

Faculty Association

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May 3, 2017

RE: University of Manitoba Faculty Association Submission for the Committee on Bill 28, The Public Services Sustainability Act

Dear Members of the Committee,

Bill 28, the Public Services Sustainability Act ('the Act') is a fundamentally flawed approach to balancing the provincial budget. First, with regard to employees of the University of Manitoba, it tramples on the principles of institutional autonomy enshrined in the University of Manitoba Act and puts the UM in a deeply uncompetitive position going forward in its ability to recruit and retain excellent faculty. Second, the Act is unnecessary in order to accomplish the government's stated goal of bringing the budget into balance within 8 years. Third, it infringes heavily upon a constitutionally-protected right. Fourth, it has been developed with no consultation with affected public-sector workers or their unions.

The University of Manitoba is a pillar of the province. As the flagship research university, we provide an excellent post-secondary education for about 30,000 students from Manitoba and around the world. We engage in crucial research to build basic scientific knowledge, improve Manitobans' quality of life, to highlight and provide solutions to local and global problems, and to enhance productivity. A 2009 impact analysis by PriceWaterhouseCoopers demonstrates that beyond these vital social benefits, UM produced approximately \$1 billion in value added to the Manitoba economy.

The UM will no doubt suffer in its aspirations to attain a competitive position relative to its peers in the research community given the salary impacts of Bill 28's compensation framework. As knowledge and skills become more central to our economic well-being, hamstringing the UM's capacity to hire and to retain top scientists and researchers—which will be the main effect of the Act on the UM—will have long-term negative consequences for our province. UM is already in an unfavourable competitive position for attracting excellent scholars, researchers, librarians, and teachers, given salaries elsewhere in Canada, and four years under Bill 28's compensation framework will expand the competitive gap between UM and its peer institutions. The university, the province, and Manitobans, will suffer as a result.

Analysis by the Manitoba Federation of Labour—and the government's own numbers as presented in Budget 2017—suggests that without legislating wage increases, and with reasonable moderation of expenditure growth attainable through collective bargaining, the Manitoba budget could be balanced within 8 years. As President of one of the unions which took seriously the government's offer to meet through a Fiscal Working Group, and to discuss options to improve the province's fiscal balance, I was pleased to see that without tax increases, there was a viable plan developed by the MFL to return the province to balance within the government's publicly-stated timeframe. However, there was no meaningful discussion of or comment from government with regard to this plan. Instead, the government introduced *The Public Sector Sustainability Act*, never having addressed or responded to any of the specifics of that plan. Given that unions and their members are willing to play their part, through collective bargaining, to help improve the province's fiscal position, wage legislation is simply not necessary to attain the goals the government has set for itself.

It is additionally noteworthy that in the context of addressing what the government alleges is a dire fiscal situation, the government has chosen to borrow funds in order to pay into the Fiscal Stabilization Fund (the so-called “rainy day fund” established precisely to help the province manage during difficult fiscal moments), to reduce its own revenues going forward through tax bracket indexation, and to increase the political contributions tax credit for wealthy donors. Meanwhile, it is happy to take drastic legislative action, freezing the wages of those who deliver crucial public services.

In addition to being unnecessary, the Act severely undermines the exercise of Manitobans’ constitutionally-protected right to collectively bargain. Rights such as these cannot be swept aside, and Manitobans expect our government to live within the law of the land. Collective bargaining is a manifestation of the right of free association, a right which must be respected and safeguarded in any democratic society. The government has refused to engage in any discussion about alternatives to Bill 28, being from the beginning focused on an unnecessarily heavy-handed path of wage legislation. Collective bargaining works to achieve the goals of both employers and workers, and it is a right.

Finally, I note with extreme disappointment the complete lack of any meaningful consultation with the affected unions in either the development of the Act, or the contemplation of alternatives to it. Public sector unions, including UMFA, came with good will and a determination to engage in discussions with government about the fiscal situation of the province, about the need to address the deficit, and about options for doing so within a reasonable timeframe. We were frustrated to be met with silence and a lack of any meaningful communication from government. As we were putting forward proposals and suggestions to help the government achieve its goals, our requests for comment and for basic information went unanswered. The government would not communicate its near-term targets or objectives. Simply attending meetings while refusing to provide information, share analysis of the fiscal situation, communicate objectives, comment on proposals, or discuss options does not constitute consultation, yet this has been the pattern.

In closing, UMFA urges the Committee to consider in its findings that Bill 28 is harmful to the University of Manitoba’s current and future capacity to undertake its public mission and to contribute to the Manitoba economy; that it is unnecessary in order to return the province’s fiscal position to balance; that it undermines the constitutionally-protected right to collectively bargain, that no consultation has taken place with those most heavily-affected, and; that other options for pursuing the government’s stated eight-year timeframe for return to fiscal balance should be considered which allow workers to exercise their rights of free association.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mark Hudson', written in a cursive style.

Mark Hudson
UMFA President