

Manitoba Party Leaders' Commitments to Small Businesses (CFIB Leaders Election Survey, 2023)

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1. **Business Affordability:** Just as people are struggling with the increased cost of living, small businesses are struggling with the increased costs of doing business. In response to a recent CFIB survey, 95% of our Manitoba members said they want governments to address rising prices and the cost of doing business.

If elected, what is your government's specific plan to improve affordability around the cost of doing business for small business owners?

Manitoba Liberals have proposed a series of measures in our platform aimed at small businesses.

We are committed to improving access to capital and equity for Independent Manitoba Businesses with the creation of politically independent **Manitoba Business Development Bank (MBDB)**. Both North Dakota and Alberta have their own financial institutions which help their province's businesses start and scale up. The goal of the MBDB would be to provide "patient capital" in the form of equity investments for Manitoba businesses and farmers who need capital investment, but not debt. We want to reduce government expenditures on "corporate welfare" which consist of boutique tax measures and grants, and focus on investing in Manitoba.

We will introduce new tools for debt relief through the creation of a Manitoba Debt Compromise Board. Many businesses are facing unparalleled debt burdens through no fault of their own, due to pandemic crises, forced shutdowns by the PC government without compensation, as well as interest rate hikes.

A Manitoba Debt Compromise Board will allow borrowers to sit down with lenders to restructure and renegotiate debts. The goal is to keep the owner in the business and the farmer on the farm.

2. **Provincial Taxes:** In response to our recent pre-election survey, 92% of Manitoba small businesses indicated Manitoba needs to become more tax-competitive with other Canadian provinces to better support both employers and employees.

If elected, what is your government's plan to foster a better tax environment for small businesses in Manitoba (i.e. plans for the small business tax rate, fuel taxes, the health and education tax levy, education property taxes and the provincial sales tax)?

As it stands, Manitoba's services are in desperate need of rebuilding and reinvestment. The Government of Manitoba's own statements say that the provincial government is too dependent on federal revenues. In the last three years, the PC government has borrowed over \$1-billion in unfunded education rebate cheques. This is fiscally reckless, and we cannot justify borrowing hundreds of millions of dollars a year to send cheques out of the province.

In order to put Manitoba back on a path towards fiscal responsibility and balances we will reverse 80% of the property tax rebate. We will maintain the PST. We will work towards further reducing income

taxes for people under \$120,000 and we will work towards reducing the “payroll tax”.

3. Spending and Provincial Debt: In CFIB’s pre-election survey, 83% of Manitoba small businesses expressed concern about the current state of Manitoba’s economy and 46% said they want the next government to focus on paying down provincial debt.

If elected: 1) What is your government’s specific plan to reduce the debt burden, and 2) Does your government have a timeline in place to reach a balanced budget (please include specific timeline if available)?

Balancing the budget is a priority, but to do it requires investment in infrastructure, health, education and providing the basic services that families, communities and business all depend on, and that are simply not functioning in Manitoba as they should. Inadequate service and broken systems cost everyone.

Some of those investments must be in changing the way we run our health care system. We need to be focused on prevention and care, while reducing crisis costs, travel costs, and administration.

The PCs are currently promising massive spending. The NDP’s plans are unclear, but at this critical juncture, we cannot cut our way out of debt. Businesses need communities with proper health care and schools. We need to invest in roads, bridges, and water treatment infrastructure, that will reduce costs and increase new growth. We are facing massive shortages of doctors and nurses, and the longer we wait to act on these, the more it will cost.

To generate revenue to pay down debt, we cannot just focus on spending. All spending is someone’s income – and a lot of government spending goes to small businesses. We need to ask how we will increase economic activity, and that requires either new capital, new customers, or new business activity, not tax cuts.

4. Red Tape: In our pre-election survey, 46% of Manitoba small businesses highlighted red tape reduction should be a priority for the next provincial government. According to [our research](#), smaller businesses (those with fewer than 5 employees) pay roughly \$7,000 per employee annually to comply with regulations from all levels of government.

