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Winnipeg Free Press



# GROWING THE ECONOMY IS JOB #1



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## HIGHWAY TO TRADE: OUR ROADS ARE THE ARTERIES OF OUR ECONOMIC HEART

**CHRIS LORENC, THE MANITOBA HEAVY CONSTRUCTION ASSOCIATION BUILDS ROADS, BUT IT ALSO SAYS IT HELPS BUILD A STRONG ECONOMY. HOW SO?**

**We tend to only really think about our roads when they are under construction. In fact, roads are the arteries that keep our economy's heart – trade – pumping.** There is clear economic evidence in a series of reports – from Canada West Foundation, the Canadian Chamber of Commerce, the World Economic Forum – showing the link between sustained investment in core infrastructure and economic growth. And there's a growing body of research out of academic, business investment, banking and trade union circles, all calling for a nation-building, trade-enabling infrastructure investment strategy. This is why the Trudeau government's long-term budget plans call for trade-enabling infrastructure investment.

These are lofty goals, but the business gets done at the ground level – on the roads we use daily to get to the office, to school, or to our weekend golf or soccer games.

### HOW DOES MANITOBA PLAY INTO THIS?

**Manitoba is a prolific trading economy: \$33 billion of our GDP (45%) is tied to trade** – larger than healthcare; 5,300 employers are involved in trade; 240,000 direct and indirect jobs in Manitoba are tied to trade; \$19 billion of trade moves north/south on Highway 75 making Emerson the busiest border crossing by volume in Western Canada.

Western Canada accounts for 42% of Canada's total trade volume. Manitoba has to position itself to capitalize on that and the new trade deals in the making. We should become a leading member of the New West Partnership Trade Agreement. We need to raise the profile of trade, and trade infrastructure. There is little point in Canada signing on to trade agreements if we don't have the infrastructure to move products to market and people to work.

### HOW DOES MANITOBA POSITION ITSELF TO ELEVATE TRADE?

**Manitoba must be seen to be championing a pan-western trade investment strategy.** A new Western Canadian trade initiative can make the case to Ottawa that national infrastructure projects must be *nation-building*. Leveraging is key to such investment. In the Asia Pacific Gateway and Corridor Initiative, federal investment was about \$1.4 billion. It leveraged roughly \$14 billion of additional private- and public-sector investment. The private sector must play a key role in shaping a new trade strategy: Its products hit the global market every day. It knows where are the key bottlenecks and congestion points that inhibit the movement of goods and services. It knows which regulations must be harmonized.

And we can't forget the value that Northern Canada brings not only in resource development but in exports. Churchill, Canada's only northern deep-sea port, must be key to a national strategy.

**THIS WESTERN CANADIAN TRADE INITIATIVE SOUNDS INTRIGUING, BUT HOW DOES IT WORK AND HOW DOES IT ACTUALLY MAKE A DIFFERENCE TO THE CATTLE RANCHER IN THE INTERLAKE, OR THE IT SPECIALIST IN A SMALL START-UP IN THE EXCHANGE DISTRICT?**

**It focuses on a couple of basic strategies: moving product to market and people to work.** Those engaged in resource, manufacturing or food production know that exports move to where the logistics of trade are cost-effective. Without hosting such advantages, Canada loses and with that loss so, too, go the jobs in the sectors you have identified. A growing economy generates revenues to fund our healthcare, education and social programs that underpin our quality of life. Without economic growth sustaining those revenues, discussion around funding all those programs are moot.

**ON A 'LOCAL' LEVEL, THOUGH, WE STILL HAVE OUR HIGHWAYS AND STREETS THAT NEED WORK – HOW DO WE FIND THE MONEY TO DO THAT?**

**It's all about growing the economy and prioritizing, with a strategy that underpins our infrastructure program.** We advocate for six organizing principles to prioritize and stick to a plan: the program must be permanent, no less so that healthcare, education; it must focus first on investments that grow the economy, without ignoring the needs of existing roads; we need to embrace innovation in design, construction, maintenance. New products can extend the life of a bridge, for example, from 35 to 70 years; we need to partner with the private sector; we need to dedicate revenue to the plan so that the public sees where it is being invested, not spent; and we must review the program annually to adjust based on what is learned and to ensure discipline to purpose.

