate level of ICT governance is in place to manage Business Transformation and Technology resources
- provided ICT risk management capabilities ensuring adequate mitigation strategies are in place, including appropriate levels of business continuity capabilities and disaster recovery strategies
- implemented numerous technology projects with government departments including:
  - business application enhancements and upgrades for 10 government departments

- implementation of new enhanced video conferencing and collaboration services (e.g. Skype for Business) across government that enables government staff to avoid travel costs and collaborate more effectively
  - enhancements to the flood forecasting application
  - launching customer focused enhancements to the Parks Reservation system for the 2017 camping season
  - improving access to online Agriculture programs
  - upgrades to systems that manage government mobile devices to ensure that security of devices and information is maintained
- successfully transitioned to new updated workplace technology services including:
    - moving file, print and messaging infrastructure to a new high security data centre
    - introducing a new Information Technology Service Management system to improve the delivery of services to government users
- provided ongoing incident resolution, technical upgrades and system enhancement activities for all managed business, SAP and online applications including over 11,000 departmental requests for technical support or services
- continued work on the Application Portfolio to evaluate all applications in government and develop a long range strategy
- supported Service Quality Partners through various activities such as the Manitoba Service Excellence Awards; networking and learning opportunities; the Brown Bag Lunch program; and learning seminars related to service quality
- conducted employee and departmental surveys for various stakeholders

**6(c) Business Transformation And Technology**

**6(c-1) Government Information And Communication Technology**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	2016/2017 \$(000s)	Variance	Expl. No.
	2016/2017 \$(000s)			Over/(Under) \$(000s)	
Salaries and Employee Benefits	20,189	207.60	19,441	748	
Other Expenditures	83,584		84,084	(500)	
Less: Recoverable From Other Appropriations	(61,217)		(60,937)	(280)	
<b>Total Sub-Appropriation</b>	<b>42,556</b>	<b>207.60</b>	<b>42,588</b>	<b>(32)</b>	

**6(c-2) Legislative Building Information Systems**

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017 FTEs	2016/2017 \$(000s)	Variance	Expl. No.
	2016/2017 \$(000s)			Over/(Under) \$(000s)	
Salaries and Employee Benefits	1,040	11.00	1,031	9	
Other Expenditures	290		310	(20)	
<b>Total Sub-Appropriation</b>	<b>1,330</b>	<b>11.00</b>	<b>1,341</b>	<b>(11)</b>	

## Manitoba Education, Research and Learning Information Networks

The Manitoba Education, Research and Learning Information Networks (MERLIN) is a special operating agency of the department of Finance. MERLIN tables its annual report under separate cover.

### 6(f) Manitoba Education, Research and Learning Information Networks

Expenditures by Sub-Appropriation	Actual	Estimate 2016/2017		Variance	Expl. No.
	2016/2017 \$(000s)	FTEs	\$(000s)	Over/(Under) \$(000s)	
Manitoba Education, Research and Learning Information Networks	346	-	346	-	
<b>Total Sub-Appropriation</b>	<b>346</b>	<b>-</b>	<b>346</b>	<b>-</b>	

## COSTS RELATED TO CAPITAL ASSETS

The appropriation provides for the amortization and interest expense related to capital assets.

<b>7</b>	<b>Costs Related to Capital Assts</b>				
<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2016/2017 \$(000s)</b>	<b>Estimate 2016/2017 \$(000s)</b>	<b>Variance Over/(Under) \$(000s)</b>	<b>Expl. No.</b>	
Amortization Expense	32,398	32,106	292		
Interest Expense	38,101	39,963	(1,862)		
Less: Recoverable from Other Appropriations	(2,782)	(2,789)	7		
<b>Total Sub-Appropriation</b>	<b>67,717</b>	<b>69,280</b>	<b>(1,563)</b>		

## PART B CAPITAL INVESTMENT

Capital investment in the department of Finance provides development or enhancement of information technology systems and other capital assets.

