



MANITOBA GOVERNMENT AND GENERAL EMPLOYEES' UNION

Protecting Public Services - Submission for the 2017

Manitoba Budget

November 30/2016

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Introduction

We would like to thank Finance Minister Cameron Friesen for the opportunity to present on behalf of the Manitoba Government and General Employees' Union (MGEU).

The MGEU represents over 40,000 Manitobans who live and work throughout Manitoba in a wide variety of workplaces — roughly 14,000 are employed directly by the Province of Manitoba and others work in crown corporations, universities and colleges, health care facilities, and social service agencies.

Each and every day MGEU members deliver valuable public services that all of our families depend on. We are proud of the work we do and know the importance of these services to Manitobans.

Our 2017 budget submission includes the budget priorities of MGEU members, supported with polling of the general public in Manitoba.

This year, the MGEU commissioned public opinion research company Viewpoints Research to help determine the priorities of Manitobans as the government consults on the 2017 budget. Viewpoints Research conducted a telephone survey of a random sample of 803 Manitobans across the province between May 9th and 14th, 2016.



- We believe healthy workplaces and quality public services are the cornerstones of strong communities across our province.
- We believe a well-trained, well-staffed workforce is the key to effective public services.
- Our work is driven by a commitment to fairness and respect in our workplaces, our governments, and our communities.

Manitoba's Economy

Manitoba's balanced economy should maintain its relative economic strength in the coming years. The Manitoba Bureau of Statistics forecasts that the Manitoba economy is expected to grow at the third fastest rate amongst provincial peers with annual GDP growth projections of 2.1% in 2016 and 2.2% in 2017.

The Conference Board of Canada reports that, "Heading into 2017 the Manitoba economy will continue to be a bright spot on the Canadian fiscal performance landscape. As its two prairie neighbours struggle with nagging impact of the collapse of commodity prices in the carbon based sector, the diversified and stable Manitoba economy continues to make headway and is expected to stay among the provincial leaders."

We urge the government to reinforce Manitoba's strong economic performance and defend against a weakening global and national economic environment. Now is not the time for deep cuts and austerity - the evidence in recent years has shown that austerity doesn't address fiscal challenges nor help the economy. Now is the time to continue valuable investments in jobs to further bolster our economic performance.

Protect and Improve Public Services

During the recent election campaign, the new Manitoba government ran on a commitment to protect in public services and to keep them public. Premier Brian Pallister confirmed this commitment on April 15th, stating that "A new PC government is going to protect frontline services and the jobs of the workers who provide those services, because obviously you can't have the services without the people providing them"

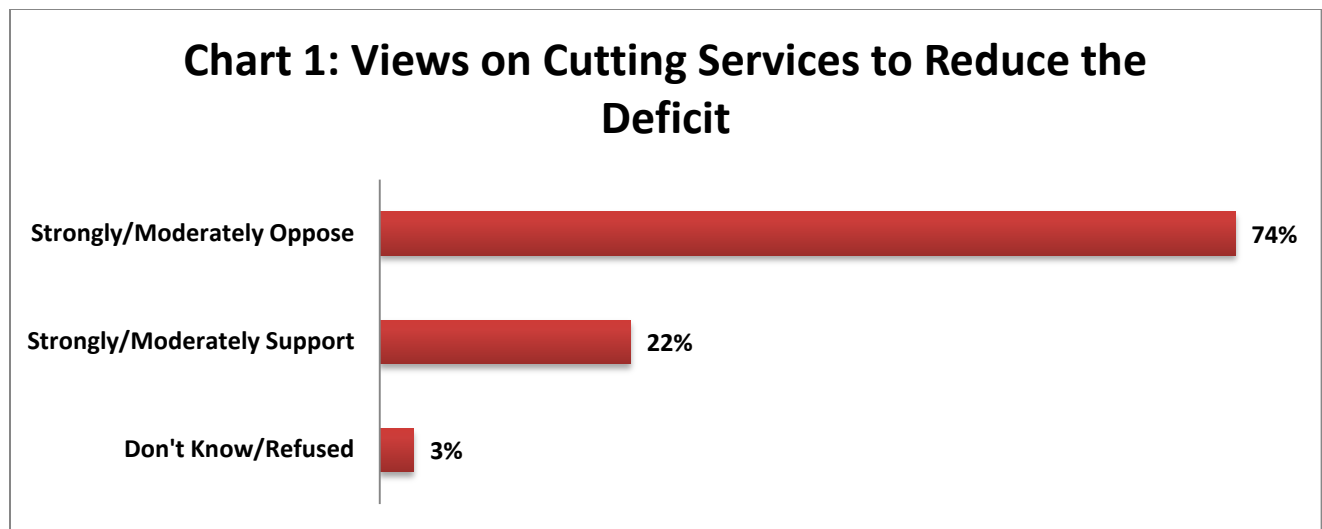
We agree with the Premier- public services are only as strong as those delivering them. We all know that when you make cuts Manitobans will notice the impact on the quality of service they rely on. MGEU members were disappointed when the last government cut 600 positions in the civil service, which resulted in increased workloads for other employees. The government's recent announcement of cuts to 112 management positions raise questions about work that will be downloaded onto other public sector workers, rather than disappear.

