



COMMENTARY

“The Voice of Manitoba Farmers”

203-1700 Ellice Ave. ~ Winnipeg MB ~ R3H 0B1

ph: (204) 697-1140 ~ fax: (204) 697-1109

kap@kap.mb.ca ~ www.kap.mb.ca

For immediate release

January 30, 2008

Budget's Next Step: Education Taxes

By Ian Wishart, KAP President. Cell: (204) 856-6964.

In December, KAP submitted its pre-budget document to Manitoba's Finance Minister. This is the final of four commentaries that focus on portions of the paper and areas that are important to Manitoba's farm families. The complete pre-budget submission is posted at www.kap.mb.ca/policy_briefs.htm

Slow and steady does win the race, and Manitoba's farmers are seeing a slow and steady increase in their education tax rebate. We're looking for more of the same in the next provincial budget, combined with an ongoing commitment to decrease the education tax burden on Manitoba's farm families – who have been shouldering an unfair portion of the financial load for many years.

The rebate is currently at 65%, with plans for it to reach 80% over the next three years. However, because the rebate applies to farmland only, it creates a disadvantage for livestock producers by not extending that rebate to production buildings like barns. Considering the serious financial downturn that is facing the livestock sector, the province could easily implement this rebate on buildings and get some money back into the hands of producers who need it.

To improve the rebate even more, it should be applied directly onto property tax bills. This would avoid slippage, reduce the advertising and administration costs of the rebate by government, and also leave the dollars in the community as opposed to paying the tax and waiting for a rebate.

Looking at the long-term, the fact that a rebate is needed is only a symptom of a much bigger problem when it comes to how we pay for education in Manitoba. Quality education is the goal for all Manitobans, but that doesn't have to tie us to a funding model that's been around since the time of a one-room schoolhouse. The way that we pay for education today simply doesn't work – which is shown by the number of tax rebates and formulas that are used to try to equalize who pays how much.

Even the most recent funding announcement by the provincial government, made on January 29, shows the constant tinkering and juggling that is needed to make the current system continue. The province has increased funding for education, but with

condition on where it must be spent. With the current funding model where different amounts of money come in and out, it's easy to create confusion about exactly how well our schools are funded, and by whom, without knowing if there are real benefits at the school level. A simpler funding program would let us all focus our energy and attention where it should be – on developing the best education system that we can.

KAP believes that education should not be funded by property taxes at all, since it is a “people” service. All Manitobans benefit from a strong education system, therefore all Manitobans should contribute equitably. The increased burden placed on the back of property owners is unfair and needs to change.

As we look to the provincial budget, education financing is an area where they can show leadership, by developing a plan to restructure the financing of education and alleviate the burden of funding education from all property, including farm land and production buildings. Farmers and property owners should be looking to the next provincial budget to see if Manitoba is planning a slow and steady “more of the same” or a measured overhaul to create real change in how we fund education.