**HOW DO YOU SEE MANITOBA IN A DECADE? WHERE DO YOU THINK WE'LL BE IN TERMS OF OUR QUALITY OF LIFE, OUR EMPLOYMENT RATE, HEALTH STATUS?**

**If we could harness a pan-western trade strategy, a nation-building effort, we would not be worried about whether our children and grandchildren have careers or jobs.** We would relish in being able to leave, as our legacy, a sustainable, green economy to further enhance our quality of life. We would benefit by provincial and federal budgets getting back to surpluses that pay down debt while being able to strategically invest in an even stronger Canada. What we want is to build the Canada where our children can prosper, too. A country that inspires pride. A world-class quality of life. That is what we should aspire towards.

**Chris Lorenc is the president of the Manitoba Heavy Construction Association and the Western Canada Roadbuilders and Heavy Construction Association. Visit [www.MHCA.mb.ca](http://www.MHCA.mb.ca) to view MHCA's submission to the provincial Budget 2017 consultation. ■**

AN INTERVIEW WITH  
**CHRIS LORENC**, PRESIDENT  
OF THE MANITOBA HEAVY  
CONSTRUCTION ASSOCIATION

## A GUIDE FOR INFRASTRUCTURE INVESTMENT

### MHCA'S SIX PRINCIPLES

- A **PERMANENT PROGRAM** – no less so than healthcare, education and public safety
- Primary focus should be to **GROW THE ECONOMY**
- **EMBRACE INNOVATION** in every aspect, including design, financing/funding, procurement, construction, maintenance and rehabilitation
- Harness **PARTNERSHIPS WITH THE PRIVATE SECTOR**, the engine of ingenuity
- Funded by **DEDICATED REVENUE STREAMS** in support of its purposes
- Subject to **ANNUAL TRANSPARENT REVIEWS** for accountability, adjustment and 'discipline to purpose'



"We want to build the Canada where our children can prosper, too."

# CHURCHILL

IS A

# GATEWAY-

LET'S TREAT IT THAT WAY



BY LLOYD AXWORTHY

THE GOVERNOR AND COMPANY OF ADVENTURERS OF ENGLAND SAW THE POTENTIAL. THE SELKIRK SETTLERS, TOO, EXPERIENCED FIRST-HAND WHAT MADE OUR PROVINCE UNIQUE. WHAT THEY 'DISCOVERED' UPON COMING TO THE SHORES OF HUDSON BAY, WAS OLD NEWS TO THE INDIGENOUS PEOPLE ACROSS THAT VAST TERRITORY.

SALT WATER, RIVERS, ANIMALS BY LAND, OCEAN AND SKY. FURS, MEAT, TRAVEL. TRADE. CULTURE. COMMERCE.

## PROSPERITY.

**T**hat is what Churchill has been and is, now, although I think most of us refuse to recognize and seize on the fact.

Churchill embodies Canada's national myth. *We are the North. We are strength in adversity. We embrace and defy the elements that would kill less hardy stock.*

Such romanticism is more than symbolism, it is the essence of nation-building.

Yet Manitobans and Canadians seem doggedly determined to ignore the wealth and potential that lie in the North.

Churchill has Canada's only northern deep-water port. Today, the future of the Port of Churchill is jeopardized.

This summer, owner-operator Omnitrax shuttered the Port and curtailed shipments on the rail line that supplies 30 northern communities.

But it is unfair and myopic to blame Omnitrax, or dismiss this as a negotiating ploy for public subsidy.

Omnitrax has spent substantial capital and has tried to diversify the market. But the truth is a viable business plan for the Port requires public investment and public policy to backstop it.

A port operation needs services only an engaged federal government can provide: regular, dependable navigation and coast-guard support to ensure safe passage of vessels, for example. Canada doesn't do that. Why?

Further, securing a rail bed destabilized by the melting permafrost will require the efforts of our research and development sector. In a warming climate, there is evident spin-off potential for such technological innovation. Canada could

be an international leader in this.

The lack of interest in Churchill ignores the North's potential. This is not an indulgent exercise in national mythology; it is existential, pinned down by the cold, hard realities.

