



Budget Paper D

**THE MANITOBA
ADVANTAGE**

THE MANITOBA ADVANTAGE

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THE MANITOBA ADVANTAGE

Manitoba's capital city, Winnipeg, grew up around the junction of the Red and Assiniboine Rivers. For thousands of years before Winnipeg was established, Manitoba's Aboriginal people knew this site as a place to meet, a place for trade, and a place of abundant resources.

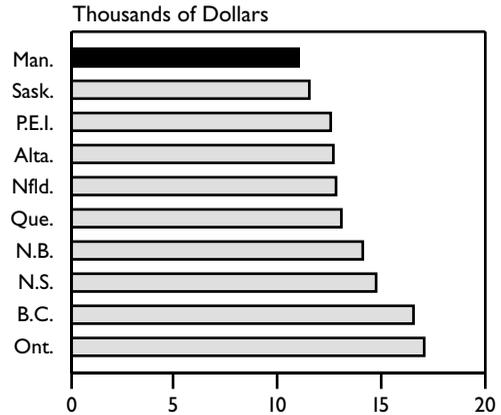
Today, this area is the location of the historic Forks heritage site. And Manitoba, whose history is rooted at the junction of the two rivers, is now an exciting and vibrant place – and an important part of the national and international economies.

Canada is ranked by the United Nations as one of the best countries in the world in which to live. Within Canada, Manitoba offers a standard of living second to none. The 1.1 million people who call Manitoba home enjoy first-rate quality of life, affordable housing and other living costs, and reliable and accessible public services.

For business, The Manitoba Advantage includes a well-educated and multilingual labour force, extremely competitive costs for many major business expenses – office space, industrial land, utilities, energy – and a competitive tax environment. Manitoba's overall competitiveness, in terms of taxes and other costs, is substantial.

Major companies continue to choose Manitoba as a place to invest and to grow. In recent years, companies like Boeing Canada, Great-West Life, Motor Coach Industries, Simplot, Maple Leaf Foods, Investors Group, Monsanto, Loewen Windows, Schneider Corporation and the Royal Bank have recognized the considerable advantages that Manitoba has to offer.

Annual Personal Costs and Taxes Family of Four Earning \$40,000*

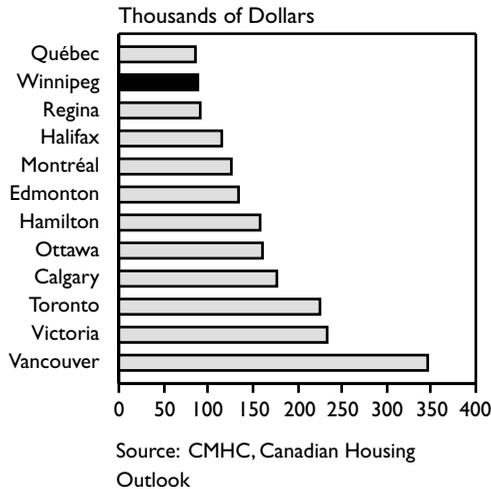


*Includes income, retail sales and gasoline taxes, health premiums, rent or mortgage costs, public transit costs or auto insurance, telephone service, electricity, heating and property taxes.

Taxes and other living costs, ranging from electricity to automobile insurance, tend to be lower in Manitoba. When the major taxes and other significant costs are added up for a typical family, Manitobans have the lowest taxes and living costs in the country.

(See Appendix 2)

Average Price of a Single-Detached House, 1999



Housing in Manitoba is very inexpensive, especially in comparison to Toronto and Vancouver.

■ Manitoba has a large and highly diversified manufacturing sector. Firms in Manitoba produce a wide array of industrial and consumer goods, including furniture, apparel, chemicals and fertilizers, urban and intercity buses, and aerospace equipment. Many of the value-added inputs are procured locally, which further broadens the scope of manufacturing activity. The large manufacturing presence also promotes the development of a knowledgeable and highly skilled labour force within Manitoba.

■ Manitoba's mid-continental location, as well as its situation at the northern end of the mid-west trade corridor, places the province in a strong position in terms of trade and transportation links. Winnipeg is served by three continental railways that operate intermodal terminals in Winnipeg. These facilities offer substantial flexibility and cost savings to business. Manitoba's central position in Canada also makes it an ideal centre for the trucking industry, and many of the leading interprovincial and transborder trucking firms are headquartered in Manitoba.

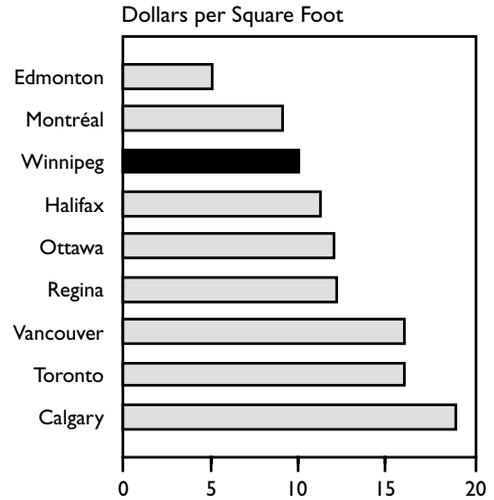
■ Winnipeg International Airport is one of the few major North American airports which operate 24 hours a day. Generally favourable climate allows the Airport to be usable 99% of the time on an annual basis. Since it is closer to Tokyo than is Los Angeles, and about the same distance from Amsterdam as is Chicago, it can be faster and more cost-effective to fly goods from Asia and Europe to Winnipeg, and tranship by rail and truck to final markets throughout the Mid-west and beyond.

