



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

October 13, 2021

Hon. Kelvin Goertzen,
Premier, Government of Manitoba
Legislative Building
Winnipeg, Mb, R3C 0V8

Re: Infrastructure Investments 2020/21 - Annual Report and Public Accounts

Dear Premier:

The MHCA Board of Directors brings to your attention concerns regarding the under-expenditure of planned investment in highways and bridges in the 2020-21 budget year. The Board appreciates the fiscal difficulties triggered by the economic slowdown during the COVID-19 pandemic. The industry was pleased to see infrastructure investment recognized as a key to harness economic recovery both at the start of the pandemic, and again within the Manitoba Restart program.

The MHCA is therefore concerned with the significant under-expenditure in Manitoba Infrastructure's 2020-21 highways capital budget. Most worrisome is that of the \$61-million under-expenditure that year (\$49 million alone saved because of competitive bidding), \$38 million was allowed to "lapse," according to the 2020-21 Annual Report and Public Accounts.

Ours and associated industries account for more than 15,000 direct and indirect jobs. Further, for every \$1 of public funds invested in strategic infrastructure, the Manitoba economy realizes a return to GDP of between \$1.30 and \$1.90, depending on the nature of the investment. The ROI is felt both in the same year - because of the immediate job creation, with generation of tax revenues - and long-term, especially in the case of trade-enabling infrastructure because of its indispensable role in the economy.

If is for these and many linked reasons that the MHCA consistently cautions all levels of government against delaying strategic infrastructure investment to balance expenditures. The provincial economy, ours and allied industries all rely upon predictable, sustainable and incremental budgets invested strategically in infrastructure to ensure economic growth, providing revenues to government with which to meet its responsibilities including pandemic impacts.

We impress upon you and your government the need to not let those investment dollars budgeted in 2020-21 "lapse," and to ensure the entirety of the planned investment levels flow as "carry over" to subsequent budget years. (Of the \$60.9-million under-expenditure in 2020-21, just \$22.9 million was carried over to the 2021-22 highways capital program.) Our stated approach is entirely consistent with the government's public commitment to carry-over 'unspent' dollars to succeeding budgets.

We are in unusual political times in Manitoba and so we respectfully request that this matter be referred to your successor's transition team, coupled with our request for an early meeting to discuss the above.

Sincerely,

Nicole Chabot, G.S.C.,
Chair

Chris Lorenc, B.A., LL.B.,
President

cc. Hon. Ron Schuler, Minister MI
MHCA Board of Directors