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# Responsible Recovery

MANITOBA BUDGET 2017

SPEECH

Manitoba 

# **THE 2017 MANITOBA BUDGET ADDRESS**

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Minister of Finance  
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# THE 2017 MANITOBA BUDGET ADDRESS

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## BUDGET 2017 SPEECH – RESPONSIBLE RECOVERY



Madam Speaker, I am honoured to rise in this Legislative Assembly to deliver Budget 2017.

Less than one year ago, our new government presented our first budget for Manitoba. To begin correcting the course away from the policies of ever-rising debt, increasing taxes and failing

services pursued by the previous government for more than a decade.

Our first budget took decisive action to halt the reckless, established pattern of overspending across government. It took initial steps to address the unacceptable habit of “paying more while getting less”. And it began to address the fundamental financial risks that threatened the security and quality of services being provided to Manitobans.

Our second budget continues the critical work begun last year. It will provide Manitobans with a clear understanding of the path we must travel to reach our ultimate destination. To realize the full potential of our magnificent province. To secure the financial recovery, improved services, economic prosperity and quality of life that Manitobans seek and expect. To provide our children with a compelling reason to stay. And to offer the hope and opportunities that inspire others to journey here, invest here and make Manitoba their home.

### LISTENING TO MANITOBANS

Budget 2017 is built for and by Manitobans.

Our government did what good governments do. We took stock of where we are and then we asked the real experts – front-line workers, Manitoba families, small businesses and employers – for their input on the future direction of our province.

We reached out and we listened. We directly asked Manitobans to tell us their priorities. In response we received input from citizens across all regions and backgrounds. An unprecedented 18,000 interactions helped shape our shared path with suggestions on ways to reduce red tape, improve service delivery, eliminate government duplication and grow our economy.

### RESPONSIBLE RECOVERY

With this budget, we are responsibly moving Manitoba along the road to recovery, with great consideration to the impact that each decision will have on Manitobans and their families.

Meanwhile, our provincial neighbours are pursuing different paths involving stark decisions. Some are choosing higher taxes, while others are pursuing increased spending.

With this budget Manitoba charts its own balanced course, one that will confront the fiscal dangers we face with prudence, without higher taxes, deep cutbacks or unsustainable spending.

Our course pursues responsible recovery. It is based on solutions that control government spending, that put innovation ahead of ideology, and that invest appropriately in front-line services to ensure that the right help is available for Manitobans in the right place and at the right time.

Our plan avoids drastic measures choosing instead to steadily pursue and achieve improvements year-over-year. This will allow us to reach our destination together, safely and securely.

This made in Manitoba approach, fully embodying the abundant common sense of Manitobans themselves, is both realistic and responsible.

In our first budget we committed to Manitobans that we would “pursue measures that will responsibly restore Manitoba to fiscal balance with a target of achieving this within our second term.”

Standing here today, nearly one year later, I am confident we are taking the steady measured steps required to honour this pledge.

After a decade of debt, we are fixing our finances.

After a decade of decay, we are repairing our services.

And after a decade of decline, we are rebuilding our economy.

We remain steadfast in our commitment to make Manitoba the most improved province in Canada. Budget 2017 lays the foundation for Manitobans to achieve that goal, not just for today, but for future generations as well.

## **ADDRESSING THE REAL RISKS FACING MANITOBIANS**

Madam Speaker, Manitoba continues to face a large and looming fiscal challenge. The previous government simply spent more than they brought in. And as they increased spending, they grew our province's debt, leaving Manitobans ever more vulnerable to increased interest rates and federal transfer payments that are shrinking in relation to rising costs.

These consequences continue to threaten our province's ability to pay for the services we provide to our citizens.

The previous government doubled the provincial debt, implemented significant tax hikes, increased and broadened the provincial sales tax, allowed spending to exceed revenues and ran deficits year after year.

This downward spiral had an inevitable destination: a \$1.7 billion deficit by 2019 if the previous government's structural deficit was left unaddressed.