■ Churchill is not only a major tourist site, but also serves as Manitoba's Northern seaport. Already a long-established export route for agricultural and mineral commodities, it offers shippers major cost advantages, and has great potential as a trading port for markets in Northern and Eastern Europe, and Latin America. New investment planned for this year will enhance the port facility by allowing it to accommodate ships of up to 50,000 tonnes.

■ Manitoba's hydro-electric rates are among the lowest in the world. Manitoba Hydro, one of North America's major electricity companies, has generating capacity of over 5,100 megawatts. Virtually all of this energy is generated by clean, environmentally desirable hydraulic facilities. Manitoba Hydro has also identified several potential hydraulic power generating sites which could add a further 3,800 megawatts to its capacity at reasonable cost. This ensures that Manitobans will continue to have access to clean and affordable power both today and in the future.

■ One of the province's fastest growing industries is information and telecommunications. Manitoba's strategic advantages include a central time zone, low-cost office space, competitive telecommunication rates, and a ready supply of bilingual and multilingual workers. In addition, Manitoba has over 75,000 strand kilometres of fibre-optic cabling, with 100% digital switching technology. Manitoba was one of the first provinces to establish an Asynchronous Transfer Mode (ATM) fibre backbone network, delivering economical advanced services, such as multimedia applications, for most of Manitoba's communities.

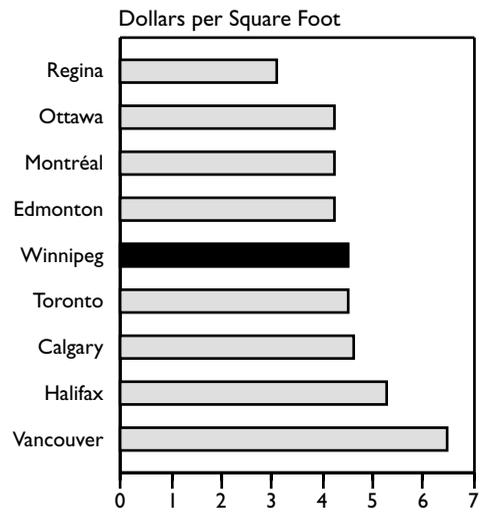
Average Office Rental Rates, 1999



Source: Royal LePage

Manitoba offers low cost, excellent quality office space.

Industrial Rental Rates, 1999

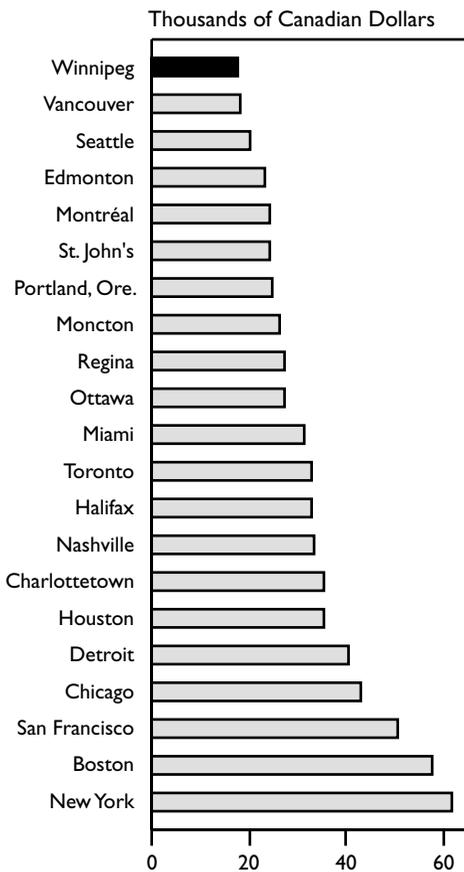


Source: Royal LePage

Industrial buildings can also be rented at competitive rates.

**Monthly Industrial Electric Bills
Medium-sized Commercial/
Industrial Customer**

400,000 Kilowatt Hours, 1999



Source: Hydro-Québec

Manitoba electricity rates are among the lowest in North America, as the charts on this page and the facing page show. Indeed, they are among the lowest in the world.

■ Manitoba's support for important public services, such as health care and education, continues to grow. The 2000 Manitoba Budget strengthens Manitoba's health care system. There are also no premiums or personal charges for health services. Manitobans also enjoy quality public education, as well as affordable, high-quality post-secondary education opportunities in our universities and colleges. Manitoba's average tuition fees for arts and science last year were third-lowest among the ten provinces.

