



2008

ANNUAL REPORT



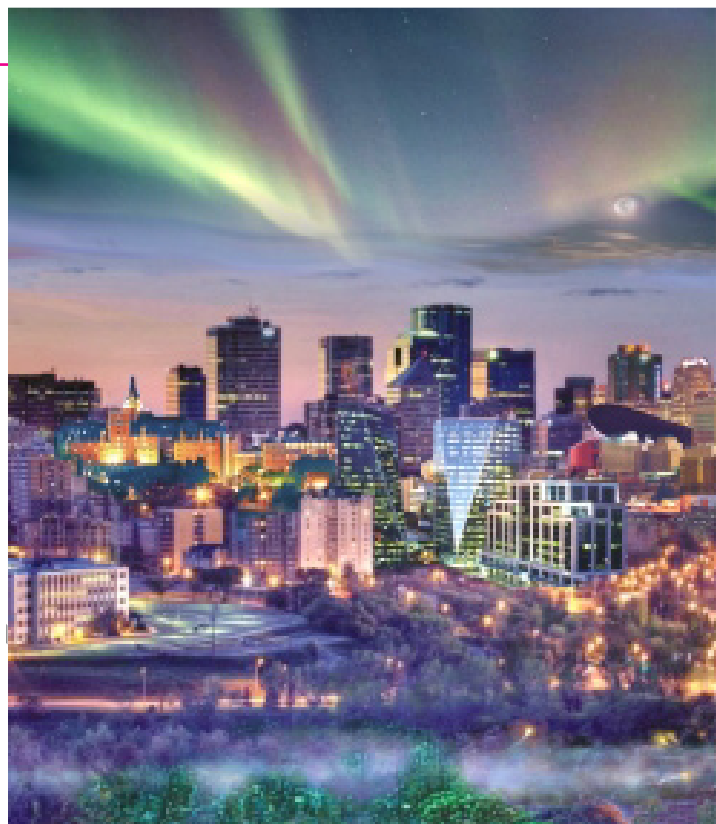
FRONTIER CENTRE
FOR PUBLIC POLICY

2008

ANNUAL REPORT

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The Frontier Centre is an independent, non-profit think tank founded to undertake research and education in support of economic growth and social outcomes which will enhance the quality of life in our communities.

Through a variety of publications and public forums, the Frontier Centre explores policy changes required to make the Prairies a winner in the open economy. It also provides new insights into solving important issues facing our cities, towns and provinces.

A professional staff and an advisory board of policy practitioners and experts research, write about and communicate new policy ideas, sharing them with the media, decision-makers and opinion leaders throughout the Prairies.

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Activities at a Glance

In all of the most important indicator areas, the Frontier Centre experienced steady growth throughout 2008. A series of engaging projects and Frontier's increased engagement in Alberta saw revenues increase sharply over the previous year. During 2008, Frontier produced 158 publications, hosted 38 events, and held 137 media interviews. This contrasts with 80 publications, 35 events, and 91 media interviews during 2007.

The Centre's activities generated much interest on the internet, with Frontier's website hosting over 191,000 unique visitors who downloaded 13.7 million pages of information. When it comes to policy "outputs" Frontier's traffic is in on par with many of the older, more developed think tanks.

Frontier Centre for Public Policy Growth

	2006	2007	2008
Donations and Grants	705,921	832,538	1,717,392
Publications	99	80	158
Events	26	35	38
Provincial Offices	1	2	3
Media Interviews	69	91	137
Unique Web Visitors	114,502	144,750	191,333
Web page downloads	695,193	3,394,109	13,702,512
Hits	4,161,889	7,820,471	20,121,441

Measuring the Frontier Centre's impact

The Frontier Centre increased its reach beyond its main Winnipeg office through the production of policy papers and columns that receive attention all over Canada. Frontier enjoyed positive media coverage in all of the Prairie provinces and beyond. Reporters and media commentators continue to approach Frontier analysts for their perspective on policy issues in all areas, which only serves to broaden our policy footprint across the map.

