

Preparing for Bill 20

(For a PDF, click [here](#))

If you're thinking about speaking before the committee at the Manitoba Legislature that is reviewing Bill 20 (the bill that raises the PST), you've come to the right place.

Below are some facts and tidbits that may help you as you work on your speaking points.

But before I begin, I want to start off by saying, "don't be intimidated" about speaking before the committee.

Politicians may seem like squabbling children when you see clips of question period on the news, but committee meetings are usually quite tame. At such meetings, even politicians who disagree with a presenter's views are usually pretty respectful.

Some may sit there and stare at the ceiling while you're speaking, but those who are paying attention seldom give presenters a grilling in terms of questions.

As you work on your speaking points, more than anything I would recommend telling your story.

Think about how an increase to the PST will impact your family or business. Does it mean you'll have less money to buy clothes for your kids or pay for their soccer registration? Does it mean the prices at your store will rise, reducing your sales and perhaps leading to staff layoffs?

Are you already having a hard time keeping up with all the other government fees and taxes that are rising faster than most peoples' pay cheques? (eg. Hydro, school taxes, property taxes, etc.)

Or maybe you're just really angry that the premier broke his promise and is getting rid of the requirement to hold a referendum? Perhaps this has further eroded your faith in democracy and his ability to lead?

Those are the types of things the committee needs to hear more than anything.

As you work on your ten-minute speech, here are some other facts and figures you may wish to consider...

Broken 2011 Election Promise:

* During a 2011 election debate on CJOB, the Premier was more than clear that he wasn't going to raise taxes. He noted that his [five-year economic plan didn't include any tax increases](#).

* He also told CTV news the suggestion that he would raise the sales tax was [“ridiculous” and “total non-sense.”](#)

Leading by Example:

Plain and simple, before raising taxes politicians should lead by example and reduce wasteful spending at their fingertips. This would show the bureaucracy they are serious about finding savings. Sadly, the government has done anything but lead by example.

Before I get to some big savings examples, consider these small examples that add up quickly:

* When Greg Selinger became Premier he increased the size of the provincial government’s cabinet from 16 (when Gary Doer was Premier) to 19. For each MLA appointed to cabinet, they receive an extra [\\$36,745](#) in pay, plus a government vehicle, plus several staff, a bigger office, etc. The increase in the size of cabinet costs taxpayers at least \$500,000/yr.

* Before the 2011 election, former MLA Bonnie Korzeniowski served as MLA for St. James and Special Military Envoy. Yet after she decided not to run again in 2011, the Premier decided to turn her old Special Military Envoy title into a full time job for her. Throw in the cost of her office, assistant, etc. and we’re looking at an extra [\\$190,000/year](#). This type of plum rewarding of friends is the type of expenditure we can’t afford – every penny counts!

* Under current legislation, cabinet ministers are supposed to take a 40% pay cut on their cabinet pay when they run consecutive deficits. The government is set to eliminate that penalty once again and only take a 20% pay cut. If they took the penalty they were supposed to receive, that would save taxpayers \$139,631 per year.

* Throw in the [extra tax dollars the NDP want to give to political parties](#) each year and we’re easily at \$1 million in potential savings that could be cut just by asking the premier to lead by example.

Big Picture Savings:

There are plenty of big picture things the government could tackle to save taxpayers millions without the average Joe noticing a difference in service levels.

* In 1999/00, provincial spending was [\\$7.287 billion](#). Today, provincial spending is [\\$14.487 billion](#); a 103% increase. If you crunch the numbers, spending has

increased at more than double the rate of inflation; even when you account for population growth.

* According to Frontier Centre for Public Policy research, Manitoba has a very high number of people working for either the provincial government or municipal bodies. If we could merely get down to the national average in terms of the size of our bureaucracy, we could save over [\\$1.2 billion each year](#). Yes, that's the type of savings taxpayers could benefit from if our bureaucracy were merely mediocre instead of bloated.

* Many will be wondering how that could be accomplished pain-free – here's how. The provincial government's own numbers show that [39.5% of provincial employees will be ready to retire over the next 10 years](#). Instead of filling all these positions when people retire, find a way to do the same work as efficient as other provinces in Canada.

The NDP government claim it is reducing the bureaucracy by 600 positions, however, they've grown the bureaucracy by over [1,235 positions since 2007/08](#). This means, there will still be a net increase of 635 positions. Meanwhile, next door in Saskatchewan, they have aggressively been reducing their bureaucracy over the last three years. At the end of this year they will have reduced their bureaucracy by over [1,900 positions](#).

* What if the government hit its own spending targets? Take a look at [this 2012 blog post](#) and you'll see that prior to the recent budget, the government had spent more than budgeted 11 times in the past 12 years. Include data from the recent budget and you'll see they've overspent their spending targets 12 times in 13 years. Sure, things come along once in a while that can be hard to plan for (eg. floods), but overspending nearly every year? Had the government met half its budget targets over the years no one would be thinking about a PST increase.

And who was the Finance Minister responsible for missing most of those spending targets? Yes, Greg Selinger.

* What about the province's eHealth boondoggle? The \$150 million project "could" cost [an extra \\$450 million](#) according to media reports. Or say the stadium's cost overruns (more than \$75 million over budget)? Why is it so many government projects go over budget and the premier just shrugs his shoulders and raises taxes?

Bite-sized Examples of Wasteful Spending:

* Want some more "bite-sized" examples of government waste? [Click here](#) to read about the government wasting money on expensive video games for inmates in jail, fishing rods and track suits for politicians, rooftop patios and barbecues for

Winnipeg Regional Health executives and a bureaucrat who was paid \$90,000 per year for four years to read novels on the job.

No Referendum? No Way!

* Under section 10(1) of the provincial government's [*Balanced Budget, Fiscal Management and Taxpayer Protection Act*](#), the provincial government is supposed to hold a referendum prior to raising the provincial sales tax.

* To get around the referendum requirement, Bill 20 changes the law; exempting the province from holding such a referendum.

* Yet, when the federal government decided to act upon an election promise to open up the wheat board to competition, Manitoba's Finance Minister called the move "[anti-democratic](#)" and claimed they needed to hold a referendum.

Don't Forget Last Year:

* Last year the Manitoba government brought in the largest tax hike in 25 years. They began to charge the 7% PST on previously exempt goods and services such as; many insurance products (including home insurance), haircuts above \$50, manicures and pedicures, and tattoos. They also raised gas taxes. Again, none of those tax increases were in the NDP's 2011 election platform.

Conclusion:

* The bottom line is there is plenty of fat in government that could be cut without the average Joe even noticing a drop in service levels.

Instead of simply raising taxes, the government should provide real leadership and make those necessary cuts. Continuing to raise your taxes year after year is simply not sustainable.

Useful links:

2013-14 Provincial Budget –

<http://www.gov.mb.ca/finance/budget13/papers/summary.pdf>

Public Account Documents (Annual Reports – See Volume 1) –

<http://www.gov.mb.ca/finance/financialreports.html>