



Business Council of Manitoba

A Strategic Plan for Manitoba

November, 2013

On May 9th, 2013 the Business Council of Manitoba hosted a day-long conference discussing Manitoba's past, present and future. We looked back 15 years to the time of the council's formation; we looked at where we are today, and most importantly, we looked ahead to the next 15 years to describe what we want Manitoba to look like in 2028.

What follows is a strategic plan that emerged from the conference and subsequent conversations with the council's board of directors and others. The format of this plan is to begin each section with aspirational goals for 2028 followed by a description of the path necessary to achieve those goals and then to anticipate where we will be on January 1, 2018 to hold ourselves accountable by measurement and benchmarks. Like all strategic plans this is a dynamic document not a static one. It will change constantly but there are values contained within it that will motivate members of the council and its staff to continue working diligently to hand off a healthier, more prosperous Manitoba to the next generation.

IMMIGRATION

Aspirational goals for 2028:

In 2028 we want Manitoba to welcome 18,000 immigrants, 6.27% of the Canadian total, representing 1.25% of Manitoba's population. 15 years ago Manitoba welcomed 1.73% (2,993 individuals) of Canada's total; that percentage jumped to 6.4% (15,962) in 2011.

How do we get here?

The Business Council will work with the governments of Canada and Manitoba to re-establish Manitoba's immigration model.

All streams of immigration will be used to reach proposed targets: the provincial nominee program, temporary workers program, family reunification, Canadian experience, etc.

Benchmarks for January 1, 2018

Restore the growth that had driven Manitobas success story. That number should be 15,000.

Facilitate an agreement between Canada and Manitoba on the total number of immigrants to be landed in Manitoba.

*See appendix 1

EDUCATION

EARLY CHILDHOOD EDUCATION

Aspirational goals for 2028:

By 2028, we want to achieve a bold goal: that at least 90% of all our Kindergarten kids are ready for school, including Aboriginals and newcomers, as measured by the Early Development Instrument.

We need to build babies' brains because it's the right thing to do and because it will literally build the future of Manitoba. Our future health, education, and economy depend entirely on what we do (or fail to do) today for the youngest Manitobans. We will welcome nearly 250,000 new babies over the next 15 years. Our families and communities want the best for them and as a province we should settle for no less.

Today, 71% of children provincially, and only 55% of Aboriginal children and 49% of newcomer children are ready for school at age 5. We can and we must close these gaps in a generation or sooner. Early childhood development can be the great equalizer.

How do we get there?

We need all levels of government, all communities, the private sector and the philanthropic sector, to maintain a coordinated and relentless focus on improving Early Childhood Development, especially in the most disadvantaged communities of our province.

Today, we need collaboration on a provincial Early Childhood Development strategy and a new mechanism for government, community and business investment to support bold Early Childhood Development innovation projects.

We are working with governments, the United Way, the McConnell Foundation, The Winnipeg Poverty Reduction Council and others developing programs that will work with families from prenatal care to their children's graduation.

Benchmarks for January 1, 2018

The provincial Early Childhood Development strategy should be well-underway, government, community and business investment in Early Childhood Development innovation will have doubled, and the early returns from the demonstration projects will be on hand.

In 10 years, we need to be using the breakthrough results from these demonstrations to broaden and deepen their impact across the province.

In 15 years, if we have put this new local knowledge into action province-wide, we will achieve our bold goal for 2028, and have raised the bar not just for Manitoba but for the entire country. Manitoba can be world-class in early childhood development.

POST SECONDARY EDUCATION

Aspirational goals for 2028:

That Manitoba colleges and universities consistently rank near the top of any indicator of post secondary quality.

That insufficient financial means never denies access to qualified students.

That the post secondary system is coordinated so that each college and university follows a plan that fits into the system as a whole.

Curriculum within the public school system and counselling better prepares students for the transition between high school and post secondary education.

How do we get here?

Tuition fees rise responsibly.

Reliable and predictable medium-long term funding is announced by government.

Absorb COPSE - Committee on Post Secondary Education into the Department of Education.

Available bursary and loans are enriched.

Benchmarks for January 1, 2018

Tuition controls will be lifted.

COPSE will be absorbed by the Department of Education.

There will be a system-wide strategic plan complete and reported publicly.

Available bursaries are doubled through public and private investment

ABORIGINAL EDUCATION

Aspirational Goal for 2028:

2028 graduation rates for aboriginal children, on and off reserve, are the same as in the non-aboriginal community.

