

Protecting Manitobans

Advancing Manitoba

Speech

The 2021 Manitoba Budget Address

Honourable Scott Fielding

Minister of Finance

April 7, 2021

This document is available on the Internet at: www.gov.mb.ca/finance

Information available at this site includes:

- Manitoba Budget 2021 Address
- Budget 2021
 - Summary Budget and Financial Updates
 - Fiscally Responsible Outcomes and Economic Growth Strategy
 - Economic Highlights and Outlook
 - Manitoba's New Department of Mental Health, Wellness and Recovery
 - Manitoba's Poverty Reduction Strategy
 - Tax and Fee Measures
- Estimates of Expenditure for the Fiscal Year Ending March 31, 2022

Available in alternate formats upon request.

Les documents offerts en français sur le site Internet www.gov.mb.ca/finance/index.fr.html comprennent :

- Discours du Budget 2021 du Manitoba
- Budget 2021
- Budget des dépenses pour l'exercice se terminant le 31 mars 2022
- Rapports financiers

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Introduction

I'm pleased to rise in the chamber and deliver our government's sixth budget.

This budget reflects the priorities of more than 51,000 Manitobans who participated in our public engagement process. We thank you for your valuable input to identify what matters most to you.

The month of March marked one year since COVID-19 arrived in Manitoba. This pandemic has created a year like no other.

COVID-19 has upended lives and caused hardship and tragedy for many Manitobans.

Together, we have felt the loss of loved ones. Our lives and livelihoods have been impacted by stress, uncertainty and financial hardship and dislocation.

As we enter this second year of the pandemic, it is clear that Manitobans have endured much that could never have been anticipated.

We thank Manitobans for their resilience, their patience and their optimism during this time of great challenge.

This government will not rest until COVID-19 has been put to rest.

We recognize that our province and people will continue to face profound health, social and economic impacts and uncertainties due to COVID-19. We are not out of the woods. COVID-19 variants mean public health restrictions cannot be fully lifted yet.

Even though we are not yet through the darkness, we must begin to plan for the light of recovery that lies ahead.

Today's budget does just that, with two clear goals: First, protect Manitobans through COVID-19. Second, advance Manitoba's economy past COVID-19.

Protecting our people, advancing our province. That is what Budget 2021 is all about.

Protecting Manitobans Through COVID-19

For the past year, our government's top priority has been to protect Manitobans at each and every step through COVID-19.

To do so has required unprecedented support from this government.

Our pandemic response has been among the most generous in the country.

To date, we have committed more than \$3.2 billion to support our health care and education systems, vulnerable Manitobans and businesses.

Budget 2021 continues that support.

We will make record new investments in the priorities that matter most to Manitobans.

We will invest more in health care and COVID-19 supports with a clear focus on mental health support, child care access, reducing wait times and providing health care closer to home.

We will invest more in jobs with new actions to grow our economy, boost skills and attract newcomers to our province.

We will invest more in economic growth by encouraging private sector investments and further reducing job-killing red tape.

And to keep making life more affordable for working families, we will bring much-needed tax relief.

This government's fiscal plan is clear to Manitobans.

We will continue to invest in the quality services you rely on.

We will lower taxes, not raise them.

And we will do this with a balanced plan to eliminate the COVID-19 deficit and put Manitoba back in balance within eight years.

We did all this before COVID-19. We will do so again after COVID-19.

Manitoba is Canada's most resilient province. Together, we will get through this.

Protecting Manitobans and their Finances

Our government worked hard for five years to fix the financial mess left to us by the previous government.

We did just that, balancing the budget in 2019-20 – the first balanced budget in 11 years. We balanced the budget while making record investments in health care, education and social services. And we did this while lowering taxes for everyone.

We did all this while replenishing the rainy day fund drained away by the former government. Our fiscal preparedness allowed us to combat COVID-19 and emerge in much better financial shape than would otherwise have been the case.

Nevertheless, the virus has ravaged our finances too. Manitoba now has a COVID-19 deficit of significant proportions. This is the result of two factors: first, unprecedented additional spending on health care and supports for people and business, and second, a drop in revenues from an equally unprecedented economic shutdown.

