



Fast

# FACTS

CANADIAN CENTRE FOR POLICY ALTERNATIVES – MANITOBA

January 23, 2019

## Time is Now for 2020 Vision: Need Manitoba Climate & Social Action Budget

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**A**ccording to United Nations scientists we have just ten years to cut Green House Gas emissions in half or face catastrophic impacts that threaten life on earth. Accordingly, 12,000 people protested on the lawn of the legislature on September 27th to call on all elected leaders to act – NOW.

Instead, this provincial government's goal is to reduce the deficit and debt– to what end? In the short term, there is no consensus on the size of the deficit - \$163 million according to the Minister of Finance, or a surplus of \$9 million according to the Manitoba Auditor General. The Premier talks about \$1 billion debt servicing cost. But National Bank of Canada calls our debt servicing cost “quite manageable/affordable”. But regardless of the amount, getting rid of the deficit will not matter on a dead planet.

Governments borrow money to invest in the future, just as previous generations did when they built the infrastructure and services we all rely on today. The PST cut alone costs \$327 million of lost revenue per year with no plan to make up for it. This government has promised to phase out the education tax on properties, resulting in revenue loss of \$1.05 billion dollars/ year that we can't afford.

The Manitoba government's tax cuts are regressive. The most tax cuts made by the provincial government, reducing the

PST and increasing the Basic Personal Exemption, have mainly helped the middle and upper class but resulted in savings of less than \$50/ year for the lowest income Manitobans .

Research shows adequate government services and income transfers fight poverty and income inequality. Think about it: if we pool our money together, we get more than if we spend it separately.

The province is also selling off public assets, which provide one-time revenue that is then then lost forever. In the climate crisis we could use the Pineland tree nursery, for example, to grow seedlings to replace the trees lost during massive October 11th, 2019 storm.

Last December our office launched the community-based State of the Inner City report *Forest for the Trees: Reducing Drug and Mental Health Harms*. The report found the province is not following all of its own report recommendations, and the root causes of the meth “crisis” are poverty and lack of housing. Yet the province recently sold off almost 1,000 units of social housing despite there being 7,000 households on the Manitoba Housing wait list.

This is not to mention staffing shortages in hospitals and emergency rooms, flat lined funding to schools, soaring tuition costs, and cut backs to Rent Assist and

there is an alternative.

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Employment and Income Assistance (EIA) for single adults and people with mental health challenges. Manitoba's overall program expenses per capita (at \$11,970 in 2019/20) are lower than the Canadian average (\$12,265). The province has been spending less than it budgeted consistently for the past three years.

Manitoba businesses rely on these program expenses to function – employees need good health care, child care, K-12 and post-secondary education. Due to these public services and low cost of doing business - thanks to assets like publicly-owned Manitoba Hydro with the lowest average electrical rates in Canada, Winnipeg was judged the #1 lowest cost location for US and Canadian businesses by Canadian Business Magazine.

However the business lobby's insatiable appetite for lower taxes means less revenue to fund services foundational to our social fabric and collective well-being.

In 2020, cutting taxes in a climate crisis is a fool's errand – we need to invest in green infrastructure now to improve public transportation, retrofit all homes and buildings and ensure safe nutritious food while reaching net zero emissions. The Premier should call on the federal government to implement a Green New Deal to create 30,000 green new decent Manitoba jobs in renewables, green infrastructure, retrofits on homes and buildings. This would boost Manitoba's GDP, which, according to the Conference Board of Canada, has slowed due to a lack of large-scale construction projects .

The Manitoba government's 2020/21 budget should be a climate and social action budget to address the climate crisis and the social deficit. It should stop the funding freeze to Manitoba Municipalities and instead invest in affordable, or better yet, free public, electric transportation and an interprovincial transportation network.

It should invest adequately in the foundations of a healthy province – create 2,000 new social housing units to make up for past inaction and maintain and repair existing Manitoba Housing while

ceasing to sell off these and other public assets.

This 2020 vision should fight the trauma and colonization crisis by working meaningfully with Indigenous leadership and others to double funding to community-based mental health supports.

Our 2020 vision would reverse cuts to Rent Assist and Employment and Income Assistance (EIA) and implement a liveable basic needs benefit with training and education supports for good jobs. It would support social mobility by making post-secondary tuition more affordable and invest in training for those affected by the transition away from fossil fuels so they can obtain equivalent work in the growing renewables sector.

Finally, this 2020 vision would focus on the most overlooked policy area in Manitoba: quality child care, which is key to economic and early child development. The province should move aggressively to build more quality spaces to eliminate the 18,000 children and families waiting for child care and the operating funding freeze on child care. If funded adequately, this sector can provide decent Early Childhood Education jobs while allowing parents to work further their education to give back as taxpayers.

We need political leadership with 2020 vision to address the climate crisis and social deficit, with political courage to say that corporations and the wealthy need to pay their fair share.

Manitoba must act now before it is too late.

*Molly McCracken is the Manitoba director of the Canadian Centre for Policy Alternatives. The CCPA Manitoba is launching the community-based 2020 Alternative Provincial Budget later this winter.*

References available upon request.

