

# Message From The Minister



Budget 2008 builds on Manitoba's strong, stable economy and moves forward on Manitobans' priorities.

We are confident in Manitoba's ability to continue to grow and prosper despite the current uncertainty in the global economy.

Over the last eight years, Manitoba has benefited from:

- six major credit rating improvements
- record tax reductions for both families and businesses
- record-high employment rates
- the largest investment in highway renewal in Manitoba's history
- an increase in the number of doctors and nurses working in Manitoba
- a commitment to protect Manitoba's water and environment
- some of the most affordable tuition fees in Canada

More support for our health care system; protection for our water and environment; tax relief for Manitoba families, graduating students and businesses; increased funding to keep our communities safe; and a continued commitment to invest in Manitoba's infrastructure are the priorities of Budget 2008.

We invite you to discover what this year's provincial budget means to you.

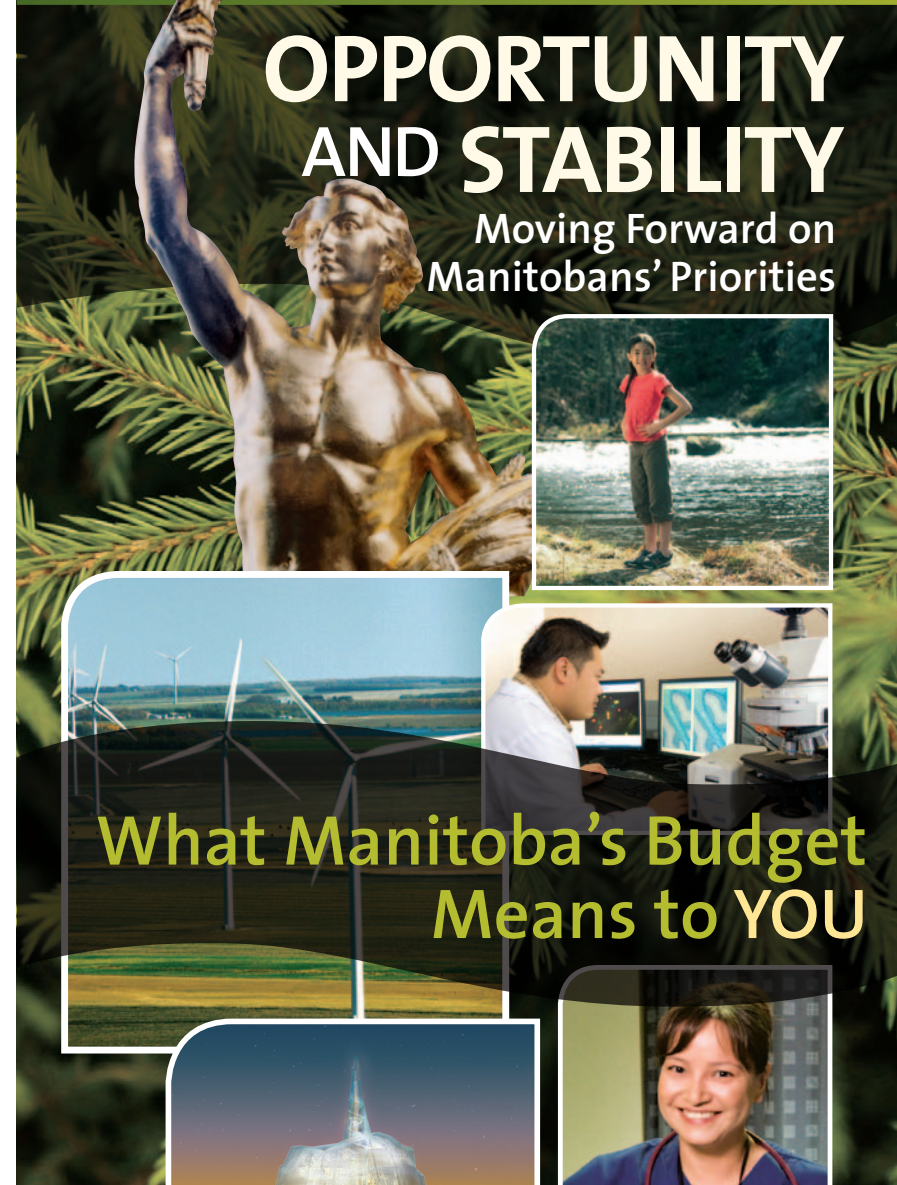
*Greg Selinger*

**Greg Selinger**  
Minister of Finance

## MANITOBA BUDGET '08

### OPPORTUNITY AND STABILITY

Moving Forward on Manitobans' Priorities



### What Manitoba's Budget Means to YOU



# Manitoba's Growing Economy



Manitoba's strong, stable economy has grown steadily over the past eight years. This growth has created opportunities for our young people, our families and our businesses. Budget 2008 builds on this stable foundation and positions Manitoba to meet future challenges in the global economy.