As we carry over current and anticipated costs of fighting COVID-19 into this fiscal year, with its lingering impacts on our economy and expenditures, we are today forecasting a deficit of \$1.597 billion for 2021-22, down from the \$2.08 billion deficit forecast for 2020-21.

These are big numbers – part of the COVID-19 legacy – now added to the public debt of our province. Every taxpayer, every child and every adult in Manitoba will be responsible in the decades ahead for this growing public debt. That is why government must always be responsible in how it spends on your behalf.

Our commitment to financial responsibility is on the record: we balanced the books once, we will do so again.

Our path to balance will be gradual and balanced. We will not stop investing more in priority public services that Manitobans count on. We will grow our way out of deficit and back into balance by investing in more jobs, tax relief and economic growth.

That is why, despite the ongoing financial and economic challenges posed by the pandemic, this budget continues to make record high investments in the priorities of Manitobans.

Manitoba invests more per person on health care, education and social services combined than any other province in Canada.

Budget 2021 increases investment in these priority areas by almost \$1.5 billion.

Our government's top financial priority has been to direct critical funding to the front lines of our fight against COVID-19. Today's budget sets aside \$1.2 billion for COVID-19 costs and contingency funds for future needs. This principally includes:

- \$230 million for personal protective equipment, testing and vaccine site infrastructure, contact tracing and other preparations as part of the province's overall public health response
- \$350 million for additional health care investments to prepare for potential future COVID-19 waves
- \$160 million to support school and education needs over this and the next school year
- \$100 million for the vaccine program
- \$40 million for our Manitoba Restart Capital Program initiatives at the municipal level

Protecting Health Care for Manitobans

Budget 2021 will further protect our health care system through COVID-19 with record new investments and initiatives to provide better care sooner, as we build an even stronger health care system for Manitobans.

Budget 2021 increases overall health care funding by \$156 million from last year to a total of \$6.98 billion – the highest level in Manitoba history.

We are building a stronger health care system to deliver better care sooner.

This includes better access to health care services, closer to home. That's why this budget confirms an \$812 million capital commitment for rural and northern health care under our five-year Clinical and Preventative Services Plan.

The pandemic required us to redirect resources at all levels, including frontline health care personnel, to dealing with urgent COVID-19 cases. By necessity, some surgeries and procedures had to be put on hold. Like every other province, we now have a COVID-19 backlog we will tackle as we keep bending the COVID-19 curve.

Budget 2021 dedicates a minimum of \$50 million to reduce wait times in our health care system and get better care sooner for Manitobans. \$40 million will shorten waits for priority procedures and services caused by the pandemic, while \$10 million will further reduce wait times for hip, knee and cataract procedures.

Budget 2021 also includes an additional \$23 million for cancer treatments and \$2.7 million to expand dialysis treatments for nearly 200 more patients.

Our seniors require our support and care, always. This budget increases our overall investments in the new department of Health and Seniors Care, including \$9.3 million for personal care home expansions in Steinbach and Carman that will add more than 120 beds, with a focus on a small house model of care with safer single resident rooms.

Budget 2021 also commits \$1.3 million in funding for Manitoba's Northern Healthy Foods Initiative (NHFI), which supports local and regional projects that contribute to the development of culturally relevant, healthy food systems, while improving the health and well-being of Indigenous peoples and communities.

We are all grateful to our hard-working public health professionals. This budget recognizes the importance of their work, by dedicating an additional \$2.7 million for public health activities, including hiring more staff.

Families with children who have type 1 diabetes have told us of the daily challenges they face in helping their kids cope with the constant need for testing and monitoring of blood sugar levels. Better tools exist and this government wants to help families access them. Budget 2021 includes funding to establish a new program to pay for the cost of continuous glucose monitoring devices for eligible children and youth under the age of 25. We are also increasing the age limit of our insulin pump program from age 18 to 25 so clinically eligible young people with Type 1 diabetes can now receive support.

COVID-19's legacy of longer wait times than ever for needed care, has added urgency to our longstanding campaign for a real, sustained increase in the Canada Health Transfer from the federal government to reduce wait times for Canadians.