A consortium of 15 First Nations, with a track record of running a short-line rail, has a business plan for the Port that is not predicated on grain shipment. It aims to position Churchill to be central to the supply and transportation needs

**> The lack of interest in Churchill ignores the North's potential.** This is not an indulgent exercise in national mythology; it is existential, pinned down by the cold, hard realities.

Public investment in Churchill can stand firmly on steely eyed economics. Climate change means the Northwest Passage can be a cheaper east-west shipping route. It opens access to Arctic resources.

This is why the Russians are investing hundreds of millions of rubles in infrastructure for navigation, safety, coast guard and port facilities. The Scandinavians are similarly gearing up.

We naturally think of the expanded tourism – a boon to Inuit artists and businesses.

But Canada has territorial interests to defend. It cannot assert sovereign claim to the polar continental shelf by sending the occasional icebreaker to fly the flag in the fabled Northwest Passage. It needs to plant a definable, permanent stake in the North.

We need to invest in the Port of Churchill.

Canada needs a northern "gateway" strategy. Federally, we have gateway legislation to guide development strategy pertaining to the Atlantic and Pacific oceans – we need this for the Arctic Ocean, too. Let's work to gain gateway designation for Churchill, centred on aboriginal ownership.

of Nunavut. That's vision and our governments should be listening.

Churchill can and should be the hub for a new relationship with Indigenous people, in social, scientific and commercial innovation and enterprise, as well as international trade.

The Trudeau government has said the next \$60 billion in funding for Canada's infrastructure must be 'nation-building' – developing Northern Canada's international trade routes is entirely that.

In the same way that the natural wealth of the North – its people, especially -- made the Hudson's Bay Company rich, fed settlement in the Red River Valley and gave birth to Winnipeg, Canada and Manitoba should see that today's Churchill, its port and rail line are critical to how we will prosper. This is by no means myth; it is very much our reality, now, and our future. It completes Canada.

*Lloyd Axworthy is a former federal Liberal cabinet minister and the former chair of the Churchill Gateway Development Corp. He is the chancellor of St. Paul's University College at the University of Waterloo. ■*

# ECONOMIC GROWTH MUST DRIVE PUBLIC POLICY DECISIONS

**ACCORDING TO THE PROVINCE OF MANITOBA'S OWN ECONOMIC FORECAST, THE PROVINCE'S REAL GDP IS EXPECTED TO GROW BY 2.1 PER CENT THIS YEAR - WELL ABOVE THE CANADIAN AVERAGE OF 1.3 PER CENT - AND BY 2.2 PER CENT IN 2017.**

**W**hen looking at other key economic indicators such as Manitoba's unemployment rate of six per cent — again, better than Canada's seven per cent — and retail sales that have increased by 6.7 per cent in the first six months of 2016, you would think Manitoba's economy was firing on all cylinders.

But that's not the case.

According to the Manitoba Prosperity Report, which compares a number of key economic indicators with the three other Western provinces, Manitoba has some work to do to compete.

Take, for example, both high school and post-secondary graduation rates. While Manitoba is experiencing improvements in both

per week than that same worker in Alberta, and \$100 less than someone in Saskatchewan. When you add in the fact that the Basic Personal Tax Exemption in both Alberta and Saskatchewan is almost double the exemption in Manitoba, and that personal income tax rates are significantly better in those provinces, the financial benefits of living in those provinces become clearly evident.

There is no question the Pallister government's first six months in office have proven to be challenging, with its first budget projecting a deficit of over \$900 million and Finance Minister Cameron Friesen indicating that it would be another eight years before Manitoba would be able to balance the books.

This prompted S&P Global Ratings (previously known as Standard and Poor's), to bump the province's credit rating to AA- from AA. The agency says the downgrade reflects the expectation that Manitoba will have a sustained debt burden for several years that is higher than that of its peers, and that the negative outlook reflects the view that the province

The provincial government has started the process of conducting a comprehensive value-for-money review of government spending to ensure better value for taxpayer money. At the same time, it has committed to establishing a Red Tape Reduction Task Force to cut unnecessary red tape that stifles growth and kills job creation. The Manitoba Chambers of Commerce (MCC) believes that measures such as these are crucial to getting our provincial finances in order and restoring confidence in the business community.