If elected, do you have a specific plan to reduce red tape for small businesses?

Our goal is to ensure that when it comes to serving Manitobans, the Government of Manitoba is more service-focused. That means we will work actively to help businesses reduce unnecessary obstacles to ensure processes are efficient.

5. Energy costs: In our pre-election survey, 87% of Manitoba small businesses have expressed concern about the planned Manitoba Hydro electricity rate increase, and 77% have agreed that energy and/or utility costs place significant financial strain on their business.

If elected, what is your government's specific plan to address the financial burden of energy and/or utility costs on small businesses?

First, Manitoba Liberals are the only party who have committed to returning to the Federal Government and taking back control of the Carbon levy and spending, and creating a \$300-million annual green fund, which would help with the costs of energy retrofits.

We should be focusing on ways to cut energy costs by investing in energy efficiency, insulation, and new technology. The Green Fund would provide grants to do exactly that.

One of the most important things government in Manitoba can do is stop interfering politically with Manitoba Hydro. The NDP and PCs continually interfere with a multi-billion corporation with an energy monopoly. This is politically reckless.

One of the main reasons for Hydro's colossal debt, cost overruns, and high energy prices is that successive Manitoba Governments kept taking money from Hydro. After 2010, during a decade in which Manitoba Hydro saw its debt increase by \$10-billion, the government of Manitoba took \$4-billion out - \$2-billion under the PCs, \$2-billion under the NDP. That is nearly 20% of Manitoba Hydro's current debt.

We need to make sure that Hydro has a professional, balanced, independent board, and that it is regulated by an independent Public Utilities Board. It has consistently worked to keep electricity prices low, even as NDP and PC governments have interfered with price setting, with Hydro, and with the PUB.

6. Fuel costs: 82% of Manitoba small businesses have indicated that fuel costs place significant financial strain on their business, and 73% have agreed the province should consider reducing or suspending the collection of the fuel tax.

If elected, what is your government's specific plan to lessen the burden of fuel costs?

Respectfully, it is fiscally irresponsible to remove the fuel tax, which means the government of Manitoba would be borrowing tens of millions of dollars, with interest, to subsidize fuel that would be burned once. This is borrowing money to set fire to it.

We have committed to the creation of a \$300-million Green Fund, available to businesses, that would provide funding for investments in reducing energy use. This includes capital investments to switch to new technologies and energy sources, as well as investing in permanent energy savings through efficiency programs.

7. Labour Shortages: In our pre-election survey, 82% of Manitoba small businesses indicated labour shortages are making it hard for their business to attract and/or retain employees. According to [CFIB research](#), 75% of Manitoba business owners have had to work more hours due to labour shortages and, on average work 54 hours per week – the equivalent of an eight-day work week for most salaried workers.

If elected, what is your government's specific plan to address labour shortages in the province?

There are multiple issues here – one is the issue of training. We need to ensure there is support for students and people looking to upgrade their skills. We need to make sure that we ensure the basic skills for work are in place and taught in K-12 schools.

The other issue is why there are labour shortages and demands for higher wages. Because of inflation, soaring rents, housing prices, and the debt that people are taking on to pay for housing, people looking for work are asking for higher wages.

One of the most important ways to reduce pressure on the economy, businesses and labour alike is to provide new tools for debt reduction. Aside from the Debt Compromise Board, we are also committed to funding Credit Counselling, a charity that helps individuals reduce their debts.

8. Minimum Wage: According to CFIB's Monthly Business Barometer, Manitoba small businesses have consistently cited wage costs as their number one input cost constraint. Despite 80% of Manitoba small businesses already paying their employees more than the general minimum wage, mandated minimum wage increases still place incredible pressure on employers to up their wages, even for employees already earning above the minimum.

If elected, what is your government's specific plan regarding the minimum wage moving forward?

Our focus is on supporting strong Manitoba businesses so that can have and create good Manitoba jobs. The minimum wage increases have been substantial. We want to be realistic, while still ensuring that people can afford to pay their bills.