While we welcome the COVID-19 supports announced by the federal government, these are one-time only, and do not meet the call by every premier and every province and territory in Canada for an ongoing increase in the Canada Health Transfer. We will not relent in our efforts to secure a new long-term funding partnership for all Canadians.

In the meantime, this government will continue to invest more in the health care of Manitobans to shorten wait times and get patients, seniors and families better care, sooner.

Protecting Manitobans' Mental Health

More than a year of this pandemic has had a profound impact on the mental health of many Manitobans. A sad legacy of COVID-19 will be the side-effects it has created of stress and anxiety. We moved quickly to recognize this need by establishing a new department of Mental Health, Wellness and Recovery, the first ever in Manitoba history.

Budget 2021 commits an initial funding foundation of \$342 million for programming and services as part of its new mandate. At the same time, it increases funding by \$1.7 million for the Mental Health and Addictions Strategy, and another \$1.8 million for 24/7 housing supports for individuals with diagnosed mental health conditions.

It also commits an additional \$5 million to engage with communities and stakeholders on developing and delivering a whole-of-government approach to addressing mental health issues. A discussion paper is being released with today's budget, inviting Manitobans to help us ensure mental health services and programs meet the real needs of those in the community.

Protecting Manitoba Families

COVID-19 has reminded Manitobans of the importance we place on caring for each other in a time of need.

That's why this government has invested and will continue to invest in making our social services stronger, more resilient, and more effective in meeting the needs of families and youth. The Department of Families will see a \$34 million increase in its budget.

Budget 2021 makes major investments in our early learning and child care system and increases the budget by nearly \$4 million, to meet the diverse needs of Manitoba families and create more options for child care, almost \$23 million more than when we came to office.

With \$1.6 million in operating grants to child care centres, we will support 392 new licensed spaces that opened over the past year and 149 new spaces that will open over the coming year for a total of 541 spaces, in addition to 50 new home-based licensed child care spaces.

As a further step to help families cope financially at this difficult time, we are freezing child-care fees for three years.

Budget 2021 continues to lift more Manitobans out of poverty.

Manitoba's poverty rate has already decreased by 18.6 per cent and the child poverty rate has decreased by 25 per cent.

This fiscal year, we will be investing close to \$22 million more in Rent Assist, the most generous such program in Canada, to provide monthly financial benefits to low-income Manitobans living in private rental accommodations.

Rent Assist and Non-Employment and Income Assistance (EIA) Rent Assist recipients will see an increase in their benefits between 2.4 per cent and 11 per cent, depending on the composition of their household. This investment will ensure that more Manitobans have access to safe, appropriate and affordable rental housing.

By investing in Rent Assist, we are providing financial supports to vulnerable Manitobans who might otherwise get trapped in a cycle of poverty.

At the same time, through rent control, the annual rent guideline will now be frozen through 2022 and 2023 to help Manitoba renters catch up after the pandemic.

Funding of \$2.56 million is being made available to the Manitoba Non-Profit Housing Association, to provide wraparound supports to people experiencing homelessness, so they can secure and sustain housing.

We've committed nearly \$5 million to Manitobans experiencing homelessness during COVID-19, and will continue to support vulnerable Manitobans and youth through shelters and programming.

An increase of more than \$12.5 million for Community Living and disABILITY Services will help more than 7,000 adult Manitobans safely live and participate in the community.

Nearly \$2 million will pilot three new training and support programs for EIA program clients. This partnership will offer specific EIA participants training and support, so they will be prepared to enter the workforce as we continue to lay the groundwork for Manitoba's economic recovery from the COVID-19 pandemic.

Protecting Education for Manitobans

This government is committed to public education like no other before it.

Budget 2021 makes record investments in our public school system.

Our Better Education Starts Today strategy will be supported by an Education Funding Guarantee of no less than \$1.6 billion in additional investment over four years.

This year's education budget will be over \$3 billion – the highest ever in Manitoba history and the third-highest amount per student in Canada.

To keep schools open and protect students, teachers and staff, we will invest more than \$78 million through the Safe Schools Fund to help schools with COVID-19-related costs in 2021.

