



MANITOBA HEAVY CONSTRUCTION ASSOCIATION
Unit #3-1680 Ellice Avenue, Winnipeg, Manitoba, R3H 0Z2

December 23, 2021

The Hon. Scott Fielding,
Minister of Finance
305 – 450 Broadway Avenue
Winnipeg, Manitoba,
R3C 0V8

Re: MHCA Pre-budget submission 2022

Dear Minister Fielding,

The MHCA respectfully sends the below pre-budget submission and requests the opportunity to meet and discuss it with you as soon as your schedule permits.

Your government has navigated, commendably, the pressures brought to bear on revenues and expenses as a result of the COVID pandemic.

Further, the MHCA also commends Manitoba Infrastructure for its focus on strategic infrastructure investment, specifically its planning and investment initiatives for trade-enabling transportation infrastructure.

We support elevating the Perimeter Highway to freeway status and the linking of strategic provincial roads to the trade corridors by raising them to RTAC status. Manitoba is a trade-dependent economy and our economic revitalization will depend on strengthening ties to existing trade partners and seeking new, emerging markets to diversity and to protect our economic and security interests.

Quite apart from necessary provincial investment, the global trade-market reality is that our province should further broaden its domestic, continental and global-trade profile and opportunities by working with its Western counterparts, to press the federal government for bold recapitalization of its national trade corridor fund, specifically investing in the proposed Western Canada Trade Gateways and Corridors initiative. This includes support for and tabling at the 2023 Council of the Federation meeting (to be chaired by Premier Stefanson) the concept of a Western Canada Trade Gateway & Corridor Initiative (WCTG&CI), the details of which were shared with Premier Goertzen

The MHCA, its members and stakeholder partners were pleased to hear Premier Stefanson, in her keynote address to the MHCA 2021 November 18 Awards Presentation, stress the importance of infrastructure investment to our post-pandemic economic recovery and to the security of our communities and economy, as climate change-related extreme weather increasingly threatens to undermine our links to each other and to global ports.

We underscore the necessity of a regional trade corridors investment strategy, and encourage you and Premier Stefanson to advocate with your provincial counterparts, including at the Council of the Federation meetings in 2022, the championing of a significant recapitalization of the national trade corridors fund as above referenced.

Investment in strategic infrastructure provides amongst the highest ROI of public-sector dollars, enabling growth, attracting private investment, creating jobs and, in return, generating new revenues to government for years. That return on investment is long-term because of transportation infrastructure's intrinsic role in trade.

Per Premier Stefanson's remarks at the MHCA Awards Presentation, we look forward to the development of multi-year highways capital budgets, starting this year with a three-year financial plan and moving to five-year budgets.

Equally important is to ensure that budget set is budget spent.

While understanding the pandemic's pressures on financial management and budgets, the MHCA notes that successive highways capital expenditures have fallen increasingly short of budget forecasts. In 2020-21, MI's highways capital program actual expenditure fell some \$30 million short of budget.

The provincial public commitment to carry over any unspent amounts was not fulfilled. Only \$22.5 million of total under-expenditure was carried over to the 2021-22 budget.

The MHCA has consistently grounded its advocacy in principle, with the ultimate objective being the best public interest, supporting government's primary responsibility, which is to grow the economy.

Our advocacy regarding multi-year budgeting addresses this point directly: Long-term forecasts allow government to set out its infrastructure investment plans, well in advance. That, in turn, enables early tendering, which allows industry to plot capital acquisitions, labour needs and to set up supply contracts ahead of the construction season. This produces very competitive pricing both for the industry and, via the bid process, to MI, generating highest value for the program budget.

In line with that, the MHCA offers the following recommendations in preparation for the Budget 2022-23:

1. The Government of Manitoba elevate the role of Manitoba Infrastructure to lead by aligning investment plans with trade-based opportunities through a policy framework that:
 - Focuses on elevating Manitoba's national, continental and global-trade profile by identifying trade corridors and gateways as key assets for strengthening existing markets and developing new, emerging trade partners;
 - Supports a federally led WCTG&CI to cost share and leverage significant private-sector investment in an efficient and reliable transportation network to move people to jobs and products to domestic and foreign markets;
 - Prioritizes the infrastructure projects with the greatest ROI to GDP;
 - Ensures province-wide, timely access to RTAC highways to support Manitoba's producers and encourage value-added enterprise with efficient movement of goods and services;
 - Incubates a province-wide culture of regional economic development with funding programs that incent coordinated infrastructure investment decisions among proximal municipalities; and
 - Is mindful of the need to maintain existing assets that support communities, business and residents.

2. Enable Manitoba Infrastructure to move beyond managing assets, assuming a central role in whole-of-government investment and environmental stewardship through long-term outlook and decision-making, including:
 - Moving from yearly budget management to annual and five-year budget planning; ensure budget set is budget spent and commit to carry over all under-expenditures to successive budget years;
 - Adopt multi-year investment plans to identify projects that position Manitoba to secure existing and expand into new trade markets;
 - Assess and publicly report on infrastructure condition and needs assessments, to ensure our transportation network, water & sewer and water-control assets can protect our communities and economy from extreme weather events and climate change; and
 - Update Manitoba's infrastructure investment deficit and, backed by an asset-management approach, set out a strategic plan to reach sustainable investment levels by a targeted date.

In Closing

Manitoba can revive and grow its economy and play a larger role in Canada's economy through strategic thinking that protects and advances our trade and security interests, working with Western Canadian provinces for full regional impact and profile.

Respectfully, we urge that Manitoba Infrastructure be tasked to be central to that strategy, which compels rethinking our policy framework for investment.

The MHCA is one of six leading Manitoba business organizations that advance key economic growth pillars, one of which is strategic trade-enabling infrastructure investment, to support your government to grow Manitoba's economy through raising our province's global profile.

The MHCA looks forward to meeting with you to discuss the above and will follow up with your office to secure the requested early meeting date.

Respectfully submitted,
Manitoba Heavy Construction Association



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cc. MHCA Board of Directors