How do we get there?

The lofty aspirational goal will only be met if governments and First Nations park their jurisdictional boxes and work together towards a common goal - let's say the one we just set.

The Business Council of Manitoba is working with the Manitoba government, the treaty Lands Commissioner, several First Nations Chiefs, indigenous education leaders and others to launch a series of pilot projects across the province, on and off reserve, designed to strengthen communities' capacity to nurture young children, bolster early childhood education, train educators, develop culturally appropriate curriculum, provide after school and summertime programming and set governance standards that allow progress to be measured.

Benchmarks for January 1, 2018

Federal subsidy at par.

Appropriate curriculum developed.

Governance structures in place.

Graduation rates to be 1/4 of the way to goal.

*See appendix 2

HEALTH CARE

Aspirational goals for 2028:

Spending on Health Care should be no greater than the 2013/2014 budget projection which is 42.3% of total spending. This is accomplished without any compromise in quality patient care.

The reduced reliance on hospital/institutional care is manifest in a steady growth of community care facilities, home care services and trained nurse practitioners.

A physician compensation regime rises at a rate no higher than the consumer price index.

More community care facilities means increasingly more salaried doctors and nurses on staff.

How do we get there?

Cost escalation better controlled, following the path already defined by the Manitoba government.

Benchmarks for January 1, 2018

Government of Manitoba has concluded a new compensation agreement with Doctor's Manitoba that does not exceed the Consumer Price Index.

The number of quick care clinics has doubled from 4 to 8.

*See appendix 3

TAXES

Aspirational goals for 2028:

That Manitoba's tax regime is competitive with the average of Canadian provinces.

The payroll tax is eliminated.

That consumption taxes be relied on more heavily than income taxes.

Provincial and Federal sales taxes are harmonized.

How do we do get there?

We need a government established tax commission to complete a review of the Manitoba system.

Benchmarks for January 1, 2018

Payroll tax in year 3 of a 5-year phase out.

PST regime transparent & accountable with incremental monies used exclusively for hard infrastructure.

Tax commission has reported to the government of Manitoba.

*See appendix 4

NORTHERN DEVELOPMENT

Aspirational goals for 2028:

The Port of Churchill is a profit-making and essential component of Canada's transportation infrastructure.

An all-weather road has been constructed from Churchill to Rankin Inlet.

Energy from the west and south moves by pipeline to refineries in northern Manitoba for export abroad.

Manitoba's mining industry, in partnership with First Nations communities, represents a growing proportion of Manitoba's gross domestic product.

How do we do get there?

Public and private sectors invest in infrastructure both at the Port of Churchill and the Hudson Bay railroad.

Government of Canada declares both assets critical national infrastructure.

Canada and Manitoba are open to foreign direct investment without yielding controlling interests to off-shore investors.

The mining roundtable yields realistic agreements between industry, government & First Nations' communities.

Benchmarks for January 1, 2018

Port of Churchill and the Hudson Bay Railway are sufficiently secure to accept shipments of oil and liquid natural gas (LNG).

The winter road to Rankin is complete.

The governments of Canada and Manitoba have concluded development agreements with First Nations' communities and mining companies to begin accelerated development of the North's mineral potential.

Best practices from other jurisdictions, particularly Quebec, have been thoroughly assessed and adapted to the Manitoba situation.

HYDRO

Aspirational goals for 2028:

Power generated by Manitoba hydro meets domestic and export demands.

Manitoba is the most energy literate and energy efficient province in Canada.

Development of electric vehicles places Manitoba in the forefront of clean energy technology research and application.

Manitoba's impressive clean energy resources are more fully integrated into a Canadian Energy Strategy.

The relationships among Manitoba Hydro, the regulator and the government are more clearly defined so that each entity is mandated to execute its authority without ambiguity or duplication or conflict of responsibilities.

Benchmarks for January 1, 2018

PUB has decided on Manitoba Hydro capital plans with input from the Business Council of Manitoba which will establish a frame within which a decision should be made.

First fleet of electric cars begin to "pop up" on Manitoba roads.

Conservation has been a value promoted by users and producers of energy and has become part of the curriculum of the school system.

The Council of the Federation and the government of Canada have embraced the principles of a Canadian Energy Strategy which includes: diversification of export markets, coordinated regulatory regime, focus on energy literacy, establishment of east west energy corridors and coherent national carbon pricing mechanisms.