At the same time, this government has embarked on a long-overdue improvement of our education system to put students first. Our Better Education Starts Today strategy (or BEST) will be supported by new classroom investments. This includes:

- more money in the classrooms for students – up to an estimated \$40 million more – where it belongs, rather than keeping it in top-heavy administration
- \$5 million to advance our Better Education Starts Today strategy
- \$5.5 million for special needs funding to ensure every student can succeed

COVID-19 has changed the way students learn and the way educators teach. We need to find new ways to support this new reality.

Today, Manitoba becomes one of the first provinces to introduce a refundable Teaching Expense Tax Credit. Educators in child care and kindergarten to grade 12 facilities will be able to claim a 15 per cent refund for up to \$1,000 on eligible teaching supplies that are not reimbursed by their employer.

Budget 2021 includes nearly \$4 million for a virtual learning strategy and program to support online, distance and remote learning for all Manitoba students, regardless of technology options.

Our \$1.6 billion Education Funding Guarantee includes new and better schools. Budget 2021 invests more than \$260 million on school capital projects – an increase of \$100 million -to build new schools and major additions, make renovations and renew existing facilities.

This commitment will accelerate the construction of our 20 New Schools Guarantee, ahead of schedule.

These new schools will address growing enrollment needs in communities such as Sage Creek, Waverley West and Brandon, plus expand French-language education facilities.

Protecting Manitobans' Incomes

Our government promised to make life more affordable for Manitobans and their families and we have delivered on that commitment. More than \$861 million in combined tax and COVID-19 relief has already been returned to Manitobans since we took office in 2016.

This budget delivers, in full, our \$2,020 Tax Rollback Guarantee one full year earlier than planned.

- Manitobans will no longer have to pay the retail sales tax on personal services like haircuts and salon visits as of December, saving nearly \$8 million annually and trimming red tape for business owners.
- Vehicle registration fees will be reduced by a further ten per cent starting in July, keeping \$15 million in the pockets of Manitoba drivers. Combined with last year's ten per cent reduction, that means these fees will be reduced by twenty per cent in just two years.
- The Basic Personal Amount and personal income tax brackets will continue to be indexed to the rate of inflation. This tax cut for everyone has already removed more than 12,500 low-income Manitobans from the tax rolls, including an additional 1,500 individuals who won't have to pay provincial income tax for the 2021 tax year.

We know Manitobans deserve a break, especially during this pandemic.

That's why we will take even more steps to protect your incomes by reducing the taxes you pay and helping you keep more of your hard-earned money with you, where it belongs.

Today, Budget 2021 keeps another major commitment to protect Manitobans' income.

Manitoba is currently the only province that utilizes locally-determined municipal school property taxes to fund its education systems. This has perpetuated inequalities and contributed to differential outcomes in learning for children, depending on where they live. Addressing education property taxes will modernize Manitoba's tax structure and put all Manitoba children on an equal footing regardless of where they live.

Accordingly, this budget begins our phase out of education property taxes. It will be cut in half over the next two years for residential and farm properties.

We are providing a 50 per cent education property tax rebate directly to residential and farm property owners over the next two years – 25 per cent this year and 25 per cent next year.

Property owners of other types of property will see a ten per cent rebate this year.

Our education property tax rebates will return nearly \$250 million to Manitoba owners of approximately 658,000 properties. This works out to an average rebate of \$1,140 per property over the next two years.

We will provide a \$23 million grant to school divisions this year – equal to a two per cent property tax increase – as we begin the transfer of direct funding responsibility for education away from property owners.

This government keeps its word.

We kept our word to lower the PST to seven per cent.

We kept our word to raise the basic personal amount and index personal income tax brackets to keep up with inflation.

We kept our word to eliminate the PST on the preparation of wills, on residential and commercial property insurance and on the preparation of personal income tax returns.

We kept our word to eliminate probate fees, the first western province to do so.

We kept our word to reverse double digit increases in vehicle registration fees.

And today, we keep our word to phase out education property taxes for Manitobans.

Lower taxes put more money in the pockets of Manitobans and on the kitchen tables of Manitobans.

