



## **WINNIPEG CHAMBER OF COMMERCE POLICY PROCESS**

This booklet contains the final approved versions of all policy positions adopted by the board of directors of The Winnipeg Chamber of Commerce.

### **Policy Process**

Policies to be tackled by The Winnipeg Chamber of Commerce will be based on consultation with membership during a policy forum to be held every June, recommendations of the board of directors and the direction outlined by the incoming chair of The Winnipeg Chamber of Commerce.

### **Policy Approval**

In accordance with the bylaws of The Winnipeg Chamber of Commerce, a majority of two-thirds of the votes cast by board members is necessary to approve each policy position.

These policies will be brought to the attention of appropriate government officials and other bodies to whom the recommendations are directed.

The method of presentation of each item will be determined by a number of factors, including subsequent events and legislation which may affect the subject matter, additional information that may become available, the timing of a presentation, etc.

### **Policy Lifespan**

Each resolution, once approved by the board, has an effective lifespan of three years unless otherwise stated.

After three years, the board of directors can decide whether or not the policy should remain as a current policy position of The Winnipeg Chamber of Commerce.

*Throughout the year, members will be updated and advised of the action(s) taken on each of these positions by way of summaries and reports in Winnipeg Chamber of Commerce publications.*

*Questions pertaining to these policy positions should be directed to the Vice-President of Policy.*



# WINNIPEG CHAMBER OF COMMERCE POLICY POSITIONS

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## **NEW DEAL FOR CITIES**

All citizens have a stake in the future of this City. Therefore all discussions around a potential new financial framework and long term infrastructure plan must be placed in a context that focuses the discussion on our future.

The current structure in which a city operates takes a certain amount of control out of its hands. For a civic government to truly be accountable for the services it delivers it must have the ability to make decisions that will allow it to satisfy the needs of citizens. A city's financial means must be more in its control, and must be more sustainable and certain over time.

The Winnipeg Chamber of Commerce believes that the City of Winnipeg needs a new deal.

The over-riding perspective that drives our thinking, and is the basis upon which we make our recommendations, is the commitment to a long-term approach to planning, financing, and investing. The fundamental shift in the taxation structure for our City must fit with the long term vision and strategy that we hold for our community. This is the perspective that must drive our decision-making and this is the perspective that provides a basis for our recommendations.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Consider any tax shift or infrastructure plan as part of a comprehensive Capital Region strategy, addressing tax equity, economic development, planning co-ordination and strategic regional infrastructure investment.**
- **Implement a new tax structure on a revenue-neutral basis.**
- **Implement a policy of tax caps.**
- **Cap civic expenditures (excluding infrastructure repairs/maintenance and capital expenditures) at the current level and extend efficiency assurance measures to include the provincial government.**
- **Reduce property taxes for residential properties and urge the Province to eliminate the school portion of residential and commercial property taxes over five years.**
- **Eliminate the business and amusement taxes.**

- **Reduce transit fares for social and environmental reasons, but determine the level of reduction only after developing a long-term transit strategy, based on a fundamental review of operations and priorities (cost-benefit analysis, future trends and market evaluation).**
- **Implement a municipal sales tax in the Capital Region to be collected by the provincial government. Cap the level through legislation, which would allow an increase only by referendum.**
- **Implement proposed provincial revenue-sharing formula.**
- **Increase frontage levies, but cap the rate and phase-in for business.**
- **Introduce a garbage collection fee, a tax on liquor sales, city fuel tax (in conjunction with a 10-year infrastructure strategy) and possibly a hotel tax dedicated to tourism investment (only after consultation with the industry).**
- **Develop a 10-year infrastructure strategy that identifies projects and funding, and takes into account: decision timelines of other levels of government, an investment plan that captures and commits future fiscal room and investment-leveraging opportunities.**

*Adopted by the Winnipeg Chamber of Commerce board of directors, December 2003*



## **REINVENTING CIVIC GOVERNMENT**

The Winnipeg Chamber of Commerce is of the belief that change is needed to ensure the public is better represented and is more engaged in the political process regarding the future direction of the city. The Chamber believes there is not only a need for change in the make-up of city council, but that change can be made at city hall to provide greater efficiency and accountability to the citizens of Winnipeg.

In November 2005, The Winnipeg Chamber of Commerce established an 18-member Task Force on Reinventing Civic Government in the belief that change is needed to ensure the public is better represented and is more engaged in the political process regarding the future direction of the City.

As a matter of policy, The Winnipeg Chamber of Commerce believes there is not only a need for change in the make-up of City Council, but that change can be made at City Hall to provide greater efficiency and accountability to the citizens of Winnipeg.

In examining how our civic government operates and how it can improve, the task force focused on three specific areas:

1. Structure
2. Efficiencies
3. Authority

Following the 2010 Municipal election the Chamber's Political Accountability Report (PAR) committee met with the City of Winnipeg's Clerks Department to discuss the current process at City Hall in regards to the transparency of council meetings. From those meetings four new policy positions are being recommended.

### **Winnipeg Chamber of Commerce Recommendations**

#### **Government Structure**

- Term limits be imposed on the mayor and City councilors regarding their length of tenure in office.
- The City of Winnipeg consult with the public on whether representation can be better achieved through a model in which mayor and all councilors are elected by citizens as a whole or the current model based on a ward system of representation (or a similar variation).
- The Winnipeg Chamber of Commerce recommends' that a review of Council boundaries be done linked to the most recent census data –

through an independent process - similar to what happens at the provincial level to ensure there is equal representation in the number of constituents that each councilor represents.

### **Government Efficiencies**

- A Commission on City Efficiencies be established that engages the public in an effort to determine if the services provided by the City are being offered in a cost-effective and efficient manner.
- The process for pursuing alternative service delivery is changed and the ASD Committee be made a full standing committee to ensure accountability and transparency.

### **Government Authority**

- The provincial government provides the City of Winnipeg with the legislative flexibility to:
  - Adjust civic revenue models to better link revenue to economic performance, without increasing the tax burden borne by citizens.
- Reduce reliance on property taxes and implement growth-related tax sources.
- The provincial and federal governments consider making tax room by diverting a percentage of GST/PST to municipal governments.

### **Government Accountability and Transparency**

- The City of Winnipeg makes it standard practice that recorded votes occur on all decisions made by City Councilors at both the Standing Committee and full City Council Meeting stage.
- The City of Winnipeg commit to having all Standing Committee and City Council Meetings video-streamed live on the City of Winnipeg's website in an effort to raise greater awareness of the decisions that are being made at City Hall. In addition to make it more user-friendly for the public - past meetings could be archived and votes indexed on the City of Winnipeg website.

### **Civic Engagement**

- Ballot questions are implemented in connection with municipal elections in an effort to receive greater input on policies.
- Encourage city councilors to implement a strategy in their constituencies to increase community engagement with their constituents in an effort to increase voter turnout.

*Adopted by The Winnipeg Chamber of Commerce board of directors, March 2011*





## THE CITY OF WINNIPEG CHARTER ACT

The Chamber believes The City of Winnipeg Charter Act represents a positive first step in making fundamental change to the powers and responsibilities of the City. It reflects a change in mindset of the provincial government with respect to the relationship between the Province and the City. A move from “a creation of the Province” to “a partner of the Province” is an important shift in perspective, and although not totally embraced by the provincial government, there are some very positive indications in the legislation that the relationship is being put on a proper footing. It recognizes the City as accountable and responsible, and enables it to enter into agreements with the federal government.

The changes also make the legislation more understandable and provide a clearer idea of the powers, responsibilities and controls of the City. It is a move away from a “shopping list” of powers to a broader definition of City powers. It provides a good definition of “spheres of authority.”

The Chamber also supports the legislation for granting “natural person powers,” making tax increment financing available and addressing how to handle derelict properties.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Move quickly to the next phase, in which the provincial government should address the powers and flexibility of civic government to improve revenue models, and the implementation of sound, creative tools to attract private investment to our City.**
- **Do not use frontage levies and variable portions for property tax as a means of increasing existing civic revenues. It must ultimately be revenue neutral, as the City continues its efforts to reduce taxation and become cost competitive in a global market.**
- **Address the City’s role in developing and amending the Charter.**
- **Establish a mandatory consultation process for provincial decisions that will have an impact on the City.**
- **Prohibit delegation of service delivery to the City without providing the necessary funding to deliver the service.**
- **Allow the City the flexibility to introduce and implement financial tools to attract additional private sector investment, to reduce the reliance on property taxes, to diversify civic revenue streams and to search for a tax system that rewards growth.**
- **Expand broad authority to define exceptions.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, August 2002*



## URBAN DEVELOPMENT

Today, 86 per cent of Canadians live in cities, transforming urban centres into Canada's economic engines. Globalization has heightened competition, but the battles waged aren't among nations, but city-regions and urban economic units.

Cities face many obstacles that impede their growth and prosperity: an over-reliance on property tax, provincial legislation that restricts the type of revenue models and taxes cities may utilize, and the downloading of responsibilities (i.e. - transportation and infrastructure) from other governments.

While the federal and provincial governments are seeing their treasuries expand in response to a growing economy, cities are not. From 1995 to 2000, federal government revenue from personal and corporate income tax grew by 14 per cent and 35 per cent respectively. Manitoba personal and corporate income tax revenue swelled by 16 per cent and 84 per cent respectively. Winnipeg, in comparison, saw its revenue from property and business tax drop by 10 per cent and five per cent respectively.

This scenario is true for many other Canadian centres due, in large part, to civic revenue models, imposed through legislation, that bare little to no direct correlation to economic growth. In Toronto, municipal property taxes comprise only 4.8 per cent of the total taxes paid to all levels of government by an average family. In Vancouver, civic government revenues amounted to seven per cent of total taxation revenue collected in 1999 by the three levels of government; in Calgary, the civic share of taxes was eight per cent in 1996.

Steps must be taken by the federal government, in concert with provincial governments, to properly equip urban centres with the tools to compete.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Implement an urban development strategy that addresses the critical role and importance of cities in advancing economic prosperity and quality of life.**
- **Expand the federal government's involvement in civic development, in particular, downtown revitalization, infrastructure and transportation.**
- **Promote among provincial governments the need for cities to have the legislative flexibility to adjust civic revenue models to better link revenue to economic performance, without increasing the tax burden on citizens.**

*Adopted by the Winnipeg Chamber of Commerce board of directors, July 2001*



## **BYLAW ENFORCEMENT**

The City of Winnipeg must ensure any new or existing bylaws are enforced, if such bylaws are to have teeth. Otherwise, the tendency will be to ignore the bylaws, making them not worth the paper they are written on.

With 434 regulatory bylaws currently on the books, enforcement is already an issue from a staffing perspective. While the City employs a significant number of individuals, ranging from building inspectors to public health inspectors, staffing levels are inadequate to consistently ensure that standards for health, safety and appearance are met.

When the Smoking Regulation Bylaw was introduced, the City acknowledged it did not have enough public health inspectors to monitor smoking in all public places.

In 2003, Manitoba's Clean Environment Commission conducted public hearings on the City of Winnipeg's Wastewater Collection and Treatment Systems and recommended the Water and Waste Department put in place an improved bylaw enforcement program.

Although staffing and related employment costs are an issue, it goes beyond that. There must be a level playing field, with fair, consistent enforcement. The City cannot cite one individual for violating its bylaws, while ignoring others because of a lack of staffing.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Ensure the proper allocation of resources**
- **Pursue opportunities to partner with industry associations to enhance enforcement efforts by empowering industry associations to be self-policing**
- **Raise public awareness of any new bylaws through education programs and strong upfront enforcement**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2007*



## COUNCIL TERM LIMITS

City Council, as the decision-making authority for the City of Winnipeg, constitutes a fundamental contributor to the environment in which Winnipeg business can prosper. It is for this reason that City Council must be an attractive and realistic option for those who hold leadership aspirations and seek opportunities to serve their community.

Unfortunately, there appears to be a declining level of interest in civic politics. Voter turnout appears to increase only when the Mayoral race does not include an incumbent: 34% (1986), 34% (1989), 58.4% (1992), 53.5% (1995) and 53.6% (1998).

In business and elsewhere, renewal and change are driving forces in the pursuit of new visions, ideas and approaches. The power of incumbency at City Council, however, serves as a real inhibitor to increased candidate participation. History is replete with incumbent Councillors and Mayors winning re-election, whereas instances of a non-incumbent candidate unseating a sitting Mayor or Councillor are rare.

### **Background (updated 2006)**

On March 22, 2006, Winnipeg City Council rejected a motion (14-2) to hold a referendum on restricting Councillors' terms in office to a two-term limit.

On Oct. 18, 2000, a report to EPC on term limits went before Council and the idea of term limits was rejected 11-4.

A Free Press poll in 2000 indicated 44% of Manitobans supported restricting the length of service of municipal politicians to two terms, while 48% were opposed. The rest were undecided.

In 2002, a Chamber survey of its members resulted in 83% voting in favour of term limits. Of those, 68% supported a two-term limit and 26% supported a three-term limit. At the time, the average tenure of the 15 Councillors was 12.2 years – three Councillors had been in office for 22 years and eight had served for 13 years or longer.

In 2006, five Councillors had more than 110 years of combined service. Three of those had each spent more than 25 years on Council.

**Winnipeg Chamber of Commerce Recommendations:**

- **Limit the Mayor and City Councillors to two consecutive terms in office.**
- **Develop a transition strategy to guide the effective implementation of term limits.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, September 2002*



## RAPID TRANSIT TASK FORCE

Rapid Transit is leading-edge public transportation that can move more people, more quickly and create powerful solutions to many challenges our city faces. It can have a positive impact on economic development, downtown revitalization, renewal of inner city neighbourhoods and environmental stewardship. By embracing technological advancements in transit, we can rejuvenate public interest and accelerate growth in our transit system — an essential element of any major progressive city.

The issue of rapid transit has been discussed for years in Winnipeg, but really came to the forefront in early 2004 when a tri-lateral funding agreement included \$43 million for the establishment of a Bus Rapid Transit (BRT) system in Winnipeg.

In September 2004, Winnipeg city council voted to shelve the planned “BRT” system. Council decided instead to redirect \$50 million planned for the first segment into other uses. On Nov. 26, 2004, the City of Winnipeg launched a Special Rapid Transit Task Force, chaired by Councillor Russ Wyatt, to investigate the issues and “recommend a direction for Winnipeg” by summer 2005.

