

Manitoba Modern Economics, Technology and the Environment

Manitoba Budget 2010: Recommendations to the
Province of Manitoba



By Adam Johnston

Photo courtesy of:

<http://www.guardian.co.uk/money/blog+banks>

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SYNOPSIS

- The province of Manitoba is forecasting a deficit of \$555 million for 2009-2010. This is the first time, in over a decade that Manitoba is recording a deficit.
- Various reasons for this deficit budget include:
 - Global recession, which saw a decline in tax revenue.
 - Manitoba Hydro revenue shrunk by \$136 million.
 - H1N1 prevention, and the 2009 flood, costing Manitoba outside the \$90 of H1N1 prevention (which is not included in the balanced budget calculation) of \$146 million.
- *Source: <http://news.gov.mb.ca/news/index.html?archive=&item=7834>*

The Challenges

Despite the shortfall in the budget, Manitoba has many challenges it must address...

Poverty

- Overnight homeless Shelter use has increased 41 % between February, 2007 and December, 2008, according to the Social Planning Council of Winnipeg.⁽¹⁾
- Manitoba was named the child poverty capital of Canada in November 2009.⁽²⁾
- 80 % of the work force is putting in more working hours but receiving less income share.⁽³⁾



Photo

Source: <http://www.philanthromedia.org/archives/Homeless-Streets.jpg>

Environment

- Manitoba continues to trail in the middle to low of the pack in everyday environmental initiatives. ⁽⁴⁾
- Winnipeg does not have a rapid transit system.
- Manitoba trails other provinces in creating green jobs and failed in a 2009 Corporate Knights report on environmental sustainability. ⁽⁵⁾



Photo Source:

http://www.canadiangeographic.ca/atlas/Images/Glossary/Wind_energy.jpg

Technology

- Massive gaps exist between, Northern, rural and urban centres in terms of internet connectivity.
- Telecommunications in northern communities is sparse, despite increased cellular phone technology.
- Manitoba lacks a new media entertainment industry hub compared to other Canadian jurisdictions.
- How to increase Canadian Internet content without regulating it.



*Photo source:
<http://www.apple.com/iphone/gallery/>*

2010 Budget Recommendations

Manitoba Modern Economics, Technology and the Environment, as part of its commitment to social justice, market based, fiscally conservative solutions recommends the following:

Provincial Finances



Photo Source:
<http://www.csce.ca/2010/annual/images/manitoba-legislature.jpg>

- Put a freeze on all provincial civil service wages for the next two years as part reducing provincial government expenses to balance the budget.
- All MLA's salaries and pensions be clawed back by 5% for the 2010-2011 year.
- Freeze or reduce funding to all non essential provincial departments.

Taxation

- Decrease the lower income tax bracket from 10.7%* (up to \$30,544) in 2010 to 10.2% in 2011.
- Increase the high income tax bracket from 17.4%* (in excess of \$70,000) to 18.9% in 2011.
- Create a sur tax rate of 20% for those making \$160,000 or more from 2011 until 2013.

** Source: H&R Block Tax Update Handbook. H&R Block Canada Inc. Calgary, Alberta Canada.*

Poverty

- Increase the basic credit from \$195 to \$205.
- Encourage more credit unions and Caisse Populaire to lend micro credit loans to low income people to start new business through the Credit Union & Caise Populaire Act.
- Worker & micro Entrepreneurship tax credit of 15% to encourage worker owned businesses plus private micro businesses amounts low income people.
- Small incentives for low income people to build assets, and eliminating all clawback of social assistance recipients who pursue asset building and micro private business.



Poverty Continued

Social Entrepreneurship Tax credit of 5% for social entrepreneurship in Manitoba.

Work more closely with Non profits like the United Way, SEED Winnipeg to create more asset building, Individual Account and small business programs.

Invest with Non government organizations with no religious affiliation to create affordable housing within Manitoba.

Photo from: <http://www.salvationarmy.ca/wp-content/uploads/2006/05/homeless-2.jpg>

Environment

- Encourage a new environmental community entrepreneurship tax credit (5%) for the creation of green small and worker own businesses (example, recycling depots).
- Invest in a new job training program for green industries like wind and solar energy.
- Start a discussion for the implementation of a carbon tax system in Manitoba by 2012 budget.



Picture Source: http://www.solarpowerwindenergy.org/wp-content/uploads/2009/09/prRenewable_Energy_BillREBicamWindmills.jpg

Environment continued

- Increase green technology Research and Development (R&D) by 5% in 2010, 2011 and if green tax implemented by 2012 by 10%.
- Work with credit unions and caisses populaires to provide loans for small scale green entrepreneurship/projects.
- Open up alternative energy competition to consumer co-operatives and small scale private business.



Photo from: <http://ventana.sierraclub.org/conservation/regional/images/images07no5/polarBear.jpg>

Environment Continued

- Encourage Eco-Tourism entrepreneurship by encouraging small scale Eco tourist business and allocating Northern Boreal forests for tourism.
- A 2% road tax that would go into an green transportation fund (rapid transit & cycling).
- Working with Metis, First Nations, and environmental groups on creating a new tax credit in 2012 on sustainable wilderness protection/hunting.



Photo Source:
http://www.lightrailnow.org/images02/nfk-lrt-rend-sideview-cityscape-20070916_hrt.jpggggg

Technology

- Expand the Manitoba Interactive Tax Credit of 40% to those projects from \$500,000 to \$1 million to encourage the expansion of new media entertainment industry in 2010 and double that to \$2 million by 2013.
- The creation of the Manitoba new media tax credit of 10% to the creation of new media professional Canadian content.
- Work with Universities to create and promote an interactive entertainment major.



Source of Photo <http://ps3-for-free.com/wp-content/uploads/2008/01/free-playstation3.jpg>

Technology Continued

- Re-allocate arts funding of 20% and divide that between green R&D/technology development (10%) and the rest towards revamping our K-12 to have more technology based and interactive learning (10%).
- Start the first phase of planning a new northern cell phone tower system that will allow remote Northern Manitoba cell phone residents cell phone access. First phase would start in 2012.



Photo Source: Blackberry.com

In Summary

Manitoba has a large deficit of \$555 million.

Efficient and innovative ideas in poverty, environment, technology may cause some short term challenges but long term rewards later on.

Works Cited

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