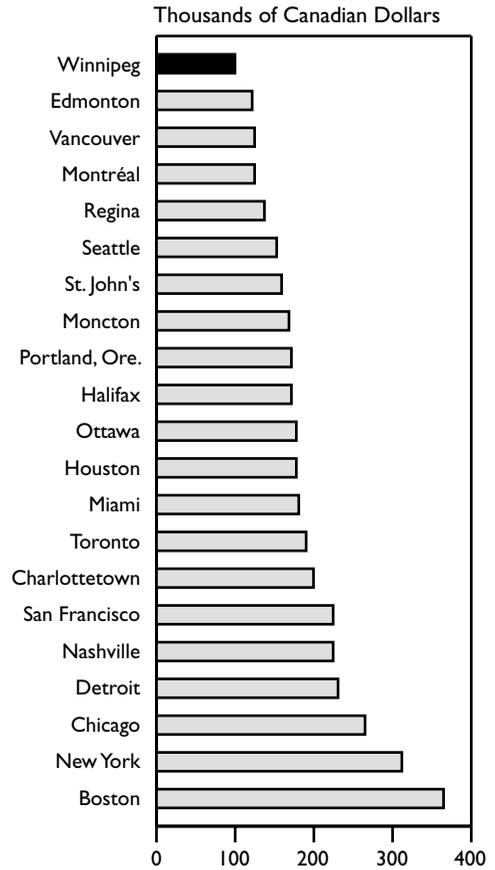
■ Manitoba has a long history of support for education and research – a tradition which continues into the new century. Manitoba's three public universities and its several colleges offer a variety of degree, certificate and diploma opportunities. Research and innovation are important parts of the provincial economy, and the province boasts a variety of major health and pharmaceutical research facilities including the National Centre for Agri-Food Research in Medicine, the National Research Council Institute for Biodiagnostics, St. Boniface General Hospital Research Centre, Canada's Centre for Disease Control Virology Lab, and the Manitoba Institute for Cell Biology. Manitoba is also home to many engineering and technology research facilities, including the Internet Innovation Centre, the Manitoba Industrial Technology Centre, Telecommunications Research Laboratories (TRLabs) and SMARTpark, the new multi-disciplinary research park currently being established at the University of Manitoba. The Manitoba Government actively supports research and innovation activities, and the development of research infrastructure, in the province.

■ Manitoba's population has created a rich and fascinating mosaic of cultural and artistic accomplishments. Folklorama, a celebration of the many cultures of Manitoba, was recognized as the Best Cultural Event in 1999 by the Canadian Event Industry, and attracts over 400,000 pavilion visits during its two-week run. Manitoba's other cultural festivals include: the Brandon Royal Winter Fair; Northern Manitoba's Trappers' Festival in The Pas; the Winnipeg Folk Festival, one of the largest in North America; the Festival du Voyageur, a celebration of Manitoba's French-Canadian heritage; Canada's National Ukrainian Festival in Dauphin; and numerous music and theatrical festivals.

■ Winnipeg has an active artistic and cultural scene, including the Winnipeg Art Gallery, the Manitoba Museum of Man and Nature, the Winnipeg Symphony Orchestra and the Manitoba Opera Company. The famous Royal Winnipeg Ballet performs around the world. The enthusiastic support of Manitobans for the arts is evident in Statistics Canada data, which show that Manitoba's performing arts companies enjoyed among the highest per capita revenue in Canada, including revenue from ticket sales, public grants and fund raising. Manitoba ranked highly in each of these categories. Overall, Manitobans have among the highest rates of volunteerism in Canada, reflecting our community spirit and tradition of caring .

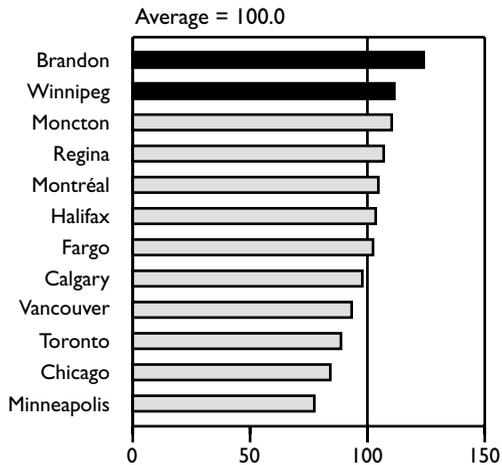
**Monthly Industrial Electric Bills
Large-sized Commercial/
Industrial Customer**

3,060,000 Kilowatt Hours, 1999



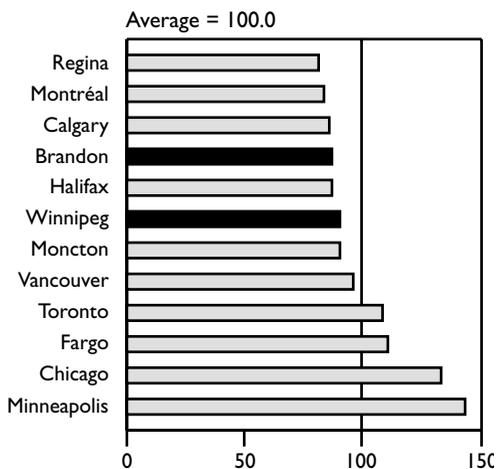
Source: Hydro-Québec

Pre-Tax Net Income Small Manufacturing Firm



Pre-tax net income is highest in Manitoba, due to low operating costs. (See Appendix 1)

Effective Tax Rates Small Manufacturing Firm



A comparison of the effective tax rates for a small manufacturer (also detailed in Appendix 1) shows that a Manitoba location offers competitive taxes.

■ There are professional sports teams in the International Hockey League, the Canadian Football League, the Northern Baseball League, and the International Basketball Association. In recent years, the province successfully hosted sporting events such as the Grey Cup, the World Curling Championships, the Canada Summer Games and the World Junior Hockey Championships. Last year, Manitoba was host to the Pan American Games, the biggest multi-sport event ever held in Canada.

