

2017 Provincial Budget Submission Brief
Brandon Chamber of Commerce
October 2016

Introduction

The Brandon Chamber of Commerce is an independent, membership funded, not-for-profit organization that represents Brandon businesses at the grassroots level. The Chamber is dedicated to encourage growth in the Brandon community by fostering a progressive business environment, favorable to enhancing existing and attracting new business.

Concerns

- Manitoba has a billion-dollar deficit which is not sustainable
- Focus needs to be on growing the economy and restoring confidence in the business community
- Balance between reducing debt and deficit while providing economic stimulus
- Budgets should always be viewed through lens of making Manitoba more competitive
- Manitoba has seen its credit rating downgraded twice in the past three years
- Current government has indicated that it might take another eight years to balance the Budget

Positives

- Government focused on finding efficiencies and cutting red tape
- Manitoba's economy expected to perform better than the national GDP growth for a seventh straight year according to most recent BMO Economic report released October 6, 2016. The report refers to Manitoba as the "King of Consistency".
- Commitment to join the New West Partnership
- Support in Budget 2016 for the 96/4 investment model in tourism
- Indexing of basic personal exemption and indexing tax brackets to inflation.

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.

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.

Taxation

Business leaders have made it clear that they don't believe Manitoba's business climate is competitive with other provinces. Regardless of who creates it, all tax policy must support the following three principles:

- *Growth* – The tax system should stimulate economic growth

- *Transparency* – The tax system should be structured so that its intent can be clearly understood by the taxpayers and administered by authorities in an impartial and predictable manner.
- *Accountability* – The government must be publicly accountable to taxpayers for money raised and expended by it.

MCC Policy Resolution Recommendations:

As part of the Manitoba Chambers of Commerce network, we encourage you to review and adopt the recommendations from a number of policies developed and approved by the network:

- Manitoba Budget Planning
- Provincial Government Spending
- Return Manitoba to a Balanced Budget
- Tackling Manitoba's Economic Competitiveness through Taxation
- Manitoba Access to Capital Strategy

Local Priorities

- Investments in ACC/BU
- School Division funding
 - Funding formula
 - Short term vs Long term planning/funding
 - Challenges with Small class size initiatives (K-3 20)
 - New School(s) required
- Tourism
 - Impacts and support for Westman Region
- Westman Economic Zone - Developing a strategy
- Infrastructure investments that support economic growth

Conclusion

By focusing greater attention on key economic indicators and measuring our success the results will be greater prosperity for all Manitobans. The Chamber believes that to achieve this we can't tinker our way to success. The Chamber believes it's time to be BOLD and focus on growing our economy, creating jobs and leveraging our strengths through a strategic, focused and results driven approach.

Manitoba's opportunity in the next decade centres on the very real prospect of a growing economy and a much larger tax base that comes with that growth. A larger tax base will provide opportunity to pursue—affordably—a package of tax reforms and reductions that can cement many of the province's recent economic gains. If Manitoba can reform and reduce its taxes in a strategic fashion to promote business competitiveness and investment, while maintaining critical social and infrastructure investment, then the province is sure to win the ability to lever even greater economic gains—emboldening a virtuous circle of future growth, prosperity, and opportunity.