JOBS & THE ECONOMY

Aspirational goals:

In 2028 leading employment and economic indications will be better than the Canadian average.

Those indicators will include: growth in the gross domestic product, unemployment rate, workforce participation rate, population growth, personal disposable income and average weekly wages.

How do we get there?

Manitoba will achieve this goal if all the other aspirations in this strategic plan have been met namely; population growth, high school graduating rates on the rise, public finance under control, energy potential maximized, under-performing sectors such as mining re-energized, northern development emphasized and taxation & regulation minimized.

Benchmarks for January 1, 2018

Those leading indicators should all be advancing towards the Canadian average or better.

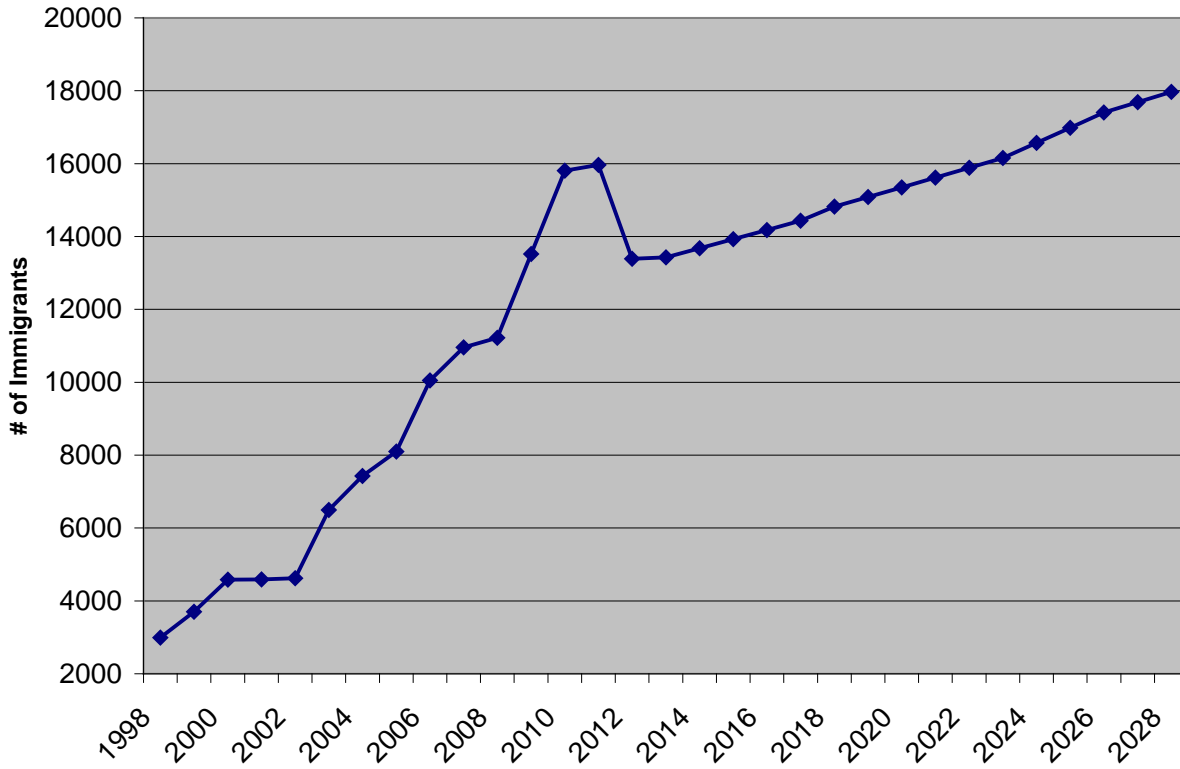
Governments should announce these goals as measurable components of performance. If government doesn't, the Business Council of Manitoba will.

CONCLUSION

These goals and the path we will follow to achieve them will be at the heart of the Business Council's agenda. The province, the nation and the world never sit still and neither will we. Changing circumstances mean moving targets. What doesn't change is our commitment to offer a constructive voice to the public discussion wherever it may go.