The task force recommended developing BRT corridors along existing roadways. Buses on these routes would have the ability to override traffic signals at intersections and move ahead of traffic using jump queue lanes. Separate busways, closed to other traffic, would also be constructed. Recreational paths for biking, walking or in-line skating would be constructed alongside the busways, while cycling lanes would be included on many BRT corridors. Heated transit stops and real-time schedules (based on GPS technology) were also proposed.

In an effort to provide input into the City’s process, The Winnipeg Chamber of Commerce launched a task force to gain input from members on the issue and develop Chamber policy.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Examine the following criteria to determine whether The Chamber supports rapid transit:**

**Sustainability – Is rapid transit sustainable?**

**Public support – Is there public support for rapid transit?**

**Good for business** – Does rapid transit serve as a catalyst for a healthy and prosperous community that offers a strong foundation for business location and expansion?

**Value to taxpayers** – What is the cost of the different modes of rapid transit? Is there a return on investment? The cost must be transparent to the public.

**Financing options** – How will the City pay for rapid transit? There must be a strategy for obtaining substantial federal and provincial government funding and public/private partnership.

**Improved customer service** – How will we measure success?

- Proceed with rapid transit only once the City of Winnipeg puts clear and specific measurements in place with respect to identified objectives (i.e. - increased ridership, customer satisfaction, improved travel times/flow).
- Implement a rapid transit system in stages that would allow for an evaluation to determine the success of rapid transit before taxpayer dollars are spent on subsequent stages.
- Clearly articulate the implementation plan for rapid transit and provide opportunities for public consultation.

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2005*



## **STRATEGIC INFRASTRUCTURE RE-INVESTMENT POLICY**

Infrastructure is the largest single area of public investment. It platforms our economic activity, growth and quality of life; it helps determine investment in our community; and it facilitates all of our social and commercial activity. The public expects it to be maintained in a timely and fiscally responsible manner.

The ability of Winnipeg businesses to function efficiently and to be competitive in local, national and international markets also depends, in part, upon the condition and adequacy of the City's infrastructure.

The City has long recognized the importance of a strong infrastructure to business prosperity and economic growth. This is reflected in Plan Winnipeg ... Toward 2010, Financial Management Plan – 10 Goals for a Stronger Financial Future, and Priorities for Winnipeg – Building Towards the 21<sup>st</sup> Century.

The City's major infrastructure (bridges, streets and water/sewer mains) represents a cumulative public investment of about \$14.4 billion. However, the City still faces an annual infrastructure investment deficit of about \$80 million. This lag in annual investment will only contribute to a growing infrastructure investment deficit, estimated to approach \$1 billion.

The Strategic Infrastructure Re-Investment Policy (SIRP) Task Force reports of 1998 and 2000 identified civic infrastructure needs. They presented a menu of policy and financial framework options for developing sustained and sustainable infrastructure management and investment decisions.

To the City's credit, it has acted on some of the recommendations, but it has yet to adopt a formal infrastructure investment policy.

Investment in infrastructure requires identifiable priorities, pro-active maintenance, rehabilitation and replacement strategies, a strategic asset management system, a commitment to innovation, new technology and transparent funding streams.

Without a comprehensive, yet flexible policy, the City runs the risk of ad hoc approaches to infrastructure investment, which will accelerate infrastructure deterioration, further imperiling the City's fiscal flexibility.



### **Winnipeg Chamber of Commerce Recommendations:**

- **Establish a task force with a mandate to recommend to City Council within 12 months of being appointed a Strategic Infrastructure Re-Investment Policy, which ensures planned, strategic and transparent investment in infrastructure and reflects a cost-effective, efficient and sustainable approach that does not compromise overall fiscal prudence and debt reduction, and does not require unnecessary additional tax burdens.**
- **Negotiate a long-term agreement between the City and Province that: defines shared infrastructure investment objectives, distinguishes their respective roles and responsibilities, allocates the investment costs inherent to the responsibilities, establishes transparent funding mechanisms that ensure each party can fulfill its responsibilities and promotes transparency and simplicity to enhance accountability and minimize discord**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2007*



## **CITY OF WINNIPEG RESIDENTIAL LAND SUPPLY**

There is approximately a one-to-two year supply of residential lots immediately available across the city. The southern quadrant of the city is currently experiencing the greatest shortage of serviced and readily serviced land. Such shortages are resulting in increased new home costs and may result in more homes being built outside the city in bedroom communities.

The conversion of raw land to serviced lots can take two years or more to allow for planning, approvals, engineering, development agreements, financing, construction and marketing.

It is clear there is a demand for more housing units, and with vacancy rates in apartments just above one per cent, and with no new buildings being built, more people are making the decision to purchase homes.

The Chamber is concerned that within two years the City of Winnipeg will experience a shortage of residential housing lots due to an increase in population and shifting demographics.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Establish a long-term economic strategy for the City of Winnipeg, part of which would address housing development concerns.**
- **Take steps to fast-track the process for land development in the City to ensure that projects can move forward in a timely manner in an attempt to deal with the lot shortage expected to occur in the next two years.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, November 2004*



## RENT CONTROL

Rent control, in place in Manitoba since 1976, is a provincial regulation restricting the amount of rent a building owner can charge tenants. It was originally designed as a policy tool to place tenants' needs above property owners' profits during tough economic times.

The vacancy rate for apartments in Winnipeg has dropped steadily over the past decade, as has the number of residential apartment units available.

Currently under the *Residential Tenancies Act*, tenants must be given proper written notice at least three months before the rent increase takes effect. A notice to increase rent must meet the requirements of *The Residential Tenancies Act*. The branch provides rent increase forms for landlords to use. In most circumstances, rents can only be increased once a year. The guideline applies to rented residential apartments, single rooms, houses and duplexes.

There are some exceptions to the guideline. These are:

- Premises renting for \$1,000 or more per month as of Dec. 31, 2004
- Personal care homes
- Approved rehabilitated rental units
- New buildings less than 15 years old where an occupancy permit was first issued or a unit was first occupied after April 9, 2001

The rent control policy in Manitoba has resulted in increased demand for dwindling supply. Vacancy rates in Manitoba are well below the Canadian average.

Construction of new residential rental apartment buildings in Manitoba has been virtually non-existent over the past 20 years.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Abolish rent controls, which do not offer any incentive for the private sector to invest in developing residential rental units and which limit the availability of safe, affordable and quality housing.**
- **Establish a long-term economic strategy for the province, which would include a long-term housing strategy.**
- **Urge the government to publicly review the issue of rent control in Manitoba.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2005*



## URBAN RESERVES

Our community's ability to engage aboriginal people in economic and employment opportunities is critical to improving the quality of life of one of Winnipeg's fastest-growing populations. Initiatives should be launched to address aboriginal employment, training and entrepreneurship.

Municipal Aboriginal Pathways, the City of Winnipeg's newly adopted strategy, is a great step forward. The Aboriginal Employment Initiative, a partnership between The Chamber, the Business Council of Manitoba, the Provincial Government, Western Diversification and the Aboriginal Human Resource Development Council of Canada, has also created private-sector awareness of the importance of an aboriginal employment strategy.

Manitoba, the only Western Canadian province without an urban reserve, has a tremendous opportunity to learn from the experience of others and develop a strategy that will serve as a model for urban reserve development.

The Chamber believes several key principles should guide the development of an urban reserve to ensure its success.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Establish a partnership/relationship between the First Nation community and the City of Winnipeg that is based on mutual respect and a shared vision and objectives.**
- **Go forward with a solid, comprehensive plan for industrial, commercial or office development that's consistent with Plan Winnipeg and creates economic opportunity for Aboriginal people.**
- **Establish agreements with the municipal and provincial governments, as well as school boards, which will ensure an enterprise operating on an urban reserve will not gain an unreasonable competitive advantage in the marketplace through taxation or bylaw/legislation application and compliance.**
- **Involve all three levels of government in the development process.**
- **Define a process to accommodate any disputes or challenges that arise from all stakeholders: the First Nation's community, the private sector, government and citizens.**
- **Be proactive, from a City perspective, in ensuring that the development is right for all parties.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2004*



## **DOWNTOWN WINNIPEG**

The Winnipeg Chamber of Commerce believes there are a number of challenges that continue to face downtown Winnipeg. In order to address those challenges we must outline specific goals for downtown and principles to base policy recommendations on so those challenges can be addressed.

### **Objectives for Downtown Winnipeg**

In order to assess success it is critical to measure results in specific areas of downtown development:

#### ***Residential Development***

1. The Chamber recommends that the City place a higher priority on the issue of downtown housing with the intent of increasing the population in downtown Winnipeg.
2. The Chamber recommends that CentreVenture be responsible and accountable for downtown housing strategy
3. The Chamber recommends that targets be set that define the proper mix of residential options in downtown Winnipeg.
4. The Chamber recommends a well-defined strategy with a more open and transparent level of participation from the various levels of government in residential development

#### ***Business***

1. The Chamber recommends that a greater focus be placed on increasing business attraction, retention and expansion through the establishment of an economic partnership (Adopt current Chamber Policy – Selling Winnipeg to the World)
2. The Chamber recommends that the City look at implementing economic incentives such as tax increment financing, tax free-zones and other financial incentive programs to help attract new businesses to downtown Winnipeg
3. The Chamber recommends that the various levels of Governments when making decisions on government office space in Winnipeg place a priority on a “Downtown First Policy”
4. The Chamber recommends that governments continue to look at ways of reducing tape and regulations to eliminate barriers for developers.

### **Safety**

1. The Chamber supports the need for more Police on the streets – through community policing - and recommends that the City of Winnipeg direct additional resources to downtown Winnipeg.
2. The Chamber recommends the establishment of a coordinated Downtown Security Network that would bring together the various Downtown Business group watch programs, Winnipeg Police and the private sector.
3. The Chamber recommends the establishment of a downtown camera program that would be a collaborative effort between the Winnipeg Police Service and the private sector.
4. The Chamber supports the efforts of the Downtown Biz patrol and that the City should look at increasing their responsibilities.

### **Transportation**

1. The Chamber recommends that the City of Winnipeg commit to the development of a long term plan for a rapid transit system and begin implementation of that plan in partnership with both the provincial and federal governments.
2. The Chamber recommends that the City of Winnipeg encourage and further develop transportation modes that currently exist in downtown Winnipeg (Downtown Spirit, water taxi service, bike paths).
3. The City of Winnipeg should place a priority on traffic signal synchronization in downtown Winnipeg to improve mobility.

### **Image**

1. The Chamber recommends that a marketing and education campaign focusing on the many positives of downtown Winnipeg be established and implemented. The organizations that make up the Downtown Council should take the lead and coordinate investment and develop the strategy for the campaign.
2. The Chamber recommends that business and property owners take greater responsibility for care of their property (eg. Snow clearing in winter, cigarette butts, signage, lighting, graffiti).

### **Amenities / Building a Community**

1. The Chamber recommends the development of a downtown retail strategy in conjunction with stakeholders that identifies potential opportunities for retail development. The strategy should include the attraction of amenities required for residential development (eg. Grocery store, pharmacy etc.).
2. The Chamber recommends the City of Winnipeg undertake a comprehensive survey of parking requirements in downtown Winnipeg and establish a parking strategy that will provide adequate supply to meet the growth in residential development.

## **Winnipeg Chamber of Commerce Recommendations:**

- **The Chamber supports the CentrePlan Framework and would strongly urge City Hall to adopt it and put in place a long-term strategy with specific timelines for implementation of the recommendations.**
- **The Chamber endorses the establishment of the Downtown Council, which is made up of the various organizations involved in downtown development along with the City, Provincial and Federal governments. This provides a vehicle through which better coordination of effort and leveraging of resources can happen.**
- **The Chamber recommends that the City take a more aggressive approach to the development of secondary plans for the downtown.**
- **The Chamber recommends that the City of Winnipeg undertakes a proper inventory of downtown Winnipeg buildings and implements a long-term development plan, and that the various levels of government provide greater incentives to encourage the development of vacant buildings in downtown Winnipeg.**
- **The Chamber recommends that a coordinated effort involving the City, the Province and downtown stakeholders be established to develop a vision and plan that addresses the economic and social challenges facing downtown Winnipeg.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2008*



## CIVIC SERVICES – MRM REPORT

### Introduction

In June 1998, the City of Winnipeg released its Management Reference Model (MRM) for Government Services, *Focus on Winnipeg Services*, which detailed the full extent of services delivered by the City – 260 public and 65 internal services.

The MRM Report, along with another report released that month by the City's Committee on Tax Reform entitled *Rethinking Taxation, Making Winnipeg Competitive*, provided a framework and the necessary tools for the City to shape its core mandate and properly address the level of civic expenditures and taxation. However, almost a decade has passed and little has happened. The MRM Report appears to be gathering dust on a shelf.

### Winnipeg Chamber of Commerce Recommendations:

The Chamber encourages the City to re-visit the work done around the MRM report.

The Chamber continues to endorse the following recommendations it adopted in June 1999:

- **Have the control, design framework, regulation and licensing powers, and supervision of core services remain under the auspices of the City to ensure community interests and standards are met, while reducing expenditures.**
- **Community Services - Shift responsibility for services such as counselling, instruction and training to the Province under the Departments of Health or Education and Training. Consider contracting out or other alternative service delivery mechanisms for services, such as leisure facilities.**
- **Emergency Response - Divest the City of all emergency response services with the exception of fire and fire-related services, in keeping with the practices of other Canadian urban centres. Provide medical and ambulance services by the Province, or more directly by the Winnipeg Regional Health Authority.**
- **Police – Continue having the City provide police services.**
- **Property and Development – Continue having the City deliver services.**



- **Public Works** – Contract out, but the City retains services related to permission and licensing.
- **Water and Waste** – Retain services pertaining to consulting, granting, permission and promotion with the City. Other services, with the exception of potable water production and distribution, should be contracted out.
- **Transit** – Make Transit a Special Operating Agency (SOA).
- **Internal Services (finance)** – Contract out auditing, but retain other services.
- **Internal Services (human resources)** – Contract out collective bargaining and portions of payroll and benefits administration, but retain other services.

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2007*



## **ASD REVIEW PROCESS**

The City of Winnipeg's Alternative Service Delivery model arose out of city council's 1997 commitment to make "civic government more affordable and efficient." Special Operating Agencies were identified as one method to be explored, having proven to produce cost-savings while enhancing customer satisfaction, promoting operational flexibility and improving bottom-line accountability. The City established an Alternative Service Delivery Committee, which reports to city council and meets as necessary to consider administrative reports concerning innovative service approaches and the submissions of the city's various SOAs.

