

A photograph of the Manitoba Legislative Building at dusk. The building is illuminated with warm yellow lights, highlighting its classical architecture, including a large portico with columns and a central dome topped with a golden statue. The sky is a deep blue. The text 'MANITOBA BUDGET 2021' is overlaid in large white letters on the left side of the image.

MANITOBA BUDGET 2021

ENTERPRISE

Overview:

- **\$2.1B** in strategic infrastructure across Manitoba
- Deficit of **\$1.6B**, down from over \$2B in 2020
- **\$1.2B** in COVID-19 supports and funds including items for protective equipment, more testing, increased vaccinations, and supports to keep schools safe
- **\$6.98B** in healthcare funding
- **\$342M** for a new department of Mental Health, Wellness and Recovery
- **\$1.2M** to the Climate and Green Plan Implementation Office
- In an effort to put money back into the pockets of Manitobans, the government will phase out education property tax and will not implement a retail tax on personal services

In advance of Budget 2021 being tabled, the government set a strong tone of *Protecting Manitobans* by announcing a healthcare investment of \$50 million to reduce surgical wait times and \$1.2 billion on mitigating the pandemic.

Today's budget is the Progressive Conservative government's sixth budget since taking power. It prioritized *Advancing Manitoba* by delivering on the government's commitment on tax relief, economic growth, and eliminating the deficit by 2029.

Budget 2021 will help Manitobans regain their livelihoods by: immunizing Manitobans and safely loosening public health restrictions for economic prosperity, investing in workers and businesses to rehire employees and expand their operations, and by offering tax relief to those who need it most.

Health:

The Government of Manitoba is investing a record \$6.98 billion into the health system in Budget 2021 – an increase of \$156 million from Budget 2020. This total includes \$342 million for the

new Department of Mental Health, Wellness and Recovery.

Premier Brian Pallister and the Progressive Conservatives made clear in Budget 2021 that the ongoing vaccination rollout and protecting Manitobans from COVID-19 remain the top priorities of the government. Earlier this week, the Government of Manitoba announced that Budget 2021 would include \$1.18 billion to respond to the pandemic, including \$680 million for health expenditure (\$230 million for PPE, testing and vaccine site infrastructure, contract tracing and other public health needs; \$350 million for additional health system costs as a result of the third wave; and \$100 million for the vaccine rollout). In addition, Budget 2021 allocates a minimum of \$50 million to address the surgical backlog that has accumulated as a result of the pandemic as well as funding for additional public health staff in the Department of Health and Seniors Care and at the province's Cadham Provincial Lab.

Budget 2021 provided further insight into the newly-created Department of Mental Health, Wellness and Recovery. Minister Audrey Gordon and her department will be equipped with \$342 million to devote towards mental health and addictions programming and services. This includes an increase of \$1.7 million for a total of up to \$23.7 million in 2021-22 for the Mental Health and Addictions Strategy, \$1.8 million for 24/7 housing supports for individuals with diagnosed mental health conditions, and \$5 million for the development of a whole-of-government approach to addressing mental health issues.

Today's budget announced the Pallister government's capital commitment of \$812 million over five years to improve rural and northern healthcare as part of Manitoba's Clinical and Preventive Services Plan and focused significant attention towards a number of election commitments made in 2019, including the groundbreaking of the new St. Boniface Emergency Department in Winnipeg this fiscal year and the addition of 10 primary care paramedics throughout the province. The

government also announced \$2.7 million to expand dialysis services to an additional 200 Manitobans, increased the age eligibility for Manitoba's insulin pump program from 18 to 25, and committed to covering the cost of continuous glucose monitoring systems for Manitobans 25 and younger.

The Progressive Conservative government used Budget 2021 as another opportunity to echo their familiar demand that the federal government become a true partner in healthcare funding by increasing the Canada Health Transfer from just over 20 per cent to 35 per cent.

Infrastructure and Investment:

To help boost economic recovery, Budget 2021 commits \$2.1 billion to strategic infrastructure which includes roads, highways, bridges, schools, and hospitals. The funding includes:

- \$630 million for highway and road construction and maintenance, including two major projects to improve the safety of Manitoba's highways
- \$300 million in health infrastructure
- \$70 million in housing

A central piece of the infrastructure plan is the Manitoba Restart Capital Program that received \$500 million over three years to create jobs and stimulate economic growth in the province. \$40 million of this funding will go towards municipally-led infrastructure projects. The redevelopment of the Hudson's Bay Building in Winnipeg will also receive \$25 million.

Modernizing the government continues to be a priority as the budget speech provided an update on how the Manitoba civil service has transformed since the Transformation Strategy for the Manitoba public service was launched in 2018 and also considered the lessons learned during COVID-19.

Part of the modernization of the government includes a fulsome review of government IT infrastructure with the new Digital Action Plan, which the government plans to roll out over the

next five years. The plan includes a review of existing IT infrastructure and assets as well as reviewing current programs and other IT-related products to modernize government and improve efficiency.