Prior to the spring provincial election, MCC and five other prominent business organizations in the province urged political parties to support seven key public policy pillars that are critical to "Growing Manitoba's Economy."

Based on Manitoba's financial situation, the most critical of those seven pillars is fiscal competitiveness. Manitoba must have an effective and fiscally prudent government committed to creating a competitive tax jurisdiction to attract and retain new investment.

MCC has argued that for Manitoba to achieve the level of prosperity needed to take our economy to the next level, the provincial government must share with Manitobans its commitment to ensuring that economic growth is the driving force behind all its decisions.

And while there is still a lot of work to be done, it appears the government is listening.

*Chuck Davidson is president of the Manitoba Chambers of Commerce. ■*

**> When it comes to average weekly wages, a Manitoba worker earns almost \$300 less per week than that same worker in Alberta, and \$100 less than someone in Saskatchewan**

of these important categories, we still rank dead last when compared with the provinces that make up the New West Partnership.

In addition, when it comes to average weekly wages, a Manitoba worker earns almost \$300 less

faces significant challenges bringing itself back into fiscal balance.

While it may look bleak for the Manitoba economy in the short term, some of the measures the current government is undertaking do provide confidence to the business community over the long term.

BY CHUCK DAVIDSON

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# CENTREPORT: AN ECONOMIC POWERHOUSE FOR MANITOBA

**YOU MAY HAVE HEARD THAT CENTREPORT CANADA IS A BIG DEAL FOR MANITOBA. THIS IS NOT JUST BECAUSE IT'S THE LARGEST TRI-MODAL INLAND PORT IN NORTH AMERICA — CENTREPORT IS A BIG DEAL BECAUSE IT PROVIDES THE BEST STRATEGIC, LONG-TERM ECONOMIC OPPORTUNITIES FOR OUR PROVINCE. A FULL BUILD-OUT OF CENTREPORT WILL CREATE TENS OF THOUSANDS OF JOBS AND ADD SIGNIFICANTLY TO THE MANITOBA ECONOMY, POWERING THE PROVINCE'S ECONOMIC ENGINE INTO THE FUTURE.**

**C**entrePort, at 20,000 acres, is a central geographic location with unparalleled and easy access to rail, truck and air cargo lines for companies moving goods and services. This superior tri-modal infrastructure includes three continental, Class-1 rail carriers.

This all came together through strategic infrastructure investment: the opening of the \$212-million expressway, CentrePort Canada Way; significant upgrades to the Trans-Canada Highway, Highways 59, 75 and the Perimeter; and the planned extension of CentrePort Canada Way to bypass Headingley and connect directly to the Trans-Canada.

These are big commitments. But it has paid off. Nearly 50 different companies are in various stages of development on the footprint, and momentum continues to build. More than 2,100 acres of prime industrial land are coming to market.

The most recent tenant, Imperial Seed, had outgrown their operations and was considering locations outside of Manitoba. In September, work began on the company's new \$8-million agricultural hub at CentrePort, which will allow them to double their capacity and staff over time.

Most of CentrePort's development to date is clustered in CentrePort North in the RM of Rosser. The Province of Manitoba has

of CentrePort South. CentrePort South, in the City of Winnipeg, includes 1,100 net acres of industrial land for investment, Phase I of the airport's west side campus development (257 acres for new location opportunities for aviation-related industries), and a 600-acre residential community which expands the existing neighbourhoods of Crestview and Heritage Park into CentrePort. CentrePort is committed to championing a "live, work, play, and learn" planning model, to support the development of a complete community. CentrePort is working with partners to increase education and training opportunities, protect parks and greenspaces, encourage more "green" development, and support new active transport opportunities.

The potential benefits of developing CentrePort South are enormous — a full build-out of CentrePort South is projected to add nearly \$1 billion in GDP, \$23 million annually in new property taxes, and create 17,600 permanent jobs post-construction.

CentrePort's strategic development is an economic investment and long-term growth strategy that will transform Manitoba.

