

March 7, 2019

**BUDGET 2019 REDUCES PST TO SEVEN PER CENT,
MAKES LIFE MORE AFFORDABLE**

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**Manitobans Chose a New Direction for Their Province,
We're Getting the Job Done: Fielding**

Budget 2019 gets the job done for Manitobans by focusing on investments that fix the finances, repair services and rebuild the economy, Finance Minister Scott Fielding announced today as he introduced the budget in the legislature.

“Three years ago, Manitobans chose a new direction for their province and elected us to bring greater stability, security and opportunity to people right across the province,” said Fielding. “Budget 2019 reduces the retail sales tax, continues to reduce the summary deficit, invests in additions services and focuses on the needs of Manitoba families.”

Budget 2019 cuts the retail sales tax to seven per cent from eight per cent on July 1, six years from the day the previous government broke its promise, and achieving the government’s commitment to reduce the PST during its first term.

“While others are taking more money off kitchen tables all over the province – with higher municipal property taxes, higher Hydro rates and higher federal deficits – our government is lowering the PST, leaving that money where it belongs,” said Fielding. “By the end of our second term, this rate reduction will save an average family of four around \$3,000.

“It will increase economic output and generate approximately 900 person-years of employment. Labour income, including wages and salaries, will grow by nearly \$50 million per year, and Manitoba’s nominal GDP will increase by approximately \$90 million,” said the minister.

Fielding noted Budget 2019 forecasts a summary deficit of \$360 million for the 2019-20 fiscal year, showing accountability to the taxpayer. That is \$161 million less than the deficit projected in Budget 2018 for the 2018-19 fiscal year, he added.

“We’ve increased funding for health care, for education and for families to record levels in each of our budgets, to the highest levels in Manitoba history,” said Fielding. “And yet, we’ve still been able to reduce our deficit and stay on track to deliver a balanced budget in the next six years. This accomplishment shows our plan is working.”

The minister confirmed the budget also includes investments to respond to the challenges of addictions, with \$1 million in new funding to expand the number of withdrawal management beds in Winnipeg and Brandon. In addition, the province will invest an additional \$2.3 million to target drug-related criminal activity including methamphetamine and gang-related crime prevention initiatives.

Other highlights in Budget 2019 include:

- investing historic levels of funding in health care to lower ambulance fees to a maximum of \$250, to open five new or enhanced health facilities with operating funding of \$6.4 million, to hire 35 additional primary care paramedics with \$3.8 million in devoted funding and to increase renal replacement therapy funding by \$2.4 million;
- reserving \$20 million to allow the province to sign the upcoming addictions and mental health bilateral agreement with the federal government;
- increasing primary and secondary school funding by \$6.6 million, and increasing kindergarten to Grade 12 capital funding by more than \$56 million to support structural repairs, roof replacements, new mechanical systems and accessibility projects, facilities for special needs students and major additions at École Noël-Ritchot in the Division scolaire franco-manitobaine and Mitchell Elementary in the Hanover School Division, as well as funding for existing new school projects in Brandon, Niverville, Winkler and Winnipeg;
- increasing funding for Community Living and disABILITY Services by \$13.6 million to \$439.5 million;
- increasing operating funding for existing and new community-based day care projects by \$759,000;
- allocating an additional \$325,000 to provide direct services for victims of domestic violence and continuing to support organizations like the Canadian Centre for Child Protection, Brandon Victim Services and Candace House;
- increasing Manitoba’s RCMP staffing complement by 29 positions, including funding for 27 additional officers;
- providing a total of \$313.5 million in basket funding for local governments that continues

to provide municipalities with the flexibility they need to meet local needs including enhanced support for roads and bridges for municipalities outside of Winnipeg;

- providing over \$350 million in dedicated funding for highway infrastructure and projects such as the Daly Bridge in Brandon, the replacement of the existing overpass near Portage la Prairie and improvements to PTH 21 near Shoal Lake;
- allocating \$45 million toward capital projects in recognition of Manitoba's 150th anniversary including funding for additional highways and other infrastructure projects;
- spending more than \$1 billion on strategic infrastructure such as roads and bridges, water and wastewater infrastructure projects, flood protection, hospitals, schools, universities and colleges;
- increasing funding for the Manitoba Film and Video Production Tax Credit to \$31.5 million from \$16 million;
- funding major improvements to airports at St. Theresa Point, Norway House and Shamattawa;
- increasing funding for the Young Farmer Rebate Enhancement program by 32 per cent to \$2 million; and
- supporting 15 new projects and over 50 drain rehabilitation projects under the Water Related Capital program, for a total estimated investment of \$46 million.

"We are getting value for taxpayers, and the proof is found in the progress we are making in reducing the deficit each year," said Fielding. "And, it's found in the fact the world is showing their confidence in Manitoba as a place to invest and a place to grow."

The minister noted Manitoba has led the nation in private capital investment over the past year and is on pace to be among the leading provinces again this year.

"We are getting the job done. We are giving Manitobans the government they want, at a price they can afford," said Fielding. "With the opportunities in Budget 2019, we will continue to move our province forward, fueled by the knowledge that Manitoba's best days are ahead of us."

Information on department-specific investments can be found at:

www.manitoba.ca/budget2019/highlights/index.html.

To review the budget documents, visit www.manitoba.ca/budget2019/.