The Frontier Centre is providing truly alternative policies to the old school, statist way of thinking, while avoiding getting into the partisan "left vs. right" debate. Contrarian, yet constructive, engagement on public policy is becoming our focus, whether it be on the global warming, or how to increase self-reliance among First Nations, or how to improve our cities.

With the addition of a research director and another full-time policy analyst in 2008, the Frontier Centre is poised to make an even larger impact in the current and future years.

Looking back, in 2007, the Centre opened its Saskatchewan office. This office has continued to grow in policy output, media presence, and direct public outreach. Saskatchewan Office Director David Seymour's research work has examined anti-poverty measures, taxi deregulation, and crown corporations. He regularly addresses several community audiences on public policy issues. During 2008 the office was responsible for holding 12 local policy events, had 19 editorials published in newspapers across Canada, appeared on radio and television over 16 times, and published 7 major policy papers.

The Saskatchewan office is working to sustain this growth in output by engaging more contributors to multiply the office's capacity for policy output, nurturing relationships with stakeholders in the public policy sphere including the media, academia, and the general public, and building the base of local donors in order to support greater operations.

In September 2008 the Frontier Centre hired its first Director of Research to help co-ordinate all of the research material coming out of the Centre. Mark Milke, author of several public policy books and a recent PhD graduate in Political Philosophy and International Relations from the University of Calgary, now directs research and commentaries put out by Frontier. He has also helped Frontier expand its presence and visibility in Alberta, in a prelude to the Centre's plans to open a full-time office in that province.

During 2008, Mark wrote papers and columns on topics including Canada's doctor shortage, how public finance saved the Bloc Quebecois in the 2008 election, corporate welfare, Alberta's disastrous royalty regime changes, and a widely publicized review of books including Larry Solomon's *The Deniers*—about the world-reknowned scientists who stood up against global warming hysteria, political persecution, and fraud.

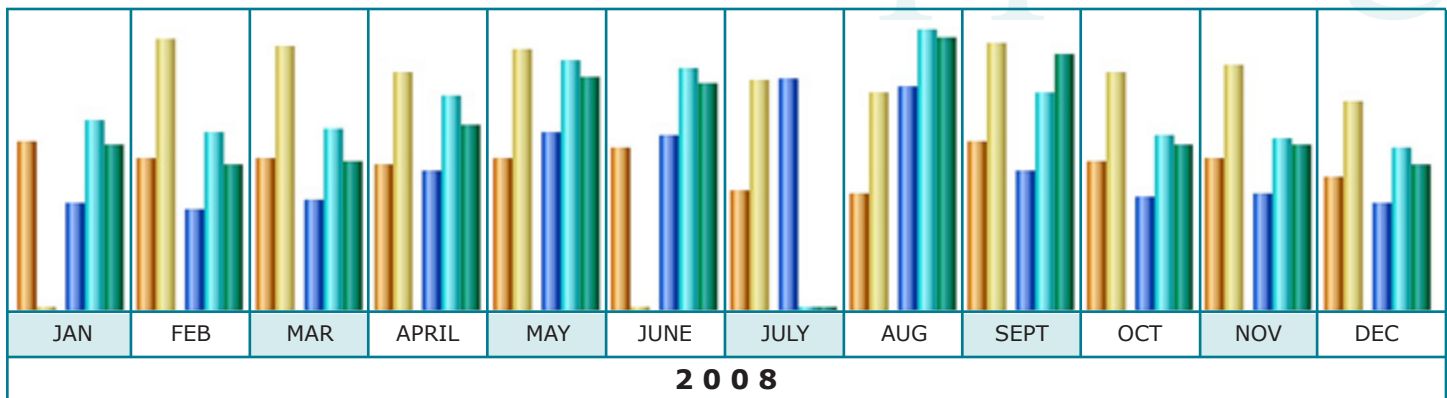
Circulation/Audience Reach

Every year, the Frontier Centre experiences growth in its media reach. One of the most significant ongoing developments was its expanding entry into non-Prairie markets. In 2008, Frontier pieces were reprinted in major publications such as the *Globe and Mail*, the *National Post*, the *Montreal Gazette*, and

elsewhere. In 2008, the cumulative media footprint generating a measured PR value of \$9.54 million. Between January and December 2008, we produced a total of 1,314 media clips. This breaks down to 675 print pieces, 512 internet items, and 118 broadcast segments.