■ There are 2.5 million acres of parkland and more than 100 golf courses in the province. Grand Beach on Lake Winnipeg is acknowledged as one of the best in North America. Visitors can watch the polar bear migration near Churchill, view the bison at Riding Mountain National Park or enjoy the great landings of migratory ducks and geese throughout the province. The choices are almost endless. Best of all, there are so many great outdoor destinations and activities that it is easy to get away and enjoy Manitoba's unblemished natural beauty.

■ While Manitoba's population is large enough to support a diverse cultural and sporting life, it is small enough to keep the air and water clean, the traffic moving and the natural beauty of our province unblemished. Manitobans pride themselves on being careful stewards of our natural environment through conservation and wildlife management programs.

To show Manitoba's cost advantages in more detail, two Appendices are attached. The first, Manitoba's Competitive Environment for Manufacturing, provides a more detailed comparison of the taxes and costs faced by typical manufacturers in various Canadian and American cities. The second is an Interprovincial Comparison of Annual Personal Costs and Taxes.

APPENDIX 1: MANITOBA'S COMPETITIVE ENVIRONMENT FOR MANUFACTURING

■ Introduction

Manufacturing is Manitoba's largest industrial sector. Manufacturing employment has experienced strong and steady growth over the past decade. Although the total value of manufacturing shipments declined in 1999 – primarily due to lower production of farm equipment – the value of manufacturing shipments has increased 67.5% since 1991. New capital investment in manufacturing in 2000 is projected to increase 13.6% in Manitoba, the third-strongest growth rate of manufacturing investment in the country.

With significant production in over 15 distinct industries, the manufacturing sector is a major contributor to Manitoba's economy. Manitoba is North America's largest manufacturer of buses, producing both intercity and urban buses. Manitoba is Canada's third-largest producer in the aerospace sector, with over \$1 billion in sales in 1999. Over 100 apparel firms contribute to making Manitoba Canada's third-largest apparel manufacturing centre. Food and beverage industries, with strong linkages to Manitoba's agriculture sector, shipped \$2.5 billion of products last year to countries around the world.

There are many factors that make Manitoba a competitive place for manufacturers to conduct business. Manitoba is centrally located with excellent transportation links to other parts of North America. Industrial and commercial land costs are lower than in most other major metropolitan centres, and our electricity rates are among the lowest in the world.

The Department of Finance has developed a model that is used to quantitatively evaluate Manitoba's tax structure and cost environment for a representative small and a larger manufacturing firm. The model is used to compare the Manitoba results relative to selected other North American cities.

The model simulates present and future start-up costs, operating costs, financial and taxation profiles over a period of 20 years. The current analysis is an update on the previous manufacturing competitiveness model which was first developed in the early 1990s. The representative firms' profiles have been updated using the most recent data available from Statistics Canada, local economic development boards, and other public sources.

■ Interjurisdiction Competitiveness

The following indicators are used to assess cost and tax competitiveness for a small and a larger manufacturing firm over a 20-year period:

- net cost of investment, or start-up costs (including applicable taxes);
- pre-tax net income;
- effective tax rates; and
- internal rates of return.

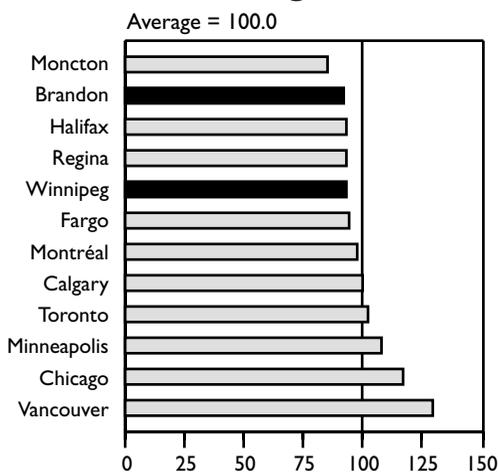
This analysis uses a variable cost model and calculates net revenue and cash flow, including start-up costs, based on the operating costs in each location. The simulation results for each city are compared to the overall average of all cities for each of the indicators, and are presented in the charts that follow.

All amounts for the U.S. cities were converted to equivalent Canadian dollar amounts using the average exchange rate for 1999 of US\$1.00 = C\$1.49.

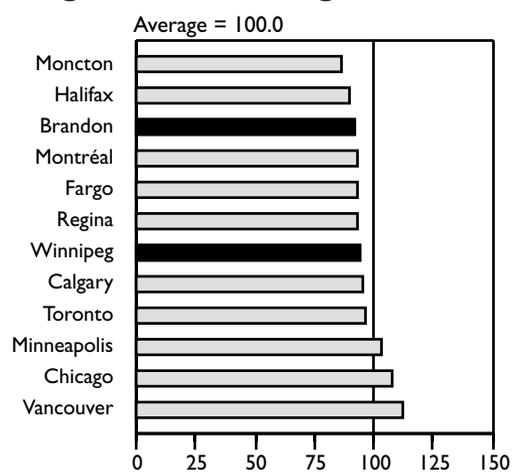
Net Cost of Investment

The costs of starting a manufacturing plant (land, buildings and machinery) are lower in Manitoba than the average for all cities. The net cost of investment for the larger metropolitan centres tends to be higher than the overall average, primarily because of the higher cost of land.