- Manitoba's economy grew by 3% in 2007 – outpacing Canada for the second consecutive year.
- Employment grew 1.6% last year as the employment and labour force participation rates reached all-time highs.
- Average weekly earnings grew 4.2% in 2007 – the highest increase in almost 20 years.
- In 2007, Manitoba had the highest population increase in 25 years.
- Housing starts were up 14% last year, well above the modest gains for Canada.
- Private investment grew 9.5% in 2007 and Manitoba will lead the country with a 22% jump in 2008.
- Farm receipts increased 18% for 2007 – almost double the national growth.
- Manitoba's foreign exports increased 13% last year, while Canada's exports grew by only 2%.

“The Manitoba economy will fire on all cylinders again this year.”

Source: Conference Board of Canada, March 2008



## More Opportunities for Young Manitobans



Budget 2008 helps young Manitobans reach their goals by providing more access to education and training, improving our educational facilities and creating opportunities to build careers right here at home.

- The Tuition Fee Income Tax Rebate will provide post-secondary graduates who live and work in Manitoba with \$20 million in tax savings in 2008.
- Manitoba's student bursary program will increase by \$8 million over three years, doubling its support to \$16 million.
- The interest rate on student loans will be reduced by one percentage point.
- More than \$100 million over the next two years for capital projects at Manitoba's post-secondary institutions.
- New funds for apprenticeship seats – part of a commitment to add 4,000 new seats over the next four years.
- \$53.5 million in additional funding will be invested in public schools – the largest single increase in more than 25 years.
- \$1 million to improve high school graduation rates and support students who pursue post-secondary education.
- Additional resources for Red River College to create a new Interlake Campus for Peguis and Fisher River.

## Building Manitoba

Budget 2008 continues to pave the way to a brighter future for all Manitobans. From homes to highways, Manitoba is experiencing a building boom that reflects our province's growth and prosperity.

- Funds are provided for the ongoing 10-year, \$4 billion plan to modernize Manitoba's highways and bridges – work is planned for 1,300 kilometres of roads this year alone.
- \$15 million for inspection, maintenance and rehabilitation of provincial bridges.
- Funds for preliminary work on an overpass at Highway 16 and the Trans-Canada Highway.
- Funds for wastewater upgrades for many communities including The Pas and Roblin.
- A commitment of \$150 million for municipal water and wastewater projects in rural and northern Manitoba.
- The Red River Floodway expansion continues – once completed it will provide protection for a 1-in-700-year flood.

# Continuing the Commitment to Health Care

Providing quality health care remains the top priority. By investing in more doctors and nurses and improved facilities, Budget 2008 provides the funding our health care system needs to deliver better care sooner.

- Investing \$7.2 million to educate and hire more doctors in Manitoba.
- \$1.8 million more for cancer screening to ensure earlier diagnosis and treatment.
- New funding to train more nurses – increasing the number of training seats by 40.
- \$20 million to develop a new western Manitoba regional cancer centre in Brandon.
- \$3 million for more nurses, health-care aides and allied health-care workers in personal care homes.
- \$5 million to redevelop the emergency department at the Portage General Hospital.
- \$1.2 million for nurse practitioners in ERs, clinics and acute care settings.
- \$2.4 million to expand dialysis across the province, benefiting communities such as Berens River, Gimli, Hodgson and Peguis.



Wait times for radiation therapy, MRIs, CT scans and hip and knee replacements have all been reduced by more than 50%.

## Strong Families



Budget 2008 continues the commitment to keeping Manitoba a great place to live and raise children by providing more support for Manitoba families.