This is an opportunity to establish the region as a key transportation gateway and position our province and our country as a leader in global trade and supply chain logistics.

The successful strategic development of CentrePort is a BIG deal and a legacy investment for all Manitobans — and we are just getting started. Working closely with our partners, the community and key stakeholders, we will continue to build the business case for servicing CentrePort lands, drive long-term sustainable growth and broadcast the message that our inland port, our city and our province are open for business.

*Diane Gray is president and CEO of CentrePort Canada.* ■

**> Major investments in infrastructure** have been an important part of CentrePort's success. Since the opening of the \$212-million expressway, CentrePort Canada Way, there have been significant upgrades to the Trans-Canada Highway, Highways 59, 75 and the Perimeter, as well as the planned extension of CentrePort Canada Way to bypass Headingley and connect directly to the Trans-Canada Highway.

CentrePort is a key infrastructure and economic development asset for the province — and Western Canada — because it is an economic hub connecting the region's trade corridors that power the movement of goods and services. As those corridors and assets — air, rail, highways, sea and inland ports and border crossings — solidify and develop their ties, CentrePort will continue to drive economic growth.

Further, the western extension of Chief Peguis Trail will enable it, too, to become a trade corridor, connecting into CentrePort Canada.

Major investment went, as well, into a new water-treatment plant in Headingley that provides water to CentrePort North and a number of municipalities in the surrounding area. The extension of wastewater servicing from the City of Winnipeg into CentrePort North is almost complete.

implemented a special planning area in CentrePort North to streamline the land-development approval process. The special planning area gives companies planning certainty and makes the development process accountable and transparent.

One of CentrePort's signature projects, the CentrePort Rail Park, is in development in CentrePort North. This 700-acre project, located just south of the CP mainline and west of CentrePort Canada Way, will provide access to a common-use rail facility and adjacent industrial space for rail-intensive business to co-locate. Construction will begin on the Rail Park in the spring of 2017.

While development is ongoing in CentrePort North, the corporation is also working with its private partners, including the Winnipeg Airports Authority, to kickstart the development



**DIANE GRAY  
CEO OF CENTREPORT CANADA**

## CENTREPORT CANADA IS TAKING SHAPE AS AN ECONOMIC HUB

**Nearly 50 new companies** are developing on 270 acres of land, and by 2020, a total of 70 new companies are expected to invest at CentrePort. To date, there has been \$230 million in private capital investment. Imperial Seed's new \$8 million agricultural hub is the latest project to break ground on site.



**CentrePort Canada Rail Park** is in development on 700 acres, which will give rail-intensive tenants access to a common-use rail facility and adjacent industrial space. Construction is set to begin in the spring of 2017.



