

Winnipeg Free Press

Who takes a hit

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Posted: **04/11/2017 3:40 PM** | Last Modified: 04/11/2017 6:11 PM



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Universities and community colleges will see their provincial grants virtually frozen for 2017.

Post-secondary education

Universities and community colleges will see their provincial grants virtually frozen for 2017, leaving institutions largely responsible for recovering any expenditure increases, such as those driven by inflation.

Operating grants and strategic initiative spending increases slightly to \$681.69 million from \$679.79 million, spending on access programs is unchanged at \$11,298, and advanced education and training assistance increases slightly to \$6.38 million from \$6.27 million.

Manitoba graduates

The tuition fee tax rebate — designed to keep graduated students from leaving the province — will be phased out. The rebate drops from \$2,500 to \$500 immediately and will be eliminated entirely in 2018. The advanced tuition fee rebate, which allowed students to apply for future rebates in advance, is eliminated immediately.

The province found little sign the rebate was anything more than a gift to graduates who were planning to stay in Manitoba after graduation anyway.

"There was no evidence this was working," Finance Minister Cameron Friesen said.

Arts, culture and sports programs

The budget lines for sports, cultural and arts programs show spending dropping from \$71.6 million to \$68 million.

Leading the way in cutbacks were sports grants (\$164,000 to \$152,000), sports participation fund (\$1.25 million to zero), grants to cultural organizations (\$9.8 million to \$9.1 million), the Manitoba Arts Council (\$9.9 million to \$9.7 million), arts grants (\$4.36 million to \$4.18 million) and public libraries (\$6.3 million to \$6.2 million).

Also on the chopping block is the Manitoba Film Classification Board, which the province is eliminating and which will see funding drop from \$316,000 in 2016 to \$158,000 in 2017, the bulk of which are salaries and employee benefits. The government is replacing the board with a system that adopts the film ratings established in British Columbia.

Roads

Capital spending on highways infrastructure drops from \$540 million to \$502 million, but spending on airport runways increases from \$2 million to \$7.7 million. Water-related infrastructure rises from \$45 million to \$60 million.

Finance Minister Cameron Friesen, in his pre-budget speech news conference, said the province is asking Manitobans to be patient with regard to projects such as eliminating stop lights on the south Perimeter Highway and a St. Norbert bypass.

"We need to make sustainable our finances so we can afford those projects in the future," Friesen said.

Growth, Enterprise and Trade

Disconcerting to the Winnipeg Chamber of Commerce were cuts to Enterprise, Innovation and Trade, the department that provides services and financial support to help create new companies and grow existing firms. The department's budget was trimmed to \$52.53 million, a drop from \$59.05 million in the 2016 estimates.

"The whole portfolio, from last budget to this budget, is down \$14 million. We've got to grow our way out of the situation, as much as we have to look internally and look at where we can save money," said Loren Remillard, president of the Winnipeg Chamber of Commerce.

Remillard likened investment in this department to private firms that spend to bolster sales, marketing and private development to earn new sales. In the province's case, he said, if you want to increase tax revenue without increasing taxes, the only way to do that is to create more taxpayers. In other words, new businesses and new employees.

"You need to grow the pie, that is the strategy."

Read more by Kelly Taylor.