Protecting Our Environment and Natural Resources

Budget 2021 continues to protect our environment for future generations by taking more action on climate change, and protecting our clean energy advantage with a secure Manitoba Hydro.

The budget commits \$1.2 million to the Climate and Green Plan Implementation Office to advance our Made-in-Manitoba Climate and Green Plan.

New initiatives include:

- Increasing the Conservation and Climate Fund by \$400,000 to \$1 million to fund projects that reduce greenhouse gas emissions
- Establishing a new \$1 million Organics Green Impact Bond, the first of its kind in Manitoba, to divert organic waste from landfills, create green jobs and reduce greenhouse-gas emissions

- Increasing the Watershed Districts Program funding to nearly \$6 million to mitigate against floods and drought, protect water quality and support farmers and municipalities
- Committing nearly \$4 million to protect the health and safety needs of Northern Affairs communities and improve water and wastewater treatment and disposal sites
- Placing \$20 million into an endowment fund to invest in our provincial parks, so Manitobans can enjoy them for generations to come, because Manitoba's parks are not for sale

Our Made-in-Manitoba Climate and Green Plan protects Manitobans from a high and rising federal carbon tax. Manitobans deserve recognition for the billions of dollars in clean electricity investments we have made. We deserve equivalent treatment from Ottawa for the carbon savings our plan will produce. Our plan is better for Manitoba's environment and better for Manitoba's economy. We stand behind it.

This government also stands for a strong, secure Manitoba Hydro, the crown jewel of Manitoba's crown corporations. The Wall Report found a disturbing lack of integrity by the previous government in directing Manitoba Hydro's Keeyask Generating Station and Bipole transmission line projects. This contributed to a tripling of the debt of Manitoba Hydro, a debt now on the backs of Manitoba ratepayers for many years to come.

We must ensure this never happens again. Full accountability to Manitobans is essential. Accordingly, the government will provide a formal response to each of the recommendations contained in the Wall Report. This response will be based on input from the legislature's Crown Corporations Committee.

Our government will protect against any privatization of Manitoba Hydro by requiring a binding referendum to be held, so the public – the true owners – have their say, preventing future governments from keeping Manitobans in the dark.

Protecting Public Safety

Budget 2021 makes important investments in public safety to keep families safe in their homes and communities, keep crime off our streets and bring criminals to justice.

This includes up to \$2.9 million to fix the backlog in the courts system caused by COVID-19.

Investments in our justice system will support the development of the new Manitoba Criminal Intelligence Centre to help disrupt criminal activity and prevent crime, increase resources for criminal property forfeiture, fund the Citizens on Patrol program and other key items to improve public safety and policing.

This government's ongoing efforts toward truth and reconciliation continue. Budget 2021 dedicates an additional \$815,000 to help support victims of crime in Manitoba, by

increasing supports for family violence and families of Missing and Murdered Indigenous Women and Girls. We will also continue to fund \$1.2 million in restorative justice initiatives for First Nations and Metis communities.

Manitoba's new Public Safety Communications Service will launch this year, a modern radio system to help public safety organizations manage emergencies. Budget 2021 dedicates \$16.5 million to protect Manitobans across the province and keep our communities safe.

Advancing Manitoba Past COVID-19

Our first goal in this budget is to protect Manitobans through COVID-19. Our second goal is to advance Manitoba's economy past COVID-19.

This government has stood with businesses, workers and entrepreneurs throughout the pandemic. We committed almost half a billion dollars in COVID-19 supports to Manitoba businesses and organizations in the 2020-21 fiscal year – the most generous per capita level of support in the country.

We utilized all means possible, including grants, targeted wage subsidies, rent supports, deferred remittances, fees and interest, rebates, infrastructure spending and other support. We delivered this support rapidly, with a minimum of red tape.

These financial supports have directly assisted small business owners and Manitoba's non-profit sector, including food and restaurants, hotels, lodges and outfitters, artists and musicians, gyms and fitness facilities, community centres, passenger transportation services, retailers, service providers, places of worship and many others.