<b>Part B - Capital Investment</b>					
<b>Expenditures by Sub-Appropriation</b>	<b>Actual 2016/2017 \$(000s)</b>	<b>Estimate 2016/2017 FTEs</b>	<b>Estimate 2016/2017 \$(000s)</b>	<b>Variance Over/(Under) \$(000s)</b>	<b>Expl. No.</b>
Accommodation Services Capital Projects	36,522		60,000	(23,478)	1
Information Technology Projects	3,538		1,525	2,013	2
<b>Total Sub-Appropriation</b>	<b>40,060</b>		<b>61,525</b>	<b>(21,465)</b>	

### Explanations:

1. *Under-expenditure is primarily due to 2016/2017 Capital Program delays, expenditure management, and vacancies associated with the Capital Program.*
2. *Over-expenditure is primarily due to requirements to maintain the current FleetNet capacity.*



# SUSTAINABLE DEVELOPMENT

The department is committed to the principles and guidelines set out in The Sustainable Development Act and works to incorporate them in department activities, programs and business practices.

The following activities continued throughout 2016/2017:

- The department maintained its sustainable procurement homepage on the Internet as a department link to The Sustainable Development Act and the Green Procurement page of Procurement Services Branch.
- Green products and recycled materials continue to be used where available, including the use of recycled copy paper.
- The department implemented new enhanced video conferencing and collaboration services across government that can be used to reduce travel and improve consultation throughout the civil services.
- The department continued the recycling of various materials and the expansion and promotion of electronic transfer and storage of e-documents.
- Department staff participated in the annual Commuter Challenge to promote active and sustainable transportation choices.
- The department continued to review program delivery to reduce the need for paper materials. In 2016, the Seniors' School Tax Rebate was transferred from a provincially administered program to the annual personal income tax return, over 80 per cent of which are filed electronically.
- The department continued to reduce its paper imprint by broadening the use of electronic documents, including:
  - reducing the amount of printed material by expanding use of the department's online tax filing service, TAXcess
  - making documents available on the internal and external departmental websites
  - the conversion of printed pay cheques, including employee expense claim reimbursements, to electronic funds transfer
  - encouraging vendors to accept electronic payments where possible
  - the department converted to online publishing of quarterly and annual financial reports, which reduced the requirement for distributing printed copies

# FINANCIAL INFORMATION SECTION

## Part A – Operating Expenditure Reconciliation Statement

<b>Details</b>	<b>\$000s</b>
2016/2017 Main Estimates	508,349
In-Year Transfer:	
- Intergovernmental Affairs	1,192
Allocation of Funds from:	
- Internal Service Adjustments	704
<b>2016/2017 Estimate</b>	<b>510,245</b>