"A new PC government is going to protect frontline services and the jobs of the workers who provide those services, because obviously you can't have the services without the people providing them" Premier Brian Pallister- April 15, 2016.

Viewpoints Research asked Manitobans if they would like to see the deficit reduced by cutting public services. They overwhelmingly (74%) opposed cutting public services. We strongly urge

the government to listen to Manitobans and take a balanced and measured approach to balancing the budget to ensure services don't suffer.

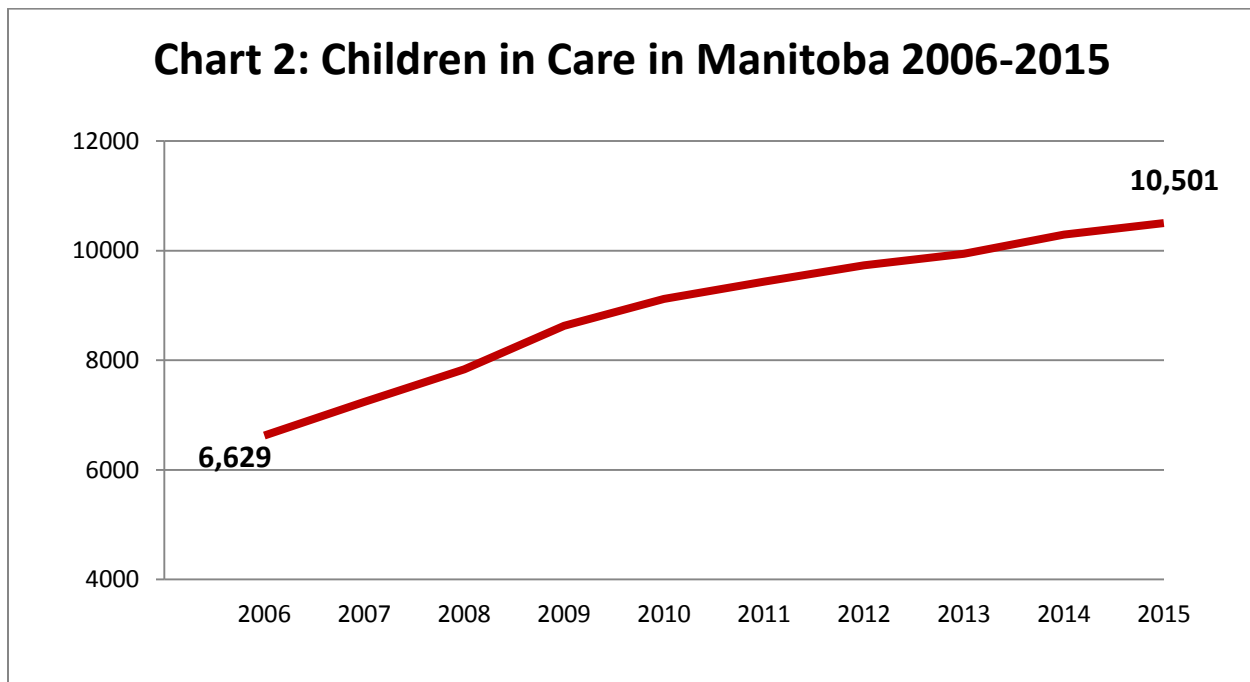
Chart 1: The Manitoba government is currently running a deficit, in other words it is spending more on services than it is collecting in taxes and fees. Please tell me whether you strongly support, moderately support, moderately oppose or strongly oppose each of the following to help reduce the province's deficit.



