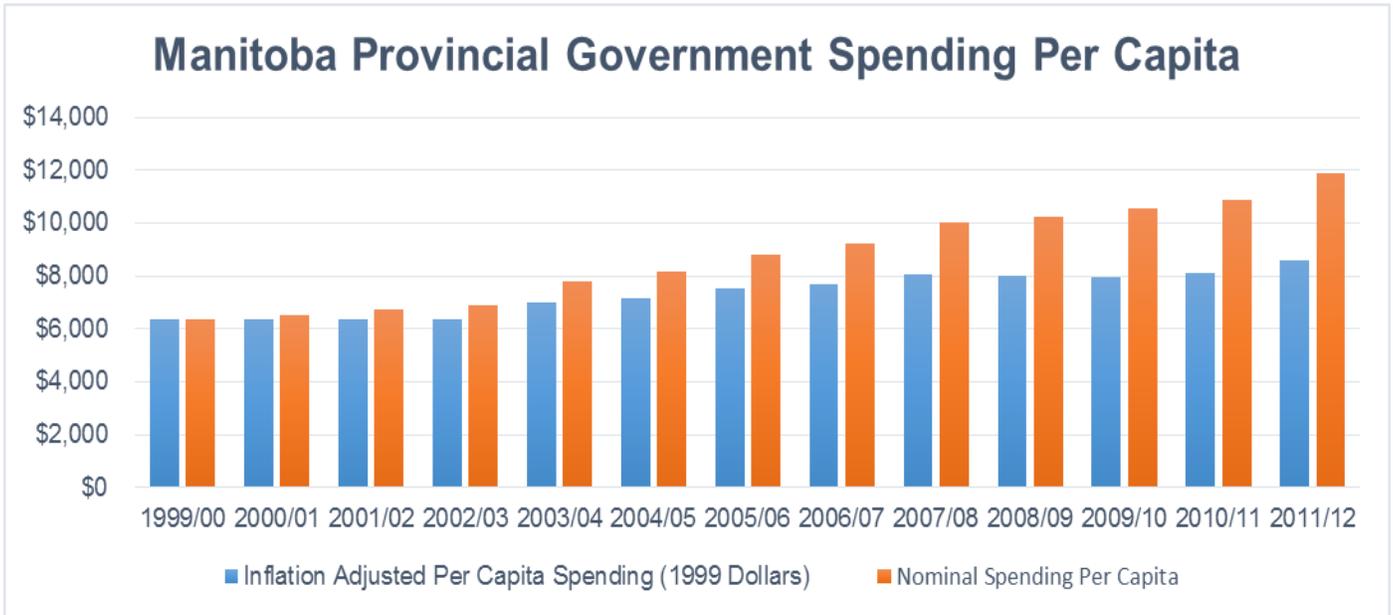




Manitoba Government Spending Rising Rapidly

Up 2.5 times Inflation Plus Population Growth Between 1999 and 2012



- In Fiscal Year 1999/2000, Manitoba's government spent \$6, 379 per resident of the province. By 2011/2012, per capita spending had grown in nominal terms to \$11, 867. This represents an increase in government spending per capita of 86 per cent.
- This growth in per-capita government spending has been much faster than the rate of inflation during the same period. This means that "real spending" per capita in Manitoba has been growing steadily.
- The fact that government spending growth has outstripped inflation has punched a hole in the provincial government's finances. If per-person provincial government spending since 1999 had been held to the rate of inflation, the province would now be saving billions of dollars per year.
- In fact, if per person government spending growth were held to the rate of inflation, Manitoba's spending in 2011/2012 would have totaled just \$10.7 billion. Instead, thanks to faster-than-inflation spending growth over more than a decade, Manitoba spent \$14.8 billion in that fiscal year.
- If Manitoba had held per-capita spending growth to the rate of inflation since 1999/2000, the province would have saved \$4.1 billion in the last fiscal year alone. By holding real per capita spending constant during the time period examined here, the government could have saved \$22.2 billion compared to what was actually spent between 1999 and today.
- One factor that has fuelled spending growth in Manitoba is large cash transfers from the Federal government. In 1999 transfer payments accounted for just over 28% of Manitoba's revenue – in 2012, this number has increased to 31%.
- In addition to federal transfers, another factor that has caused the deficit to swell has been the government's willingness to take on new debt. Government debt grew from \$10 billion in 1999 to about \$23 billion in 2012.
- If the government had managed to hold per-capita spending growth to the rate of inflation, the savings would have been equivalent to the entire amount of personal income tax paid by Manitobans in the 2011/2012 fiscal year.
- With government expenditure rising 86% above the 1999/2000 base year, the provincial government does not have a case for raising any of its taxes. Manitoba clearly has a spending problem, not a lack of revenue problem and simply needs to manage expenditures so they are more in line with normal economic growth.

See Chart →

Year	Actual Spend	Spending Adjusted for Inflation/Population Increase	Increase in Spending	1999 Per Capita	Actual Spend	Additional Spending Per Capita	Population	CPI %
1999/00	\$7,287,000,000			\$6,379	\$6,379	\$0	1,142,400	2
2000/01	\$7,496,000,000	\$7,317,632,702.87	\$178,367,297	\$6,378.13	\$6,534	\$156	1,147,300	2.5
2001/02	\$7,772,000,000	\$7,332,003,033.42	\$393,996,967	\$6,367.90	\$6,710	\$342	1,151,400	2.7
2002/03	\$7,995,000,000	\$7,354,598,922.64	\$640,401,077	\$6,358.81	\$6,913	\$554	1,156,600	1.5
2003/04	\$9,070,000,000	\$8,169,333,120.67	\$900,666,879	\$7,019.53	\$7,793	\$773	1,163,800	1.8
2004/05	\$9,578,000,000	\$8,403,585,543.76	\$1,174,414,456	\$7,160.52	\$8,161	\$1000	1,173,600	2
2005/06	\$10,381,000,000	\$8,893,916,238.81	\$1,487,083,761	\$7,548.09	\$8,810	\$1262	1,178,300	2.7
2006/07	\$10,948,000,000	\$9,089,131,032.38	\$1,858,868,968	\$7,676.63	\$9,247	\$1570	1,184,000	2
2007/08	\$11,938,000,000	\$9,638,553,686.91	\$2,299,446,313	\$8,075.20	\$10,002	\$1927	1,193,600	2
2008/09	\$12,312,000,000	\$9,649,400,375.93	\$2,662,599,624	\$8,004.48	\$10,213	\$2209	1,205,500	2.3
2009/10	\$12,848,000,000	\$9,726,903,279.94	\$3,121,096,720	\$7,973.53	\$10,535	\$2561	1,219,900	0.3
2010/11	\$13,419,000,000	\$9,999,297,138.31	\$3,419,702,862	\$8,092.01	\$10,859	\$2767	1,235,700	1.8
2011/12	\$14,854,000,000	\$10,733,905,244.70	\$4,120,094,755	\$8,575.46	\$11,867	\$3292	1,251,700	2.9
Total			\$22,256,739,680			\$18,414		
	%Increase since 1999			34.4%	86.03%			
	Actual Spending Increase divided by inflation increase			Equals	2.5 times inflation + population growth			