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Estimate 2016/2017	Appropriation	Actual 2016/2017	Actual 2015/2016	Increase (Decrease)	Explanation Number
	07- 1 ADMINISTRATION AND FINANCE				
102	(a) Ministers' Salary	98	74	24	
	(b) Executive Support				
1,079	Salaries and Employee Benefits	1,034	1,159	(125)	
92	Other Expenditures	144	72	72	
	(c) Corporate Services				
3,159	Salaries and Employee Benefits	3,000	2,793	207	
324	Other Expenditures	298	384	(86)	
16	(d) Tax Appeals Commission	26	17	9	
31	(e) Independent Administrator	43	38	5	
	(f) Office of the Lieutenant Governor				
259	Salaries and Employee Benefits	357	275	82	
102	Other Expenditures	99	121	(22)	
5,164	Subtotal 07- 1	5,099	4,933	166	
	07- 2 FISCAL AND FINANCIAL MANAGEMENT				
	(a) Treasury				
2,153	Salaries and Employee Benefits	2,302	1,951	351	
152	Other Expenditures	109	124	(15)	
	(b) Comptroller				
5,076	Salaries and Employee Benefits	4,241	4,663	(422)	
834	Other Expenditures	865	811	54	
(560)	Less: Recoverable from Other Appropriations	(581)	(556)	(25)	
	(c) Taxation				
13,007	Salaries and Employee Benefits	11,519	11,607	(88)	
3,578	Other Expenditures	6,994	1,701	5,293	1
	(d) Taxation, Economic and Intergovernmental Fiscal Research				
2,198	Salaries and Employee Benefits	2,059	2,699	(640)	
884	Other Expenditures	790	1,347	(557)	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Estimate 2016/2017	Appropriation	Actual 2016/2017	Actual 2015/2016	Increase (Decrease)	Explanation Number
	(e) Insurance and Risk Management				
456	Salaries and Employee Benefits	435	375	60	
40	Other Expenditures	44	35	9	
2,770	Insurance Premiums	2,228	1,899	329	
(2,770)	Less: Recoverable from Other Appropriations	(2,228)	(1,899)	(329)	
	(f) Public Utilities Board				
764	Salaries and Employee Benefits	960	847	113	
736	Other Expenditures	545	589	(44)	
	(g) Manitoba Bureau of Statistics				
1,029	Salaries and Employee Benefits	801	753	48	
106	Other Expenditures	451	462	(11)	
(60)	Less: Recoverable from Other Appropriations	(11)	(36)	25	
	(h) Office of the Superintendent - Pension Commission				
430	Salaries and Employee Benefits	351	406	(55)	
81	Other Expenditures	60	56	4	
-	(i) Manitoba Financial Services Agency	-	-	-	
30,904	Subtotal 07- 2	31,934	27,834	4,100	
	07- 3 TREASURY BOARD SECRETARIAT				
	(a) Treasury Board Secretariat				
3,451	Salaries and Employee Benefits	3,105	3,438	(333)	
714	Other Expenditures	1,060	471	589	
4,165	Subtotal 07- 3	4,165	3,909	256	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Estimate 2016/2017	Appropriation	Actual 2016/2017	Actual 2015/2016	Increase (Decrease)	Explanation Number
	07- 4 PRIORITIES AND PLANNING				
	(a) Priorities and Planning Committee of Cabinet Secretariat				
1,268	Salaries and Employee Benefits	1,398	1,498	(100)	
166	Other Expenditures	242	161	81	
	(b) Premier's Enterprise Team				
208	Salaries and Employee Benefits	205	204	1	
214	Other Expenditures	11	95	(84)	
1,856	Subtotal 07- 4	1,856	1,958	(102)	
	07- 5 INTERGOVERNMENTAL AFFAIRS				
	(a) Manitoba Strategic Infrastructure Secretariat				
988	Salaries and Employee Benefits	1,004	913	91	
204	Other Expenditures	184	151	33	
27,575	Infrastructure Projects	25,970	44,320	(18,350)	2
(27,575)	Less: Recoverable from Building Manitoba Fund	(25,970)	(41,955)	15,985	2
	(b) Federal-Provincial Relations				
930	Salaries and Employee Benefits	689	719	(30)	
390	Other Expenditures	278	285	(7)	
2,512	Subtotal 07- 5	2,155	4,433	(2,278)	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Estimate 2016/2017	Appropriation	Actual 2016/2017	Actual 2015/2016	Increase (Decrease)	Explanation Number
	07- 6 Central Services				
	(a) Accommodation Services				
30,955	Salaries and Employee Benefits	28,786	31,289	(2,503)	3
102,247	Other Expenditures	98,137	95,181	2,956	4
(25,773)	Less: Recoverable from Other Appropriations	(21,592)	(23,483)	1,891	
(6,826)	Less: Recoverable from Part B- Capital Investment	(4,811)	(4,649)	(162)	
	(b) Procurement Services				
2,350	Salaries and Employee Benefits	1,675	1,747	(72)	
251	Other Expenditures	229	192	37	
	(c) Business Transformation and Technology				
	(1) Government Information and Communication Technology				
19,441	Salaries and Employee Benefits	20,189	20,510	(321)	
84,084	Other Expenditures	83,584	80,894	2,690	5
(60,937)	Less: Recoverable from Other Appropriations	(61,217)	(61,115)	(102)	
	(2) Legislative Building Information Systems				
1,031	Salaries and Employee Benefits	1,040	1,058	(18)	
310	Other Expenditures	290	254	36	
-	(d) Materials Distribution Agency			-	
-	(e) Vehicle and Equipment Management Agency			-	
346	(f) Manitoba Education, Research and Learning Information Networks	346	346	-	
147,479	Subtotal 07- 6	146,656	142,224	4,432	
	07- 7 COSTS RELATED TO CAPITAL ASSETS				
32,106	(a) Amortization Expense	32,398	31,343	1,055	
39,963	(b) Interest Expense	38,101	38,447	(346)	
(2,789)	(c) Less: Recoverable from Other Appropriations	(2,782)	(2,818)	36	
69,280	Subtotal 07- 7	67,717	66,972	745	