But the real story is not in the numbers alone. It is in the danger these policies created for Manitobans, both now and into the future.

Every dollar spent on interest payments for the province's debt is a dollar that cannot be spent on improving services for Manitobans. Services that Manitobans rely on: health care, education and good

infrastructure. And the legacy of every credit rating downgrade that results from these reckless fiscal policies means that money that should be spent on the priorities of Manitobans, in Manitoba, is instead paid to lenders outside our province.

Manitoba homeowners understand the threat posed by potential increases to borrowing rates. While we are living at a time of historically low rates, they know that rates will inevitably rise in the future, as they have in the past. And when rates do rise, even a modest one per cent increase will mean nearly \$100 million in new costs to be borne by Manitobans.

These risks are compounded by Manitoba's reliance on federal transfers for health care, social services and education. When these transfer programs are eroded, as they have been for health care, our province must make up the difference. On health care alone in 2017/18, the federal government's unilateral decision to reduce the Canada Health Transfer escalator means that there is \$39 million less available in funding for Manitoba health care services.

Last month's federal budget makes it clear that Canada is entering an extended period of increasing spending on federal programs, high deficits and rising debt, even as federal transfers to the provinces are being constrained. This could also impact the federal government's commitment to transfer programs over the longer term.

Prudent and early action is required to ensure that our own financial house is in order and to protect Manitoba from these external pressures and ever increasing uncertainties.

## **FIXING OUR FINANCES**

Madam Speaker, the first step to fixing our finances was to uncover and expose the financial land mines left behind by the previous government. As a starting point, the actual deficit when we took office was not the \$422 million promised by the previous administration. In reality, the actual deficit for fiscal year 2015/16 was more than double that amount, reaching \$846 million.

We set clear and open principles for sustainable fiscal planning, reduced the size of cabinet by one-third, began to address unnecessary red tape and have pared back senior management positions across core government and in provincial crown corporations.

Government and opposition MLAs agreed to a voluntary pay freeze for the duration of this term of our government.

Performance and value-for-money reviews were undertaken on both our province's fiscal situation and health care system. We initiated extensive consultations with Manitobans and front-line workers. Key issues identified by these reviews have now been released in the Report of the Advisory Panel on Fiscal Performance and the 2017 Budget papers.

In order to protect front-line services and avoid raising taxes, we are seeking to establish parameters for public sector compensation levels under Bill 28, *The Public Services Sustainability Act*. This reflects the fact that across the broader public sector each one per cent increase in wage settlements costs approximately \$100 million. Our focus is therefore on outcomes Manitobans can truly afford. This "all hands on deck" approach will continue to guide our discussions as we pursue constructive dialogue with our public sector labour union leadership moving forward.

On all of these fronts we are making progress. And I'm very pleased to note that our province's forecasted 2016/17 summary deficit is a full \$39 million below what was projected in our first budget.

## REPAIRING OUR SERVICES

As the province's finances deteriorated, so too did many of the public services Manitobans rely upon. Immediately upon forming government, we began to review problems and develop solutions to improve the quality of our public services.

Manitoba is spending more per-capita on health care than nearly every other province, yet wait times for emergency health care, diagnostic testing and necessary surgeries rank worst in the country. Our

government is addressing this unacceptable legacy. It has launched an expert Wait Times Reduction Task Force. And the regional health authorities are already implementing some of the recommendations made by Dr. David Peachey in his report, which was commissioned by the previous government.

Education outcomes are being improved through the creation of expanded and enriched student bursary programs, which will leverage private sector contributions to give Manitobans of all backgrounds enhanced opportunities to pursue higher education.

New Canadians enrich our communities and help grow our economy. We have eliminated an application backlog that left those wanting to come to Manitoba languishing on a wait list for up to three and a half years, and we are fulfilling our commitment to process their applications and give them an answer within six months.

## REBUILDING OUR ECONOMY

Economic growth is central to our ongoing prosperity. And our plan to rebuild our economy is working.