Website Summary

Frontier's website traffic continued to grow exponentially during 2008.



Month 2008	Unique Visitors	Number of Visits	Pages	Hits	Bandwidth (GB)
Jan.	18,449	31,927	845,180	1,502,211	38.87
Feb.	16,517	29,537	781,793	1,389,501	34.25
Mar.	16,523	28,819	863,938	1,419,992	35.15
Apr.	15,651	26,220	1,095,898	1,683,274	43.31
May	16,369	28,699	1,408,370	1,968,565	55.11
June	17,430	31,943	1,381,242	1,911,546	53.73
July	12,888	25,052	1,848,755	2,312,302	69.21
Aug.	12,497	23,747	1,752,307	2,220,825	64.00
Sept.	18,165	29,378	1,102,413	1,712,502	60.01
Oct.	16,036	26,153	890,831	1,380,953	38.57
Nov.	16,473	26,759	899,564	1,359,216	39.18
Dec.	14,335	22,755	832,221	1,260,554	34.58
TOTAL	191,333	330,989	13,702,512	20,121,441	565.96 GB

Frontier Project Areas

Aboriginal Frontiers

The Frontier Centre's Aboriginal Frontiers Project continues to push the envelope on Aboriginal issues in Canada. This project focuses on finding ways to improve the conditions of Aboriginal peoples, determines how to effectively spend public money in this area, as well as understand how to remove barriers to economic development within Aboriginal communities. To our knowledge, Frontier is the only think tank in Canada doing this kind of on the ground work within the Canadian Aboriginal community.

The *Aboriginal Governance Index*, one of our Centre's flagship projects, is enjoying increased acceptance and attention particularly by First Nation leaders. The Governance Index involves surveying First Nation communities and asking them to rate their band governments in terms of accountability and transparency, as well as access to human rights. The project began with Manitoba in 2006 and expanded to include

Saskatchewan the following year. During 2008, the project was expanded to include Alberta. The report for all these provinces was released in the middle of 2009.

In 2008, the Frontier Centre was proud to report that some reserves started to use their positive rankings on the Governance Index as a source of pride and community promotion for their First Nation. That suggests to us that the Index is increasing "buy-in" among the Aboriginal community.

The Aboriginal Frontiers Project added a new face with the hiring of Joseph Quesnel as a full-time policy analyst to assist Don Sandberg, the project's director, on policy research and education efforts. Don continued in 2008 with media appearances and lectures, where he highlighted his expertise and unique ground zero experience of reserve life including appearances on CBC Newsworld.

L to R: Peter Holle, Don Sandberg, Joseph Quesnel, and David Seymour at the media conference releasing the second annual Aboriginal Governance Index in Regina, February 12, 2008.



Joseph had previously been our Manning intern in 2007. Before joining the Frontier Centre, Joseph was editor of the *Drum/First Perspective*, a nationally-distributed Aboriginal publication based in Winnipeg. A recent graduate of the Carleton University School of Journalism, Joseph brings with him a wealth of experience in print journalism. He also studied constitutional and public policy issues at McGill University.

Joseph hit the ground running with a policy backgrounder highlighting the differences and similarities between indigenous peoples in Canada, the United States, Australia and New Zealand. This paper was well-received by the media, including by talk shows and newspapers in New Zealand and Australia. He also produced a policy paper outlining an expedited system for resolving specific land claims.