Following a comprehensive review of all civic services by the City, The Chamber developed a policy outlining an appropriate process for reviewing services and identifying alternative service delivery methods.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Consult with stakeholders prior to the ASD review team formulating its recommendations.**
- **Ensure proper process has been adhered to and that recommendations are consistent with the overall objectives of the ASD process by having the ASD Committee consult with the review team.**
- **Determine the best ASD option by evaluating:**
  - **Whether it is a core versus non-core service**
  - **Private sector presence**
  - **Impact on the private sector**

**If the service is deemed to be a core service or a non-core service that is not properly provided by the private sector or if there is concern over the City's ability to control escalating costs or to protect a valuable resource, then the ASD options should be: SOA, employee takeover, government owned/contractor operated, utility, employee owned.**

**If the service is deemed to be non-core then the ASD options should be: privatization, contracting out, service shedding.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, March 2001*



## **CIVIC WASTE MINIMIZATION PROGRAM**

In 1999, the City commissioned KPMG to examine various options for solid waste collection and disposal. The study indicated the City's annual expenditure for solid waste collection could be reduced by \$2.2 million per year (representing roughly a one-per-cent reduction in residential property taxes) if the portion carried out by city forces was contracted out.

The study also noted that even if improvements in efficiency were made for city-delivered services, civic expenditures would still be \$700,000 higher than if all the work was contracted out.

The Chamber believes the savings to be realized by contracting out are higher than reported in the study. An activity-based costing technique was used to develop a baseline for costs. However, there is some question whether this includes all corporate support costs, such as payroll and management costs.

### **Winnipeg Chamber of Commerce Recommendations:**

- Endorse the mayor's proposed waste minimization program, which is consistent with The Chamber's commitment to the principles of sustainable development and cost reduction:
  - Extend recycling collection to all households
  - Do not put a limit on yard waste disposed of in clear bags
  - Allow each household up to two bags of garbage per week, but sell tags, available at retail outlets, for \$1.50 each for every bag over the limit
  - Continue having autobins until a program review is completed
  - Introduce an assistance program for low-income residents and stringently enforce the program

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2001*



## CIVIC TENDERING REPORT

The City of Winnipeg is currently reviewing many of its services and functions to determine if Alternate Service Delivery (ASD) mechanisms could provide increased or more efficient service levels at a lower cost to taxpayers.

Although a number of civic services, such as police services, operate as a “monopoly,” many services are provided by the private sector. Some service delivery is split, whereby civic staff provides some of the service and the private sector the balance (i.e. – garbage collection, janitorial services and engineering).

“Monopoly” situations are not the best to effectively increase productivity levels or create the synergy needed to provide new and better ways of getting things done, including adjusting to modern technology and advances in methodology. In protecting the status quo, this system can reflect the needs and wants of existing employees, instead of reflecting those of customers. This can result in response levels gradually diminishing or costs escalating too quickly.

This inflexibility is created by universal restrictive labour agreements, a lack of competition and motivation and a lack of experience/education with respect to modern methods. As well, there is often political influence and motivation.

With no competition, there is little or no pressure to change because there is a feeling that customers can't be lost as they have nowhere to go. However, customers are lost over time as economic growth and the growth of the tax base are sacrificed because of higher-than-necessary taxes and lack of foresight.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Base the process on longer-term thinking that reflects “life-cycle costing” as opposed to the lowest current price.**
- **Issue a Request for Proposal (RFP) for a solution to a problem as opposed to providing a price for a process that has a pre-determined methodology and activities.**
- **Follow a process that promotes and encourages new practices and technologies to arrive at the final solution.**
- **Encourage thinking outside accepted and city-standard practices, and embrace alternative and innovative solutions.**
- **Promote the widest range of bidders possible, making it easy and simple to qualify and to provide a bid.**
- **Ensure the process is open and transparent to bidders / taxpayers.**

*Adopted by the Winnipeg Chamber of Commerce board of directors, November 2001*



## **WORKERS COMPENSATION ACT REVIEW**

The Winnipeg Chamber of Commerce supports safe, healthy and productive workplaces. However, when a workplace incident occurs, members of The Chamber and members of the business community expect the Workers Compensation Board to provide a reasonable level of support and service to injured workers to ensure an early and safe return to the workplace. The Chamber expects a compensation process that respects both the dignity and privacy of injured workers while, at the same time, functions in a fiduciary and financially prudent manner.

The Chamber also supports the premise of fairness and balance and where appropriate, an expedited process of claim management to facilitate return to work, as soon as medically possible. The Chamber will not support and will take great exception to a system that embraces Workers Compensation Board policies and/or legislation that create imbalances that disadvantage either workers or employers.

The Chamber believes that the Meredith principles should form the basis of this review and must apply to any amendment of the act. As well, The Chamber supports cost containment and cost management, that is, any changes in benefits under the act, after factoring in economic equalization, should not be out of balance with those seen in other jurisdictions.

The Chamber recognizes the importance of transparency, accountability and fairness in a compensation system. For this reason, any changes that result from the review of the act must be reasonable, practical and sensitive to the needs of all stakeholders.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Amend the Workers Compensation Act to remove a loophole under which directors of covered employers can be sued by an injured worker (or by the Workers Compensation Board on their behalf) for additional damages.**
- **Give the Appeal Commission the right to designate a deemed employer, for the purposes of an appeal, where the employer in the appeal is defunct (no longer in business or no longer covered by the act).**
- **Identify in the act a process for consultation on policy development**

- **Encourage consultation between the Workers Compensation Board and the employer community (The Chamber / Employers Task Force / Manitoba Employers Council) prior to establishing assessment rates, budgets or investment strategies for the forthcoming year.**
- **Conduct an independent audit every five years on the Workers Compensation Board to coincide with the board's five-year planning process. The audit results should be subject to public disclosure.**
- **Conduct a review, independent of government, to determine the appropriateness of Workers Compensation Board-funded programs and entities that do not reflect the "spirit" of the act or the Meredith Principles.**
- **Base any consideration for expansion of coverage in other industries on risk factors and injury experience, and make the decision in consultation.**
- **Do not change existing legislation/practice related to stress. The current definition of acceptable stress is fair, reasonable and consistent with the majority of jurisdictions throughout Canada.**
- **Continue to factor in "dominant cause" – Section 4(4) of the act – as an integral part of determining the work relatedness of occupational diseases.**
- **Evaluate occupational disease claims on a case-by-case basis versus a "schedule of occupational diseases."**
- **Structure the role of the Workers Compensation Board chair to be similar to that of other Manitoba Crown corporations and make it a part-time position, in which the chair is compensated on a per-diem basis for attendance at board meetings, plus reasonable compensation for additional meetings, consultations or preparatory time. The chair should be limited to the role defined by the Workers Compensation Act – a non-voting chair of board meetings with no administrative role at the board office.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2004*



## **WORKPLACE SAFETY AND HEALTH SUBMISSION**

Manitoba companies have always placed paramount importance upon workplace safety. An unsafe work environment is a competitive disadvantage, first and foremost in terms of the human costs of injuries, and in terms of decreased productivity. It is for this reason that The Winnipeg Chamber has taken, and continues to take, an active role in advocating policies and initiatives that encourage and enhance workplace safety. Improving safety in the Province is the responsibility of employers and workers, not government. The internal responsibility system is the vehicle by which safety in the workplace should be improved.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Involve key stakeholders in the consultation process on specific changes being considered to safety and health regulations.**
- **Hold employees responsible in situations where employers have exercised due diligence and the employees have failed to meet their responsibilities under the act.**
- **Base improvement orders upon an assessment of the hazards that exist and the risk posed.**
- **Focus on more efficient enforcement of existing safety regulations as opposed to higher fines, which are an ineffective way of improving safety.**
- **Use all or a portion of a fine for a violation to implement remedial measures within that workplace to improve employee safety and health.**
- **Provide the employer with an opportunity to address the issue identified in an improvement order throughout the workplace without multiple improvement orders being written.**
- **Support compliance assurance over administrative penalties for summary offences.**
- **Do not expand the powers of safety committees, in particular changes to legislation which would entitle the safety committee to submit to “arbitration” a dispute regarding the recommendations of one or more committee members.**
- **Implement awareness and education campaigns as opposed to making an ergonomic program a legislated requirement in all workplaces.**
- **Improve access to employee assistance programs as a better approach to dealing with workplace violence.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, November 2001*



## THE PENSION BENEFITS ACT

The main objective of the Pension Benefits Act is to safeguard employees' rights to benefits promised under private pension plans. Over the years, the right of employees to obtain information has increased. There is now more protection for the spouse or common-law partner of a contributing member. In addition, employees who leave their jobs have new options regarding transfer of pension credits.

However, a recommendation for immediate vesting may unintentionally cause a reduction in the number of employees eligible for pension benefits, contrary to the overall goal of increasing pension plan enrolment.

### **Winnipeg Chamber of Commerce Recommendation:**

- **Do not change to immediate and full vesting of basic pension benefits (retroactive to July 1, 1976) because it will inflate pension plan costs with respect to payouts on termination of employees with less than two years service and it will increase the administrative burden on employers.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2003*





## **MINIMUM WAGE**

The Winnipeg Chamber of Commerce believes a fair balance in the timing and application of minimum wage reviews and increases must be sought, properly factoring in variances in economic conditions. Any decision should not be based on the political winds of the day, but on well-established criteria, so businesses can forecast impending changes and have greater stability in business planning and budgeting.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Review the minimum wage every three years.**
- **Base the formal review on the following criteria:**
  - **CPI (consumer price index)**
  - **Provincial GDP (gross domestic product)**
  - **Provincial employment rates**
  - **Average private/public sector wage increases**
  - **Minimum wage levels in other provinces**
- **Implement a two-category minimum wage – a general minimum wage and a wage for industries with gratuities.**
- **Provide at least six months' notice from when an increase is announced to the effective date.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, July 2001*



## CIVIC ENVIRONMENTAL STRATEGY

The Winnipeg Civic Environmental Committee is an advisory committee created by city council to provide advice on environmental and urban sustainability issues.

Environmental matters have a strong effect on quality of life in Winnipeg. They have important implications for public health, economic development, education and community development. Every day, everything we do has some direct impact (positive or negative) on the environment.

The completion of *Sustainable Winnipeg* prompted the Chief Administrative Officer to develop *Embracing Sustainability: An Environmental Priority and Implementation Plan for the City of Winnipeg 2004-2006*. The document identifies the principles and policy objectives recognized in *Sustainable Winnipeg*. Never before in the history of the City have the organization's environmental priorities been bundled together under one cover. Collectively, these documents represent a long-term plan to promote a sustainable city.

### Recommendations:

- **Give greater emphasis to enhancing the role of the private sector in the City's environmental initiatives. Expand on private-public sector partnerships. Use of private sector innovation and technology is critical.**
- **Rely on incentives rather than penalties to achieve desired results.**
- **Consult early on and extensively with the private sector on the comprehensive actions plans that will flow from the environmental strategy.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, October 2003*



## **CLIMATE CHANGE TASK FORCE**

The Manitoba Climate Change Task Force released its final report in September 2001. Entitled *Manitoba and Climate Change: Investing in Our Future*, this final report addresses the implications of climate change for Manitobans and how action may be taken to reduce emissions and slow the rate of change. It contains specific recommendations related to government action, agriculture, transportation, the North, emissions trading, public education and outreach. The task force's report provides a basis for the Manitoba government to develop its own climate change action plan.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Include business in the strategic planning phase (mitigation and adaptation) of addressing climate change.**
- **Implement policies that reward organizations for taking appropriate action.**
- **Provide enough time for companies to adapt to new programs, and offer detailed information on how businesses can adapt to the new policies and programs.**
- **Develop programs that assist organizations in realizing some of the opportunities associated with climate change (i.e. – market identification for climate friendly products and services).**
- **Make a greater effort to inform the business community of the impacts, physically and politically, of climate change on their operations.**

*Adopted by The Winnipeg Chamber of Commerce, May 2001*



## WATER QUALITY

Winnipeg gets its water from Shoal Lake, which is on the border between Manitoba and Ontario and is located within the boundaries of two Ontario First Nations. Water from Shoal Lake flows to Winnipeg by gravity through a 160-kilometre-long aqueduct and is then stored in Deacon Reservoir.

While the City of Winnipeg works with First Nation communities in the Shoal Lake area, the federal government and the provincial governments of Manitoba and Ontario to make sure that development in the area does not affect water quality, there have been instances where it was felt there was a potential threat. In the late '80s, Consolidated Professor Mines Ltd. initiated discussions with regulatory authorities and other watershed stakeholders to proceed with developing a gold mine and concentrating facility. However, a decline in gold prices resulted in Consolidated Professor abandoning the project. In the early '90s, Kenora Prospectors and Miners Ltd. attempted to recover gold from existing tailings at the old Mikado Mine site using a cyanide leaching process, involving toxic chemicals. This operation did not succeed in achieving viable recovery rates because of technical problems in the extraction process and was subsequently abandoned.

In August 2001, a working group representing First Nations communities, the various levels of government and other stakeholders released a Shoal Lake Watershed Management Plan to help guide management of the watershed based upon achieving a sustainable balance among ecological, social and economic needs. The City of Winnipeg and the Provinces of Ontario and Manitoba have endorsed the plan, but as of early 2007, the First Nations communities, as well as the federal government (Indian and Northern Affairs), have not officially signed off on the plan. Despite that, a notification protocol for development proposals, as outlined in the plan, is being followed. This is to provide opportunity for comment.

### **Winnipeg Chamber of Commerce Recommendation:**

- **Restrict any activities within Manitoba's Shoal Lake watershed that would be detrimental to Winnipeg's water supply.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2007*



## **REGIONAL IMMIGRATION POLICY**

There is little doubt that Canada needs a more aggressive immigration policy to ensure a sufficient supply of human capital for our future growth. Immigration facilitated our historical growth and, in many ways, defines who we are and what we have become as a nation. It is, therefore, obvious that immigration must be at the heart of our future growth and prosperity.

We need to not only create an entrance system that will allow more immigrants to Canada, but those individuals must be targeted to match the skill sets required by Canadian industry. The “best and brightest” of the world are increasingly mobile and as we must make sure that we keep our homegrown talent, we must also make sure that our immigration system enhances our chances of attracting highly skilled individuals with the skills we need.

Immigration policy in Canada must respect differences in the needs of our regions and have the flexibility to accommodate local requirements. Differences in industrial sectors, existing workforce skill sets and cultural strengths all contribute to the need for regional flexibility.

