

## Manitoba 2019 General Election Questionnaire

### Retail Council of Canada:

Retail Council of Canada (RCC) is a not-for-profit, industry-funded association representing retailers of all sizes and formats, including department, grocery, specialty, discount, and independent stores as well as online merchants. We speak for an industry that touches the daily lives of Manitobans in every corner of the province.

### Manitoba Retail Facts:

- Retail is the largest private sector employer in Manitoba, representing over 70,000 employees, and more than \$2.34 billion in annual payroll.
- With over 4,700 retail locations across the province, retail trade accounts for \$12.67 billion per year in Manitoba, and more than \$1.2 billion in capital investment in 2018 alone
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### Retail Realities:

- The retail sector provides a broad range of employment opportunities, including first-time skill development jobs to highly professional positions.
- Retail is a highly competitive sector, with traditionally low profit margins. Controlling costs is a high priority for retailers, as small cost increases can have a significant impact on a retailer's bottom line and business viability.

**Retail's success in Manitoba is driven by increased investment, strong consumer demand, as well as sensible and focused policy and regulation by the provincial government.**

## Manitoba 2019 General Election Questionnaire

### Retail Council Survey

- On behalf of the retail industry, we are asking all major political parties about their views on issues that are important to retail businesses, employees and our customers.
- We publish the answers on our website – and encourage all retailers, employees and customers to visit the site to understand the parties' positions on issues impacting our industry.

## SURVEY QUESTIONS

**We thank you for taking the time to answer the following questions:**

### 1. Enhanced Private / Public Sector Participation in Liquor

Today 95% of Canadians live in provinces that allow for the convenience of being able to buy beer and wine in grocery and private retail stores. Governments recognize that private sector participation enhances consumer convenience and choice, while safeguarding government revenues without the same tax funded capital requirements.

In reality, currently in Manitoba over 80% of liquor retail locations are privately operated, through a network of franchised grocery and convenience stores, pharmacies, hardware stores and other formats, who conveniently display alcohol along side other products. Additionally, there is a system of privately operated beer only vendors throughout the province, and a few private wine stores.

Many provinces, including neighbouring Ontario and Saskatchewan have created hybrid private / public sector retail systems to enhance consumer convenience, choice (including markets for craft producers), and affordability – and to free up publicly financed capital debt. Both provinces expressed that they didn't want to be in the role of inconveniencing the public or forcing their citizens to make additional stops to buy legal products that should be available closer to home.

RCC members believe a hybrid private-public retailing system would be good for Manitoba consumers, business and the government, and support action to expand private sector participation.

**Question:** Is your government prepared to enhance convenience for Manitobans wishing to purchase beer and wine to a level enjoyed by most Canadians, and many rural Manitobans, by expanding private sector participation?

Yes  No

**Comments:** \_\_\_\_\_

## 2. Payroll Tax Rates:

The Health and Post Secondary Education Tax Levy, more commonly known as the “Payroll Tax” has a negative effect on those looking to grow, create jobs or pay their employees more. Manitoba, businesses must pay a tax of up to 4.3 per cent on payroll that exceeds \$1.25 million, the highest marginal rate in Canada.

Most provinces have eliminated or are actively lowering this job killing tax scheme, recognizing that this is inherently disconnected to a company’s sales, profitability and success. Further, there has been no adjustment for inflation since 2008, effectively decreasing the exception threshold and obligating more small businesses.

**Question:** Would your government be prepared to take meaningful steps to lower the impact of this tax by reducing the overall rate, raising the exemption rate, and/or indexing it to inflation?

Yes  No

**Comments:** \_\_\_\_\_

## 3. Basic Personal Income Tax Exemption:

Manitoba’s basic personal income tax exemption remains uncompetitive with most Canadian jurisdictions, including other Western Provinces. For example, in 2018 Manitoba’s BPE was \$9,809, while neighbouring Saskatchewan was \$16,065 and Alberta \$18,915.

With the cancellation of the Manitoba carbon program, the current government walked back a \$2,020 increase that would have provided meaningful benefit and economic power to Manitoba’s lowest income earners.

**Question:** Is your government prepared to take meaningful action to increase the BPE, while keeping personal income tax brackets indexed to Manitoba’s CPI?

Yes  No

**Comments:** \_\_\_\_\_

#### 4. Comprehensive Tax Review:

Manitoba businesses continue to be challenged by an exhausting list of regulations and taxes from all levels of government. While steps are being made to improve the operating environment and reduce red tape within Manitoba, a holistic review of tax obligations has not occurred for over 20 years. RCC members share the view of others that it's time to take a comprehensive look at ways to create a fairer, simpler and more competitive tax system.

**Question:** Would your government support a comprehensive, system-wide review of the province's tax system?

Yes  No

Comments \_\_\_\_\_

#### 5. Retail Operating Restrictions

Manitoba has the most restrictive retail holiday and Sunday hour rules in the country, having created complex rules and exemptions that create winners and losers within competing sectors.

In a consumer centric world of online convenience and evolving cultural diversity, Manitoba is a rarity in its stiff regulations that stipulate when Manitobans can shop in certain stores. A Probe Research study in October 2016 found 68% of Manitobans support allowing retailers to set their own hours (including 45% that strongly support). RCC believes the province should delegate retail operating decisions to municipalities, as is commonplace in most of Canada.

**Question:** Is your government prepared to conduct a review of Manitoba's retail operating restrictions?

Yes  No

Comments \_\_\_\_\_

## 6. Minimum Wage:

Manitoba has established a predictable model for calculating annual minimum wage adjustments based on Manitoba's CPI. The approach helps ensure politics are removed from the process, and that increases fairly balance the interests of employees and employers. Dramatic and rapid increases, such as in Alberta have shown to harm opportunities for those with the least experience, especially youth.

**Question:** Are you prepared to maintain the current CPI linked model that is a fair and balanced approach to annual minimum wage adjustments?

Yes  No

**Comments:** \_\_\_\_\_

## 7. Manitoba Debt and Deficit Management:

Significant achievements have been made in recent years towards reducing the annual budget deficit. However, Manitoba's substantial debt servicing costs exceeding one billion dollars is concerning and erodes the ability to help Manitobans stay healthy, grow and prosper.

**Question:** Will your party commit to a continued path of fiscal prudence, returning to a balanced budget before increasing operational spending about provincial CPI growth?

Yes  No

Comments \_\_\_\_\_

## 8. Retail Economic Strategy:

Retail is the backbone of the community and helping ensure brick and mortar stores survive and thrive is critical to the economic performance of Manitoba. With over 70,000 Manitobans employed in over 4,700 stores located across the province, retail is the largest employment sector and closely linked to any economic strategy.

**Question:** Will your party pledge to work with the Retail Council of Canada to develop and implement a retail sector economic strategy?

Yes  No

Comments \_\_\_\_\_

## RETURN SURVEY TO:

We would ask that you please return this survey as soon as possible to:

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Further Inquiries:  
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