Local Government Frontiers

The Saskatchewan office has been the base for the Local Government Frontiers project. This project focuses on improving the financial and service delivery performance of cities, based upon principles of transparency, neutrality and separation of politics from operations. The largest initiative in this area is the annual *Local Government Performance Index*, which received extensive media coverage during 2008. The 2008 index collected about one hundred data points on financial position, revenue sources, expenditure destinations, and reporting standards from each of the 79 municipalities across Canada.

The cities covered are home to approximately 58% of the Canadian population. By putting the financial position and performance of such a large number of cities into one perspective, the Index transforms local government from a large number of fragmented polities into a focus for national attention. The 2008 index highlighted the importance of local government in the economy, by bringing to light the facts that approximately 8% of household income is



spent through local governments, which also hold approximately \$15,000 of capital assets on behalf of each household. The Index is particularly timely because Canadian municipalities have long lagged behind other OECD countries in their approach to municipal accounting and performance measurement. Legislative changes are now beginning to force them to catch up, however, and the Local Government Frontiers Project is well positioned to critique these developments.

Healthcare Frontiers

The Healthcare Frontiers Project explores best practices in European healthcare systems and helps promote more patient or consumer-centred health policy.

The *Euro-Canada Health Care Index* was launched in January 2008 to an enthusiastic media response. In partnership with the Brussels-based Health Consumer Powerhouse, Europe's leading independent provider of consumer information, the Index ranked Canada 23rd amongst 30 European countries in terms of maximizing consumer friendliness.

In September 2008, this project released the second part of the analysis, the *Canada Health Consumer Index* which compares and ranks each Canadian province's healthcare systems in terms of consumer responsiveness. Ontario, B.C. and Nova Scotia scored highest with Newfoundland, Saskatchewan and Quebec scoring lowest.

Another healthcare related publication, among others, included a piece by Mark Milke on the merits of splitting Alberta's health ministry in order to split purchaser from the provider. Mark also contributed another piece on resolving doctor short-age problems in Canada by looking to other countries for inspiration.



Transformational Equalization

The Frontier Centre continues to demonstrate that excessive federal transfers to the provinces create perverse incentives and thus disastrous policy decisions. Through equalization, provincial governments become dependent on federal largesse and are less constrained from making low-quality policy decisions.

In 2008, the Centre presented statistics that Manitoba "padded" its public sector, spending disproportionately more on government staffing and budgets than normal thanks to the easy availability of transfers. "Have-not" Manitoba spends more on its public sector than the "have" province Ontario, despite lacking the higher social outcomes to justify the increased spending.



Law professor Bryan Schwartz also addressed a Frontier Centre audience in Winnipeg, where he provocatively presented the case that federal transfers to the provinces are the "opiate of the messes." Schwartz is Asper Professor of International Business and Trade Law at the University of Manitoba and the author of seven books and numerous academic journal articles. David MacKinnon, a Frontier senior fellow, also contributed opinion pieces throughout the year on equalization, as did Mark Milke.

Housing Frontiers

Our Housing Frontiers Project examines policies that advance home ownership in the community without diminishing individual freedom. It also looks intently at issues of home affordability, particularly through its partnership with the St. Louis based market research firm Demographia, which produces the annual *Demographia International Housing Affordability Survey* that measures home affordability across many markets. The aim is to determine which Canadian cities are doing better in terms of affordability and how these models can be transferred to other communities. In 2008, we co-released the 4th annual survey to extensive media coverage.