Thus far in 2017, Manitoba's employment is up – over 6,000 jobs – a full percentage point higher than last year. Manitoba's unemployment rate now averages 6.0%, the second lowest among provinces and well below Canada's unemployment rate of 6.7%.

Year-to-date urban housing starts are up by 95% in Manitoba, the highest growth among all the provinces over the same period last year. Confidence among our business community is growing. We are welcoming private sector investment. This includes a historic \$400 million pea-processing facility to be built by Roquette, a global processor of agricultural produce, near Portage la Prairie, creating 150 new jobs.

We are building true community partnerships that responsibly facilitate creative solutions to the challenges facing rural Manitoba businesses. These efforts were instrumental in preventing the threatened closure of the pulp and paper mill in The Pas, and saved

hundreds of direct and related jobs without putting taxpayers at risk.

Our Look North initiative sets out our government's long-term vision for sustainable economic and business development and growth for our province's north. This vision continues to be driven by the determination of Northerners, and encourages and supports them as they establish priorities and market northern Manitoba as a place to visit, to invest in and to live. This strategy will build upon successes already seen in tourism investment and our mining sector. In recent months, The Fraser Institute recognized Manitoba as the second-best mining jurisdiction in the world, up from 19<sup>th</sup> the year before.

The economic potential of our vast north is tied to our commitment to an enhanced duty to consult framework as an anchor for respectful and productive collaboration with Indigenous communities. This ongoing work will continue in the coming year as we advance an engagement strategy for greater participation by our Indigenous communities in economic development throughout our province.

Our Premier's Enterprise Team has begun its work to engage business leaders and entrepreneurs in a review of how we encourage investment in our province. And we look forward to the additional opportunities and economic benefits Manitoba will realize from our government's decision to join the New West Partnership Trade Agreement and the recently finalized Canada Free Trade Agreement.

## **TAXATION RECOVERY**

Budget 2017 puts Manitoba on a road to recovery with tax relief, no tax increases and no new taxes. And in keeping with the commitment we made to Manitobans, our government is continuing to invest in the services that they depend upon, with a 2.1 per cent increase to core government spending in 2017/18.

Manitoba's tax credit system is among the most complex and diversified in Canada with more than 30 provincial tax credits. This adds to the compliance costs

incurred by Manitobans and the administrative fees that our province must pay to the federal government. Our government is focussed on ensuring an affordable and competitive tax environment that increases productivity, and encourages economic growth and job creation.

Budget 2017 maintains the Children's Arts and Cultural Activity Tax Credit, the Fitness Tax Credit, the Adoption Expenses Tax Credit, the Fertility Treatment Tax Credit and the Manitoba Tuition and Education Amounts. It holds taxes on fuel and tobacco at their current levels but includes measures to crack down on contraband tobacco smuggling via increased fines and penalties. We are eliminating boutique tax credits that had little uptake or failed to meet their objectives. And this budget aligns the Political Contributions Tax Credit rates and the Research and Development Tax Credit with our neighbours.

As our financial situation improves, our government will continue to implement measures that will allow Manitobans to keep more of their hard-earned money. Budget 2017 continues to index personal income tax brackets and the basic personal exemption – that is the amount a taxpayer can earn before having to pay tax in Manitoba. These changes reaffirm our commitment to lower taxes for Manitobans. They will remove more than 2,000 taxpayers from the tax rolls entirely. And they will save Manitoba taxpayers \$23 million this fiscal year and \$34 million by 2020.

## **THE CHALLENGING ROAD AHEAD**

We have seen early progress within the last year. But much more needs to be done.

While we have made marked improvements to our province's financial situation since taking office, Manitoba's summary deficit for 2017/18 is projected to reach \$840 million, while the core government deficit will be \$779 million. Again, this is not sustainable. And this situation challenges our ability to deliver the ongoing quality services that Manitobans expect and deserve.

