



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

there is an alternative.

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## New PC government in Manitoba: four areas to watch

**T**he recently elected Progressive Conservative (PC) party in Manitoba ran on a call for change. But change for the sake of change can cause more harm than good, especially for Manitoba's most marginalized. While there are many policy areas to monitor, here are four to watch as they begin their mandate.

### 1. No comprehensive poverty plan or target commitments

The PCs have no plan to reduce poverty in Manitoba and have not made commitments to bringing down poverty rates. They have been vague on program commitments using the excuse that they need to "see the books."

The only poverty plank in the PC party plan was a commitment to raise the personal exemption level for provincial income tax. The current level of basic exemption is set at \$9,134. An increase of \$1,000 would apply to all Manitobans who pay taxes, rich or low income, and would lower taxes by only \$9 per month for most Manitobans. But the bigger issue is that such a policy does not even benefit the lowest income Manitobans living on part-time wages or Employment and Income Assistance (EIA); their tax bracket is too low for them to benefit from the increase. For every \$1,000 increase in the basic exemption, the public purse loses \$78 million dollars in revenue, according to Manitoba Finance. The proposal is costly and does not substantially help those families most in need out of poverty.

The PCs have also proposed steeper reductions in taxes for higher income groups: this will increase income inequality in Manitoba.

They have committed to decreasing the PST to 7 percent, which will remove approximately \$277 million in the annually from provincial revenues and cap provincial spending. It is not clear how these reductions in spending will be achieved. The aging population and huge demands of the health budget will continue to draw revenue away from other departments. Does it mean cutting funds to community-based organizations, which deliver important local programs as they did last time they were in government? Locally-based community-based organizations ladder people struggling with poverty into training, jobs and other associated supports needed to address the complexities of social exclusion. The PCs have not been clear about they will bring down the PST and cap public spending, and who will be adversely affected in the process.

### 2. Minimum wage

The PCs have not committed to increasing the minimum wage. When they were last in power the minimum wage remained at \$5.00/ hour from 1991 to 1994. It was raised once to \$5.25 in 1995 when the PCs were re-elected and remained at that rate until

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the government changed hands.

The View from Here 2015: Manitobans call for a renewed poverty reduction plan recommended an increase to the minimum wage to \$15.53/ hour in 2014 dollars. This was taken up by Make Poverty History Manitoba's k(NO)w poverty campaign with a recommended implementation date of 2020. This is what is required to bring a single parent up to the poverty line. Over 55 percent of minimum wage workers are adults working full time. Many are women, single parents and students struggling with high debt loads. Not increasing the minimum wage will hurt minimum wage workers and their families.

The best way out of poverty is a job, but only if the wages cover the cost of living. With food prices rising--- the cost of vegetables rose 18 percent in Canada over the past year--- a stagnant minimum wage will worsen poverty.

### 3. Labour policy

The PCs are advocating big changes that will hurt workers. They have said they will eliminate Project Labour Agreements (PLAs), which have been around for decades, for large public and private sector construction projects in Manitoba and across Canada. PLAs establish a common wage and working conditions for large groups of contractors and their workforce. PLAs discourage contractors from using poorly trained and unqualified labour. PLAs such as the one used for the Floodway Expansion can include equity training and hiring provisions to ensure that much-needed opportunities are available to Aboriginal businesses and workers. A properly designed PLA can give many workers their first good job, an experience that lifts them out of poverty.

The PCs also wish to change the terms of union certification. Unionizing workplaces is key to fair wages, benefits and good working conditions for workers. Currently the card check system requires 65 percent of workers to agree to unionize. Requiring a secret ballot on top of this creates more avenues for employees to intimidate

workers into not unionizing. In all jurisdictions that have moved away from card check systems, union rates have declined. Lower rates of unionization drive down wages and accentuate income inequality.

### 4. Privatization of health care

Brian Pallister is on record that he will expand long term care through privatization. Long term residential care is meant to provide quality, dignified care for those who can no longer manage on their own without some form of assistance. Currently Manitoba has a blended system, of publicly and privately-run long term care facilities. By expanding long term care through the private market, the Conservatives will increase corporate control over health care. Private health care relies on contracting out and lower wages, which compromises quality care for residents. In British Columbia, health services expanded through privatization meant that workers were discouraged from spending time with residents, as services were streamlined to cut costs, according to a study by York University Professor Pat Armstrong. Increasing access to long-term care is important, however it should be grown within the existing public system to ensure accountability, quality of care and fair wages for workers.

The Manitoba Progressive Conservative election promises, if implemented, will negatively impact workers and stagnate wages with inaction on minimum wage. The lack of a comprehensive approach and firm commitments to poverty reduction is glaring. Opening the door to privatization of health care risks eroding the quality of care for vulnerable seniors. CCPA Manitoba and many others will be vigilantly watching and are ready to speak up if and when these policies are unveiled.

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