Our wage subsidy, Gap protection and Bridge Grant programs have issued more than 50,000 payments to Manitoba businesses and non-profits so far. This has helped directly support the creation of over 17,000 jobs and assisted companies and individuals employing an estimated 175,000 Manitobans.

Manitoba's economic recovery from COVID-19 Level Red lockdown has become more evident. Over the twelve month period ending in February 2021, our province posted the best job growth in the country.

Our labour force increased by more than 12,000 workers in 2021 and Manitoba had the second lowest unemployment rate in Canada.

The resilience of Manitoba businesses and entrepreneurs is evident. Our province is on the rebound.

Now is the time to plan ahead and invest more to advance Manitoba's economy past COVID-19.

Advancing Jobs and Growth

Economic growth remains at the centre of our plan for a stronger, more prosperous Manitoba.

A stronger economy will allow us to keep repairing our services, while we restore the province's finances.

At this moment, Manitoba's economic outlook indicates a strong rebound in 2021 with real GDP rising 4.1 percent, followed by another solid year in 2022 of 3.6 per cent real growth.

Caution must still be our watchword. This growth is dependent on continued success in beating COVID-19 by following the public health fundamentals and getting as many Manitobans vaccinated as rapidly as federal supplies arrive.

We know the pandemic has disrupted our economy and our citizens. But we are committed to helping Manitobans regain their livelihoods.

We will do so in three main ways.

First, by immunizing Manitobans and safely loosening public health restrictions to allow our economy to safely reopen.

Second, by investing in workers and businesses to hire people back to work, expand their businesses and keep their doors open.

And third, by offering tax relief to those who need it.

By reducing taxes, we put more money on the kitchen table. More money on the kitchen table means more money to spend in the economy. More money spent in the economy means more jobs.

This government's 25 per cent rebate on education property taxes this year for homeowners and farm property owners, and a ten per cent rebate for commercial property owners, is a \$250 million boost to the economy.

Small businesses are most at risk from this pandemic. Local businesses have made great sacrifices to protect Manitobans and prevent the spread of COVID-19, and we've provided some of the most generous business growth incentives in Canada to help them through this challenging time and position them for recovery.

Budget 2021 takes five additional tax relief steps to help small businesses and advance Manitoba's economic recovery.

First, we are lowering payroll taxes for small businesses – a tax that discourages hiring.

The exemption threshold is being raised from \$1.5 million to \$1.75 million of annual payroll and the threshold below which employers pay a reduced rate is being raised from \$3 million to \$3.5 million. It will put \$10 million back in the hands of small businesses

to invest, grow and hire more Manitobans. It will benefit approximately 1,100 Manitoba employers, and completely exempt approximately 240 Manitoba employers from paying any payroll tax whatsoever.

Second, we are enhancing the Small Business Venture Capital Tax Credit to help Manitoba companies raise business growth equity. An investor's maximum eligible investment will be increased to \$500,000 and the maximum tax credit claimable annually against Manitoba income tax will be almost doubled to \$120,000, providing investors with an earlier return on small business investments in Manitoba.

Third, we are taking steps to further support Manitoba's growing film and video production sector. Producers who produce three or more productions in a two-year period under the Manitoba Film and Video Production Tax Credit are eligible for a frequent filming credit bonus of 10 per cent. Budget 2021 temporarily adjusts the calculation of the frequent filming bonus to stop the clock for two years, allowing companies that had to shut down for COVID-19 to remain fully eligible until March 31, 2022, at which point their frequent filming status resumes.

Fourth, we will invest more in Manitoba's growing digital media sector. Budget 2021 enhances the Interactive Digital Media Tax Credit by eliminating the tax credit's expiration date and expanding its eligibility to allow add-on activities, such as downloadable content and other activities complementary to the main products being developed.

Fifth, we will provide ongoing tax relief to Manitoba's cultural sector. Budget 2021 announces extensions to the Cultural Industries Printing Tax Credit and the Community Enterprise Development Tax Credit and makes the Book Publishing Tax Credit permanent.

Advancing Manitoba's economic recovery means getting people back to work soon.

Manitoba has identified over \$62 million to support specific new COVID-19 recovery job creation and workforce training that will help business find workers and workers find jobs.