Manitoba Finance

**Part A: Expenditure Summary by Appropriation**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Estimate 2016/2017	Appropriation	Actual 2016/2017	Actual 2015/2016	Increase (Decrease)	Explanation Number
	07- 8 NET TAX CREDIT PAYMENTS				
334,610	(a) Education Property Tax Credit	327,587	350,217	(22,630)	6
15,700	(b) Film and Video Production Tax Credit	18,818	18,190	628	
5,523	(c) Tuition Fee Income Tax Rebate	6,335	4,245	2,090	7
751	(d) School Tax Assistance for Tenants and Homeowners (55+)	768	1,192	(424)	
688	(e) Book Publishing Tax Credit	487	681	(194)	
1,100	(f) Cultural Industries Printing Tax Credit	427	79	348	
1,330	(g) Interactive Digital Media Tax Credit	1,032	1,905	(873)	
50	(h) Co-op Development Tax Credit	30	36	(6)	
1,347	(i) Federal Administration Fee	1,451	1,395	56	
(342,214)	(j) Less: Recoverable from Other Appropriations:	(335,722)	(357,559)	21,837	
18,885	Subtotal	21,213	20,381	832	
	07- 9 PUBLIC DEBT				
1,382,041	(a) (1) Interest on Public Debt of Manitoba and related expenses	1,354,161	1,243,670	110,491	
249,120	(2) Interest on departments' capital assets	247,647	231,757	15,890	
5,400	(3) Interest on Trust and Special Funds	10,060	9,007	1,053	
	(b) Less: Interest and Other Charges to be received from:				
(44,277)	(1) Sinking Fund Investments	(46,026)	(53,669)	7,643	
(871,187)	(2) Manitoba Hydro	(838,645)	(763,662)	(74,983)	
(37,118)	(3) Manitoba Housing and Renewal Corporation	(39,032)	(37,339)	(1,693)	
(15,561)	(4) Manitoba Agricultural Services Corporation	(18,547)	(17,347)	(1,200)	
(21,666)	(5) Other Government Agencies	(13,001)	(12,391)	(610)	
(93,620)	(6) Other Loans and Investments	(120,872)	(103,926)	(16,946)	
(323,132)	(7) Other Appropriations	(321,659)	(300,940)	(20,719)	
230,000	Subtotal 07- 9	214,086	195,160	18,926	8
510,245	Total Expenditures	494,881	467,804	27,077	