9. Paid Sick Days: In our pre-election survey, 89% of Manitoba small businesses have said that their business cannot afford to take on new costs to pay for a mandatory paid sick leave program (if it were to be implemented). Another 55% indicated they would support the program if the associated costs were fully taken on by the Manitoba government and reimbursed on time (38% disagreed).

If elected, what is your government's specific plan, if any, to introduce either mandatory employer-paid, or government-funded paid sick days?

We believe that it is critical to increase the number of government-supported paid sick days. There is considerable research showing that people going to work sick costs everyone because it spreads illness.

10. Statutory Holiday: In our pre-election survey, when asked about introducing a new statutory holiday (such as the Truth and Reconciliation Day) in Manitoba, 72% of small businesses indicated that they cannot afford the additional cost of a new statutory holiday (closing for the day, paying employees time and a half, etc.).

If elected, what is your government's specific plan on potentially introducing a new statutory holiday?

We support the introduction of a Truth and Reconciliation Day in Manitoba. We have to emphasize that over the years, there has been a steady increase in the number of days all businesses can be open – often seven days a week.

11. Public Safety: Nearly half (45%) of Manitoba small businesses indicated that crime and community safety issues are a serious concern to their business — this was the highest share of businesses concerned across Canada. Further, 41% have been directly impacted by community safety issues (e.g., damaged property, theft), 13% have been indirectly impacted (e.g., increased concerns about customer/staff safety). Another 49% of small businesses indicated they would like the political parties to focus on addressing social concerns.

If elected, what is your government’s specific plan to address concerns surrounding crime and community safety for small businesses?

We have released a plan that will drive down crime.

- We will ensure adequate funding for police.
- Currently, Manitoba has no provincial halfway houses, and discharges inmates from provincial correctional facilities straight onto the street or to homeless shelters. We have committed to building new halfway houses to ensure people transition to a better life, not to the street and re-offending.
- We will crack down on the sale of illicit drugs, which are fuelling gang rivalries including, illicit cannabis.
- Organized criminals are using Manitoba’s corporate business registry to set up fronts that allow them to launder money, engage in human trafficking. We will provide police and prosecutors with new tools for prosecutions with a transparent and public registry of beneficial ownership.

We will also help get people safely off the street. Too many Manitobans are living in dire poverty, or are homeless. It is much lower cost to provide someone with housing – a room of their own – than it is for emergency services to be dealing with them – police, ambulances, ERs and hospitals.

We have committed to a “Same Day Housing” plan ready by 2025.

12. Alcohol/Cannabis Distribution: CFIB recently surveyed our members impacted by the MGEU liquor/cannabis worker strike. When asked about the potential options that could be taken by the Manitoba Government to address the impacts of the strike, 83% of Manitoba small businesses supported providing wholesale prices on alcohol to restaurants and other licensed food service ventures. Another 73% supported Manitoba Liquor & Lotteries (MBLL) exploring options to increase competition in product distribution (i.e., allowing private distributors to enter the market).

If elected, what is your government’s specific plan to increase competition in product distribution and/or provide wholesale pricing on alcohol?

There is already a robust existing distribution system for alcohol in Manitoba, and there is a reason that alcohol and cannabis are strongly regulated products. Alcohol in particular, like tobacco, has enormous societal costs, and the regulation and taxes charged result in substantial revenues for essential public services including health.

Manitoba Liberals are focused on net new growth, new jobs and new investments. We want to see new growth of private businesses in addition to existing jobs, not shifting existing jobs and work from one sector to another.

13. Your Message

If there's one thing you want small business owners to know, what would it be?

Manitoba Liberal candidates across Manitoba include entrepreneurs and small business owners, and we are committed to ensuring government does what it takes to get the important things done right – health, education, infrastructure, justice. After 17 years of NDP, and 7 years of PCs, our province needs rebuilding and ensuring that we're more self-reliant. Independent Manitoba businesses are a critical part of that.