Appendix 1

Manitoba Immigration
1998-2012 Actual
2013-2028 Target



IMMIGRATION

Year	Manitoba's Immigration	Manitoba's Population	Manitoba's Immigration % of Canada	Manitoba Immigration % of Manitoba's Population
2028	17,969	1,437,500	6.26	1.25
2027	17,686	1,426,300	6.22	1.24
2026	17,405	1,415,000	6.17	1.23
2025	16,984	1,403,600	6.08	1.21
2024	16,567	1,392,200	5.99	1.19
2023	16,154	1,380,700	5.89	1.17
2022	15,884	1,369,300	5.85	1.16
2021	15,615	1,357,800	5.81	1.15
2020	15,349	1,346,400	5.77	1.14
2019	15,084	1,334,900	5.72	1.13
2018	14,824	1,323,600	5.68	1.12
2017	14,434	1,312,200	5.59	1.11
2016	14,179	1,300,800	5.55	1.09
2015	13,926	1,289,400	5.51	1.08
2014	13,675	1,278,000	5.47	1.07
2013	13,426	1,266,600	5.43	1.06
2012	13,391	1,255,300	5.20	1.06
2011	15,962	1,251,690	6.42	1.28
2010	15,809	1,235,723	5.63	1.28
2009	13,520	1,219,904	5.36	1.11
2008	11,218	1,205,691	4.53	0.93
2007	10,955	1,193,601	4.62	0.92
2006	10,051	1,184,031	3.99	0.85
2005	8,097	1,178,301	3.09	0.69
2004	7,427	1,173,566	3.15	0.63
2003	6,492	1,163,819	2.93	0.56
2002	4,621	1,156,613	2.02	0.40
2001	4,588	1,151,439	1.82	0.40
2000	4,584	1,147,313	2.02	0.40
1999	3,702	1,142,448	1.95	0.32
1998	2,993	1,137,489	1.73	0.26

Projection is based on population forecasts from Statistics Canada and gradually increasing Manitoba's immigration from the current rate of 1.06% of Manitoba's total population to the goal of 1.25%.

Target 2018 – 15,000

Target 2028 – 18,000

Appendix 2

ABORIGINAL EDUCATION

The following data is from Statistics Canada from the National Household Survey. It represents those who are between the ages of 25-64 years of age. This publication is only available every 5 years. The numbers reflect the percentage of the population with a high school diploma or equivalent.

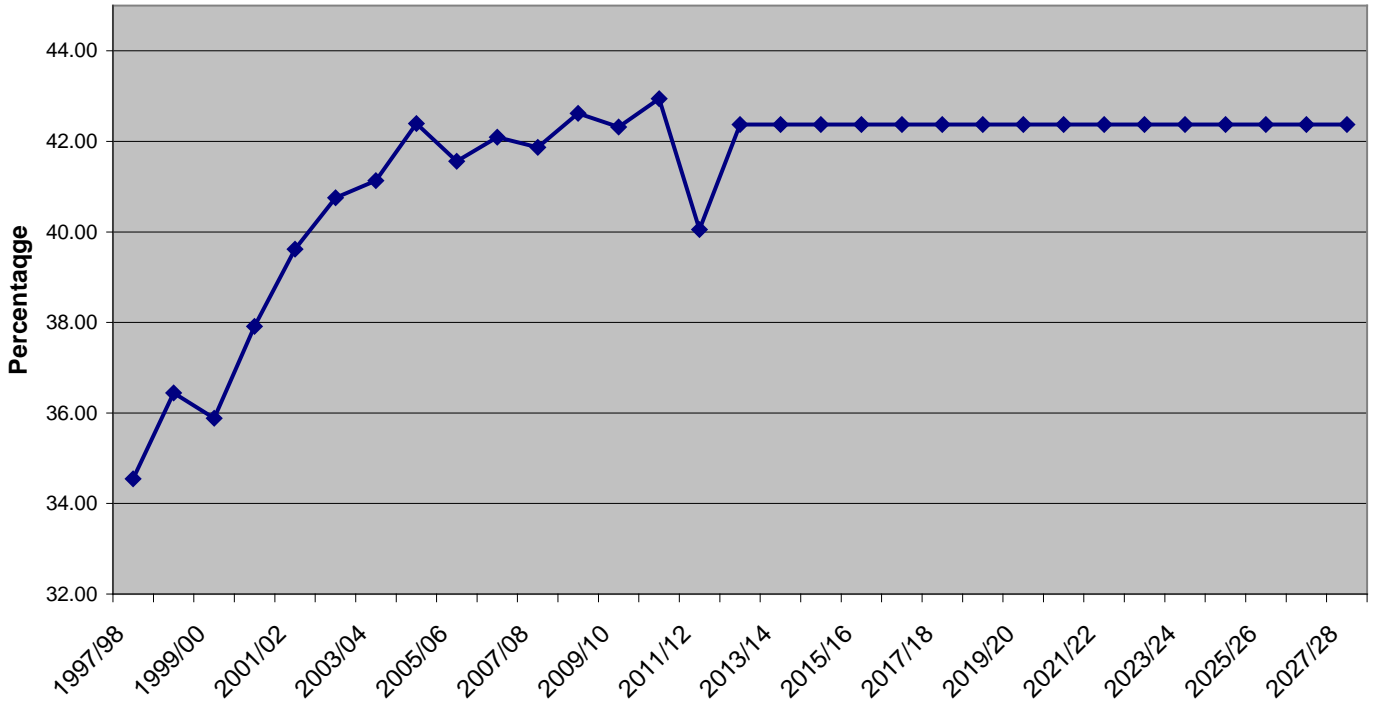
- Provincial Data – 79.4%
- On Reserve (Registered or Treaty Indian) – 33.1%
- Off Reserve (Includes both registered/treaty and not registered/treaty) – 67.3%