The Chamber believes we need changes to the existing system that will allow for an increase in total economic immigrants to Canada and will have the flexibility to satisfy regional economic requirements.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Incorporate greater regional flexibility within the federal government’s immigration policy, particularly as it applies to immigration levels, to reflect and accommodate regional needs.**
- **Work with industry and professional associations to set accreditation standards for immigrants seeking employment within their respective fields in Canada.**
- **Look into the existing point system, which is skewed to the applicant having a specific job to go to, and change the system to one based on a set of skills and a welcoming community.**
- **Assess the skill set of the entire family unit when assessing economic class immigrants.**
- **Automatically grant home status to foreign students, educated in Canada, upon graduation.**
- **Grant private sector visas for companies to use to recruit needed workers.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2006*



## **HARMONIZATION AND STANDARDIZATION OF SECURITIES COMMISSIONS**

Considering current discussions with respect to national versus provincial securities regulation and past difficulties in getting agreement from all provinces on a truly national securities commission, it would seem best to maintain some form of provincial responsibility and flexibility within securities regulations.

Well-designed laws from other jurisdictions should be embraced as a means of improving the legal framework by developing legal standards with an emphasis on corporate and financial institution laws.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Implement some form of Federal Securities Act, national policy or national instrument, which would be enforced by provincial securities commissions. This would give provinces the ability to grant exemption orders and reduce the regulatory burden only when necessary, but would not allow them to raise the level of regulation above the national standard.**
- **Evaluate all current provincial rules and regulations. The Manitoba Securities Commission and the provincial government should attempt to harmonize these rules and regulations with those nationally, unless they can effectively justify the need for a local difference.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2003*



## **CANADA CUSTOMS AND REVENUE AGENCY – ADMINISTRATIVE MONETARY PENALTY SYSTEM**

In December 2001, AMPS was implemented for commercial operations. This new penalty system is designed to address non-compliance with Canada Customs' legislative, regulatory and program requirements. AMPS penalizes dealers if they fail to provide necessary documentation required at the time of release as stipulated in Section 7.1 of the *Customs Act*.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Better determine known audit-related impacts upon importers, as audits can incorrectly place difficulties on importers in a “presumed guilty” concept.**
- **Accurately correlate the severity of all penalties. Currently, penalties do not necessarily correspond appropriately with the AMPS-related infraction.**
- **Judge faults to corporations objectively. Some entities are fined, although the error may not be their fault.**
- **Ensure that information on the CCRA Web site, as the primary source of information on compliance issues, is updated at least once every 24 hours.**
- **Improve training standards for all CCRA officers to ensure AMPS enforcement is consistent, effective and appropriate.**
- **Improve route for transparency, accountability and recourse for CCRA errors.**
- **Empower local CCRA offices with the ability to revoke incorrect AMPS.**
- **Review security relationship to national enforcement of AMPS.**
- **Better relay agreements between FAST (Free and Secure Trade) and AMPS.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, March 2003*



## 17 WING

A National Post article on Tuesday, Feb. 24, 2004, raised concerns about the future of 17 Wing. The following is a portion of that article:

*Canada's army, navy and air force are facing a funding shortfall of up to half a billion dollars, defence sources told the National Post, and the military is recommending drastic measures to make up the difference, including closing some of the largest bases in the country.*

*The federal government is stalling the release of internal documents that outline the looming financial crisis, but military sources said the reports indicate that ... unless additional funding is awarded by the federal government, the air force is suggesting closing bases at Goose Bay, Nfld., Bagotville, Que., and Winnipeg.*

Excluding the three levels of governments, 17 Wing is currently the fourth largest employer in the City of Winnipeg.

17 Wing employs approximately 4,400 people in the greater Winnipeg region, broken down as follows:

- Regular Forces – 2,462
- Reserves – 1,093
- Civilians – 816

When immediate families of the members are included, 17 Wing accounts for 8,000 to 10,000 people in the greater Winnipeg region.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Be proactive in ensuring that 17 Wing remains in Winnipeg and look at ways it can be expanded because it is too important to the City to lose.**
- **Continue to encourage future growth in the aerospace industry through links with the Air Force, which already has a huge economic impact on Winnipeg.**
- **Work closely with all key stakeholders to raise public awareness of the importance of the military to Winnipeg's economy and the devastating impact the closure of 17 Wing would have.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, September 2004*





## **CANADIAN INTERNATIONAL DEVELOPMENT AGENCY (CIDA)**

Over the past few years, CIDA has developed a new approach to implementing its development program, outlined in its Social Development Priorities: A Framework for Action, Strengthening Aid Effectiveness, and Expanding Opportunities through Private Sector Development: Canada Making a Difference in the World.

Since these approaches are new, there is no significant track record. However, the implications are becoming clearer than when CIDA held public hearings on the draft document.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Improve donor co-ordination through CIDA retaining control over the program, but working with other donors and recipient countries to agree on who will provide what types of support.**
- **Do not proceed with a proposed shift toward programmatic and sector-wide approaches in which CIDA would reduce its reliance on discrete projects (over which it exercises a great deal of control) and would support beneficiary governments by providing budgetary support.**
- **Look for ways in which CIDA can reduce the time required for planning and improving interventions.**
- **Increase CIDA's funding of infrastructure, which can contribute to economic development.**
- **Do not adopt the OECD-DAC agreement for Lesser Developed Countries and its definition of "aid untying."**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2004*



## **EMPLOYMENT INSURANCE**

Reforms to Canada's Employment Insurance (EI) program are necessary to advance the fundamental goals of promoting employment and productivity.

The original goal of the EI program was to provide insurance against unintended periods of unemployment. Over the past three decades, however, items such as earning supplements, family-related benefits and training grants to provinces have grown in importance. Since 1995, regular benefits paid to laid-off workers have averaged less than half of total premium revenues collected. Because the EI program has been used to support government spending in a variety of areas completely unrelated to the original purpose, EI premiums have been kept at unnecessary high levels. The break-even level (i.e. – the EI premium rate that would generate revenue equal to the cost of funding the entire EI program on a yearly basis) has been artificially raised.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Phase-in an employer-based experience rating system, reducing premiums for firms that generate fewer claims, thereby making the EI system more efficient and conducive to job creation and stability.**
- **Facilitate further reductions in EI premium rates by operating the EI program as a true insurance program, reducing real wage costs to employers, thereby making it more attractive to hire more workers and increase real wages.**
- **Reduce the employer EI premium rate (currently 1.4 times higher than the employee premium rate) to equal the employee premium level.**
- **Devise and implement a system that allows for over-contributions by employers to be refunded.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, September 2007*



## **IMPROVING CANADA'S STANDARD OF LIVING AND QUALITY OF LIFE**

If the standard of living of Canadians continues to lag, our ability to support and pay for programs, such as education, healthcare and infrastructure, may be undermined and so will our quality of life. Improving productivity is key to future prosperity.

High marginal tax rates also send a strong negative message about the merits of working and upgrading one's skills, plus they discourage personal saving by reducing the ability and the incentive for Canadians to save for retirement and for entrepreneurs to fund capital investments and take risk.

High effective tax rates on capital further impede investment, job-creating foreign direct investment and investment in capital equipment, impacting worker productivity and our ability to compete.

Expenditures on income transfers and the extension and enhancement of EI benefits for high unemployment regions of the country create disincentives for work and personal skills upgrading. If employers' real wage costs were reduced by returning the EI program to its original goal of providing insurance against unintended periods of unemployment, employers would be in a better position to hire more workers and increase real wages for employees.

Burdensome regulation also undermines our nation's competitiveness and attractiveness to entrepreneurs, knowledge workers and investors.

Internal trade barriers keep firms from growing to a size large enough to compete effectively in foreign markets, cause investors to look to other countries to locate their business, artificially raise prices and increase the cost of doing business.

A competitive economy also relies on post-secondary graduates. The more educated the labour force, the easier it is to: shift into higher value-added economic activity that supports high wages, attract foreign direct investment and commercialize new technologies.

With an aging population, Canada will have to compete with other industrialized countries for a limited pool of skilled immigrants to augment its labour force.

Investment in transportation and broadband infrastructure boosts international trade and tourism, offers innovative ways to live, work and learn and contributes to a higher quality of life for all Canadians.

## **Winnipeg Chamber of Commerce Recommendations:**

### **REGULATIONS**

- **Undertake a cost/benefit analysis on all existing and proposed federal regulations.**
- **Implement a mandatory, five-year cyclical review of regulations to determine continued relevancy.**
- **Streamline all regulations, where appropriate, that duplicate provincial/territorial regulations.**

### **TRADE AND LABOUR MOBILITY**

- **Work with the provinces/territories to implement the Agreement on Internal Trade.**
- **Examine how the Investment and Labour Mobility Agreement (TILMA) provisions could be applied more broadly to reduce interprovincial barriers to trade and labour mobility.**
- **Continue to support the World Trade Organization on bilateral trade and investment agreements.**

### **INFRASTRUCTURE**

- **Continue to invest in productivity-enhancing critical infrastructure (transportation, border, etc.) and encourage private sector participation.**

### **EDUCATION**

- **Boost investment in education and ensure effective spending on high-quality, broadly accessible programs.**

### **IMMIGRATION**

- **Ensure Canada's immigration system enhances our chances of attracting individuals with desired skill sets.**
- **Adopt a quality-assurance framework to ensure consistent decision-making when selecting immigrants.**
- **Ensure visa officers receive sufficient and appropriate training and have the necessary tools and means to assess immigration applications more effectively and efficiently.**
- **Work with industry and professional associations to promote and support the development of national and international accreditation standards to evaluate foreign credentials, professional and trade qualifications and certification in regulated and non-regulated occupations.**

## **RESEARCH**

- **Expand collaborative R&D opportunities by facilitating access by Canadian research institutions and firms to international research initiatives.**
- **Build linkages and relationships between the public and private sectors.**
- **Encourage small and medium-sized enterprises (SMEs) to enter the SR&ED tax credit program.**

## **E-BUSINESS**

- **Work with the private sector to accelerate e-business adoption among small and medium-sized enterprises.**
- **Rely on private-sector investment to drive the rollout of broadband to underserved areas of the country, but where market forces are not sufficient, federal government contributions should be introduced in the least market-distorting manner possible.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, September 2007*



## SR&ED INCENTIVES

Stimulating business spending on research and development will ensure that Canada remains at the forefront of scientific capability, enhancing our ability to shape and improve our nation's future. Over time, it can lead to higher productivity growth, economic growth and living standards. The SR&ED (Scientific Research and Experimental Development) tax incentive program has encouraged investment in R&D and boosted profitability and cash flow. However, the program can be improved to maximize its effectiveness and impact.

SR&ED investment tax credits (ITCs) are only marginally effective for corporations that do not qualify for refundable ITCs, such as publicly-controlled corporations; non-resident controlled corporations; a combination of the above; and certain CCPCs due to restrictions on taxable income and taxable capital for the prior year, or by virtue of certain association rules. When ITCs are not fully refundable, they do not provide the critical assistance firms need to weather a sustained downturn. Instead, they are only available to these companies if they have taxes owing.

In the current economic environment, many companies wanting to continue R&D no longer have access to the credits because they are in a loss position.

“The problem is that the structure of the SR&ED tax credit rules is an all or nothing structure. Either one can use credits (through refundability for small CCPCs or against taxes payable for profitable companies) or one cannot.”  
(Source: Information Technology Association of Canada (ITAC). *An Alternative for Extending Refundability of SR&ED Tax Credits*. January 2007).

### **Winnipeg Chamber of Commerce Recommendations:**

#### **That the federal government**

- **Expand refundability of the SR&ED tax credit to all R&D performers**
- **Offset SR&ED tax credits against a pre-tax levy, such as employer EI premiums**
- **Consider expanding the ITC for collaborative R&D (i.e.- industry-industry, industry-university and industry-government). Continue to build linkages and relationships between the public and private sectors by fostering collaboration among university, college and government researchers**

- **Implement a focused and sustained effort to encourage SMEs to enter the SR&ED tax incentive program. Continue to clarify and simplify forms and publications to facilitate access for small business and to reduce compliance costs**
- **Review administrative procedures relating to the SR&ED program in other countries and adopt best practices**
- **Continue to increase awareness of the SR&ED program both at home and abroad**

*Adopted by the Winnipeg Chamber of Commerce board of directors, June 2009*



## **BALANCED BUDGET**

Manitoba's auditor general, in releasing his report on the Audit of the Public Accounts on Jan. 5, 2005, revealed that the Province ran a \$604-million deficit for the year ended March 31, 2004. However, the provincial government in a news release dated Sept. 30, 2004, indicated: "Manitoba's public accounts show that the Province achieved a positive operating balance of \$13 million for the 2003-2004 fiscal year under the terms of balanced budget legislation."

As a result, the auditor general urged that balanced budget legislation be strengthened and recommended that:

- 1. Summary financial statements should be used to determine compliance with balanced budget legislation**
  - *This incorporates the use of generally accepted accounting principles (GAAP)*
  - *Reflects the annual operations of all government activities*
  - *Is the same basis as federal government and most other provinces*
- 2. Eliminate the operating fund (special purpose) financial statements**
  - *Incomplete annual results - fails to incorporate the operation of all government organizations*
  - *Non-GAAP financial statements*
  - *Creates confusion by having two sets of financial statements*

### **Winnipeg Chamber of Commerce Recommendation:**

- **Restore fiscal and legislative accountability and transparency for all Manitobans by immediately adopting the recommendations of Manitoba's auditor general and amending the balanced budget legislation to provide a complete fiscal position of the Province.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2005*





## **INNOVATION SCORECARD**

In April 2003, the Manitoba government released *An Innovation Framework for Manitoba*, a strategy that builds on Manitoba's existing innovation and technology infrastructure and focuses on emerging strengths. The Chamber feels it is critical to quantitatively measure the strategy's effect on the economy.

### **Winnipeg Chamber of Commerce Recommendations:**

**Evaluate and track the progress/success of the strategy on the following basis and compare the data with other provinces and the national average to determine Manitoba's competitiveness.**

#### **1. Innovation outcomes**

- **Manitoba's real Gross Domestic Product (GDP) per capita**
- **Labour productivity (real GDP per hour worked in business)**
- **High-tech sector GDP**

#### **2. Skills**

- **Percentage of the population with post-secondary credentials**
- **Bachelor degrees in science and engineering**
- **Grade school math and science assessments**
- **Education level of immigrants**
- **Research workforce per 100,000 population**
- **Percentage of workforce in natural and applied science jobs**
- **Number of Masters and PhD students in Manitoba universities and percentage of those retained here after graduation**

#### **3. Knowledge performance**

- **Venture capital investments per capita**
- **Research and development (R&D) expenditures of post-secondary institutions funded by business**
- **University technology licensing**
- **Measure R & D performance (business, higher education and government sectors as a percentage of GDP)**
- **Manitoba government's R&D investment – absolute/per capita**
- **Innovation performance (external/national patent applications, human capital devoted to R&D)**
- **Innovative manufacturing firms**

**4. Innovation environment**

- **Individual and corporate tax rates**
- **Manitoba gross fixed business capital investment as per cent of GDP**
- **Inter-provincial migration/retention based on age demographic**
- **Community-based innovation indicators – Internet connectivity of technology-based companies, technology clusters**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2005*



## POST-SECONDARY EDUCATION FUNDING

For years, post-secondary institutions have indicated that without the ability to increase tuition and a lack of adequate provincial funding, they are struggling to make ends meet and compete with other jurisdictions.