Pressures on Public Services

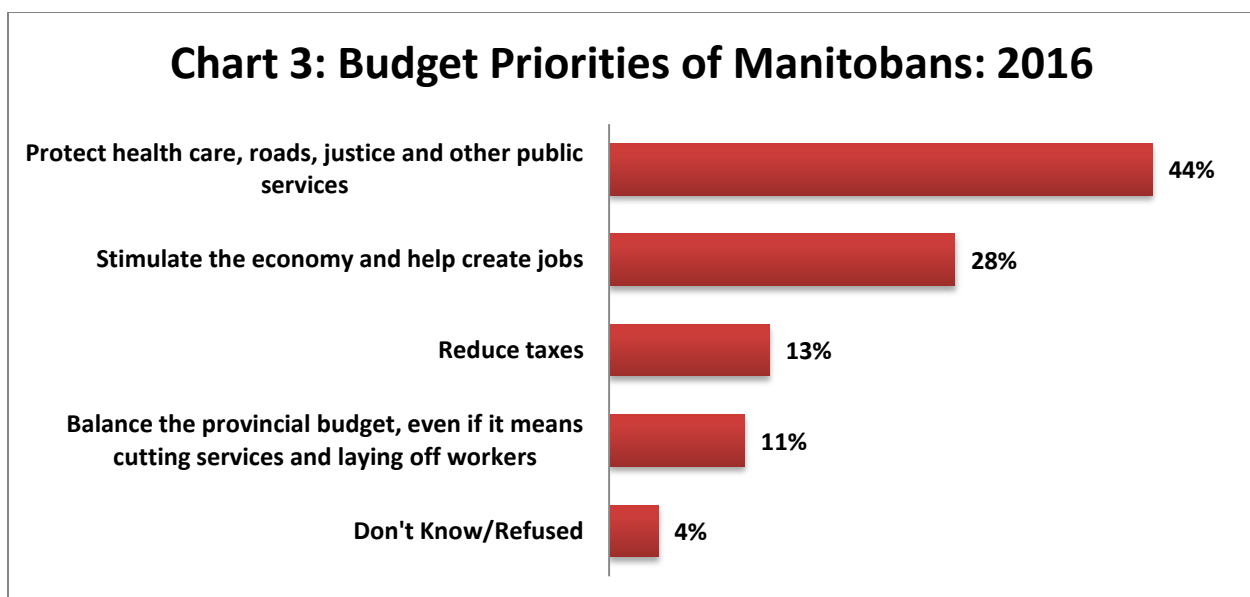
MGEU members who work in the public sector continue to report that they are doing more with less, often working the jobs of two or three people, as departmental budgets are further cut. Meanwhile, there is a growing demand for services. We know that there are nearly 1,500 vacancies in the civil service or 10% of positions going unfilled- the Department of Families has over 320 vacant positions alone. How are these services going to be delivered with a third of the staff cut from a department?

These staffing shortages are compounded by a growing need for services as Manitoba grows. New figures from Statistics Canada released in June show that our population is growing at a record rate. For example, our members feel the stress in the child welfare system where there are over 10,500 children in care. (Data included in chart 2 is from the annual reports from Child and Family Services) As well, in the justice system, correctional facilities are bursting at the seams and we all know about the growing need for more care for seniors. According to the Manitoba Centre for Health Policy, the province will need an additional 6,300 personal care home beds by 2031. These are just a few examples of the growing demand for public services.



We strongly urge the government to be mindful of these pressures and ensure services are provided first, before rushing to balance the budget by an arbitrary deadline. When asked about their budget priorities, only 11% of respondents supported the statement that the Manitoba government should “Balance the provincial budget, even if it means cutting services & laying off workers.”

Chart 3: Which one of the following summarizes what you believe should be the Manitoba government’s top priority as it puts together its budget for the coming year?