**Net Cost of Investment
Small Manufacturing Firm**



**Net Cost of Investment
Larger Manufacturing Firm**



Pre-Tax Net Income

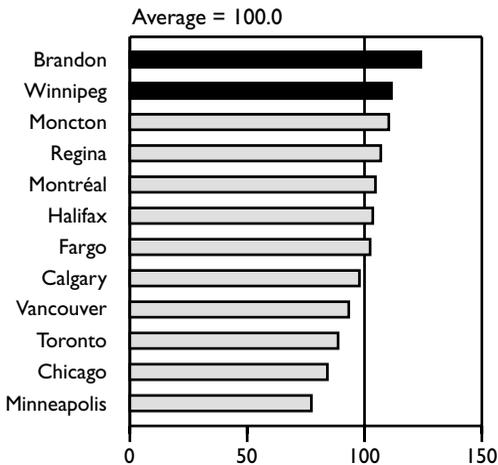
The model calculates pre-tax net income by subtracting from a common level of revenue the following location-sensitive operating costs:

- average manufacturing wages;
- local utility charges (electricity and telephone);
- interest costs; and
- capital depreciation.

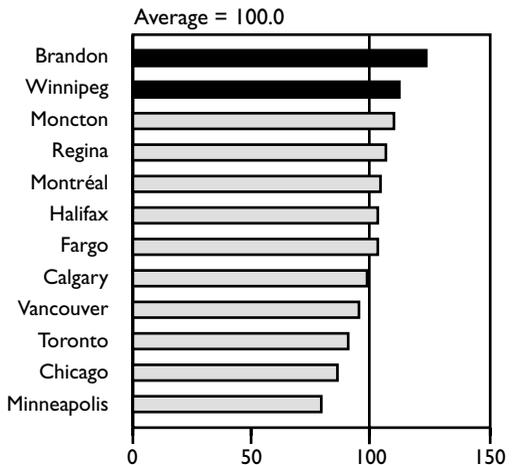
Pre-tax net income is used to compare Manitoba’s cost competitiveness to the other locations. The sales figures used in the simulation model are fixed across the cities, rising to \$4 million for the small firm and \$45 million for the larger firm for years five through twenty. Production material costs are expressed as a percentage of sales and are also fixed across jurisdictions. A higher pre-tax income indicates lower operating costs in a given jurisdiction.

Brandon and Winnipeg yield the highest pre-tax net income for both the small and larger manufacturing firms. A talented, well educated and productive labour force and low utility costs contribute to the cost advantages of operating a manufacturing plant in Manitoba.

Pre-Tax Net Income Small Manufacturing Firm



Pre-Tax Net Income Larger Manufacturing Firm



Effective Tax Rates

Effective tax rates are generated by computing gross taxes as a proportion of pre-tax net income over the 20-year period.

The following operating taxes are included in the analysis:

- corporation income taxes;
- local property and business taxes;
- corporation capital and U.S. franchise taxes;
- payroll taxes;
- workers' compensation premiums;
- statutory pension and unemployment insurance premiums; and
- employer-paid health premiums.

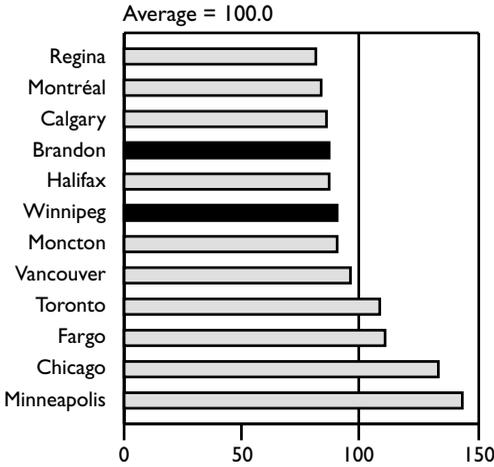
The following tax expenditures that benefit the manufacturing sector are also taken into account:

- investment tax credits;
- tax holidays;
- accelerated capital cost allowances; and
- preferential tax rates.

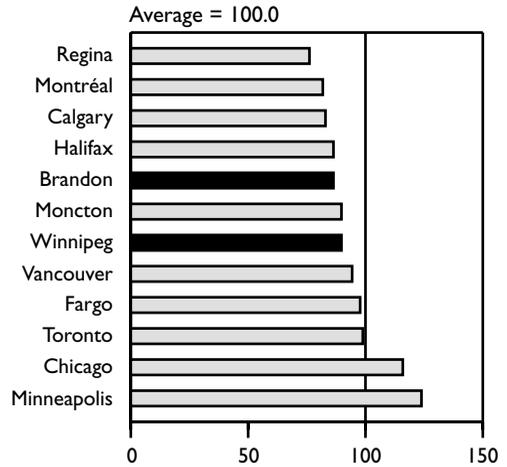
Not included in the models are enterprise zones, grants and other forms of governmental and third-party financial assistance programs.

The effective tax rates in Manitoba are lower than average.