To ensure accountability and progress, Budget 2017 includes multi-year projections and targets that our government can be expected to reach or exceed.

## **INVESTING WHERE IT MATTERS MOST**

Budget 2017 invests in the services important to Manitobans, by increasing funding for health care, families, education and justice, and targeting investment in the areas where it will have maximum impact.

### **Better Health Care – Sooner**

A record high level of investment is being made in the Department of Health, Seniors and Active Living, including \$107.5 million in new spending with targeted investments in universal newborn hearing screening – an increase of \$1.7 million, an additional \$8.8 million for expanded dialysis treatment and \$1.6 million more to support mental health services.

We are increasing funding for Diagnostic Services Manitoba, Canadian Blood Services and the Plasma Blood Strategy.

Additional investment is being made in the Home Cancer Drug Program And a further \$9.4 million is being committed for new oncology drugs through the Provincial Oncology Drug Program.

Spending smarter is already saving money for Manitobans. Savings that are being reinvested in improvements to front-line services. These include the increased use of generic drugs across the health care system and addressing pharmacy dispensing fees, which will bring Manitoba in line with other provinces, while ensuring more affordable Pharmacare for Manitobans.

Budget 2017 will provide funding for two replacement ambulances for the Winnipeg Fire Paramedic Service and will bolster both the Provincial Fleet Ambulance Program and the Lifelight Air Ambulance Program, while investing \$6.5 million to further reduce ambulance fees for Manitobans.

An increase of nearly \$1 million will allow three provincial nursing stations to continue to provide

improved care to the northern Manitoba communities they serve.

And we remain committed to investing in personal care homes in the communities where they are most needed, with a fresh focus on innovative and collaborative models that will allow for increased capacity, while reducing the burden on Manitoba taxpayers.

### **Support for Manitoba Families**

Budget 2017 also makes significant investments in the Department of Families, increasing its budget by more than \$105 million, a 5.4 per cent increase over last year.

Our government recognizes the supports that are required by many Manitoba families. Under the previous government, wait lists for child-care spaces were allowed to grow to well over 12,000, a backlog that cannot be eliminated overnight. Our government is moving quickly to address this challenge, by adding 501 new licensed child-care spaces and 50 new home-based child-care spaces this fiscal year, and by increasing operating grants for home-based child-care providers.

This budget will improve the supply and quality of affordable housing throughout our province by investing \$12.8 million in projects through the Social Innovation Fund, under the Manitoba Housing and Renewal Corporation.

We will continue to help families in need, by providing over \$85 million to further support Employment, Income and Rental Assistance programming, including an increase of almost \$12 million to continue to index Rent Assist benefits to 75 per cent of the median market rate. Over the next year, we will be reviewing the Rent Assist program to ensure that available benefits are reaching those most in need.

This budget protects the Primary Caregiver Tax Credit which remains the most unique and inclusive in Canada. It benefits care providers even if they are not taxable, unlike the credits provided federally, and it benefits Manitobans who care for a family member, friend or loved one regardless of whether they reside together or apart.

Budget 2017 also includes investments to combat family violence and violence against women, by providing \$186,000 in additional support for Nova House's new shelter in Selkirk.

And it continues the partnership we have established with the Winnipeg Blue Bombers in support of the Engaging Men and Boys in Violence Prevention campaign, and with Ka Ni Kanichihk's Heart Medicine Lodge which provides culturally based support and advocacy services for Indigenous women who have experienced sexual assault and violence.

Earlier today, my colleagues and I were pleased to provide a small contribution to the Manitoba Chapter of The Shoebox Project for Shelters. This initiative provides supports to women who are homeless or at-risk of homelessness in communities across Manitoba. Each thoughtfully created and decorated shoebox is filled with items that can enhance self-esteem and reduce feelings of isolation for women in crisis.

Manitobans are renowned for their generosity. In our country's 150<sup>th</sup> year, it remains our hope that every Manitoban will take stock of their own ability to give to a charity or organization of their choice. And that our actions can match the breadth of our spirit. Together we can make a precious difference in the life of someone less fortunate.