The Winnipeg Chamber of Commerce believes that having world-class, quality post-secondary facilities is critical to our community, and the funding issue must be addressed because the current funding formula is contributing to an ongoing decline in institutions.

As part of its policy process, The Chamber invited representatives from the three major post-secondary institutions in the province (University of Manitoba, University of Winnipeg and Red River College) to provide a greater understanding of the financial challenges they currently face.

In examining the issue of post-secondary education funding, the task force focused on three areas:

- The government's current tuition freeze policy
- The need for long-term funding agreements for post-secondary education
- The role of the private sector in funding education in Manitoba

### **Winnipeg Chamber of Commerce Recommendations:**

- **Provide adequate and sustainable provincial funding to Manitoba post-secondary institutions to ensure they are able to deliver a world-class education**
- **Address the funding shortfall in the short-term by gradually phasing out the tuition freeze policy in favour of measures such as loans and bursaries**
- **Establish a task force to examine and identify the challenges, such as funding, faced by post-secondary education in the province**
- **Develop a stronger relationship between the private sector and post-secondary institutions to address the funding issue as well as challenges facing the business community**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2006*



## PROVINCIAL GOVERNMENT SPENDING

In today's globally competitive business environment, it is imperative that government create a climate that attracts new business and allows existing businesses to prosper.

Various economic indicators have shown that Manitoba continually lags behind other provinces, whether in taxation levels, job growth or average weekly wages.

In an effort to achieve a more economically competitive climate, tax relief is a key component, but the only way taxes can be reduced is through a combination of increased revenues and spending reductions.

Repeated budgets have shown that the provincial government has not focused on expenditure reduction. This must become a priority. Any provincial government spending policy should be based on four principles:

- **Sustainability** – Is the spending sustainable over a continued timeframe?
- **Transparency/Simplicity** – Spending should be structured so it can be clearly understood by taxpayers and is inexpensive to administer.
- **Accountability** – The government must be publicly accountable to taxpayers for money raised and expended.
- **Efficiency** – Government spending should be done in the most efficient manner and performance measures established.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Create a culture in the public sector that inspires and rewards employees for finding efficiencies.**
- **Set a target. to reduce provincial government reliance on equalization payments by a minimum of 10 per cent per year with a goal to eliminate reliance on equalization payments from the federal government in an effort to generate economic growth.**
- **Set a target of having Manitoba's annual spending as a percentage of GDP among the top three most competitive of all provinces.**
- **Continually evaluate government expenditures for efficiencies and effectiveness. To that end, establish a Commission on Efficiencies that will engage the public in determining if provincial services are being provided in a cost-effective and efficient manner.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, March 2007*



## SET ELECTION DATES

In 2001, British Columbia became the first province in Canada to adopt legislation setting provincial election dates, and in 2005, it was the first province to hold an election on a set date.

The federal government and Ontario, Newfoundland/Labrador, PEI, New Brunswick and Saskatchewan have since adopted similar legislation, setting a four-year timeframe for elections to be held (the month varies). This is similar to what is already in place for municipal elections in Manitoba and many other jurisdictions.

The Winnipeg Chamber of Commerce believes that there are a number of advantages to having set election dates:

- **Fairness:** A governing party would not be able to time an election to exploit conditions favourable to its re-election. Fixed election dates level the playing field, provide greater fairness for all concerned and reduce public cynicism about political motives.
- **Transparency and Predictability:** Fixed election dates bring certainty to the voting process and provide transparency as to when general elections will be held. Rather than decisions about election dates being made behind closed doors, general election dates are public knowledge.
- **Improved Governance:** Fixed election dates allow for better policy planning, enabling agendas to be set out well in advance and making work more efficient. Fixed election dates allow for better planning by election officials and help ensure voters' lists are up-to-date.
- **Higher Voter Turnout:** Ensuring elections are not held in the winter or summer makes the voting process more accessible, particularly to students and seniors. Citizens can plan in advance to participate in the electoral process.
- **Candidate Participation:** People who would like to run for public office can better prepare for the life changes required.

### Winnipeg Chamber of Commerce Recommendations:

- **The Province amend the Legislative Assembly Act to set fixed elections every four years with a preference for it be held on the second Tuesday in May, notwithstanding motions of non-confidence votes.**
- **The Province make a provision, should there be a conflict with a day of cultural or religious significance or a federal election, for the Chief Election Officer to recommend an alternate polling day.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 24, 2008*



## SUNDAY SHOPPING

*“The whole concept of shopping is changing from getting your necessities. It’s becoming an experience. The buying process is undergoing a paradigm shift. People see shopping now as a form of recreation.”* – John Wojcicki, president and CEO of Retail Alberta.

International Data Corporation (IDC) Canada Ltd. indicates a phenomenal growth in e-commerce. In 1998, revenues in Canada were \$5.3 billion. By 2003, that had grown to \$80.4 billion - a growth rate of 1,416 percent. Those soaring numbers have a huge impact on the way consumers shop and businesses function.

Across Canada, more jurisdictions are moving toward either expanding Sunday shopping or eliminating an existing ban.

In October 2006, the Supreme Court of Nova Scotia released a decision that invalidated certain regulations restricting shopping on Sunday and holidays. The Provincial Government opted not to appeal and changed its regulations to allow all retail stores to determine the days they choose to be open. It did not impose restrictions on store hours.

In November 2006, Prince Edward Island indicated it would expand Sunday shopping from the four weeks leading up to Christmas to the period from Victoria Day (the end of May) to the end of the year.

The Winnipeg Chamber of Commerce supports Sunday shopping.

### ***Freedom of Choice for Retailers and Customers***

The Chamber views Sunday shopping largely as a rights issue. Consumers and retailers – not governments – should decide who shops and who does not on Sundays just as they do every other day of the week. We note that every industry in Winnipeg has the right to be open on Sunday except the retail sector.

### ***Consumer Support for Sunday shopping***

A Winnipeg Chamber of Commerce poll in March 2004 showed a majority of 18 to 34 year olds support Sunday shopping.

### ***Employment Opportunities***

The Chamber believes that Sunday shopping generates job opportunities and given the status of our economy, this is a factor that cannot be overlooked.

## **Current Sunday Shopping Legislation across Canada (*Updated 2006*)**

British Columbia	Unrestricted
Alberta	Unrestricted
Saskatchewan	Unrestricted
Ontario	Unrestricted
Yukon	Unrestricted
NWT	Unrestricted
Newfoundland	Unrestricted
Nova Scotia	Unrestricted
Quebec	8 a.m. – 5 p.m.
New Brunswick	Noon – 5 p.m.
PEI	Limited
<b>Manitoba</b>	<b>Noon – 6 p.m.</b>

### **Winnipeg Chamber of Commerce Recommendation:**

- **Allow retail outlets to be open for business, at the discretion of the business owner, without government-imposed restrictions.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, 2006*



In December 2005, The Winnipeg Chamber of Commerce established a Task Force to examine the issue of taxation levels in the Province of Manitoba.

In today's globally competitive business environment, The Winnipeg Chamber of Commerce believes it is imperative that government create a climate that attracts new business and allows existing businesses to prosper.

Business leaders have clearly told us that they don't believe Manitoba's business climate is competitive with other provinces.

The Winnipeg Chamber of Commerce believes that any tax policy must support the following three principles

1. **Growth** – The tax system should contribute to economic growth
2. **Transparency** – The tax system should be structured so that it can be clearly understood by the taxpayers and administered by authorities in an impartial and predictable manner.
3. **Accountability** – The government must be publicly accountable to taxpayers by money raised and expended by it.

As part of our policy process The Chamber examined the taxation measures that provide revenues for both the municipal and provincial governments and measured them against the above principles.

#### **Winnipeg Chamber of Commerce Recommendations:**

- **Implement long-term provincial and civic tax strategies to provide the business community with confidence and certainty that tax reduction is a priority.**
- **Set a target of having Manitoba's tax levels in the top three most competitive when compared with other provinces.**
- **Look at the provincial tax threshold levels on an annual basis to ensure they are competitive with other jurisdictions.**



## **PROVINCIAL TAXES**

### **Personal Income Tax**

- Index brackets to be consistent with other provinces – middle income. Income threshold should be increased to match Saskatchewan (65,000 in Manitoba – 100,000 in Saskatchewan)
- Raise lowest personal income tax bracket to \$35,000

### **Provincial Sales Tax**

- Apply the PST in the manner intended, which was to tax tangible personal property

### **Corporate Income Tax**

- Index tax thresholds to inflation on an annual basis
- Implement a provincial tax rate of zero per cent for the first \$200,000, which would provide working capital for small businesses
- Create a tax rate that is in the top three most competitive when compared with other provinces on a current basis (Manitoba is currently 7th)

### **Capital Tax**

- Eliminate this tax over a five-year time frame

### **Payroll Tax**

- Eliminate this tax over a five-year time frame

### **Consumption Taxes**

- Harmonize the PST and GST
- Dedicate road-use fuel taxes in their entirety to highway and road construction

### **Land Transfer Tax**

- Replace with a fee equal to the cost of the service

### **Property Taxes**

- Commit to the elimination of the education portion of both the residential and commercial property tax over five years

## **TAX INCENTIVES**

The Chamber is concerned that incentives are only created when a poor tax structure exists. The Chamber believes that with a strong economy, fair labour laws and a competitive tax structure, there is no need for tax incentives.

The task force does, however, make the following recommendations:

**R & D tax credits** – Make R & D tax credits refundable and lower the rate in recognition of such change

**Manufacturing credit** – Replace the manufacturing tax credit with an exemption from the PST on capital equipment

**Dividend tax credit** – Structure the dividend tax credit to ensure that equivalent amounts of tax are ultimately collected on business income whether earned directly by individuals or indirectly through corporations

## **MUNICIPAL TAXES**

The task force acknowledges the City of Winnipeg is challenged by having growth taxes that provide an increase in revenues. There needs to be a shift in the way taxes are collected.

The City should look at other options to generate revenue: user fees and a tax shift from other levels of government.

In terms of the taxes the City of Winnipeg collects, The Chamber makes the following recommendations:

### **Property Taxes**

- Reduce property taxes for residential and commercial properties

### **Business Taxes**

- Implement a cap on revenues generated by the business tax
- Institute a series of threshold exemptions bases on assessed rental property values, increasing annually over seven years, leading to the total elimination of the business tax

### **Entertainment Tax**

- Move towards the elimination of this tax, which is the only one of its kind levied across Canada

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2006*



## **BUSINESS TAX**

Winnipeg's business community agrees that the private sector must pay its fair share of taxes in support of core civic services. Businesses, through individual property taxes and commercial property taxes, contribute to our civic government's ability to meet the evolving needs of the community. The municipal business tax, however, places a disproportionate tax burden on local business, particularly small business, for which there are no corresponding services received.

Ultimately, the business tax is viewed by the private sector as a tax levied for the privilege of doing business in Winnipeg and thus a hindrance to the development of a competitive environment. This is further exacerbated by the fact that Winnipeg is one of the last major Canadian cities with a business tax.

### **Background**

Eliminating the business tax, regardless of the strategy ultimately agreed upon, will have a myriad of beneficial impacts, most notably the stimulating effect a reduced tax burden for business will have on the local economy. This is particularly true for small business operators.

Other urban centres have made significant progress in reducing their business tax burdens. The status quo is a step backwards for Winnipeg and an option we can no longer afford. We must move beyond debating the merits of cutting the business tax to a discussion on how this is to be accomplished.

*The Winnipeg Chamber of Commerce has had long-standing policy recommendations in regards to the process for eliminating the business tax.*

### *Winnipeg Chamber of Commerce Policy Developed in 2001*

#### *Step One*

The City of Winnipeg must state publicly its commitment to eliminating the business tax. This commitment must be made in the form of an immediate cap on the revenue generated by the business tax at the 2000 Budget level of \$55.9 million. Revenue in excess of the cap would be applied to lowering the business tax rate. The cap must remain until a detailed blueprint for cutting the tax entirely is put into force.

### *Step Two*

Commit to a seven-year timeline for the elimination of the business tax.

### *Step Three*

Institute a series of threshold exemptions based on assessed rental property values. If, for example, the first threshold were set at \$10,000, any business with an annual rental property value of less than \$10,000 would not pay the tax. The exemption threshold would increase annually over seven years, leading to the outright elimination of the business tax.

### *City of Winnipeg Progress on Business Tax*

In June 2007, the Mayor's Economic Opportunity Commission recommended that the business tax be phased out within six years. The Commission also outlined a balanced approach to offsetting the income derived from the business tax from four areas:

- Expenditure savings
- Alternative revenue
- Priority allocation of revenue growth
- Province / city efficiencies and growth-based provincial funding

In the City's 2008 draft operating budget approved by EPC, the business tax remained at the current level (7.75%) and there was no projected decrease in revenues through 2010.

In the City of Winnipeg's 2009 Operating Budget businesses with an annual rental value (ARV) of \$14,040 or less in 2009 were eligible to claim a business tax credit. It is estimated that 3,865 businesses, or 33% of all businesses, will receive an offsetting credit reducing their 2009 municipal business taxes to zero. There is no application process required, since the credit is based on the business assessment, it will be applied automatically once the eligibility criteria is met.

In the City of Winnipeg's 2010 Operating Budget it was recommended that the City's business tax rate be reduced from 7.75% to 6.39% to reflect the general assessment. (Note: 2010 business tax revenue will remain at 2009 levels, adjusted for new assessable businesses).

It was also recommended that Council enact the attached Small Business Tax Credit by-law under Subsection 219(2) of the City of Winnipeg Charter, which will provide a full rebate of municipal business taxes for businesses with an annual rental value of \$19,260 or less in 2010.

## **Challenge**

Due to the recent increased assessments some businesses have experienced dramatic increases in the amount of business tax they are required to pay – some in excess of 50 per cent.