- An additional \$5 million for child care including more spaces, a new training and recruitment fund and increased wages.
- \$16.6 million to improve housing in Manitoba.
- \$3.5 million for the Manitoba Shelter Benefit.
- \$23.7 million for children's therapy services, including physical, speech and language and occupational therapies.
- \$23 million more for the protection of children.
- A \$12.4 million increase in funding for supported living programs.
- A new First Sports Initiative to help more young people participate in sport by providing funding for equipment and supplies.

## Safe and Growing Communities

Manitoba's communities make our province strong. Budget 2008 provides the funding they need to grow and flourish.



- Additional funds for Neighbourhoods Alive! and the expansion of Lighthouses to five new locations where young people can participate in extracurricular activities.
- Almost \$1 million more for Community Places to help build or upgrade community facilities.
- Funding for 20 more police officers – including ten in Winnipeg and two in Brandon – and more Crown prosecutors.
- Funding for more libraries including several in First Nation communities.
- Funding for Renaissance Brandon to help renew older neighbourhoods and the downtown core.
- An additional \$1.1 million for forest fire suppression.
- A 6% increase to the Building Manitoba Fund that provides support to Manitoba municipalities outside of Winnipeg.
- Over \$200 million in funding for Winnipeg to support services such as road upgrades, transit and public safety.

# Protecting our Water and Environment

Manitoba is blessed with an abundance of natural resources. Our supply of clean, fresh water and our vast, pristine wilderness is a legacy we must preserve and protect for future generations. Budget 2008 continues to invest in programs and projects that protect these precious resources.

- A multi-year funding plan to reduce greenhouse gas emissions.
- New resources for enhanced monitoring and inspection of septic systems as well as the monitoring and enforcement of manure spreading regulations.
- A new water conservation program to encourage the purchase of water-saving appliances and devices.
- \$5.3 million for Conservation Districts.
- Continued funding for the Manitoba Habitat Heritage Corporation.
- Additional funding for the Nature Conservancy of Canada – bringing the 2008 commitment to \$400,000.
- An increase in operating funds for Oak Hammock Marsh Interpretive Centre.



For the past two years, Manitoba has been chosen as the Canadian leader by the Canadian Energy Efficiency Alliance.



## The Bottom Line: Lower Taxes for Manitobans

Manitoba's record of long-term tax relief is showing results. Last year, our province enjoyed the second-highest retail sales growth in Canada and the highest level of capital investment growth in the country. Budget 2008 builds on this momentum with additional tax relief for families and businesses.

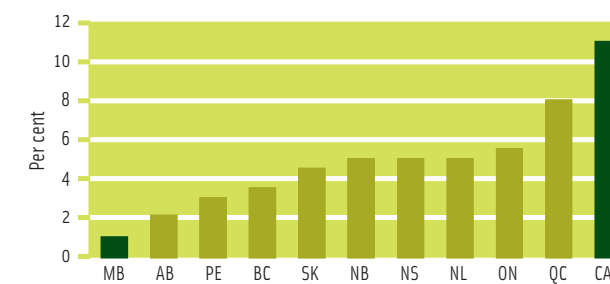
### PERSONAL TAXES

- The Education Property Tax Credit increases to \$600 – saving Manitobans an additional \$24.5 million annually.
- The Farmland School Tax Rebate increases to 70% – saving farmland owners over \$30 million in 2008.
- A Primary Caregiver Tax Credit will provide eligible Manitobans with as much as \$1,020 in benefits annually.
- The basic personal exemption will increase by \$100 – reducing personal income tax for every taxpayer.
- Tax brackets and rates are being adjusted: the lowest bracket rate will fall to 10.8%, the threshold for the middle bracket will increase to \$31,000 and the threshold for the top bracket will rise to \$67,000.

### BUSINESS TAXES

- The small business tax rate, already the lowest in the country, will be further reduced to 1% – saving Manitoba businesses an additional \$9.7 million a year.
- The general Corporation Income Tax rate will be reduced to 13% in July 2008 and to 12% in July 2009 with a goal of reducing it to 11% in subsequent years.
- The Corporation Capital Tax for manufacturers and processors will be eliminated July 1, 2008 – freeing up \$25 million for these businesses.
- The Manufacturing Investment Tax Credit will be extended to the end of 2011.

### 2009 Small Business Tax Rates Across Canada



Rates are those announced as of April 9, 2008. Source: Manitoba Finance