Effective Tax Rates Small Manufacturing Firm



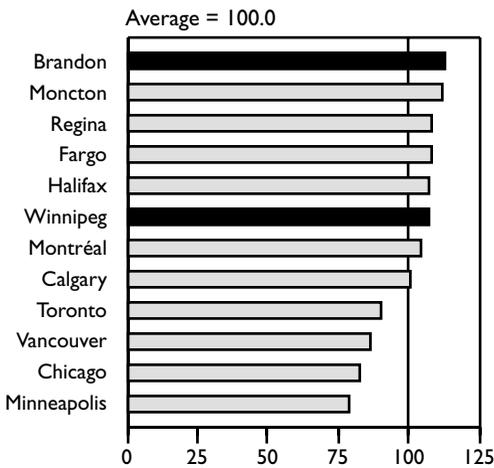
Effective Tax Rates Larger Manufacturing Firm



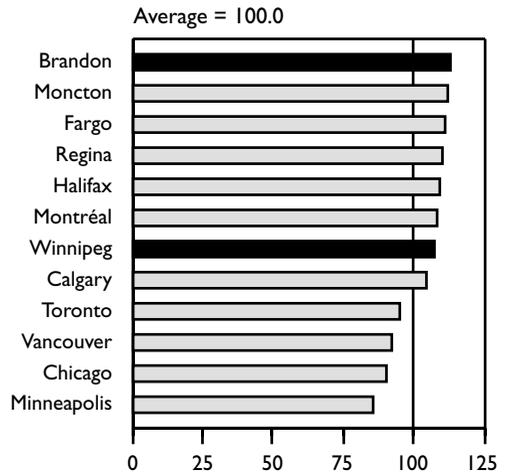
Overall Competitiveness

Overall competitiveness is measured by comparing internal rates of return. The internal rate of return is often used for business investment and location decision making. The following charts illustrate the combined effect of taxes and costs on the after-tax internal rates of return for the representative small and larger manufacturing corporations in the selected jurisdictions.

Internal Rates of Return Small Manufacturing Firm



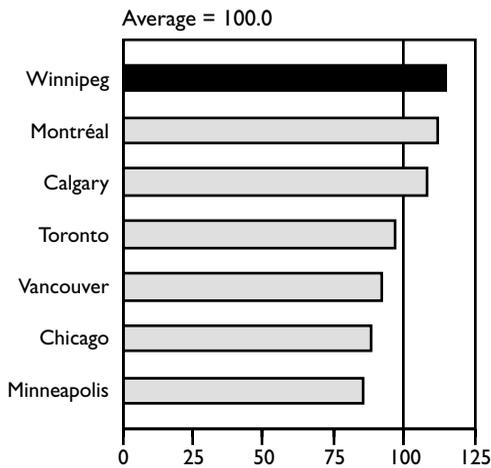
Internal Rates of Return Larger Manufacturing Firm



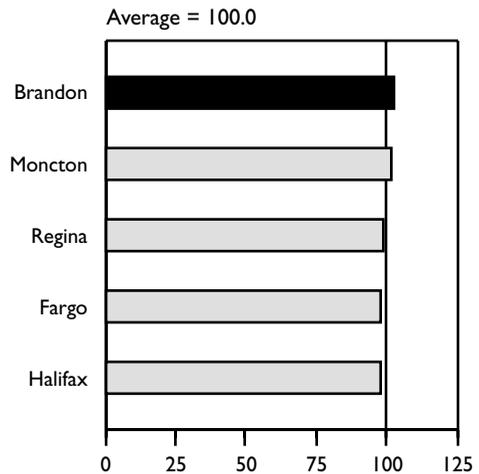
The internal rates of return for both Winnipeg and Brandon are better than the overall average of the cities included in the study.

Brandon has the highest rate of return for both the small and larger manufacturing firms. Among cities with populations over 500,000, Winnipeg has the highest internal rate of return for small manufacturing firms, and the second-highest for larger manufacturing firms.

**Internal Rates of Return
Small Manufacturing Firm
in Cities over 500,000**



**Internal Rates of Return
Small Manufacturing Firm
in Cities under 500,000**



■ Conclusion

Location-sensitive costs are generally lower in Manitoba than in the other jurisdictions included in this study.

Effective tax rates suggest that Manitoba’s business tax regime is competitive with those of other provinces and the U.S. cities included in the study.

Most importantly, Manitoba has one of the best overall business tax and cost environments for manufacturing.

These results are consistent with findings released in prior Manitoba Budgets using the same model to generate indices to compare competitiveness.

APPENDIX 2:

2000 Interprovincial Comparison of Annual Personal Costs and Taxes

The table in this Appendix compares taxes and living costs for typical households in Manitoba with similar individuals or families in other provinces.

A single taxpayer earning \$20,000 in Manitoba pays the third-lowest provincial taxes in Canada. Combined taxes and living costs are the lowest in the country.

A married taxpayer earning \$40,000 with a dependent spouse and two dependent children has the fourth-lowest provincial taxes and the lowest combined taxes and living costs in the country.

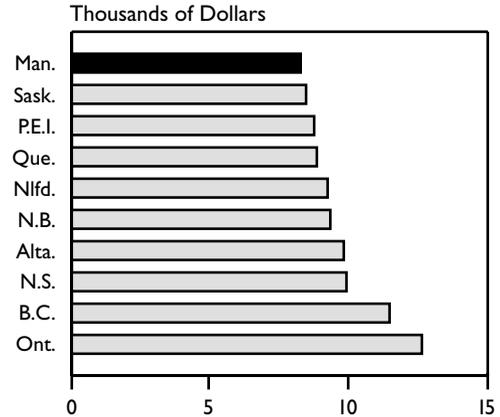
A family of four with \$60,000 earned income, has the sixth-lowest provincial taxes and the third-lowest combined taxes and living costs in the country.

