



Canadian Centre for  
Policy Alternatives  
Manitoba Office

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## The October 7, 2020 Speech from the Throne: CCPA-MB response

**T**he five commitments made by the provincial government show that Manitobans can expect more austerity in the coming months.

The five commitments are:

1. Protecting health care with 'record' new investments;
2. Protecting jobs and creating more jobs with new investment and business supports;
3. Reducing taxes ;
4. Building a 'first-class' K-12 education system;
5. Working towards balancing the budget while somehow investing MORE in health care, education and lower taxes, acting on climate change and 'protecting our clean energy advantage with a strong and secure Manitoba Hydro.'

Laudable goals, but how do they stand up to scrutiny?

1. The so-called record investments in health care will be welcome, but they didn't explain how they would deal with the growing numbers of COVID-19 cases. The thought of waiting outside for hours for a COVID test becomes more and more unappealing as winter approaches, as does the thought of accessing medical help with the dwindling number of emergency rooms. The growing number of COVID cases in Manitoba's personal care homes, where employees face precarious working conditions, also needs to be addressed. The Throne Speech includes references

to more "choice" for home and community-based senior's care, which given that this government favours privatization, is very likely code for contracting out services to for-profit providers. We will be monitoring this closely alongside our partner the Manitoba Health Coalition.

2. This pledge is particularly confusing given that the Pallister government has laid off hundreds of Manitoba Hydro employees and gone to great lengths to stymie collective bargaining in order to repress workers' pay. This government has also cut infrastructure spending, closing any possibility of creating hundreds of well-paying construction jobs we need to transition to a green economy.

3. We've certainly seen the tax reduction movie before. We have explained why tax cuts, especially the ones this government implements, help high-income Manitobans, do almost nothing for low-income Manitobans, and do very little to stimulate the economy, especially in comparison with government investment in the things we really need to bring in a Green New Deal.

4. It is difficult to understand how they will build a first-class K-12 system while removing \$800 million in revenue with the elimination of the education property tax. What will they cut? The removal of school divisions is highly controversial, and won't deliver those sorts of savings. The K-12 section of our Alternative Provincial Budget outlines where funding needs to be increased.

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IN LABOUR ISSUES

**“...beware the government that claims it will increase spending while cutting taxes and balancing the budget. There’s only one way that works: something important, something you rely on, is going to get cut.”**

5. The ongoing commitment to balancing the budget is tantamount to an obsession with this government. The resulting austerity agenda is particularly misplaced in the middle of a pandemic, when spending should be accelerated.

The government also committed to a “strong and secure Manitoba Hydro.” That is good news indeed, because as we know the best way to keep it strong and secure is to keep it public. But the word ‘public’ is missing. At the same time as they pledge to go ahead with Bill 44 (which will likely get re-numbered in this new session): “Legislation will be re-introduced to streamline the onerous process of the Public Utilities Board, enabling it to make decisions sooner and at less cost, benefitting ratepayers”. This statement is extremely misleading.

The legislation will actually allow for rates to go up far more than the rate of inflation, or what is needed to service Manitoba Hydro’s debt. The fact that they are holding rate increases to 3 per cent this year does not mean they won’t go up as much as 7.9% next year, as accommodated by the legislation.

The legislation also permits the breakup of the public monopoly over the sale of electricity, potentially putting the utility on a slippery slope towards privatization. Other red flags to watch include:

- A pledge to transform social assistance from a program “that encourages dependency on government to one that provides a short-term bridge to meaningful employment.” This is much easier than said. EIA recipients need a lot of support, usually in the form of a

long-term bridge to get to meaningful employment. Once again, our Alternative Provincial Budget explains how. Meaningful employment would be more accessible if minimum wage were a living wage, it was easier, not more difficult to join a union and if workers did not face so much precarity.

- The promise for a better child care funding model mentions more equity, choices and flexibility. Choices and flexibility could mean more private-sector involvement, as opposed to the recommendations in this report.
- The promise for “allowing less expensive and more convenient private retailing of liquor in the province” is of grave concern given the issues raised in this report.
- The promise to prepare young Manitobans for jobs includes “legislation to better align post-secondary institutions with labour market needs, expand work-integrated learning opportunities for students, and improve the governance, transparency, and accountability of our colleges and universities.” Surely the academics in our post-secondary institutions know best what to teach (to prepare students to be well-rounded citizens, capable of critical thinking); how to teach and how to best run the institutions they work in. They are the experts. This level of interference will add to the stress and low morale of post-secondary educators and their students.

Finally, beware the government that claims it will increase spending while cutting taxes and balancing the budget. There’s only one way that works: something important, something you rely on, is going to get cut.

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