The Labour Force Survey is produced monthly, but does not show just on reserve statistics. The numbers below represent the 2012 full year average, those who are 25 years and older and represent those with at least high school education.

- Provincial Data – 81.2%
- Off Reserve – 69.4%

Appendix 3

**Healthcare Expenditures Core - Actual
as a % of Total Core Operating Expenditures
1997/98 - 2012/13
Target 2013/14 - 2027/28**



Note: 2011/12 would have been 42.7% if there had not been a flood.

Appendix 4

Joint Tax Commission Report by: Business Council of Manitoba and Asper School of Business February 2010

EXECUTIVE SUMMARY

The Business Council of Manitoba and the Asper School of Business at the University of Manitoba formed a tax commission to review, assess, and make recommendations on Manitoba's current tax structure. The commission was to assess the primary forms of taxation imposed at the provincial level including income taxes, consumption taxes, and taxes on capital and labour. Significant attention was to be given to the question of harmonization of the federal Goods and Services Tax with Manitoba's Retail Sales Tax.

Manitoba needs to have a competitive and fair tax environment for business and individuals, which allows us to maintain quality public services. The competitiveness of our tax system will significantly affect the future prosperity of the province. While several elements of the existing tax system are reasonable, our system is in need of substantial change. We believe the system would be significantly strengthened through the following. First, there should be greater emphasis on consumption taxes. Second, the taxation of business should be through income tax rather than other more distortionary methods. Currently, the province taxes capital through its capital tax and through taxing business inputs under its Retail Sales Tax. These taxes are highly distortionary and have a very significant impact on new business investment – the primary determinant of future prosperity. We credit the current government with its commitment to eliminate the capital tax, and recommend very strongly that it harmonize the Retail Sales Tax to eliminate the tax on business inputs. We further believe that taxes on labour, such as Manitoba's payroll tax, distort labour formation and should ultimately be eliminated.

The following specific recommendations are made:

A. Corporate Taxation

We do not recommend immediate changes, but believe it is important to make the following changes in the intermediate to longer term (over the next three to five years):

- The threshold for the small business rate should be increased to the Federal level (from \$400,000 to \$500,000).
- Our general corporate rate should be adjusted as other jurisdictions reduce their general corporate rate. Our rate of 12% is currently competitive, but may not be in the next three to five years.

B. Payroll Tax

Over the intermediate to long term, the payroll tax should be phased out (the rate being reduced until it reaches zero).

C. Sales Tax

- Manitoba should adopt the HST over the next year. The province's future prosperity is at risk without harmonization, with industries that have historically been the primary financial drivers at greatest risk.
- We urge the province to immediately resume discussions with the federal government to receive appropriate transitional assistance.
- Appropriate credits should be provided to offset the effects on lower-income consumers, BUT the size of these credits should take into account the flow through of lower prices.
- Manitoba should press the federal government for a change to the harmonized base to create a level playing field within the financial sector—the current GST base is distortionary in this area.
- Manitoba should consider the harmonized rate. Each additional point under the current RST would generate approximately \$225 million in additional revenue. Revenue generated under a harmonized environment would be dependent on how an HST was implemented.

D. Personal Income Tax

Over the intermediate to long term:

- The top personal rate should be at the median of Canadian provinces and competitive with other western Canadian provinces.
- The threshold for the basic exemption and tax brackets should gradually be increased until Manitoba's tax structure reaches the median of other provinces, with full indexation to follow.