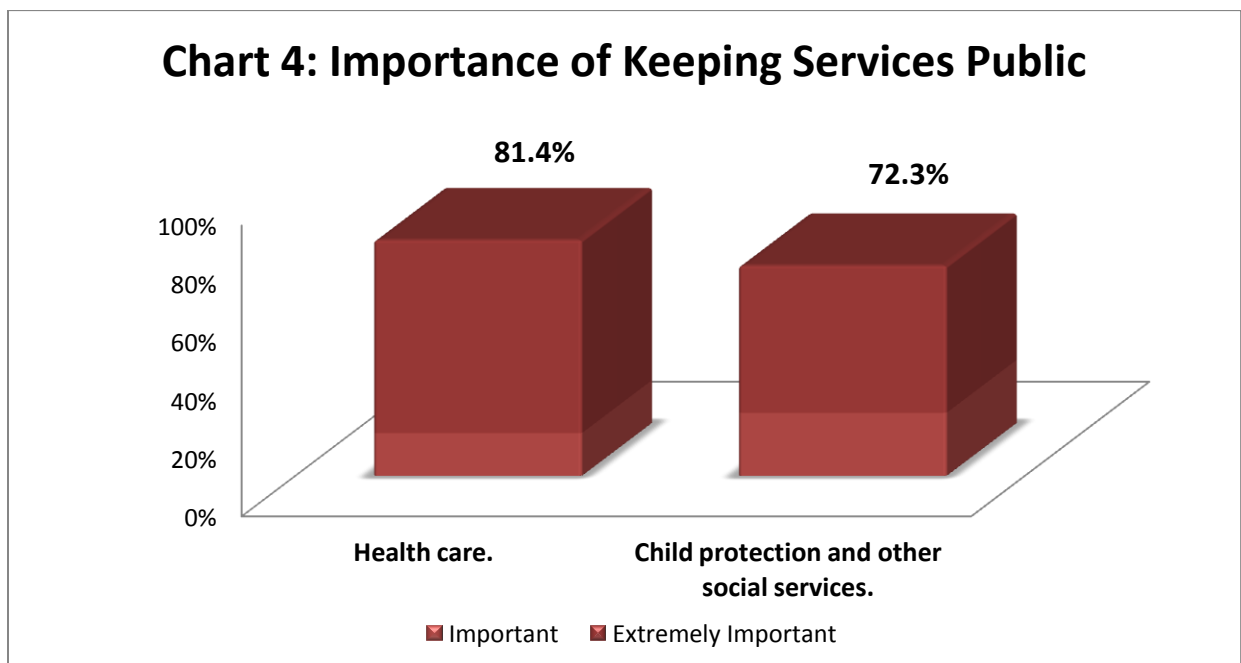
Keep Public Services Public

When governments face mounting fiscal pressures they often turn to short-sighted and reckless measures like cutting or privatizing services. During the election campaign your party responded to the MGEU pre-election questionnaire by stating that, “The Progressive Conservatives have made it very clear that we will keep public services public.” We strongly urge the government to keep this election pledge and resist the temptation to sell off our shared resources and maintain the important services that all Manitobans depend on.

Privatization comes at a cost: low-quality services, higher overall costs and a loss of accountability and transparency. The Ontario Auditor General studied the cost of 74 infrastructure projects using a P3 model and found that the cost was 8 billion dollars higher than if managed traditionally through the public sector.

We asked Manitobans about the importance of keeping services public. Over 80% felt that it was either important or very important to keep health care public and over 70% felt the same way about child protection and other social services.

Chart 4: On a scale of 1 to 5, where 1 means not at all important and 5 means extremely important please tell me how important you think it is that each of the following be kept as a public service and not privatized.



