

2019 PROVINCIAL BUDGET

MESSAGE FROM THE PRESIDENT

Dear sister / brother,

Yesterday, the provincial government put forward its fourth budget. I won't go into a full breakdown here as it would be too cumbersome; however, I will cover off some of the larger issues from your union's perspective.

It will take us some time to fully analyze the budget and the line-by-line impacts. The following serves as a very brief overview and initial analysis.

This budget is very much an election budget. There is good news in this budget for our members and the services they provide. We have been lobbying hard behind the scenes for many of these good news announcements which we will elaborate on below.

There is relief in the form of the elimination of the tax on insurance as well as the elimination of the deficit levy - this will help our members keep their hard-earned cash in their pockets.

Our public service members have helped play their part in getting the government back on track fiscally and we will be reminding the government of this at the bargaining table which is set to resume in the coming months.

Through our efforts at the bargaining table, we have ensured that there were no layoffs in today's budget.

This is a major departure from the budget from four years ago when hundreds of our members lost their jobs, offices were shuttered, and services slashed.

AREAS TO MONITOR

In the coming weeks and months, we will have to keep a close eye on several items in the provincial budget - the devil is in the details.

Three things that I would like to highlight are: attrition, healthcare funding, PSE funding, and home care.

For example, the government has said that they will be focusing on attrition to gradually reduce expenditures.



Attrition is only slightly better than layoffs – the lesser of two evils.

We need to monitor each and every reduction through attrition for the impact on service delivery and those that remain to provide them. The government has said that they will replace approximately 8 out of 10 positions lost through attrition.

We cannot simply expect three or four people to do the work that five were doing before.

To that end, we were successful in negotiating language in this round of collective bargaining to receive periodic reports on attrition from the government. We can't simply take a 'trust the process' approach.

Another area that we need to monitor is healthcare. Overall spending for healthcare is flat in this budget compared to last year's. This means that the regional health authorities will be under some pressure to keep costs down.

The College of the North Atlantic and MUN also face fairly stagnant operating funding (MUN is actually seeing a decline in operating funding). The College funding has been under pressure in recent years which has led to downstream stresses and strains in certain areas, on certain campuses, and in certain teaching fields. We need an adequately funded post-secondary system to help fuel our province's recovery – stable funding is not bad (compared to a decline), but we need to help our campuses grow and thrive with additional funding.

HOME CARE

While there is no specific additional money earmarked for home care in the budget I did have an opportunity to speak directly with Minister Osborne about this very issue during the budget lock-in.

The Minister committed to talking in more detail on this matter in the coming days and was open to discussing additional monies for home care workers outside of this budget.

As we are in bargaining for nearly 4000 home care workers – this is a priority area for us to get a commitment on in the immediate future. This is an election issue that we are going to push.

STUDENT ASSISTANTS

There is \$300,000 additional monies earmarked specifically for increased allocations of student assistants.

INFRASTRUCTURE

Corrections:

▶ \$1 million for construction of an extension to the Labrador Corrections Facility in Happy Valley-Goose Bay.

▶ \$600,000 to begin procurement on a new corrections facility to replace Her Majesty's Penitentiary.

Both of these announcements are welcomed. The LCC is at or overcapacity frequently and the extra space is desperately needed.

Healthcare:

- ▶ \$8.9 million to start construction in spring 2019 on a new adult mental health and addictions facility and to expand community-based supports province-wide.
- ▶ \$8.6 million towards a new electrical substation to service the Health Sciences Centre in St. John's, which will be completed in fall 2020.
- ▶ \$6.9 million to start construction in 2019 of a new acute care hospital in Corner Brook.
- ▶ \$5.4 million to complete new cystoscopy and endoscopy suites this spring, and redevelop laboratory spaces at the Central Newfoundland Regional Health Centre in Grand Falls-Windsor by summer 2021.
- ▶ \$1.8 million for new ambulatory care space at Carbonear General Hospital to be completed in fall 2020.
- ▶ \$1 million to start construction in 2019 of a sixbed mental health unit at the Labrador Health Centre in Happy Valley-Goose Bay.
- ▶ \$5.5 million for the 20-bed expansion of the protective care unit at the Dr. Hugh Twomey Health Centre in Botwood, which will be completed in 2020.
- ▶ \$9.1 million for construction of the new Green Bay Health Centre in Springdale, which will be completed in 2020.
- ▶ \$700,000 to upgrade two operating rooms at the Health Sciences Centre in St. John's by the end of 2019.

MOS:

- ▶ \$4.6 million to replace heavy equipment for winter highway maintenance.

This is something we have been pushing hard for and is welcomed by our union.

ECONOMIC INDICATORS

Some of the key economic indicators presented by the government for the province are deeply concerning and there is little in this budget that provides a long-term vision, or plan to address them.

Population decline, unemployment, and labour force participation are some of the key economic indicators that are all headed in the wrong direction for the next four years according to government's predictions.

We will continue to press the government for clear and progressive plans to address these issues. We cannot simply bury our heads in the sand and hope these long-term and systemic issues simply go away.

MESSAGE FROM THE PRESIDENT

CONCLUSION

This is by no means a comprehensive review of the provincial budget, but I thought it was important to get a note out to the membership covering a few of the issues particularly relevant to our Union coming out of the budget.

Again, we will be monitoring impact going forward.

We will not hesitate to speak out against any decision by this government that negatively impacts our members or the vital services they provide.

In solidarity,

A handwritten signature in blue ink, appearing to read "Jerry", is positioned above the printed name.

Jerry