

SERVICES FIRST



2013 Manitoba Budget Report Card



Evaluating the Manitoba Government's budget and the
Official Opposition's budget proposal

April 2013

MGEU

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In February 2013, the MGEU presented *Services First: Commonsense Proposals for the 2013 Budget* to the Finance Minister during the pre-budget consultation period. Here's how the government performed according to the MGEU's 15 priorities, identified in that brief.

Front Line Services

Maintain frontline services and honour the government's "no lay-off" pledge – both in spirit and practice.

PASS - No new initiatives resulting in general layoffs were announced in the budget

FAIL - However, the budget speech indicated the government is "ahead of schedule" on reducing the size of the civil service by 600 positions. The public bears the brunt of these cuts as positions that deliver programs are eliminated.

FAIL - 10 departments had their budget either decreased or restricted to zero increase. Meanwhile, the government continues to provide the same or even more programs and services. General workplace stress issues identified by MGEU members are not addressed. Decreases in Conservation and Water Stewardship and the closure of rural offices are of particular concern.

PASS - 8 departments saw their overall budgets increase ensuring the services and programs provided by these departments are protected.

Fair wage increase in future collective bargaining

INCOMPLETE - The government did not give a signal on collective bargaining in the future.

Address social work caseloads in the child welfare system

PASS - The government significantly increased the salary budget for child protection workers and Winnipeg Child and Family Services. The budget does not explain whether this will reduce workloads on the frontline when considering the ever increasing number of children in care.

Train and Hire more correctional officers

PASS - The Adult Corrections salary and benefits budget increased by over 14%. The budget does not specify whether this additional money will address the overcrowding in correctional facilities. Also, if the overspending in this budget line from last year is taken into account, the real increase for this unit is less impressive.

Grant multi-year funding to community agencies and colleges

FAIL - Grant increases to Colleges will be cut in half from 4% the previous year to 2% this year. This limits post-secondary institutions ability to plan far into the future with stable and predictable funding.

PASS - Government announced 2% of Liquor and Lotteries profits would be dedicated to prevention programs – more than doubling the MLLC’s annual contribution to Addictions Foundation of Manitoba.

Pilot community paramedicine in rural Manitoba

INCOMPLETE - There was no announcement regarding this item in the budget. An expanded pilot project was announced in Winnipeg, but rural areas continue to be neglected in this area.

Manitoba Developmental Centre

FAIL - MDC continues to have their budget decreased. The MGEU called on the government to modernize the campus to ensure services are provided to some of our most vulnerable.

Revenue

Forging a common front with stakeholders to fight for our fair share of federal transfers

INCOMPLETE - There is brief mention of the Federal Government’s declining support to the provincial treasury through a constitutionally enshrined obligation to contribute to the programs and services that Manitobans depend on.

Update antiquated Balanced Budget Legislation

INCOMPLETE - A modernization of the legislation is required to ensure more responsiveness to economic and fiscal realities. However, the government has not yet moved on updating this antiquated and restrictive legislation. There is an indication that some tinkering on the time frame to come into balance will be introduced, but no comprehensive rewrite appears to be on the horizon.

Explore all taxation options – focus on the ability to contribute more

INCOMPLETE - Leading up to the budget the MGEU proposed that all revenue options should be on the table. The 1% increase to the PST is dedicated to infrastructure including flood protection and expires after 10 years. Our preference would have been for a tax changes that emphasizing fairness by asking large corporations and individuals, who have done well in the economy, to contribute a bit more.

Savings

Pause the introduction of new programs until adequate resources are in place

FAIL - Several spending announcements were made in the budget. These announcements place more demands on existing staff to deliver these new programs when civil servants are already under significant stress.

Combine the investment arms of major pension funds

INCOMPLETE - No announcement.

Coordinate large capital and infrastructure projects

INCOMPLETE - No announcement.

Encourage government body to use the Materials Distribution Agency

INCOMPLETE - No announcement.

Use new technologies to cut costs.

INCOMPLETE - No announcement.

Progressive Conservative Budget Proposals Report Card

The Opposition Progressive Conservatives released a budget plan in response to the government's budget this month. The plan focused on cost saving measures related to the 1% PST increase introduced by the government. Here is a preliminary report card on their proposals based on our ***Services First*** proposals.

\$120 million in savings across government departments

FAIL - The plan does not specify if savings will be found through cutting jobs, discretionary spending, or another cost cutting exercise. Given the 1% savings already found through program review announced in budget 2012, the impact of further cost cutting measures would negatively impact the ability of staff to deliver services. If the savings were to be found through staff cuts this represents an additional 1,600 lost jobs.

\$77.9 million through a civil service "hiring chill"

FAIL - Over 1000 jobs would be slashed from core government if vacant positions were left unfilled according to these numbers. The government's goal of reducing 600 positions is already affecting services and putting stress on employees. If this is in addition to plans already in place it would increase job losses by 166%.

\$35 million through improvements in government tendering

PASS - The MGEU recommended this cost saving measure be implemented in ***Services First*** our pre-budget submission to the Finance Minister.

\$14 million through bulk buying by joining other provinces in the New West Partnership

FAIL - Joining the New West Partnership Trade Agreement (NWPTA) has always been a non-starter for Manitoba trade unions because it limits the ability of government to protect workers. MGEU's pre-budget submission recommended utilizing the Materials Distribution Agency more efficiently to find savings on bulk buying, but this was not in relation to the NWPTA.

\$22 million through cuts in government advertising and communications staff

INCOMPLETE - A healthy democracy depends on government communications and government crown agencies must advertise their services to be competitive in the market. There may be significant savings to be found through the elimination of communications positions and government advertising, but the MGEU would require more details on where the savings would be found. Further information on how eliminating 70 communications staff would amount to \$11 million is also needed -- the proposal suggests communications staff average \$157,000 in salary and benefits -- more than Cabinet members, the Premier or the Leader of the Opposition.

\$9.2 million by reducing the number of executive-level civil servants

INCOMPLETE - Our pre-budget submission recommended trimming down upper-management. Directing these savings to the front lines would be a responsible way to enhance services. Our research indicates that the government increased executive positions by 28% from 1999-2012. Further details on this plan are required to understand how the efficiencies would be found especially since the estimated savings suggests average executive level salary and benefits of \$220,000.

\$8 million through east Side Road/Manitoba Floodway/MIT amalgamation

INCOMPLETE - More information is required to determine how the savings estimate was arrived at given that the estimates only show about \$1.9 million for the East Side Road Authority.

\$600,000 by scrapping the subsidy program to political parties

The MGEU does not have a position on political subsidies.



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