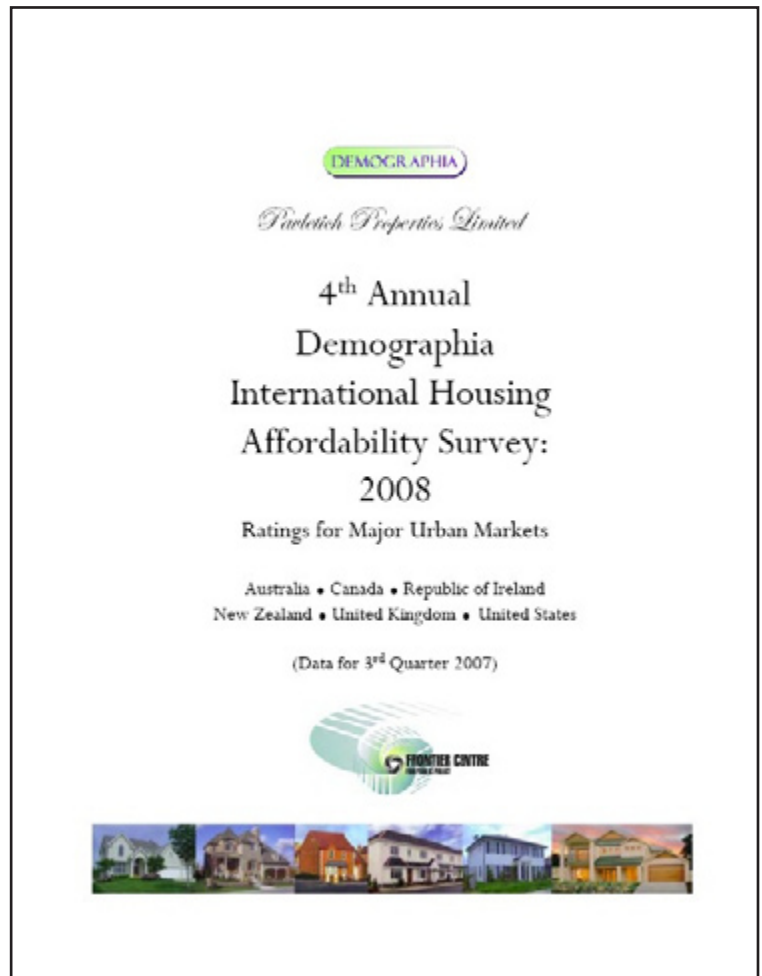
Excessive levels of state ownership within the housing market is a constant target of discussion at the Frontier Centre. While neutral on providers, the Centre's Housing project is concerned about the level of "public" (state) control of housing stock within certain provincial governments.

In particular, Manitoba has the highest level of public housing within Canada. In one 2008 backgrounder, Research Associate Daniel Klymchuk made the case for ending rent control in Manitoba and removing the province from the public housing business, which would benefit an additional 21,000 lower income Manitobans who would gain access to secure and affordable housing.

Analyst David Seymour produced an innovative proposal for creating some sort of profiling scheme for both landlords and tenants.

There is a serious information gap between both parties prior to them entering into a business relationship. Using the creative example of eBay, he showed how a similar profiling tool would allow both parties to better know the other, through the experience of others, when they are not able to meet.

Paul Willetts, a recent immigrant from Manchester, England, produced a policy paper that demonstrated the benefits for Canada of moving towards a "right to buy" system for public housing, where public housing tenants would be empowered to eventually buy their homes from the state to decrease dependency.



Anti-Poverty Project

The Anti-Poverty Project focuses on innovative proposals that help reduce poverty among our most vulnerable communities, while avoiding the trap of only helping politically organized provider groups. The Anti-Poverty Project is also sensitive to policies that directly hurt low-income groups and proposes policies that allow the poorest of our citizens to access to the broader economy.



This project shines a light on policy ideas that harm the poor disproportionately. For example, environmental policies that raise the cost of living (including the cost for basic necessities) hit the poor more profoundly than other groups. This was hit home when the Centre hosted Niger Innis, national spokesman for the Congress of Racial Equality (CORE), a major black American advocacy organization. Innis described how energy policies enacted for dubious environmental benefit raise the cost of energy for poorer families, families who are disproportionately black or members of other minorities.