Manitoba's top marginal personal income tax rate is the third-lowest in the country. Also, Manitoba's sales tax rate of 7% is the second-lowest of all provinces that levy a retail sales tax.

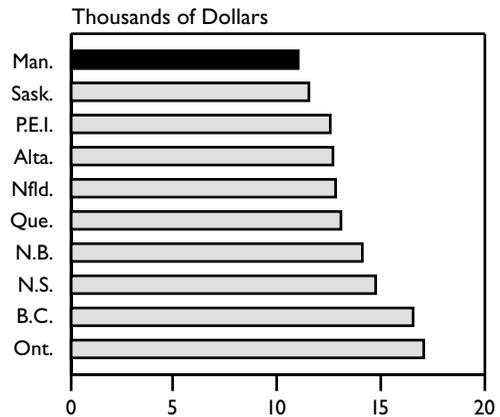
Low living costs and personal taxes mean that all Manitobans are able to enjoy a high standard of living in relation to other parts of the country. This makes Manitoba a more competitive and attractive location for both new and expanding businesses.

A superior quality of living, with lower personal costs and taxes, is clearly an important part of The Manitoba Advantage.

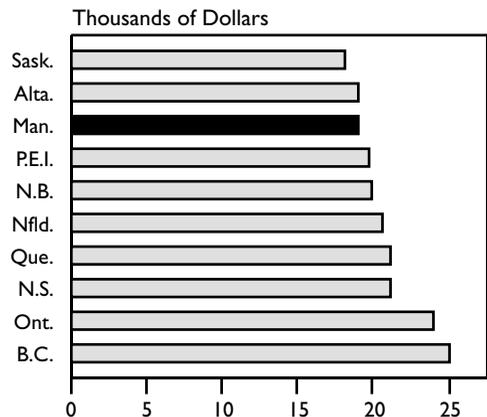
Annual Personal Costs and Taxes Single Person Earning \$20,000*



Annual Personal Costs and Taxes Family of Four Earning \$40,000*



Annual Personal Costs and Taxes Family of Four Earning \$60,000*



*Includes income, retail sales and gasoline taxes, health premiums, rent or mortgage costs, public transit costs or auto insurance, telephone service, electricity, heating and property taxes.

2000 Comparison of Annual Personal Costs and Taxes

Single Person: \$20,000	B.C.	Alta.	Sask.	Man.	Ont.
Provincial Income Tax	953	971	1,173	902	742
Retail Sales Tax	643	0	526	660	791
Health Premiums	432	408	0	0	0
Provincial Levies	2,028	1,379	1,699	1,562	1,533
Rent	8,196	7,200	5,496	5,472	9,240
Electricity	301	382	458	320	494
Transit Fares	648	600	552	716	1,062
Telephone	299	270	264	229	261
Living Costs	9,445	8,452	6,770	6,737	11,057
Total Costs	11,473	9,831	8,469	8,299	12,590
Family of 4: \$40,000	B.C.	Alta.	Sask.	Man.	Ont.
Provincial Income Tax	2,246	1,974	2,972	2,708	1,877
Retail Sales Tax	1,137	0	1,009	1,167	1,300
Gasoline Tax	300	180	300	230	294
Health Premiums	864	816	0	0	0
Provincial Levies	4,547	2,970	4,281	4,105	3,471
Mortgage Costs	8,057	5,766	2,895	2,901	8,202
Property Tax	1,165	1,072	1,400	1,239	1,800
Home Heating	465	611	621	846	676
Auto Insurance	1,133	1,104	977	950	1,530
Electricity	561	658	773	552	862
Telephone	599	540	528	457	522
Living Costs	11,980	9,751	7,194	6,946	13,592
Total Costs	16,527	12,721	11,475	11,051	17,063
Family of 4: \$60,000	B.C.	Alta.	Sask.	Man.	Ont.
Provincial Income Tax	4,726	4,674	6,190	6,394	3,849
Retail Sales Tax	1,419	0	1,296	1,456	1,654
Gasoline Tax	300	180	300	230	294
Health Premiums	864	816	0	0	0
Provincial Levies	7,309	5,670	7,786	8,080	5,797
Mortgage Costs	13,027	8,492	5,307	5,397	11,579
Property Tax	1,787	1,708	2,000	2,542	2,700
Home Heating	465	611	621	846	676
Auto Insurance	1,133	1,104	977	950	1,530
Electricity	734	842	984	707	1,108
Telephone	599	540	528	457	522
Living Costs	17,745	13,297	10,417	10,899	18,114
Total Costs	25,054	18,967	18,203	18,979	23,911

Sums may not add due to rounding.