Business tax notices are typically sent to businesses in the third week of April and are due the last working day of May (Approximately 5-6 weeks notice).

### **Winnipeg Chamber of Commerce Recommendations:**

- **Implement an immediate cap on the revenue generated by the business tax.**
- **Apply revenue in excess of the cap to lowering the business tax rate.**
- **Continue to institute a series of threshold exemptions based on assessed rental property values, increasing annually over seven years, leading to the elimination of the business tax.**
- **For business owners that experience a business tax increase in excess of 20 per cent they must be contacted directly by the City of Winnipeg's Taxation Department.**
- **In addition due to the potential negative economic impact - business owners that experience increases in excess of 20 per cent must be given a period of six months before the taxes are due without penalty**

*Adopted by The Winnipeg Chamber of Commerce board of directors, September 2010*



## ENTERTAINMENT FUNDING TAX

The Winnipeg arts community is widely recognized for its talent and diversity; however, it continues to be hampered by the entertainment funding tax, formerly the amusement tax. This tax, the only one of its kind levied across Canada, deters positioning Winnipeg as THE multi-cultural centre of Canadian arts, culture and entertainment.

This tax benefits few within Winnipeg's arts community, a community that mostly represents small, not-for-profit organizations and locally run productions. Many groups pay the tax "off the top" rather than adding the tax to ticket prices.

Out-of-city organizations or local productions recognize Winnipeg as a viable and receptive location for their programs. However, the high cost and disadvantageous nature of providing entertainment here may be a deterrent.

Ultimately, this tax provides minimal economic benefit to residents of Winnipeg, marginalizes the entertainment-seeking public and serves to drive away future arts, culture and entertainment opportunities as sources of potential revenue for the City.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Apply a tax equal to 10 per cent of the ticket price on all first-run cinema tickets, to be levied directly on film distributors, not the ticket-buying public. Allocate \$1 million of this potential revenue from a cinema seat tax to the Winnipeg Arts Council.**
- **Adjust the tax for sporting venues (because of existing special deals with Winnipeg Enterprises Corporation, the Winnipeg Goldeyes and the True North Group) so that a seat facility tax is applied to replace the tax in business plans. Implement a sunset clause, specifying that the seat facility tax agreement will only last as long as the current agreements are in place.**
- **Divert the line budget item designated for the New Homeowner's Tax Credit to arts and culture funding.**
- **Eliminate the entertainment funding tax, and allocate \$2.5 million raised from the cinema seat tax and the New Homeowner's Tax Credit towards the Winnipeg Arts Council.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, June 2002*

**ACHIEVED – 2006**



## VALUE-ADDED TAX

In its 2009 budget, the Ontario government proposed that, effective July 1, 2010, its Retail Sales Tax (RST) be converted to a value-added tax structure and combined with the federal GST to create a federally administered single sales tax. The single sales tax would have a combined tax rate of 13 per cent (eight per cent provincial and five per cent federal).

The federal government would provide Ontario with \$4.3 billion in cash transfer payments — \$3 billion upon implementation of the combined sales tax on July 1, 2010, and \$1.3 billion on July 1, 2011, to support the transition to the new value-added tax.

Businesses pay RST on many inputs, including capital goods, related to the production of goods and services. The prices consumers pay reflect these embedded taxes. In contrast, businesses are able to recover VAT on the materials and services that they buy to make further goods or services directly or indirectly sold to end-users; thus, they are able to price their products, including those that are exported, more competitively.

RSTs in British Columbia, Saskatchewan, Manitoba, Ontario and Prince Edward Island significantly increase their respective marginal effective tax rates (METRs) on new business investment. In Budget 2009, the federal government stated: “If all five provinces currently imposing an RST were to adopt harmonized value-added taxes, the METR for Canada on new business investment would be reduced by more than seven percentage points.” A reduction of this magnitude would have a significant positive impact on the competitiveness of Canadian businesses.

According to the C.D. Howe Institute, more than one-third of RST revenue collected in Ontario is from taxing intermediate and capital goods. The Institute estimates that Ontario’s RST on capital investment increases the province’s METR on capital from 28.2 percent to 37.0 percent. Removing it in favour of a tax system that does not bear on business inputs would boost capital investment in Ontario by \$36 billion. This would serve to increase productivity and economic growth.

Harmonization would also simplify the tax system. It would reduce compliance and administrative costs on businesses by combining paperwork and related efforts into one system instead of two.

With a harmonized sales tax, consumers could pay tax on certain goods and services currently exempt from RSTs, but are subject to the GST. If provinces

decide to mitigate the impact on consumers by reducing the provincial component of the harmonized sales tax, provincial government revenues will be reduced. Some provinces could see reduced government revenues by switching from an RST tax base to the GST tax base, while keeping their RST rates the same.

The federal government could provide relief directly to individuals – a tax rebate to lower-income individuals similar to the GST rebate to ensure that they are not adversely impacted by the change to a more broadly-based tax.

### **Winnipeg Chamber of Commerce Recommendation:**

#### **That the federal government:**

- **Redouble its efforts to persuade provinces that currently level retail sales taxes (RSTs) to switch to a value-added tax (VAT)**
- **Provide transitional financial assistance to convince the provinces to switch to a VAT.**

*Adopted by the Winnipeg Chamber of Commerce board of directors, June 2009*

*Adopted by the Canadian Chamber of Commerce board of directors June 2009*





## **CANADA TRANSPORTATION ACT REVIEW**

The CTA, which came into effect in 1996, required a comprehensive review to be undertaken within four years. The CTA Review Panel began its work July 1, 2000, and was given a one-year mandate to review the economic regulation of transportation activities. The minister asked that the panel consider: the effectiveness of the legislative and regulatory environment to sustain capital expenditures required to enhance productivity and promote innovation; support for Canadian transportation stakeholders in meeting global logistics requirements and adapting to the new e-business environment; public policy issues that may emerge from newly arising industry structures; government powers to support sustainable development projects; and the advisability of measures to preserve urban rail corridors for future mass-transit use.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Allow market forces in a competitive environment to be the foundation of the national transportation policy and the basis of economic regulation.**
- **Look to the Competition Act as the over-riding policy framework. The role of the Canada Transportation Act and the Minister of Transport in economic regulation is to support competition through oversight of the transportation industries.**
- **Include policy considerations, such as safety (the Minister of Transport's primary responsibility), sustainability and accessibility, under other legislation. While important, they are simply criteria that actions under the overall statement of transportation policy should respect.**
- **Set out a legislative framework in a new CTA that applies equally to all transportation modes. While regulations may vary depending on the transportation mode, the under-lying principles should be the same.**
- **Establish a common legislative framework for infrastructure operators. This would govern the issue of rail access and ensure it is covered by principles equally applicable to all transportation modes.**
- **Provide dedicated sources of financing for infrastructure provided or funded by the public sector. Fuel taxes should be recognized as user fees and dedicated to the support of the specific transportation modes which generated the revenue. The corollary is that fuel tax rates should be reduced where revenue is in excess of program needs.**

- **Provide a competitive environment, which supports the application of market forces in the governance of industry behaviour to the benefit of transportation users. This can be done by providing service alternatives or through the effective threat of new entry.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2001*



## **CENTRE OF EXCELLENCE IN TRANSPORTATION AND LOGISTICS**

The Economic Innovation and Technology Council (EITC) has initiated a study to identify enhancements to Manitoba's education, training and research capabilities in transportation and logistics required to support Winnipeg's evolving role as an internationally competitive gateway and hub. The study will focus on the requirements to establish Winnipeg as a "Centre of Excellence" in transportation and logistics education, training and research capabilities. The Winnipeg Chamber of Commerce is the lead agency in undertaking the study and EITC is a member of the steering committee.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Call on the private sector, all levels of government and academia to work in partnership with The Chamber and transportation industry sectors to:**
  - **Identify and commit the pre-requisite level of funding and support from business, government and academia for education and research in transportation and logistics**
  - **Nurture and develop a Centre of Excellence in Transportation and Logistics built upon Winnipeg's current institutional capabilities, including the University of Manitoba Transport Institute.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, November 2001*



## CITY OF WINNIPEG TRUCK ROUTES

The intent of the truck route system in the City of Winnipeg is to restrict, where practical, the movement of trucks (with six or more tires) to arterial streets, those streets that are wider and have thicker/stronger pavement.

The Winnipeg Chamber of Commerce is concerned that designated truck routes in the city can be discontinued based on political criteria as opposed to sound, objective, community-based criteria.

The Chamber believes the current network of designated truck routes should be maintained and that stakeholders and bureaucrats should develop future planning of truck routes in the City of Winnipeg in partnership.

The City of Winnipeg should develop and maintain a transportation system that benefits business and has minimal impact on residential and commercial areas. There is a need to ensure seamless integration into the provincial highway system.

The City of Winnipeg in partnership with the business community has actively sought to promote itself as a major transportation hub within North America. It is essential that the City of Winnipeg supports, maintains, enhances and develops the existing and future infrastructure needs to maintain our position as a major transportation hub.

The Chamber believes there is a need to put in place clear criteria in regards to truck routes within the City of Winnipeg in an effort to reduce conflicts between residents and the trucking industry.

### **Winnipeg Chamber of Commerce Recommendations:**

- **Encourage the City of Winnipeg to develop a transparent truck route policy as part of a long-term economic development strategy.**
- **Implement a clear, formalized and balanced truck route policy that includes mechanisms for designating and discontinuing truck routes and reflects input from various stakeholders.**
- **Be more transparent in ensuring stakeholders are given acceptable notification by the City when issues surrounding the establishment or changes to the current truck route system are discussed.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, January 2005*



## **INTERNATIONAL SCHEDULED AIR SERVICES**

Winnipeg is not satisfied with its current level of international scheduled air services. Indeed, beyond limited transborder services to the United States, Winnipeg no longer has any direct non-stop international (scheduled) services. Such services are essential to support trade and commerce for both goods and people, business and tourism. Toronto serves as the primary access for local business to international markets, followed by Minneapolis, which provides 30 per cent of Winnipeg's international access services.

Winnipeg and Manitoba, as relatively small markets, face special challenges in developing more direct non-stop international services. These challenges could, in part, be overcome with a liberal environment in order to take advantage of opportunities at the margin.

The Chamber recognizes the realities of market economics for Canadian carriers that wish to feed their network hubs. Winnipeg's geographic location, however, does provide a significant economic advantage. The past international air policy, focused on the needs of Canadian carriers, has not permitted Winnipeg to fully exploit its geographic advantage.

### **Winnipeg Chamber of Commerce Recommendation:**

- **Manitoba favours further liberalization of international air services, including negotiation with the United States on the "Open Skies" treaty. Manitoba, while generally supportive of liberalization of international air cargo, is however concerned that introduction of cabotage-like liberalization of trans-border services holds the potential to put the Canadian air cargo industry at a competitive disadvantage versus the U.S.**

*Adopted by The Winnipeg Chamber of Commerce board of directors, May 2001*



## FOREIGN TRADE ZONES

The U.S. Foreign-Trade Zone Board defines a Foreign-Trade Zone (FTZ) as a physical area within the United States that, for customs purposes, is treated as if it is outside U.S. borders.

The FTZ program was developed to provide American firms with financial incentives for value-added manufacturing and processing by allowing them to source low-cost materials from outside the U.S. for incorporation into final products. This arrangement helps to level the playing field with international low-cost competitors as companies operating in FTZs are able to use the advantages of the program to facilitate storage, distribution, manufacturing and value-added activity. The products that are manufactured or value added in a FTZ can be sold domestically or re-exported.

FTZs may be defined strictly to a specific geographic area or defined instead by the firms registered under the program. While often there are specific boundaries to FTZ, they are not necessarily confined to a contiguous space. For example, six locations spread among four cities make up the Minneapolis-St. Paul FTZ and include such sites as the airport, two industrial parks and the Minneapolis Convention Center. The flexibility of the FTZ program allows for individual firms to receive special “sub-zone” designation to enable for FTZ rules to be applied to these firms in multiple locations. In addition FTZs support the development of gateways – something Canada needs to give serious thought to given the current gateway initiatives underway. Most effective global logistics centres have FTZs as integral components.

FTZs also help to attract economic activity that in the absence of an FTZ would be done offshore. FTZs add to the economic activity that takes place – they are not established to merely relocate existing activity. The 67th annual report of the Foreign-Trade Zones Board to the Congress of the United States, reported that in 2005, the combined value of shipments into general-purpose zones and subzones totaled \$410 billion, compared with \$305 billion the previous year. Of this, general-purpose FTZs received \$69 billion in merchandise, while subzones received \$341 billion worth of shipments – 83 per cent of zone activity took place at subzone facilities, which is consistent with the pattern over the past 15 years. Finally, approximately 340,000 persons were employed at some 2,500 firms that operated under FTZ procedures during the year.

The closest parallel to a FTZ in Canada is a pilot project at CentrePort Canada. This single window access to FTZ-like programs is a first step towards implementing better promotion of the applicable programs as well as facilitating easier access. It is a combination of the Export Distribution Centre (EDC)

Program and the Duty Deferral Program. These programs are administered by the Minister of National Revenue, the Canada Revenue Agency (CRA) and Canadian Border Services Agency (CBSA). The CentrePort Canada (CPC) single window has a designated contact in CBSA and CRA and is supported by a Task Force comprised of representatives of different departments of the three levels of government in Winnipeg.

CPC has mapped out the application process for the programs accessible through the single window. The CPC pilot project and other parts of Canada's Foreign Trade Zone (FTZ)-like legislation, provide many of the benefits of FTZs in other countries, but not all. Canada's programs are heavily focused on companies that export the bulk of their production. There are also significant constraints on the permitted amount of value added. The programs are complex and overlap and may require the use of more than one program for maximum benefit; thus as noted previously, multiple federal departments are involved. As it stands right now, the FTZ-like programs have limited promotion because these programs are only a fraction of the many programs administered by CRA and CBSA.

Subsequently, Canada is the last G 8 nation to fully enact the trade incentives offered through a FTZ program and is still behind a number of OECD and developing nations.

FTZs offer a flexible, streamlined, profitable approach to the movement of goods and services that will encourage Canadian businesses to take advantage of manufacturing, storage, distribution, value added, domestic and re-export trade opportunities. An effective and efficient FTZ program will ultimately increase Canada's competitiveness in the global supply chain.