This funding will be used to help Manitobans re-enter the workforce, particularly those in hard-hit sectors and groups disadvantaged as a result of the pandemic.

Specifically, this funding will:

- assist employers to offset the costs of retraining returning and new employees who have been displaced by the pandemic
- support a new digital platform to provide training, mentorship and coaching for small businesses that require enhancements for their websites and e-commerce platforms to thrive in this new online customer world

Our government believes in the importance of continued support for young Manitobans during these difficult times. Last year, our government provided wage subsidy support for almost 4,000 young Manitobans, which has helped keep our youth unemployment rate at 2.4 per cent below the national average.

This budget includes a minimum of \$25 million in identified funding for youth and student job hiring, through a range of public and private and non-profit sector-focused programs that will be announced shortly.

Advancing Manitoba's economic recovery means planning for the future. Budget 2021 sets out two big steps to ensure Manitoba becomes the best place to invest and grow in Canada.

First, we will create a new, private sector-led provincial economic development agency based on the recommendations of the Premier's Economic Opportunities Advisory Board. This agency will lead Manitoba's activities to attract new private-sector investment, increase international trade and act as a single window for businesses and investors pursuing major economic development projects across the province.

Second, we will commence a tax competitiveness review and invite the views of Manitobans to ensure our province has a truly competitive taxation system for growth and jobs. Lower taxes create jobs. If we are to recover strongly from this pandemic shock to our economy, we need to look ahead and ensure Manitoba businesses and entrepreneurs are not held back in investing, building and creating jobs.

Advancing Infrastructure

Building more infrastructure is key to advancing Manitoba's recovery past COVID-19.

Budget 2021 makes significant new investments in infrastructure projects around our province to create jobs for Manitobans.

We plan to invest more than \$2.1 billion this year in strategic infrastructure across Manitoba, the largest amount ever in provincial history.

This includes almost \$630 million for highway and road construction and maintenance, including two major projects to improve the safety of Manitoba's Highways: Highway 1 and 16 intersection improvements and Highway 100 – South Perimeter at St. Mary's Road interchange.

In doing so, Budget 2021 commits to a three-year horizon of a minimum of \$500 million per year, to aid the heavy construction industry in its planning and ensures Manitobans get value for their infrastructure investments.

This also includes \$107 million through the Manitoba Restart Capital Program to drive the creation of construction jobs and stimulate the economy with road repairs across the province and major projects.

In addition, our infrastructure program designates:

- over \$292 million for health facilities infrastructure, allowing us to begin construction of the new St. Boniface Emergency Department and continue strengthening our other emergency departments
- \$415 million in kindergarten to grade 12 education and post-secondary infrastructure investment to advance the construction of 6 new schools, additional upgrades and improvements to existing schools
- \$101 million for the Lake Manitoba and Lake St. Martin Outlet Channels flood prevention project – the single largest provincial infrastructure project in recent history

This project will protect Manitobans from future flooding brought about by climate change. It advances Indigenous reconciliation by giving people their homes and lives back. And it will create hundreds of jobs in Manitoba's construction industry.

Budget 2021 sets aside \$100 million for emergency expenditures, to prepare us for the impact of potential extreme weather like floods, forest fires and drought, because this government understands the importance of preparedness.

Looking ahead, Manitoba sees infrastructure investments as key to growing our economy and creating jobs. We must advance our way past COVID-19 with an infrastructure call-to-arms by all our partners, public and private.

Our priorities will focus on:

- cleaning up Lake Winnipeg with our major investment in the North End Winnipeg Pollution Protection Centre
- building an international trade hub by investing in a Freeway-status Perimeter Highway that connects all of Manitoba's national and international trade corridors, to ensure the efficient movement of goods across our borders, building on our province's twin advantages of location and transportation excellence
- building new water and wastewater projects in several areas of the province, to meet growing population and economic growth demands, including for more agricultural and pea protein development
- investing in green growth across rural Manitoba
- committing to new electric bus infrastructure in Winnipeg

We have good green infrastructure, shovel-ready projects we want to get out the door. We are committing our share of funding and call on our federal and municipal partners to join with us to create jobs, clean our environment and help Manitoba recover from COVID-19. Budget 2021 contains a \$103.5 million increase for strategic infrastructure projects that match federal funds for priority projects under the Investing in Canada Infrastructure Program (ICIP). This government has signalled its full allocation of all of its funding under ICIP. Let's not delay. With our partners' approval, Manitoba can advance forward now.