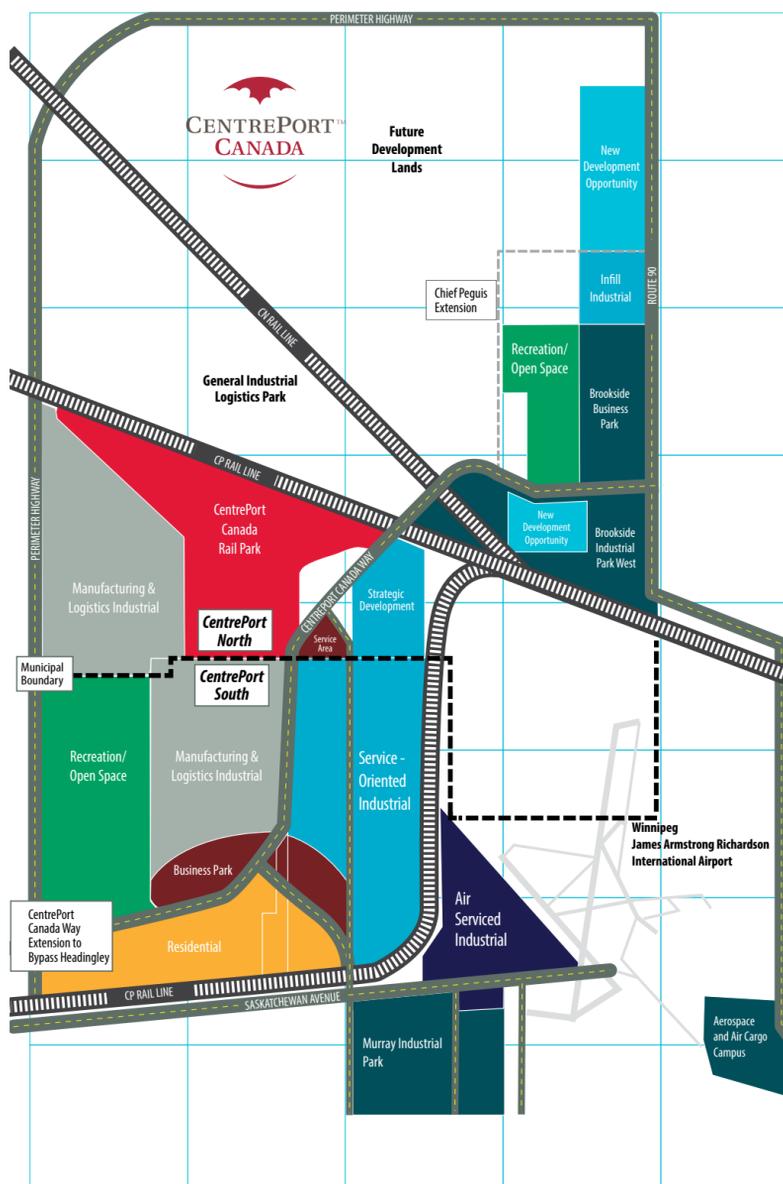
**Over 2,100 acres of prime industrial land** are coming to market, and 700,000+ square feet are currently available for lease or purchase on the CentrePort footprint.



**CentrePort is home to an international trucking hub**, and the inland port expressway, CentrePort Canada Way, takes trucks to 55 mph in 5 minutes or less, making it easier for companies on site to move valuable cargo across the continent.



**A new residential community** is being planned on 600 acres, which will provide a home for 8,000-10,000 residents. The area will be buffered by a new business park for commercial and retail services.



# ROAD IN RUIN

CRUMBLING HIGHWAY ILLUSTRATES NEED FOR INFRASTRUCTURE STRATEGY



## HIGHWAY 280 BETWEEN GILLAM AND THOMPSON HAD THE DUBIOUS DISTINCTION OF EARNING TOP SPOT IN CAA MANITOBA'S ANNUAL 'WORST ROADS' POLL IN 2015.

While conditions have since improved, Thompson-based Smook Contractors Ltd. vice-president Peter Paulic says the situation highlighted the need for a sensible infrastructure strategy.

Hwy 280, the only road serving Gillam, Fox Lake and Split Lake — and a vital link for York Landing — was in such bad shape that semi-trailers and passenger vehicles were getting stuck in bad weather, and navigating ruts added hours to drive times.

"That's how their groceries get there, everything, and it was terrible," Paulic says. "For the lifeline of the community, it was not good."

Members of the Tataskweyak Cree Nation at Split Lake blocked the road in 2014 to call attention to their plight.

Paulic says more than 1,000 vehicles per day use the road to reach Manitoba Hydro's Keeyask Generating Station site, and the heavy truck traffic was only making conditions worse.

Last year, his company completed upgrades on 22 kilometres of road near Split Lake. Work on another 20 kilometres on the worst section of the road is almost complete, ahead of schedule, and more upgrades are planned in 2017, with Manitoba Hydro and Manitoba Infrastructure and Transportation sharing costs.

However, Paulic says upgrades should have been completed before construction began on the Keeyask site.

"To have it where the equipment couldn't even get through, let alone the cars and trucks... it was absolutely crazy to see what they had to try and drive through."

Manitoba Hydro, mining companies and residents in the Thompson area rely heavily on Hwy 280 north of the city, and Highway 6 to the south. Northern contractors and the Manitoba Heavy Construction Association have been urging governments to invest in strategic infrastructure that enables safe and efficient transport of people and goods.