## **Expenditure Variance Explanations**

**for expenditures for the fiscal year ended March 31, 2017 as compared to figures for the previous fiscal year**

### **Explanation Numbers:**

1. Increase is due to the year-end adjustment to the allowance for doubtful accounts related to Taxation's accounts receivables during 2016/2017 fiscal year as required under generally accepted accounting principles.
2. Decrease in expenditures and corresponding decrease in recoveries is due to the winding down of previous year's projects (in particular Plessis, Brandon Wastewater Treatment projects), which are recoverable through the Building Manitoba Fund.
3. Decrease is due to increased vacancies.
4. Increase is due to an increase in leases costs, Grants-in-Lieu-of-Taxes and other operating expenditures.
5. Increase is due to increased Workplace Technology costs due to volume increases and changes in pricing under the new contract, as well as increased Network costs and FleetNet related costs.
6. Decrease of the Education Property Tax Credit is due to decreased full-year estimate of the Seniors' School Tax Rebate, as a result of changes announced in Budget 2016.
7. Increase of the Film and Video Production Tax Credit is due to higher than anticipated 2015 assessments and an increase in forecasted uptake for 2016 and 2017 based on the final 2015 tax credit data.
8. Increase is due to growth in public debt, partly as a result of ongoing deficit-financing.



Manitoba Finance

**Revenue Summary by Source**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Actual 2015/2016	Actual 2016/2017	Increase (Decrease)	Source	Actual 2016/2017	Estimate 2016/2017	Variance	Expl. No.
TAXATION							
3,261,344	3,498,544	237,200	a Individual Income Tax	3,498,544	3,338,761	159,783	1
516,598	459,116	(57,482)	b Corporation Income Tax	459,116	529,016	(69,900)	2
158,359	185,846	27,487	c Corporation Capital Tax	185,846	157,633	28,213	3
90,771	94,263	3,492	d Insurance Corporations Tax	94,263	89,853	4,410	4
865	710	(155)	e Credit Unions and Caisses Populaires Profits Tax	710	561	149	
2,035	1,345	(690)	f Mining Tax	1,345	1,000	345	5
319,189	335,512	16,323	g Fuel Tax	335,512	321,150	14,362	6
457,512	475,284	17,772	h Levy for Health and Education	475,284	472,614	2,670	7
71	71	-	i Mining Claim Lease Tax	71	72	(1)	
2,266,868	2,298,215	31,347	j Retail Sales Tax	2,298,215	2,325,330	(27,115)	8
256,119	243,266	(12,853)	k Tobacco Tax	243,266	256,123	(12,857)	9
2,492	2,598	106	l Environmental Protection Tax	2,598	3,400	(802)	
3	3	-	Succession Duty and Gift Tax	3	-	3	
1,515	605	(910)	Emissions Tax on Coal	605	1,200	(595)	
663	261	(402)	Emissions Tax Petroleum Coke	261	200	61	
-	-	-	Reconciliation (Reorg)	-	-	-	
7,334,404	7,595,639	261,235	Subtotal	7,595,639	7,496,913	98,726	
OTHER REVENUE							
1,111	1,095	(16)	a Public Utilities Board Cost Recovery	1,095	1,332	(237)	
44,358	56,755	12,397	b Recovery of Prior Years' Expenditures	56,755	14,100	42,655	10
825	827	2	c Rentals from Various Government Properties	827	847	(20)	
3,881	5,457	1,576	d Sundry	5,457	3,917	1,540	11
-	-	-	Reconciliation (Reorg)	-	-	-	
50,175	64,134	13,959	Subtotal	64,134	20,196	43,938	

Manitoba Finance

**Revenue Summary by Source**

for the fiscal year ended March 31, 2017 with comparative figures for the previous fiscal year (\$000s)

Actual 2015/2016	Actual 2016/2017	Increase (Decrease)	Source	Actual 2016/2017	Estimate 2016/2017	Variance	Expl. No.
GOVERNMENT OF CANADA							
1,737,951	1,735,593	(2,358)	Equalization	1,735,593	1,735,600	(7)	
1,230,233	1,312,872	82,639	Canada Health Transfer (CHT)	1,312,872	1,303,600	9,272	12
466,559	485,600	19,041	Canada Social Transfer (CST)	485,600	482,400	3,200	13
2,745	2,745	-	Government of Canada Subsidy	2,745	2,740	5	
198	900	702	Infrastructure and Economic Program	900	47	853	14
3,437,686	3,537,710	100,024	Subtotal	3,537,710	3,524,387	13,323	
10,822,265	11,197,653	375,388	Total	11,197,653	11,041,496	156,157	

**Revenue Variance Explanations**

for the fiscal year ended March 31, 2017

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Explanation Numbers:

1.      **Individual Income Tax:**                    \$237,200 over 2015/2016 Actual  
  \$159,783 over 2016/2017 Estimate

Increase from 2015/2016 actual is due to an increase in the federal estimate of national taxable income.