A provocative piece “Which Best Helps the Poor—Minimum Wages, Tax Credits or Tax Exemptions?” garnered national coverage when David Pankratz, Director of the Institute for Community Peacebuilding at Canadian Mennonite University debated the leader of the B.C. Labour Federation in January on BNN TV. His paper makes the case for lower tax exemptions as a better way to help the poor than a minimum wage increase.

Frontier Radio Commentary

Policy commentaries from the Frontier Centre are being disseminated to the broader public through our series of radio broadcasts by Goldenwest Radio Network. At present, we are heard weekly on nine radio stations across Manitoba, Saskatchewan and also Alberta. Knowing our rural markets, we try to broadcast timely and relevant messages that address the needs of this predominantly rural demographic.

Education Frontiers

The Education Frontiers Project looks at how to make the education system better serve its clients and become more transparent. Within the public system, this means measuring results, implementing standardized testing, and also increasing the number of meaningful school options for students.

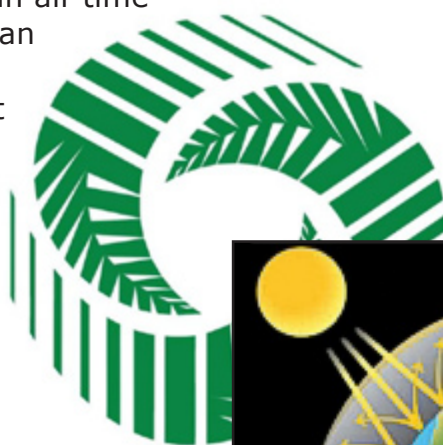


James Blatz, an Associate Professor and Associate Head of the Department of Civil Engineering at the University of Manitoba, wrote a piece for the Frontier Centre about tuition deregulation.

Blatz argued for deregulation by

showing that contrary to myths tuition increases are not connected to declining enrolment. He also showed why funding our universities and colleges should be a priority if we are to maintain our competitive edge.

The project also highlighted how spending on education is at an all-time high among Canadian provinces, despite declining enrolment numbers and no increase in educational outcomes.



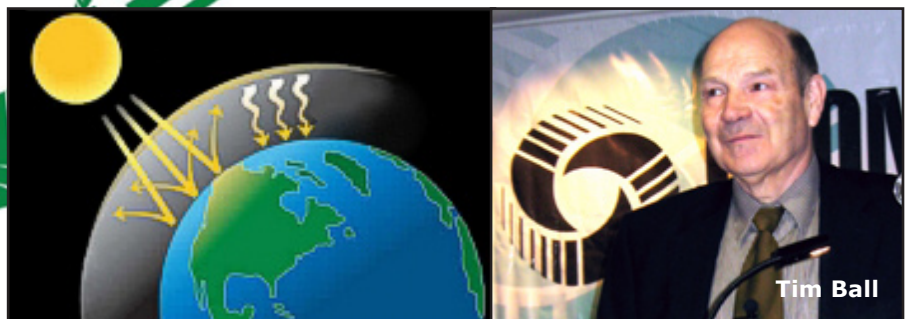
Smart Green Project

The Frontier Centre's Smart Green Project focuses on finding solutions to environmental challenges through market incentives and property rights, rather than a traditional approach of command and regulation.

One area where the Smart Green Project has assisted the public policy dialogue is in presenting information that challenges dominant environmental thinking, such as the ongoing hysteria over human-caused global warming.

The Frontier Centre published a major policy paper by Dr. Madhav L. Khandekar, a former research scientist with Environment Canada. Khandekar questioned the science of current global warming thinking. A separate study in 2008 also revealed how pre-industrial CO₂ levels were the same as they are today, challenging a basic assumption of human-caused global warming proponents.

Senior fellow Tim Ball produced a steady stream of commentaries and backgrounders on climate change politics and policy. Mark Milke challenged the Government of Alberta's proposal to spend \$2 billion on carbon capture and storage technology, when this money could be invested in critical infrastructure. David Seymour also compiled a tribute to science writer Michael Crichton, who became well known for his criticism of the politicization of environmental policy and trends.