Advancing Students

The pandemic has upended post-secondary education and job opportunities for university and college students looking for new jobs and careers. To advance our economy past COVID-19, we need to advance students through their learning and into good jobs in the workforce.

That is why we created a new Department of Advanced Education, Skills and Immigration. This department will ensure a post-secondary education is better linked to workforce opportunities. It will create stronger links between skills development and job needs. And it will encourage more immigrants to come to Manitoba, the home of hope, where they can enjoy good jobs and a good life.

Budget 2021 provides more than \$680 million to post-secondary institutions, plus \$10 million to support priority maintenance to their facilities.

We remain committed to supporting students so they can pursue and complete a post-secondary education. We will ensure our province continues to offer the lowest tuition rates in Western Canada, with increases capped at 3.75 per cent for university tuition and \$250 per college program this academic year.

Budget 2021 will increase funding to the Manitoba Bursary Fund by nearly \$4 million to help students access post-secondary education. It provides \$55 million in interest-free student loans, an increased investment of \$1.4 million.

Advancing Communities

Much of our economic growth occurs in our cities and local communities. Budget 2021 recognizes the importance of municipalities to advancing Manitoba past COVID-19. That is why so much of our new infrastructure investment is aimed at growing our communities.

Today's budget continues to give municipalities a fair say in how one of the most generous municipal funding programs in the country works. It provides basket funding of \$172.6 million in operating costs and \$137 million in capital costs. As we did last year, we will advance operating grants to provide flexibility during this challenging time.

Budget 2021 dedicates an additional \$5.6 million for the Building Sustainable Communities Program and will fund more than ten larger-scale community capital projects that will benefit non-profit organizations, charities, municipalities and Northern Affairs Community Councils.

To preserve our past while revitalizing our future, we have established a trust of \$25 million to redevelop the Hudson's Bay Building in downtown Winnipeg. We encourage other levels of government to join us and invest in this historical preservation and civic development project in the heart of our capital City.

We will continue to support the diverse needs of municipalities as we collectively deal with the COVID-19 pandemic.

Advancing Public Services

The pandemic has challenged our public servants across the whole of government to deliver needed public services in whole new ways. I am proud of their work and proud to stand in this legislature on budget day, and salute them on behalf of all Members of the Legislative Assembly and every Manitoban.

They kept government services open and available to Manitobans throughout our province.

COVID-19 has not just challenged the way governments deliver services now, it is challenging governments to think differently about how to deliver services in the future.

From working remotely, to online delivery, to working collaboratively with partners to find solutions more quickly and more directly, governments need to become more nimble, more focused and more connected to the people we serve.

Throughout COVID-19, the province kept its workforce working. No public service jobs were eliminated, no permanent job layoffs ensued. We ensured job security as we directed resources to support the private and non-profit sectors as they weathered the pandemic.

As we advance past COVID-19, this government will invest in a public service that is more citizen-focused, outcomes-driven and technology-connected.

We will increase broadband connectivity to rural, remote and Indigenous communities to expand coverage gaps and improve access to internet-based distance learning and mental health services.

We will create new opportunities that remote working provides to encourage the hiring of public servants from rural and northern Manitoba.

We will continue our work to shop smarter, with new procurement approaches expected to save the public sector \$107 million per year over the next five years.

Conclusion

Budget 2021 has two clear goals: protect Manitobans and their services through COVID-19 and advance Manitoba and its economy past COVID-19.

Thankfully, COVID-19 will not be with us forever. With this budget we begin our plan for what comes after.

COVID-19 has posed an historic, worldwide challenge, but Manitobans are stronger and more resilient than anything this pandemic has thrown at us.

Now, this budget plans for an equally strong and resilient Manitoba into the future.

Many challenges remain before us, but our road to recovery starts today, with bright, blue Manitoba skies ahead.