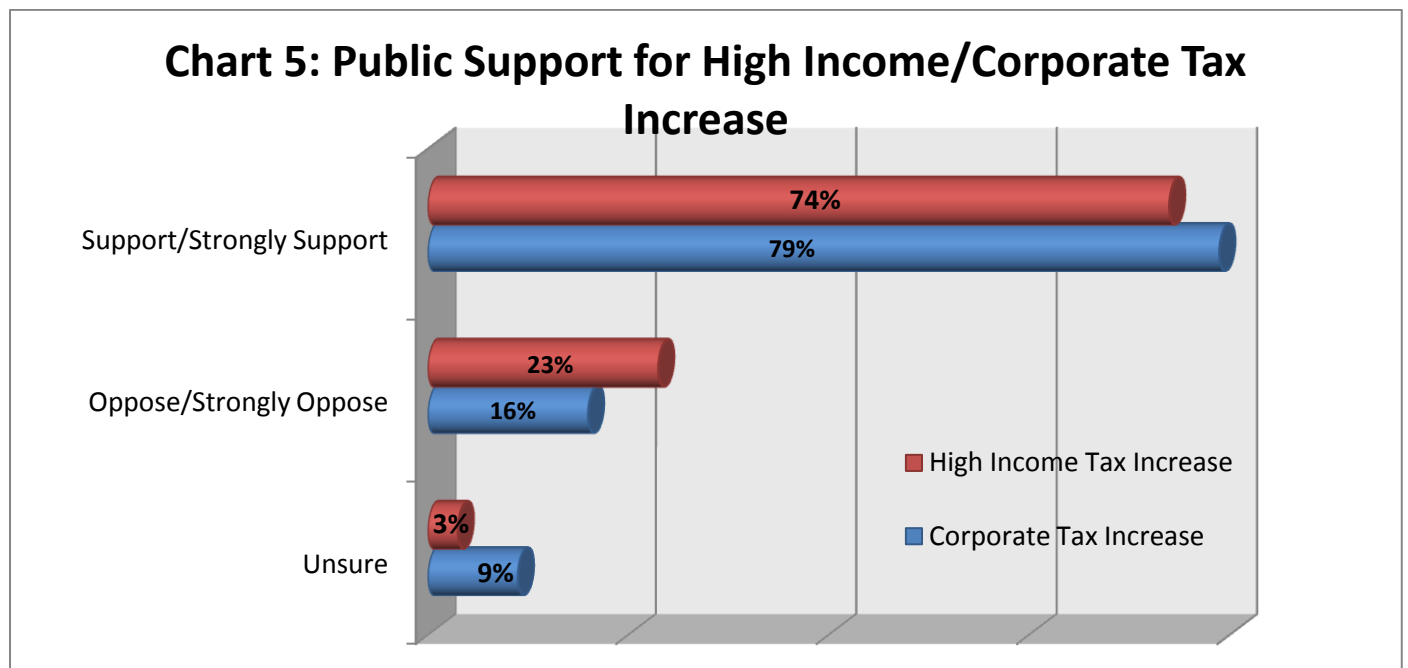
Alternatives to Cuts and Privatization

One of the major challenges facing governments across Canada has been ensuring that revenues keep pace with the need to provide government services. We believe stable revenue sources are needed to pay for the important public services we rely on.

Manitobans overwhelmingly support asking large profitable corporations and high income earners to contribute their fair share. When Manitobans were asked if they support increasing income taxes on large corporations to ensure public services in Manitoba are protected, 8 in 10 Manitobans strongly or moderately agreed. We also asked if they supported increasing taxes on people living in households with before-tax annual incomes of more than 200,000 per year. The majority (74%) of respondents strongly or moderately supported this statement.

Chart 5: Do you support or oppose increasing income taxes of people living in households with before tax incomes of over \$200,000 a year to ensure public services in Manitoba like health care, child protection and roads are protected and improved?

Do you support or oppose increasing income taxes on large corporations to ensure public services in Manitoba like health care, child protection and roads are protected and improved?



We recommend the government implement a more progressive tax structure that asks large corporations and households with income over \$200,000 per year to contribute more. This would ensure services would be supported

In the 2015 budget consultations the MGEU recommended that the government defer the implementation of the Seniors Education Tax Rebate. We were pleased to see the government move to tailor the program to benefit those who need the rebate most and to ensure that our shared investment in education is maintained. We recommend that the government defer

plans for additional unaffordable tax cuts in the 2017 budget to ensure that the promise to maintain services is realized.

A Balanced Approach

MGEU members are passionate about providing the services that Manitoba families depend on. They are also aware of the recent challenges Manitoba has faced:

- Unexpected flood costs
- Financial Crisis
- Lower than expected federal transfer payments
- Need for investment in health care, child welfare and justice

“Balance is not just about the bottom line, it’s about people, and ensuring that we are providing the services to keep our province moving forward.”– Michelle Gawronsky

These cost pressures continue to have a lasting impact on the provinces budget and are compounded by the over one billion dollars in tax cuts implemented by the previous government. These costly natural events, short-sighted fiscal decisions and the need for investments in essential public services have prompted an ongoing debate about the fiscal health of our province. Many have called for aggressive measures like service cuts, job cuts, and privatization to reach a balanced budget. We disagree.

Manitobans have indicated they prefer that public services are protected before rushing to balance the budget by an arbitrary date.

Conclusion

When the Manitoba Government made a commitment during the recent election campaign to protect public services and the people who provide them, MGEU members trusted that they would be true to their word and live up to that pledge. Balance is not just about the bottom line, it’s about people, and ensuring that we are providing the services to keep our province moving forward.

Based on public opinion research conducted by Viewpoints Research, we have seen that Manitobans, whether they live in rural Manitoba or Winnipeg, strongly support public services.

The implications of this survey data are apparent.

We share the values of all Manitobans - taking care of the most vulnerable, ensuring services are there when we need them and investing in the future to ensure economic stability and opportunity.