### **Planning for our Children's Future**

The Department of Education and Training will also see a significant funding boost in this budget with an overall increase of \$36 million.

In February 2017, we announced a total investment of \$1.3 billion in our Kindergarten to Grade 12 education system, including a guarantee that no school division will receive less than 98 per cent of their prior year's funding.

In recognition of the potential of our younger generation, Budget 2017 provides two additional Unlocking the Toolkit Girls Forums to expose students in grades five and six to women working

in non-traditional trades and science, technology, engineering and math fields.

Manitoba's whole of government commitment to improving the lives of our youngest citizens continues in Budget 2017 through the work of the Healthy Child Committee of Cabinet. Priorities in this budget include initiatives related to early childhood development, child and youth mental health, literacy and numeracy, as well as improved outcomes for our most vulnerable children and youth.

We continue to work closely with post-secondary education and industry stakeholders to ensure that the province has a highly skilled and adaptable workforce able to meet the economic and labour market opportunities of the future. This will include a new Labour Market Strategy aligned with industry and community needs, ensuring access to and the availability of high-quality post-secondary education.

Manitobans understand that programs that don't achieve results should not be continued. Our government understands that too. While Budget 2017 holds the line on the Seniors' School Tax Rebate, the Education Property Tax Credit and the Farmland School Tax Rebate, the Tuition Fee Income Tax Rebate and Advance Tuition Fee Income Tax Rebate did not meet their objective of encouraging students to come to, or remain in, Manitoba after graduation and will not be continued. For transition purposes, graduates will be given a one-year grace period to claim their income tax rebate, which will be capped at \$500 in this final year.

Instead, students who need assistance the most will be provided with it when they most need it. Our government will continue to focus on reducing the barriers to post-secondary education for low-income students, with increases to direct bursary support for students and the transformation of the Manitoba Bursary Program into a grant which will be available to students earlier, during the course of their studies. When combined with partner funding and our new matching formula, these changes are expected to increase the total funding available to students through

the Manitoba Scholarship and Bursary Initiative by more than \$20 million.

## Protecting our Communities

Our government remains committed to investing in programs to ensure community safety, reduce the incidence of crime and provide necessary resources to law enforcement.

The Department of Justice will receive an increase of \$12 million this fiscal year, an increase of 2.1 per cent. This reflects our ongoing resolve to ensure timely, effective and efficient access to justice.

There is of course more work to be done. Backlogs continue to plague our province's justice system, creating lengthy delays that threaten our ability to meet the targets set by the Supreme Court of Canada in the *R. v. Jordan* ruling.

We are meeting these inherited challenges with innovative approaches. Budget 2017 integrates restorative justice into community corrections and reaffirms our request to the federal government that Manitoba be selected for a pilot project that reconsiders the utility of preliminary inquiries – an approach advocated by Manitoba's judiciary at all court levels.

## ENCOURAGING INVESTMENT AND INNOVATION

A strong and growing economy is the pathway to protect and improve services for Manitobans. But a fiscal environment that is both attractive and competitive also requires a regulatory framework that encourages investment and allows for innovation.

In Manitoba, small- and medium-sized businesses alone now spend over \$1 billion annually to comply with federal, provincial and municipal regulations. Entrepreneurs estimate that a full 30 per cent of this sum, or \$360 million, is expended on red tape. And these burdens are not faced by businesses alone. Presentations to the government's Red Tape

Reduction Task Force indicate that non-profits and local governments face the same red tape headaches.

Our government is taking long overdue steps to address this imperative – removing costly and ineffective requirements, antiquated laws, and redundant language in provincial statutes, regulations, policies and forms.

Specifically, we have introduced Bill 22, *The Regulatory Accountability Act*, which creates Canada's most comprehensive framework for managing regulatory requirements and reducing the administrative burden faced by businesses, non-profits, local governments and Manitoba residents.