#### **Winnipeg Chamber of Commerce Recommendation:**

##### **That the federal government:**

- **Use the nomenclature Foreign Trade Zone (FTZ) in creating a program that restructures and fully integrates current FTZ-like programs into a single program with one federal point of contact for potential users;**
- **Reduce or remove the restrictions on the amount of added value activity that can occur in a FTZ;**
- **Allow companies that sell a significant proportion of their production within Canada to participate in the FTZ program;**
- **Allow the deferral of GST/HST throughout all components of the FTZ program; and**
- **Promote and market the FTZ program effectively in domestic and foreign markets.**



# National Transportation Strategy

## **Issue**

Transportation has always been a critical component of the Canadian economy. The continued developments in innovation in transportation have played a significant role in the growth of Canadian cities. In addition to connecting our vast geography the transportation sector employs thousands of Canadians. It is an economic enabler that provides a framework for value-added sectors to develop, create additional jobs, and allow businesses to compete globally.

However, increasing global competition, integrated global supply chains, the growing services sector and urbanization in Canada, current and forecasted skills shortages, recent fluctuations of the Canadian dollar and fuel prices, and growing environmental concerns require a new vision for an efficient and cost-effective transportation system. While the Government of Canada has implemented a number of positive initiatives and policies over the years, it has not been guided by a long-term and predictable strategy.

Canada's transportation infrastructure requires significant investment and our transportation regulatory environment, consisting of inefficient tax and operating requirements and split responsibilities between levels of government, requires modernization.

We need to increase our competitiveness. Our competitors are investing billions of dollars in transportation infrastructure. If we delay, we will not only miss new opportunities, but also put our current business at risk. The window of opportunity is believed to be five to six years. The danger in not acting now is to be pushed to the fringe for access to global supply chains and therefore, to the fringe of the global economy.

## **Background**

In an effort to increase the challenges in transportation infrastructure we recommend that the Government of Canada develop and implement a National Transportation Strategy for the movement of goods and people. A National Transportation Strategy must be an integral part of our national economic policy for realizing Canada's overall potential. It must ensure that all parts and levels of government share a common vision while working collaboratively with industry toward a common goal.

There are a number of important transportation initiatives in various government departments, but given the importance of trade to Canada's economic well-being



and changing domestic and global economies, a National Transportation Strategy needs to be in place to guide the actions of all government departments, not just the action of one ministry.

The National Transportation Strategy should have a clear scope, with ambitious and targeted objectives that follows four guiding pillars – that it is:

- A North American Connection to the World vision;
- A multimodal transportation infrastructure investment strategy
- A competitive regulatory and fiscal environment; and
- Developed in an economically, socially and environmentally sustainable manner.

A National Transportation Strategy should address the entire transportation system, taking into account the priorities of Canadian business. Forecasted increases in international trade and a changing Canadian economy require an efficient and cost-effective multimodal transportation system to move goods and people within Canada, including urban and regional areas; between Canada and the United States; and between Canada and the rest of the global economy.

A National Transportation Strategy should ensure an equitable treatment of all modes in any policy. Consumers and customers should have the ability to make the choice of mode without impact from artificial barriers or inducements of government policy. This would apply to all areas impacting trade, including safety, security and border management.

**Objectives:**

1. Develop the safest and most effective multimodal transportation system by integrating policies concerned with the movement of goods and people in marine, air, rail and road transportation warehousing facilities, urban transportation, border security, and transportation information flows.
2. Make Canada a competitive gateway for inbound and outbound trade and travel between North America and the rest of the world, attracting 10 to 15 percent of the forecasted trade into North America.
3. Be socially and environmentally sustainable, aiming to reduce the social impacts and the carbon footprint of the transportation of goods and people.
4. Develop and implement the Strategy in partnerships with stakeholders, including the private sector and effectively communicate it to the Canadian population at large.
5. Build on current and past government initiatives and policies, creating a benchmark that is flexible and responsive to changing economic conditions and that can continually be built upon and improved by future government and private sector partnerships.

## Recommendations

In an effort to achieve the objectives we would recommend that the federal government:

1. **View the Canadian transportation sector as a single multimodal system with a vision for a North American transportation system, recognizing that the border is part of the North American Supply chain. A strong North American transportation vision:**
  - **Maintains a secure and trade efficient border that facilitates the movement of legitimate goods and people; and**
  - **Establishes a cooperative framework to efficiently utilize and enhance current levels of border capacity and integrate our transportation systems.**
2. **Develop a priority-based multimodal transportation investment strategy that operates for a period of not less than 10 years. The investment strategy should:**
  - **In cooperation with provincial and territorial governments, contain a formal transportation infrastructure single window to streamline the regulatory and approval process; and**
  - **Pursue public-private partnerships, wherever appropriate and feasible, to maximize efficiency in maintaining and developing transportation infrastructure.**
3. **Given the multimodal nature of the transportation system and recognizing the distinct advantages and competitive situations of each mode of transportation develop a national, non-discriminatory and market-based regulatory and fiscal environment that fosters competition in the transportation system.**
4. **Analyze all transportation infrastructure and regulatory projects and weigh these against the economic, social, and environmental axes of sustainable development. Upgrading, expanding, and preserving Canada's transportation system and infrastructure should take a sustainable approach by working with all levels of government and, in collaboration with the private sector:**
  - **Take a leadership role to address community impacts and environmental concerns;**
  - **Build public awareness of the importance of transportation in relation to the quality of life enjoyed by all Canadians;**
  - **Attract skilled people to meet the needs of the transportation sector; and**
  - **Be forward looking by encouraging transparency across the supply chain and containing a research initiative tied to the objectives of the Strategy.**



## MANITOBA BOLD

### **No Time to Tinker**

The first plank in the Manitoba BOLD platform campaign is focused on creating jobs and increasing prosperity in this province through a reinvention of the Manitoba tax model, greater accountability and transparency within the provincial government and the implementation of a dividend policy from Manitoba Hydro profits.

#### **Think BOLD: A Complete Re-Invention of the Revenue Model**

- That the Province of Manitoba commit to reducing personal income tax rates over a four year time frame beginning by increasing the Basic Personal Exemption (Spousal exemption) to equal that of Saskatchewan over the next four years.
- That the Province of Manitoba reduces the Corporate Income Tax rate to 10% over the next three years.
- That the Province of Manitoba reduce the revenue it receives from the payroll tax by 50% over the next four years through a threshold approach.
- That the Province of Manitoba reduces the education portion of property taxes by increasing its funding responsibility of the Education Funding Tax to an 80-20 funding model over the next four years with the long-term goal of elimination.

#### **Think BOLD: Build a High Performance Provincial Government**

- That the Province of Manitoba establish a Commission on Efficiencies that will engage the public in determining if provincial services are being provided in a cost-effective and efficient manner.
- Establish an efficiency target annually with every Provincial Budget.
- Commit to the implementation of “lean principles”.
- Recognize government staff for effective efficiency measures and program and provide an incentive program within each department that rewards staff for finding efficiencies.
- That the Province of Manitoba commit to investing in and implementing technology systems that will provide efficiencies, speed, enhanced service levels, improved communications resulting in better decision making in government.
- Leverage the expertise of the private sector to identify IT solutions that will provide improvement.
- Re-direct resources that are captured through efficiency measures to be invested in technology.

- **That the Province of Manitoba commit to addressing excessive Red Tape and regulations by launching a Regulatory Review Committee.**
- **Implement a mandatory, five-year cyclical review of regulations to determine continued relevancy.**
- **Implement the “Two for One” rule that dictates that for every new regulation adopted two must be eliminated.**

**Think BOLD: Time for the Owners of Manitoba Hydro to Receive a Dividend**

- **That the Province of Manitoba receives an annual dividend from Manitoba Hydro that provides a reasonable rate of return for Manitobans.**
- **That following the election the Province of Manitoba commit to a review of Manitoba Hydro that would ensure public ownership and examine export markets, rate setting model, provincial dividend policy, conservation targets, energy efficiency standards, opportunities for third party collaboration, and future opportunities.**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*



## MANITOBA BOLD

### **Manitoba: Canada's Start up Nation**

The Manitoba BOLD campaign challenged Manitoba's political parties to set an aggressive target for business growth that would see the number of businesses established in Manitoba increase by 50 per cent over the next decade and the number of head offices double over that same time frame.

#### **Think BOLD: Increase the number of businesses in Manitoba by 50% over the next decade**

- That the Province of Manitoba develops an aggressive start-up capital program called **Start-up Manitoba**.
- That the Province of Manitoba aggressively imports Intellectual Property from other countries to be commercialized in Manitoba.
- That the Province of Manitoba develop the next generation of entrepreneurs through required entrepreneurship training at both the high school and post-secondary levels
- That the Province of Manitoba create "virtual Smart parks" that provide affordable and accessible mentorship for start-up companies.
- That the Province of Manitoba creates special tax-incented enterprise zones to attract and build high-tech companies.
- That the Province of Manitoba implements an Aboriginal Procurement Policy designed to foster and encourage the creation and participation of more Aboriginal Businesses in the main stream economy.
- That the Province of Manitoba implements the Yes! Winnipeg model in all regions of the province
- Creation of a results focused initiative created through private and public funding to promote, support and expedite successful business development. The initiative assists in the creation and retention of jobs and business investment.

#### **Think BOLD: Double the number of head offices in Manitoba over the next decade**

- That the Province of Manitoba develops coordinated economic strategies focused on wealth creation and on business innovation, manufacturing and exporting.

- **That the Province of Manitoba commits to improving access to capital for Manitoba Business through the establishment of a new venture capital fund. This new venture capital fund should be of sufficient scale (\$100-million) and be largely comprised of private sector capital.**
- **That the Province of Manitoba doubles the size of the provincial equity tax credit program.**
- **That the Province of Manitoba expands provincial research tax credits – currently they are only refundable if R&D is conducted at local institutions.**
- **That the Province of Manitoba reduces the Corporate Income Tax rate to 10% over three years.**
- **That the Province of Manitoba reduce the revenue it receives from the payroll tax by 50% over the next four years through a threshold approach.**
- **That the Province of Manitoba ensure Manitoba is a part of the Competitive West by engaging the governments of Saskatchewan, Alberta and British Columbia in joining the New West Partnership**
- **This partnership is an important step in future sector and trade development opportunities for Manitoba as part of a Western Canadian Economic Development Strategy.**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*



## MANITOBA BOLD

### **The Manitoba Advantage is “Clean and Green”**

The Manitoba BOLD campaign urges provincial politicians to take action on the tremendous opportunities that can be realized for the Manitoba economy and the environment by embracing a “Clean and Green” approach to economic development.

### **Think BOLD: Manitoba Becomes a World Leader in Clean Energy through an expanded Manitoba Hydro**

- **The Province of Manitoba through legislative direction expands the mandate of Manitoba Hydro from a hydro-electric company to one that is an International leader in clean energy.**
- **That the Province of Manitoba following the election commit to a review of Manitoba Hydro – The review would ensure public ownership of Manitoba Hydro continues while at the same time examines export markets, rate structure, provincial dividend policy, conservation targets, energy efficiency standards, opportunities for third party collaboration, private sector investment and participation in the energy sector and future opportunities.**
- **That the Province of Manitoba receives an annual dividend from Manitoba Hydro that provides a reasonable rate of return for Manitobans.**
- **To further enhance the expanded mandate for Manitoba Hydro the Province of Manitoba develop a Clean Energy Strategy that accomplishes the following goals:**
  - **Attracts investment and human resources around the development of wind, solar, geo-thermal, hydro and bio-mass – leveraging our natural advantages in all of the areas of clean energy to build the sector.**
  - **Leverages our manufacturing expertise to produce energy products – as a centre for manufacturing excellence Manitoba is well positioned to attract manufacturers involved in the energy sector.**
  - **Creates “Energy Development Zones” at CentrePort and SmartPark that will provide incentives and a cluster of companies in the sector.**
  - **Aligns our post-secondary institutions behind the objective for both research and development and human resources development – the investment in this area of development for our post-secondary institutions will serve to attract the**

**investment interest and human resource interest needed to grow this sector. Develops energy specific government programs that will increase investment in the area and help to attract international companies – financial and regulatory programs that are specific to the energy sector that will help to attract the investment required.**

- **Develops an investment capital pool for clean technology enterprise.**
- **The Manitoba Innovative Clean Energy (ICE) Fund would encourage the development of new sources of clean energy and technologies to help support local economies and livelihoods in communities across Manitoba (\$25-million)**

**Think BOLD: Manitoba is an environmental leader in Canada through the development of Green Technology**

- **That the Province of Manitoba establishes a Centre for Excellence in Clean Technology in Manitoba.**
- **Pursue the attraction of international companies and entrepreneurs involved in clean technology.**
- **Leverage manufacturing expertise to produce clean tech products.**
- **That the Province of Manitoba in partnership with the International Institute for Sustainable Development aggressively pursue the bioeconomy as part of a basin-wide effort to clean up Lake Winnipeg**
  - **IISD has advocated for the broader concept of the bioeconomy where renewable resources provide energy as well as bio-materials and bio-chemicals - the approach can be integrated with water resources management as we're showing with the Netley-Libau nutrient-bioenergy project where we're producing bioenergy and recycling nutrients as we lower the nutrient load on Lake Winnipeg.**
- **That the Province of Manitoba establishes a comprehensive water strategy for Manitoba to deal with flooding, water storage & drainage issues.**
  - **That the Manitoba Government commit to greater investment in and use of LIDAR, particularly in the Red River Valley and Assiniboine River basins, and other areas of Manitoba subject to flooding, to assemble an accurate digital model of these areas.**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*





## MANITOBA BOLD

### **Manitoba: Canada's Creative Capital**

The Manitoba BOLD campaign called on provincial party leaders to provide leadership and direction to further enhance and build the creative industries in Manitoba by encouraging creative planning principles and the development of a creative campus.

#### **Think BOLD: Build a Creative Campus**

- That the Province of Manitoba identify the area of the West Exchange as a Creative Campus and designate it as a tax increment finance zone to attract developer investment in residential and commercial property in the creative industries.
- That the Province of Manitoba creates special tax-incented enterprise zones to attract and build high-tech companies.
- That the Province of Manitoba in conjunction with the City Of Winnipeg develops a secondary plan for the area that defines the elements needed for the Creative Campus to flourish.

#### **Think BOLD: Encourage Communities to Adopt Creative Planning Principles**

- That the Province of Manitoba establishes a “Creative Planning Council” made up of artists, architects, technology entrepreneurs, planners and others that would be engaged in the development of image projects that provide a creative return on investment (CROI).