Rural Renaissance Project

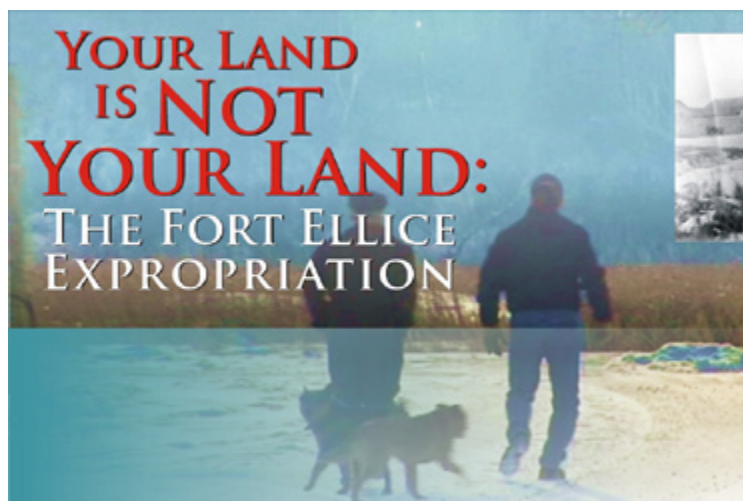
The Rural Renaissance Project aims to provide policy solutions for issues specific to rural communities. In particular, the project focuses on solutions that tap into opportunities created by living in rural communities.

Policy fellow Robert Sopuck, addressed the issue of how increased cattle ranching and beef consumption can help landscape conservation and improve the environment.

If there was anyone who could demonstrate the possibilities of rural versatility and how to tap into unique rural markets it is Les Routledge, a farmer from Killarney, Manitoba. Les has begun to contribute his innovative and thoughtful ideas on triggering the rural renaissance in Western Canada.

In particular, in 2008, he contributed a piece that called for long-term planning in water management, in order to avert a water shortage crisis, as has happened in Australia.

From a global perspective, the Rural Renaissance Project also looked into how to deal with food shortage issues as the developing world undergoes a population explosion. Rather than focus on climate change, we looked into how policy makers should deal with food shortage issues by helping initiate another "Green Revolution."



Property Rights

Ottawa-based analyst Stephanie Farrington contributed a policy paper that argued for explicit rights to compensation in case of land expropriation. If Canadians are to have functional property rights, they need a guarantee of fair compensation for expropriated lands. Compensation should be calculated based upon the value of the land to the expropriating authority, the tenure of the landowners and the impact on their income and not the value of the land as if it were empty or as it was when the owner purchased it.

The Frontier Centre released its first video documentary entitled *Your Land is not Your Land* in May 2008. This 16-minute piece focuses on rural expropriation issues in Manitoba, where a multi-generational family is interviewed after their property is expropriated by a local government. To better explain the implications of the Fouillard expropriation case in Manitoba, the Frontier Centre hosted a discussion with Antoine Hacault, a partner in the legal firm Thompson Dorfman Sweatman, in Winnipeg.



Financial Summary 2008

STATEMENT OF OPERATIONS YEAR END DECEMBER 31, 2008

Income

Grants & activities	\$ 1,717,392
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Expenses

Salaries, office costs, projects & publications	\$ 1,266,152
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Increase/Decrease in Unrestricted Net Assets from Operations	- \$ 451,240
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STATEMENT OF FINANCIAL POSITION AS OF DECEMBER 31, 2008

Bank account	\$ 565,361
Short-term expenses	\$ 508,124
Receivable & prepaid expenses	\$ 37,559
Prepaid expenses and deposits	\$ 38,652
Capital assets	\$ 64,976

Total Assets	\$ 1,214,672
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Accounts payable	\$ 54,461
Deferred income	\$ 512,353
Retained earnings	\$ 647,858

Total Liabilities & Equity	\$ 1,214,672
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25-June-09