Increase from 2016/2017 estimate is due to higher than forecasted assessments for 2015, which generated a large positive prior year adjustment, and higher 2015 revenue increased 2016 and 2017 revenue forecasts.

2.      **Corporation Income Tax:**                      \$(57,482) under 2015/2016 Actual  
  \$(69,900) under 2016/2017 Estimate

Decrease from 2015/2016 actual is due to prior year assessments.

Decrease from 2016/2017 estimate is due to lower than expected assessments for the 2015 taxation year and a decrease in the federal estimate of national Corporate Taxable Income.

3.      **Corporation Capital Tax:**                      \$27,487 over 2015/2016 Actual  
  \$28,213 over 2016/2017 Estimate

Increase from 2015/2016 actual is due to an increase in taxable capital reported and percentage of taxable capital allocated by financial institutions.

Increase from 2016/2017 estimate is due to an increase in relation to financial institutions taxable capital and percentage of allocation over the projection.



**Revenue Variance Explanations**  
for the fiscal year ended March 31, 2017

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Explanation Numbers:

8. **Retail Sales Tax:** \$31,347 over 2015/2016 Actual  
\$(27,115) under 2016/2017 Estimate

Increase from 2015/2016 actual is due to year-over-year economic growth.

Decrease from 2016/2017 estimate is due to lower than forecasted economic growth.

9. **Tobacco Tax:** \$(12,857) under 2015/2016 Actual  
\$(12,853) under 2016/2017 Estimate

Decrease from 2015/2016 actual is due to lower than expected wholesale shipments and impact of e-cigarette sales.

Decrease from 2016/2017 estimate is due to lower than expected wholesale shipments and impact of e-cigarette sales.

10. **Recovery of Prior Years' Expenditures:** \$12,397 over 2015/2016 Actual  
\$42,655 over 2016/2017 Estimate

This account reflects the recognition in the current year of revenue arising from the credit adjustment to expenditures made in a prior year for all government departments. Prior year credit adjustments are accounted for on a prospective basis recognized as revenue in the year the adjustment becomes known and is measurable.

Decrease from 2015/2016 actual is primarily due to year-over-year differences in adjustments to expenditure accruals and unanticipated refunds.

Increase from 2016/2017 estimate is primarily due to adjustments to prior years' expenditure accruals and unanticipated refunds.

11. **Sundry:** \$1,576 over 2015/2016 Actual  
\$1,540 over 2016/2017 Estimate

Increase from 2015/2016 actual is primarily due to the donated funding for the Alloway Hall expansion project from Canada Cultural Spaces and the Winnipeg Foundation.

Increase from 2016/2017 estimate is primarily due to the donated funding for the Alloway Hall expansion project from Canada Cultural Spaces and the Winnipeg Foundation.

**Revenue Variance Explanations**  
for the fiscal year ended March 31, 2017

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Explanation Numbers:

12. **Canada Health Transfer:** \$82,639 over 2015/2016 Actual  
\$9,272 over 2016/2017 Estimate

Increase from 2015/2016 actual is Manitoba's per capita share of a transfer that grows by six per cent annually combined with positive adjustments to the prior year transfer payment through to the end of 2016/2017.

Increase from 2016/2017 estimate is the result of unanticipated adjustments by Finance Canada to payment forecasts and an in-year revision to the initial payment estimate.

13. **Canada Social Transfer:** \$19,041 over 2015/2016 Actual  
\$3,200 over 2016/2017 Estimate

Increase from 2015/2016 actual is Manitoba's per capita share of a transfer that grows by three per cent annually through to the end of 2023/2024.

