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Budget Surplus in Manitoba No Cause for Celebration

Pallister Government Saving Money by Not Supporting Low-Income Families

FOR IMMEDIATE RELEASE: October 2, 2020

ANISHINAABE AND DAKOTA TERRITORY, MB — The Southern Chiefs Organization (SCO) says there is no reason to praise the Province of Manitoba on its latest fiscal update.

“Trumpeting a budget surplus, especially during a global pandemic, should be cause for concern and not celebration,” said SCO Grand Chief Jerry Daniels. “Premier Pallister and Finance Minister Fielding are showing they are tone deaf to the real and dire needs of Manitobans, especially First Nations, during this time of crisis.”

Earlier this week, the Government of Manitoba released its public accounts for the 2019-20 fiscal year, showing a \$5-million surplus. What the Premier and Minister of Finance did not reveal is that the surplus comes at the expense of low-income people. The Pallister government has trimmed funding and funding parameters to programs such as Employment Income Assistance (EIA) and Rent-Assist.

Income thresholds for the Rent-Assist program have dropped and the monthly benefit has been reduced. Meanwhile, the percentage of income that must be contributed towards rent by individuals in the program has increased from 25 percent to 30 percent. These changes translate into many First Nation families being left to fend for themselves while their rents are increasing. A single person on EIA receives just \$820 a month, and the average studio apartment in Winnipeg is \$890, leaving less than nothing for food, cleaning supplies and masks.

Programs like the Manitoba Child Benefit (MCB) and the 55 Plus Programs for low income seniors have not been indexed or seen increases in years. The government is spending \$705,000 less on the Manitoba Child Benefit than it was just five years ago and the program supports 1,561 fewer children. The government is also spending \$281,000 less on low income seniors through the 55 Plus Programs than it did five years ago.

Other critical programs such as child care have not seen increases to operating grants since 2016, putting the stability of many programs at risk. Licensed not-for-profit Early Learning and Child Care programs, which provide the vast majority of child care spaces in Manitoba, have received no new operating funding in more than three years, while the cost of living has continued to increase annually.

Almost 2,000 fewer low income families are receiving the Child Care Subsidy, from 8,417 families five years ago to just 6,452 in 2019/20. The Child Care Subsidy has not been indexed in years, with the income cut off for a single parent with one child at just \$16,420 net a year. A single parent working full time earning minimum wage would not qualify for a full subsidy.

“Austerity is not something to be proud of, especially given the financial and emotional insecurity being caused by COVID-19,” stated Grand Chief Daniels. “If we are to emerge from this challenging time, we need to see real and immediate investments in people and programming.”

The Pallister government is crediting the surplus to controlled expenditure growth. However, SCO believes it is directly linked to an ideology that blames low income people for their poverty and does not recognize the role systemic racism, white privilege and intergenerational trauma play in life outcomes.

“This announcement shows this current provincial government is not prepared to invest in what really matters,” added Grand Chief Daniels. “Now is the time to create stability, to build bridges between all members of society, and to end longstanding, systemic neglect of First Nations. To not invest in the people and First Nations of Manitoba during this global pandemic, the youngest growing demographic in the province, will lead to worse outcomes in the future.”

The Southern Chiefs’ Organization represents 34 First Nations in what is now called southern Manitoba. SCO is an independent political organization that protects, preserves, promotes, and enhances First Nations peoples’ inherent rights, languages, customs, and traditions through the application and implementation of the spirit and intent of the Treaty-making process.

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