Budget 2021 also aims to improve cost estimates and timeline estimates for capital planning by creating two separate funds that total \$13 million.

- \$8 million for creating proposals for the creation of future buildings
- \$5 million for creating proposals for information technology infrastructure projects.

Government agencies' net incomes will increase by \$188 million, largely helped by the improvement of the Manitoba Liquor and Lotteries Corporation.

Economy and Jobs:

Economic growth and job creation are two key pillars for this government's path to economic recovery as the province continues to rebound after significant job losses during the pandemic.

Budget 2021 includes support for job creation as Manitoba lost 90,000 jobs in the first two months of the pandemic alone. \$62 million will be dedicated towards job creation programs and job training programs for workers who have lost their jobs as a result of COVID-19.

Manitoba's unemployment rate in 2020 was better than the national average at 8 per cent (national average at 9.5 per cent), peaking at 11.4 per cent during the first few months of COVID-19. Manitoba is projecting that their unemployment rate will drop to 6.9 per cent and 6 per cent in 2021 and 2022 respectively.

Budget 2021 establishes the Long-Term Recovery Fund to support Manitoba businesses through COVID-19, and the fund received a \$50 million investment in this budget. The provincial government will partner with the Manitoba Chambers of Commerce and Economic Development Winnipeg to support businesses

and develop a plan for long-term recovery funding.

Budget 2021 also confirms that the government will follow up on the October 2020 Throne Speech commitment to establish an economic development agency to attract more foreign and domestic investment to the province. Venture capital is another focus of this budget with a new Small Business Venture Capital Tax Credit to boost economic growth and improve scale-up potential in the province.

While students and post-secondary faculty were upended by COVID-19, the post-secondary budget will see a \$40 million decrease caused by savings in the post-secondary system; however, Budget 2021 provides \$25 million for youth and student job hiring through partnership with public and private sector organizations in the province.

Education and Public Safety:

Budget 2021 demonstrates the government's continued investment of \$2 million annually to the Learning Fund that supported many educational opportunities, tools, and skills necessary to address the challenges of the pandemic.

The province will increase its investment by an additional \$100 million in 2021-22 for education capital, including their 20 More New School Guarantee commitment. This investment is on top of the \$160 million announced in Budget 2020 for a total combined investment of \$260 million.

The government will also carry over the remaining \$16 million of the \$47 million funding of the Workforce Development Agreement to support programs for Community Living and Disability Services as well as Child and Family Services, training for limited teaching permit holders and educational assistants, employment and training for persons with disabilities, and the establishment of a long-term recovery fund through the Manitoba Chamber of Commerce to support businesses.

Manitoba has worked to develop a Skills, Talent and Knowledge Strategy that aims to better

align the province's post-secondary system, skills training, and immigration programs with the workforce needs of Manitoba industry. It will support an improved post-secondary education system and partnerships to improve student outcomes, job creation and retention, aligned to an ever-changing competitive labour market.

Investments in research through the University of Manitoba and \$1 million to establish a new 4-H Manitoba Scholarship Program will help build the workforce, untapped market potential, investment opportunities, and innovation in Manitoba for generations to come.

Budget 2021 will improve police and public safety with \$1 million allocated to increase staffing capacity, the establishment of the Manitoba Criminal Intelligence Centre Branch, and \$110,000 in grant funding for the Citizens on Patrol Program.

Environment and Climate Change:

The Manitoba government is continuing to address climate change by granting \$1.2 million in funding to the Climate and Green Plan Implementation Office to advance the Made-in-Manitoba Climate and Green Plan. The government is also increasing the Conservation and Climate Fund by \$400,000 to fund projects that would reduce greenhouse gas emissions as well as establishing a new \$1 million Organics Green Impact Bond to divert organic waste from landfills and to create green jobs in the province.

Other initiatives highlighted in the budget include a \$500,000 investment for the creation of six new trails across the province in addition to the work being done for lead mitigation, efficient trucking, and the Conservation and Climate fund that supported climate and green technologies.

Budget 2021 commits to nearly \$4 million to improve water and wastewater treatment and disposal sites for northern communities and an increase of nearly \$6 million for the Watershed Districts program to support the expansion of the program into nine additional rural municipalities.

Family, Culture and Arts:

The Manitoba government put \$1.7 million in operating grants to childcare centres in the budget and are freezing childcare fees for three years. The government is also providing close to \$22 million more in rent assistance to provide monthly financial benefits to low-income Manitobans living in private rental accommodations and are also freezing the annual rent guideline through 2022 and 2023 to help Manitoba renters catch up after the pandemic.

Several programs and services directed at improving the health and general well-being of Indigenous Peoples and communities in Manitoba are in the budget ranging from critical infrastructure projects and healthcare programs to initiatives that address food insecurity.



www.enterpriseCanada.com