Increase from 2016/2017 estimate is due to unanticipated adjustments by Finance Canada to payment forecasts and an in-year revision to the initial payment estimate.

14. **Infrastructure and Economic Programs:** \$853 over 2015/2016 Actual  
\$702 over 2016/2017 Estimate

Increase from 2015/2016 actual is mainly due to new federal-provincial programs launched in-year (the Clean Water and Waste Fund (CWWF) and the Public Transit Infrastructure Fund (PTIF)), for which the province recovers administration costs from the federal government.

Increase from 2016/2017 estimate is mainly due to new federal-provincial programs launched in the current fiscal year (the Clean Water and Waste Fund (CWWF) and the Public Transit Infrastructure Fund (PTIF)) for which the province recovers administration costs from the federal government.

**Manitoba Finance**

**Five-Year Operating Expenditure and Staffing Summary by Main Appropriation**

for the fiscal years ended March 31, 2013 to March 31, 2017 \*

Main Appropriation	2012/2013		2013/2014		2014/2015		2015/2016		2016/2017	
	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s
Finance:										
07- 1 Administration and Finance	65.00	5,003	67.00	5,155	67.00	6,306	66.00	4,933	66.00	5,099
07- 2 Fiscal and Financial Management	367.40	27,893	351.50	30,336	351.00	32,195	348.00	27,834	348.00	31,934
07- 3 Treasury Board Secretariat	41.00	3,877	40.00	3,932	40.00	3,191	39.00	3,909	39.00	4,165
07- 4 Priorities and Planning	16.00	2,030	16.00	2,056	16.00	2,098	16.00	1,958	12.00	1,856
07- 5 Intergovernmental Affairs	18.00	2,137	18.00	2,121	18.00	2,423	21.00	4,433	21.00	2,155
07- 6 Central Services	744.69	131,731	739.69	133,611	740.55	137,562	740.55	142,224	711.55	146,656
07- 7 Costs Related to Capital Assets	-	51,220	-	59,333	-	61,705	-	66,972	-	67,717
Total Departmental Operating Appropriations	1,252.09	223,891	1,232.19	236,544	1,232.55	245,480	1,230.55	252,263	1,197.55	259,582
07- 8 Net Tax Credit Payments	-	26,601	-	13,133	-	17,990	-	20,381	-	21,213
07- 9 Public Debt (Statutory)	-	233,511	-	208,071	-	199,931	-	195,160	-	214,086
Total Appropriations	1,252.09	484,003	1,232.19	457,748	1,232.55	463,401	1,230.55	467,804	1,197.55	494,881

\* Adjusted figures reflect historical data on a comparison basis in those appropriations affected by a re-organization during the years under review.

- i 2015/2016: 07-1 - Administration and Finance reflects transfer of Office of the Lieutenant Governor to Finance from Infrastructure and Transportation; Central Services reflects the transfer of Accommodation Services and Procurement Services to Finance from Infrastructure and Transportation and transfer of Business Transformation and Technology to Finance from Jobs and the Economy.
- ii 2016/2017: 07-2- Fiscal and Financial Management reflects transfer of Office of Superintendent - Pension Commission to Finance from former Department of Labour and Immigration and transfer of Manitoba Bureau of Statistics to Finance from former Jobs and the Economy; 07-3 - Treasury Board Secretariat reflects transfer of Labour Relations to Civil Service Commission and transfer of Francophone Affairs Secretariat to Sport, Culture and Heritage; 07-5 - Intergovernmental Affairs reflects in-year transfer of Manitoba Strategic Infrastructure Secretariat (MSIS) to Finance from Indigenous and Municipal Relations.

## PERFORMANCE REPORTING

The following section provides information on key performance measures for the department for the 2016/2017 reporting year. All Manitoba government departments include a Performance Measurement section in a standardized format in their annual reports.

Performance indicators in departmental annual reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities and their impact on the province and its citizens.

For more information on performance reporting and the Manitoba government, visit [www.gov.mb.ca/finance/publications/performance.html](http://www.gov.mb.ca/finance/publications/performance.html).