This will significantly reduce the time and money wasted by Manitobans. And it will benefit the provincial government too, by reducing the tremendous inefficiency and cost associated with the interpretation of its own cumbersome rules and processes.

We are removing regulatory burdens so we can fully engage in public-private partnerships to get better value for money in our infrastructure investments.

Budget 2017 also includes a variety of measures that will encourage business to invest in our province. These include the continuation of the Mineral Exploration Tax Credit and the Manufacturing Investment Tax Credit, as well as a \$4 million investment in a single funding window that will provide the business sector with more effective access to provincial support. And both changes to red tape requirements and reductions to processing times will make it faster and easier for businesses to recruit foreign workers.

Our aim and obligation remain focussed throughout on the investments that yield growth and prosperity in our communities.

For the first time in a long time, Manitoba has a government that understands and appreciates the impact of agriculture on our economy. A government that recognizes the value of the sector that not only employs thousands of Manitobans, but feeds both our province and the world.

Budget 2017 increases investment in agriculture, funding an enhanced Livestock Growth Strategy and an Agricultural Modelling and Forecasting Program in 2017/18. It maintains borrowing limits for individuals and associations through the Livestock Associations Loan Guarantee program. It provides \$3 million in provincial Growing Forward 2 support for the Grain Innovation Hub – to support research and increased development activities that will grow the livestock sector.

And it includes our government's commitment to seeking out opportunities that will make farming more productive and profitable for our producers, their communities and our province.

## **Infrastructure**

Our new government committed to spending at least \$1 billion on strategic infrastructure on roads and bridges, flood protection, hospitals, schools, universities and colleges, municipal projects, and other provincial and local infrastructure.

In fact, overall strategic infrastructure investment is forecast to reach over \$1.7 billion in 2017/18. This is one of the highest total infrastructure expenditures in Manitoba history. It will be disbursed as follows:

- \$747 million for roads, highways, bridges and flood protection;
- \$641 million for health, education and housing infrastructure; and
- \$370 million for municipal, local and other provincial infrastructure.

Our strategic infrastructure investments will directly support economic growth and jobs for Manitobans as a key part of our long-term multi-year commitment.

These investments will be appropriate and aligned with their objectives – to maximize value for money and return on investment, while ensuring an expanded “fair say” for municipalities through greater flexibility and autonomy.

Funding envelopes will reduce red tape for all municipalities and third party proponents, and overall access will be improved through movement towards a single window model. This overhaul of strategic infrastructure support to municipalities follows the most robust municipal infrastructure consultations in decades, and positions Manitoba as the first province to deliver a truly functional single window model.

In November 2016, our government announced a multi-year highway capital funding commitment of approximately \$500 million annually, which exceeds the average over the past five years. This early government approval and early tendering schedule has allowed for construction projects to be advertised over the winter, to optimize competitive pricing.

We are also set to receive online bids and online bid bonds for our bonded construction and maintenance contracts, which will result in savings of both time and money for contractors and the Department of Infrastructure.

Budget 2017 also includes a record annual investment in Water Related Infrastructure. The \$60 million budget represents a 33 per cent increase over the previous year and will allow for investments in flood protection, drainage and other water control infrastructure.

Manitoba has an extensive flood protection system. However, we are committed to addressing the vulnerabilities, most notably with the completion of the Lake Manitoba and Lake St. Martin outlets project. A preferred route for the channels has been identified and engineering, environmental and Indigenous consultations efforts are now concentrated on this route.

## **Partnerships for Prosperity**

As Manitobans face our shared challenges together, our government recognizes the vital importance of partnerships and strengthened relationships.

Manitoba continues to pursue reconciliation with Indigenous communities impacted by the catastrophic flooding of 2011 and is proceeding with a collaborative

approach to Operation Return Home. Working together on this priority, we are currently on track for the first phase of evacuees to begin moving home this summer.