Que.	N.B.	N.S.	P.E.I.	Nfld.	Single Person: \$20,000
1,391	1,158	1,138	1,138	1,227	Provincial Income Tax
865	1,015	1,022	844	994	Retail Sales Tax
0	0	0	0	0	Health Premiums
<u>2,256</u>	<u>2,173</u>	<u>2,160</u>	<u>1,982</u>	<u>2,221</u>	Provincial Levies
5,424	5,844	6,276	5,208	5,556	Rent
354	514	502	565	485	Electricity
564	576	684	720	600	Transit Fares
261	245	300	267	239	Telephone
<u>6,603</u>	<u>7,180</u>	<u>7,762</u>	<u>6,760</u>	<u>6,881</u>	Living Costs
<u>8,859</u>	<u>9,353</u>	<u>9,922</u>	<u>8,742</u>	<u>9,102</u>	Total Costs
Que.	N.B.	N.S.	P.E.I.	Nfld.	Family of 4: \$40,000
1,672	2,970	2,920	2,841	3,064	Provincial Income Tax
1,562	1,809	1,822	1,501	1,784	Retail Sales Tax
334	214	270	260	330	Gasoline Tax
0	0	0	0	0	Health Premiums
<u>3,568</u>	<u>4,993</u>	<u>5,012</u>	<u>4,602</u>	<u>5,178</u>	Provincial Levies
4,053	4,149	4,849	3,377	3,249	Mortgage Costs
1,800	1,500	1,450	1,200	633	Property Tax
1,290	1,150	1,055	1,131	1,298	Home Heating
1,264	941	910	836	1,133	Auto Insurance
567	845	878	929	788	Electricity
522	491	600	534	479	Telephone
<u>9,495</u>	<u>9,075</u>	<u>9,742</u>	<u>8,007</u>	<u>7,580</u>	Living Costs
<u>13,063</u>	<u>14,068</u>	<u>14,754</u>	<u>12,609</u>	<u>12,758</u>	Total Costs
Que.	N.B.	N.S.	P.E.I.	Nfld.	Family of 4: \$60,000
6,257	6,027	5,924	5,768	6,164	Provincial Income Tax
2,194	2,436	2,453	2,018	2,404	Retail Sales Tax
334	214	270	260	330	Gasoline Tax
0	0	0	0	0	Health Premiums
<u>8,785</u>	<u>8,677</u>	<u>8,647</u>	<u>8,046</u>	<u>8,898</u>	Provincial Levies
5,886	5,838	6,875	6,272	6,658	Mortgage Costs
2,700	1,739	2,009	1,700	1,100	Property Tax
1,290	1,150	1,055	1,131	1,298	Home Heating
1,264	941	910	836	1,133	Auto Insurance
724	1,065	1,128	1,171	1,002	Electricity
522	491	600	534	479	Telephone
<u>12,385</u>	<u>11,223</u>	<u>12,577</u>	<u>11,644</u>	<u>11,670</u>	Living Costs
<u>21,170</u>	<u>19,900</u>	<u>21,224</u>	<u>19,690</u>	<u>20,568</u>	Total Costs

NOTES

Taxes, charges and living costs are based on information available on May 5, 2000, for the following major urban centres in each province: Vancouver, Calgary, Regina, Winnipeg, Toronto, Montréal, Fredericton, Halifax, Charlottetown and St. John's.

Provincial Income Tax is calculated for a single renter with \$20,000 earned income, and two homeowners with \$40,000 and \$60,000 of earned income, respectively. Families include one income earner, a spouse, and two dependent children. Personal non-refundable credits used include the CPP/QPP and EI contribution credits. Gross Québec Personal Income Tax has been reduced by the 16.5% abatement from federal Income Tax. Refundable sales tax credits or rental credits and provincial tax reductions have been deducted from income tax payable. Tax credits related to property taxes have been deducted from property taxes.

Retail Sales Tax is based upon an average expenditure basket at the selected gross income levels from the *Survey of Family Expenditures in 1992* (Statistics Canada).

Gasoline Tax is based on annual consumption of 2,000 litres; this includes the 4.0 cents per litre transit levy imposed in Vancouver, and the 1.5 cents per litre levy imposed in Montréal.

Health Premiums are annual premiums for hospital insurance and medical services, in provinces which levy them.

Mortgage Costs are based on one-half the average home prices for a standard townhouse for the family with \$40,000 of income, and a standard two-storey for the family with \$60,000 of income, per the *Royal LePage Fall 1999 Survey*, amortized over 25 years, at a five-year interest rate of 8.35%.

Rent is from Canada Mortgage and Housing Corporation's *Rental Market Survey, October 1999*, and is based on average one-bedroom apartment rents for each urban centre.

Auto Insurance is based on a 1998 Taurus LX. Coverage includes \$1 million third-party liability, and \$200 all perils deductible in British Columbia, Saskatchewan and Manitoba; \$250 all perils deductible in Alberta, Québec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland; \$300 all perils deductible in Ontario. The driver is married, age 30, has been accident-free for seven or more years; the auto is driven to work (15 km, one way). Rates for British Columbia, Saskatchewan and Manitoba supplied by Manitoba Public Insurance; rates in other urban centres are the average of between 8 and 12 of the larger insurers.

Transit Fares are based on adult (single zone) monthly pass rates in effect in April 2000. Fredericton and Charlottetown fares are based on adult tickets for 240 working days.

Home Heating charges are from Canada Mortgage and Housing Corporation's *Canadian Housing Market, Third Quarter 1998*, which uses the average starter homes in metropolitan areas. For New Brunswick, Saint John data was used in lieu of Fredericton data, which was not available.

Electricity charges are based on annual consumption of 9,000 kWh and 12,000 kWh respectively for the families, at \$40,000 and \$60,000 of income; 4,500 kWh of usage for the tenant. Bill calculations for Regina, for a single person and for a family at \$40,000 of income, includes a Reconstruction Charge for SaskPower. Rates do not include municipal taxes or charges, and are based on residential rates in effect from May 1999.

Telephone charges are the basic service rates for individual residences. The single taxfiler uses a single phone; the families use two telephone lines.

Sums may not add due to rounding.