#### **Think BOLD: Commit to Developing and Attracting Creative Talent**

- That the Province of Manitoba establish a target of artists per thousand (populations) that would set us apart from other jurisdictions.
- That the Province of Manitoba investigates the establishment of a Performing Arts Centre for Manitoba.
- That the Province of Manitoba increase arts involvement in youth through the development of a multi-year “Arts Participation” program.
- That the Province of Manitoba develop the next generation of entrepreneurs through required entrepreneurship training at both the high school and post-secondary levels.

**Think BOLD: Build the Creative Sector**

- **That the Province of Manitoba works with the creative industries and other stakeholders to promote Manitoba's creative sector with the goal of increasing demand for local creative products and services.**
- **That the Province of Manitoba develops an aggressive start-up capital program called Start-up Manitoba to provide entrepreneurs with capital needed to grow and develop their business.**
- **That the Province of Manitoba aggressively imports Intellectual Property from other countries to be commercialized in Manitoba.**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*



## MANITOBA BOLD

### **Manitoba's Transportation Advantage**

Manitoba is well positioned with a strong, stable transportation sector. Manitoba BOLD believes we need to leverage the opportunities around CentrePort Canada to grow the transportation sector while at the same time outline a long-term strategy that provides municipalities with opportunities to increase revenues to address the infrastructure deficit.

**Think BOLD: That Manitoba fully leverages CentrePort Canada to become a World Leader in Transportation.**

- **That the Province of Manitoba develop a multi-year transportation and strategic infrastructure plan and aggressively invest in the partnerships and infrastructure required to ensure that CentrePort is connected seamlessly to all major trade corridors including:**
  - **the redesign and expansion of the Emerson / Pembina Border Crossing in partnership with the Canadian and US federal governments and the State of North Dakota.**
  - **Continued improvements to improve PTH 75 including a near term solution to flood proofing this critical infrastructure.**
  - **Construct by-passes around Headingly and St Norbert to allow commercial traffic to move rapidly in and out of our trade corridors.**
  - **A plan to minimize lights and rail crossing on the Perimeter Highway and turn it into the expressway it was intended to be.**
- **That the Province of Manitoba highlights CentrePort in all trade and investment strategies and provides adequate marketing funds to attract anchor tenants and clustering. This will require competitive incentive packages to attract distribution and value added manufacturing companies as well as streamlined, rapid land development approval processes.**

**Think BOLD: That the Province of Manitoba places a greater focus and investment on economic opportunities in Northern Manitoba.**

- **The Province of Manitoba establishes a northern commission to assess Manitoba's transportation infrastructure and its limitations on northern development. The commission should document and identify the current facilities, assess additional requirements and propose options for repayment of capital costs.**

- **The Province of Manitoba develop a strategy and mobilize investment in the Port of Churchill as a strategic transportation hub for Northern re-supply, arctic sovereignty, and as an Arctic Gateway to international markets.**
- **The Province of Manitoba establish an economic partnership with Nunavut that builds on current agreements between the Province and the Territory in order to seek mutual opportunities to servicing remote northern communities via an effective supply chain.**
- **The Province of Manitoba looks at innovative transportation opportunities such as Airships to service Northern Manitoba.**

**Think BOLD: The Province of Manitoba develop a long-term strategy to address Manitoba's municipal infrastructure needs.**

- **The Province of Manitoba identify the criteria for municipal access to new revenue streams including legislation dedicating and restricting all new revenues to municipal infrastructure.**
- **That the Province of Manitoba provides municipalities with the ability to implement a City Sales Tax providing them with the opportunity to raise revenues to fund pre-determined infrastructure priorities. The public would have the ability to vote on this through a referendum.**
- **That the Province of Manitoba increases the Manitoba Gas tax (Motive Fuel tax) by 2.5 cents per litre with all revenues raised dedicated to strategic highway/roadway and bridges infrastructure that provide a significant environmental benefit (eg. above grade overpasses)**
- **That the Province of Manitoba outline the new municipal/provincial intergovernmental infrastructure funding relationship taking into account competitive constraints, economic impacts, transition periods and financial capacity.**
- **That the Province of Manitoba develop a joint municipal/provincial initiative to approach the federal government to participate in a sustained, long term, transparent shared responsibility.**
- **That the Province of Manitoba establish a protocol that requires annual public reporting and five-year public reviews to measure progress against a 20-25 year infrastructure plan.**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*



## MANITOBA BOLD

### **Taking Manitoba to the World**

The economic downturn over the past couple of years has clearly shown the business community that they must look at opportunities from a global perspective if they want to grow their businesses. Manitoba BOLD recommends government take measures that will increase the number of Manitoba companies involved in international trade in an effort to create jobs and drive investment in the province.

**Think BOLD: That the Province of Manitoba implements a new Trade Strategy for Manitoba that increases the number of companies involved in international trade.**

- **That the Province of Manitoba enhances the awareness of Manitoba in international markets.**
- **That the Province of Manitoba works with the business community to Diversify and increase Manitoba's international trade through growth into new markets.**
- **That the Province of Manitoba creates an international trade culture and mindset in Manitoba.**
- **That the Province of Manitoba enhances the leadership of trade development through the formation of public/private partnerships that can leverage the current trade expertise in Manitoba.**

**To pursue the achievement of these strategic objectives, several strategic initiatives will be undertaken to take advantage of emerging opportunities and trade-oriented networks**

- **Support for Centrallia 2012**
- **Establishment of a World Trade Centre in Winnipeg**
- **Review and renew trade-related Memorandums of Understanding**
- **Develop and implement market strategies for our priority markets**
- **Develop and implement an effective trade communications program**
- **Develop a comprehensive trade data program**
- **Develop an "export champions" program**
- **Leveraging Major Projects**
- **Cultural Trade Strategies**
- **Export Consortiums**
- **Utilize existing trade-enabling entities**

**Think BOLD: That the Province of Manitoba implements the Yes! Winnipeg model in all regions of the province**

- **Creation of a results focused initiative created through private and public funding to promote, support and expedite successful business development. The initiative assists in the creation and retention of jobs and business investment.**
- **That the Province of Manitoba aggressively imports Intellectual Property from other countries to be commercialized in Manitoba.**

**Think BOLD: That the Province of Manitoba improve and join the New West Partnership**

- **To ensure Manitoba is a part of the Competitive West it is imperative that Manitoba engage the governments of Saskatchewan, Alberta and British Columbia in joining the New West Partnership**
  - **This partnership is an important step in future sector and trade development opportunities for Manitoba**

*Adopted by Winnipeg Chamber of Commerce Board of Directors August 2011*



## Manitoba BOLD

### **Manitoba BOLD Provincial Budget**

The Winnipeg Chamber of Commerce believes that for Manitoba to achieve the level of prosperity needed to take the Manitoba economy to the next level the provincial government needs to increase its focus in the budgeting process to ensure economic growth is the driving force behind decisions that are made.

The Chamber believes that there are a number of key economic indicators that the Manitoba government should not only take into consideration, but use as targets to gauge the success of the upcoming Budget and makes the following recommendations.

### **Recomendations**

- **GDP Per Capita : Manitoba BOLD Economic Indicator Target – Ensure Manitoba’s GDP per capita is competitive with other Western provinces;**
- **Provincial Government Spending : Manitoba BOLD Economic Indicator Target - Contain annual increases in program spending to two-to-three percent (in line with growth in inflation plus population);**
- **Debt Indicators : Manitoba BOLD Economic Indicator Target - The provincial government should set a target of having Manitoba’s annual spending as a percentage of GDP level among the top three most competitive when compared with other provinces;**
- **Labour force growth : Manitoba BOLD Economic Indicator Target - Ensure Manitoba’s annual Labour force growth is competitive with other Western provinces;**
- **Average Weekly Wages : Manitoba BOLD Economic Indicator Target – Set a target to have Manitoba’s weekly wage rates among the top five most competitive in comparison with other provinces;**
- **Interprovincial Migration : Manitoba BOLD Economic Indicator Target – Set a goal to annually have a positive interprovincial migration number;**
- **Number of Head Offices : Manitoba BOLD Economic Indicator Target - Double the number of head offices in Manitoba over the next decade; and**
- **Entrepreneurial Intensity : Manitoba BOLD Economic Indicator Target – Increase the number of businesses in Manitoba by 50% over the next decade.**



## Manitoba BOLD

### **Manioba Clean Energy Strategy**

Building on the Manitoba BOLD platform in an effort to make Manitoba a world leader in the development of Clean Energy, Manitoba BOLD recommends that Manitobans work together to focus on the following three initiatives:

1. Increasing renewable energy production in Manitoba
2. Reducing Energy Demand
3. Increasing Energy Efficiency

To achieve this, we need a policy framework that achieves the following:

- Provides access to investment capital
- Fosters innovation
- Removes policy barriers
- Provides incentives

**Based on those initiatives and the policy framework identified the Manitoba BOLD Clean Energy Action team makes the following recommendations:**

**Recommendation One: The Chamber's Clean Energy Strategy - 2012 be utilized as a guidepost document in the creation of a long term commitment by the Province of Manitoba and Manitoba Hydro to regularly produce a Manitoba Clean Energy Plan.**

One area where the Manitoba BOLD Clean Energy Action Team sees tremendous opportunity and future prosperity for the Manitoba economy is in the area of renewable energy production.

### **Increasing Renewable Energy Production in Manitoba**

**Recommendation Two: That Manitoba support or initiate events to showcase Manitoba's capacity and attract investment and human resources around the development of wind, solar, geo-thermal, hydro and bio-mass – leveraging our natural advantages in all of the areas of clean energy to build the sector.**

**Recommendation Three: That Manitoba develop and promote energy-specific government incentive programs that will increase investment in the area and help to attract international companies – financial and**



**regulatory programs that are specific to the energy sector that will help to attract the investment required.**

**Recommendation Four: Through legislative direction, expand the mandate and purpose of Manitoba Hydro from being a hydroelectric utility and gas distribution company to one that allows it to become a regional and international leader in diversified clean energy production, distribution and associated technologies.**

**Recommendation Five: Provide support for Manitoba Hydro's current plans for increased hydroelectricity generation in Northern Manitoba**

**Recommendation Six: Provide support for the development of an East-West power grid that would link Manitoba with both Ontario and Saskatchewan.**

In addition to increasing the capacity of renewable energy development in Manitoba it is also essential that in order to fully capitalize on the potential export opportunities of this development Manitoba must also reduce their personal energy demand. The Manitoba BOLD Clean Energy Action team believes this can be accomplished in partnership with the Province of Manitoba

### **Reducing Energy Demand**

**Recommendation Seven: In collaboration with the Province of Manitoba reduce or remove funding and jurisdictional confusion around district heating.**

**Recommendation Eight: In collaboration with provincial and municipal government's as well as the private sector reduce restrictions for creating and operating regional shuttle bus carriers**

**Recommendation Nine: Encourage the development of community-developed power generation in the province**

**Recommendation Ten: Identify and move forward with solutions to address energy challenges in remote communities.**

- **Investigate replacing diesel-electric power with sustainable power generation sources in remote communities.**
- **Investigate water-source heat pump systems with district heating and biomass for lake or riverside communities**

**Recommendation Eleven: Encourage municipalities to take a sustainable approach in the planning and zoning of future development.**

Manitoba Hydro's Power Smart initiative has been a tremendously successful program in Manitoba in terms of increasing focus on energy efficiency and providing Manitobans with solutions to reduce their energy costs and be more energy efficient. The Manitoba BOLD Clean Energy Action Team has outlined a number of other initiatives that will help increase energy efficiency in Manitoba.

### **Increasing Energy Efficiency**

**Recommendation Twelve: That the Province of Manitoba set a target for fossil fuel reduction in this province and in an effort to reduce the reliance on fossil fuels support programs that encourage Manitobans to purchase vehicles that are less reliant on fossil fuels and invest in infrastructure to accommodate these vehicles.**

**Recommendation Thirteen: Encourage insulation programs for rental and low-income housing (BUILD) and encourage the construction of smaller new homes**

*Adopted by Winnipeg Chamber of Commerce Board of Directors June 2012*



## Manitoba BOLD

### **Manitoba Venture Capital Strategy**

One of the biggest challenges facing entrepreneurs and businesses in Manitoba is the availability of capital to grow and expand their business.

The Manitoba BOLD platform outlined a number of recommendations aimed at making Manitoba the Start-up capital of Canada and increasing the number of businesses and head offices in Manitoba over the next decade.

Following up on those recommendations The Winnipeg Chamber of Commerce brought together business leaders with experience in the area venture capital to examine the problem, identify the gaps and provide recommendations aimed at addressing the problem and increasing prosperity in Manitoba

### **Recommendations**

#### **Establish a \$100-million Public/Private Venture Capital Fund(s) to invest in Manitoba firms.**

- To further encourage Manitobans to invest in Manitoba businesses the Province of Manitoba set up an Investment Tax Credit program similar to the BC Investment Tax Credit Program. This would provide investors with a 30% refundable Tax credit (maximum annual tax credit of \$60,000 per individual investor) for Investors who invest in “Eligible” Businesses.
- Extend the existing Small Business Venture Capital Tax Credit so that it can be invested in a Venture Capital pool or multiple pools (or Special Funds). Expand the limit of the investment higher than the current \$450,000 (Minimum \$100,000 and a maximum of \$1,000,000). Consider smoothing the investment out over 3 years.
- Province of Manitoba establishes up front the maximum level of its investment in total and in any one fund and private investors are pursued to leverage that investment. Public investment of \$1 to leverage \$2 of private money.
- Combine the above recommendations and allow for institutional investment particularly pension funds.

#### **Creation of an arms-length investment fund comprised of a pool of venture capital from the public sector pension funds to be used for investment in Manitoba companies.**

- Establish a new entity – MBInvests – that is capitalized and governed by the major public sector pension funds
- Proposed scale of \$200 Million (10 year term)

- The Province to underwrite the incremental operating expenses plus provide a bad debt allowance.
- MBIvests will be owned and operated by the pension funds and a seasoned fund manager will be retained by the board of directors comprised of representatives from the pension funds.

**Establishment of a \$30-million Start-Up Capital Fund in Manitoba that would be funded by the provincial government.**

- Funding up to \$500,000 per enterprise along with a \$100,000 investment by the entrepreneur.
- Managed through government licensed incubators that will ensure certain milestones are achieved by the entrepreneur for monies to continue to flow.
- Money made available through re-payable loans so government will share in the success of enterprise.
- Funding should be made available right through to the commercialization stage and a clear definition of the difference between commercialization and innovation (ie. Research) be developed to ensure that investment made to commercialize can be properly assessed.
- Funding should be made available to local start-ups and re-located start-ups.

*Adopted by Winnipeg Chamber of Commerce Board of Directors June 2012*