We also continue to engage in productive discussions with the leadership of Shoal Lake 40 First Nation, the City of Winnipeg and the federal government toward the ultimate goal of constructing the Shoal Lake Access Road commonly known as Freedom Road. This important link will connect Shoal Lake 40 First Nation to the all-weather road network.

And we are prioritizing the growth and development of Urban Aboriginal Economic Development Zones, which create economic and employment opportunities for Manitoba's Indigenous communities. Since our first budget, three new zones have already been created in Thompson, Winnipeg and Headingley.

Our investments in the tremendous tourism potential of our province continue in Budget 2017, with the continued implementation of the 96/4 tourism investment model in partnership with Travel Manitoba. This year's budget adds an additional \$452 thousand to this initiative, and reflects a cumulative new investment of almost \$4 million since we formed government.

The Department of Sustainable Development and Manitoba Public Insurance will be partnering with Snoman Inc. – Manitoba's Snowmobile Association – to further integrate the province's snowmobile trail network and make trail passes more accessible for Manitobans. This will lead to improved maintenance and grooming of Manitoba's snowmobile trail network, along with greater tourism opportunities for our provincial parks.

### **Manitoba's Natural Advantage**

Manitoba is the home of countless natural wonders. More than 100,000 lakes, pristine forests, ancient wetlands and 90 provincial parks exist in our province. We have a responsibility to protect them – not solely to ensure their beauty is conserved for the next generation to enjoy – but also to preserve the opportunities they present for sustainable economic development.

Budget 2017 includes commitments to develop and modernize our parks system, invest in the protection of our natural resources, wildlife and habitats, and adhere to stringent environmental measures and standards.

Manitoba also boasts a diverse and thriving arts and cultural scene, yet another area where Manitoba punches well above our weight. Our government recognizes the impact – both to our economy and to our quality of life – that this sector makes to our community. And we have committed to spending more than \$63 million in Budget 2017 in targeted strategic investments within Manitoba's sport, culture and heritage sectors.

In a related vein, Manitoba has one of the most competitive business environments in the global film industry. Budget 2017 continues the Film and Video Production Tax Credit. And we will now also move to eliminate administrative redundancies by readying for the elimination of the current film classification board, in favour of a system that adopts the film ratings already established by British Columbia.

### **OUR JOURNEY CONTINUES**

Madam Speaker, our government inherited a fiscal situation marked by great risk and many challenges. Correcting that dangerous course will take time. First to assess and stabilize the situation. And then to deliberately and steadily steer in a new direction.

Our first year has seen modest initial progress but much work remains. Budget 2017 eases us along the road to recovery. A managed and responsible recovery, based on prudent and practical decisions, and characterized by balanced and measured actions.

We have only just begun our journey. And we will, without a doubt, face many challenges as we continue to move forward together. But we do so with conviction, common sense and clarity of purpose.

Budget 2017 advances us on the critical undertaking entrusted to our government. And we are proceeding with compassion and respect for all Manitobans.

Revenues and expenditures have been assessed and treated responsibly.

We are holding the line on new taxes and tax increases.

And we are focussing increased spending in the areas that matter most to Manitoba families – for health care and education, for children and families, and for the protection of our communities.

This budget provides significant and thoughtful infrastructure and operating support – based on value for money, better and more streamlined systems, and increased flexibility and choice for our partners.

It finds savings and efficiencies inside government first – beginning at the top – and leads by example.

Budget 2017 is also open, transparent and accountable to all Manitobans. It shares the real financial realities that we must manage as a government. And it brings

to light the challenges we all must face so that we can more clearly see the road we must travel together.

Madame Speaker, permit me to recall my concluding remarks from my first budget speech almost one year ago. For they remain as true on this day as they were then:

The only thing better than today in Manitoba is tomorrow in Manitoba.

I have every confidence that Manitobans are up to the task of overcoming these shared challenges. And that each of us knows – in our minds and our hearts – that Manitoba is today, and will be tomorrow, a wonderful place to live.

Thank you.