Your comments on performance measures are valuable to us. You can send comments or questions to [mbperformance@gov.mb.ca](mailto:mbperformance@gov.mb.ca).

What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2016/17 result or the most recent available data?	What is the trend over time?	Comments/recent actions/report links
The province's credit rating or credit worthiness.	Impacts the province's ability to borrow at a cost-effective rate. An important consideration for investors in Manitoba bonds and other securities.	Ratings as at March 31, 2002 were: <ul style="list-style-type: none"> <li>Aa3 (Stable) Moody's Investor's Service</li> <li>AA- (Stable) Standard &amp; Poor's</li> <li>A (Stable) Dominion Bond Rating Service</li> </ul>	Ratings as at March 31, 2017 were: <ul style="list-style-type: none"> <li>Aa2 (Stable) Moody's Investor's Service</li> <li>AA- (Negative) Standard &amp; Poor's</li> <li>A (High) (Stable) Dominion Bond Rating Service</li> </ul>	<i>Uncertain:</i> Standard & Poors downgraded Manitoba's credit rating from AA (Stable) to AA- (Negative) on July 14, 2016.	Standard & Poor's downgraded the province to A+ with a stable outlook on July 21, 2017.
Unqualified or clean audit opinion. The audit proves compliance with rules and integrity of government departments. Indicates that government has fairly and accurately presented its summary financial statements.	Maintains the financial reputation of Manitoba and is an important tool in ensuring transparency.	2008/2009 Public Accounts - Unqualified audit opinion.	2015/2016 Public Accounts - Unqualified audit opinion.	<i>Stable:</i> Unqualified opinions.	Updates since March 31, 2017 will be noted in the 2017/2018 Annual Report.



What is being measured and using what indicator?	Why is it important to measure this?	Where are we starting from (baseline measurement)?	What is the 2016/17 result or the most recent available data?	What is the trend over time?	Comments/recent actions/report links
<p><b>Outcome:</b> Access to clean drinking water, high quality wastewater treatment, increased access to recreation facilities and increased protection against natural disasters (flooding) for Manitobans.</p> <p><b>Indicator:</b> Recorded project benefits from federal/provincial cost shared infrastructure programming in the categories of: water, wastewater, recreation, and disaster mitigation.</p>	<p>Recorded benefits from federal/provincial cost-shared infrastructure programming that demonstrates funds are being spent on projects that contribute to long-term economic growth, a clean environment and strong communities. The success of the projects under these programs hinges on the co-operative relationships between all three levels of government.</p>	<p>Reported benefits will be recorded on a go-forward basis beginning April 1, 2016.</p>	<p>In the 2016/2017 fiscal year, many projects receiving federal and provincial cost-shared funding under the Small Communities Fund (SCF) were completed. As of March 31, 2017, the cumulative benefits from the 15 completed SCF projects are reported as follows:</p> <ul style="list-style-type: none"> <li>• 6,201 new households connected to water treatment</li> <li>• 20 new households connected to rural water lines</li> <li>• 2,241 new homes connected to wastewater treatment</li> <li>• 4,105 homes have their wastewater treated to a higher standard</li> </ul>	<p>The expectation is an increase in the amount of households/residents who benefit in all four categories tracked: water, wastewater, recreation and disaster mitigation.</p>	

## The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection from reprisal. The act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under the act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or knowingly directing or counselling a person to commit a wrongdoing. The act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with the act, and with a reasonable belief that wrongdoing has been or is about to be committed is considered to be a disclosure under the act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under the act, and must be reported in a department's annual report in accordance with Section 18 of the act.

The following is a summary of disclosures received by the department of Finance for fiscal year 2016/2017.

<b>Information Required Annually (per Section 18 of the Act)</b>	<b>Fiscal Year 2016/2017</b>
The number of disclosures received and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	<b>NIL</b>
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	<b>NIL</b>
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. <i>Subsection 18(2)(c)</i>	<b>NIL</b>