"In order to pay for services the rest of the province wants, you need to grow the economy. And in order to grow the economy, fixing up your infrastructure so you have better trade infrastructure for the future is critical"

"In order to pay for services the rest of the province wants, you need to grow the economy. And in order to grow the economy, fixing up your infrastructure so you have better trade infrastructure for the future is critical," Paulic says.

"So don't spend your budget, but invest your budget, is what our message has been. We're a resource-based province and if we can't get our resources out in an efficient manner, we're in trouble."

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**\$230 million** private capital investment in our economy,  
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We're a **BIG** deal - and we're just getting started.

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BY DON LEITCH

## GROWING MANITOBA'S ECONOMY

Prior to the 2016 provincial election, the Manitoba Heavy Construction Association, Business Council of Manitoba, Canadian Manufacturers and Exporters, Manitoba Chambers of Commerce, Manitoba Home Builders' Association and The Winnipeg Chamber of Commerce outlined seven key public policy pillars.

### FISCAL COMPETITIVENESS

Manitoba must have an effective and fiscally prudent government committed to creating a competitive tax jurisdiction to attract and retain new investment.

### VENTURE CAPITAL

Commitment to the creation of an accessible venture capital fund and supportive tax credit policies to leverage investment in the growth of new and existing businesses.

### GLOBAL TRADE

Commitment to pursuing an expanded global trade profile for Manitoba which derives substantial economic benefit.

### INFRASTRUCTURE INVESTMENT

Commitment to a strategic, sustained, disciplined approach to investment in Manitoba's core infrastructure.

### ABORIGINAL ENGAGEMENT

Commitment to the creation of an Aboriginal Engagement Strategy to ensure inclusion and partnership in economic growth policies.

### SKILLED WORKFORCE

Commitment to attracting, educating, training and retaining a skilled, responsive workforce is fundamental to ongoing economic growth.

### "NEW FISCAL DEAL" FOR MUNICIPALITIES

Commitment to address the existing fiscal framework between the province and municipalities to meet the challenges of the future.

## FISCAL STABILITY PROVIDES A SOUND PLATFORM FOR

# ECONOMIC GROWTH

**AS MANITOBANS, WE ALL WANT A THRIVING ECONOMY THAT PRESERVES OUR PROVINCE'S STANDING AS AN ATTRACTIVE PLACE TO LIVE, WORK AND INVEST.**

**A ROBUST ECONOMY FUELS A CYCLE OF PROSPERITY. IT STIMULATES GROWTH AND GENERATES JOBS AND INCOMES THAT PROVIDE REVENUES TO GOVERNMENT, WHICH IN TURN ALLOWS FOR INVESTMENTS IN INFRASTRUCTURE, EDUCATION, HEALTH AND SOCIAL SERVICES.**

**B**ut a high-performance economy has to be built on a sound foundation of fiscal stability. While some degree of deficit is occasionally acceptable, there's increasing concern that rising federal deficits are unsustainable and, in Manitoba, we're seeing an alarming deficit level — on an annual basis, the deficit is made up almost entirely of interest payments on our debt.

Borrowing to make our interest payments year after year guarantees governments will get deeper in debt, and when interest rates rise, our debt load is only going to grow.

This continues to be the single largest threat to services to our citizens and the ability of government to invest in our communities. We must have a concerted effort at driving toward fiscal responsibility, which will allow our governments to put in place more competitive and fair tax and regulatory regimes. We must do more to stimulate growth.

In October, the Bank of Canada forecast a national GDP growth rate of 1.1 per cent in 2016 and two per cent in 2017. We have to do better, and we can do better.

Generating consistent, sustainable economic growth requires long-term planning and big-picture thinking, with a sharp focus on key components: Infrastructure and innovation, trade policy, training and education, and meaningful Aboriginal engagement.

We need selective, strategic investments in infrastructure that enhance productivity and allow us to more competitively, efficiently and effectively move people and goods.

### > We need growth.

We need to generate jobs and incomes and revenue to government, and it has to be done by focusing on the key aspects of infrastructure, innovation, trade and trade policy, training and education and Aboriginal engagement.

We need to be more aggressive in pursuing innovation, particularly in key sectors that have potential for increased growth. There are bright spots throughout our economy, in sectors such as agriculture, value-added food processing and manufacturing. We have to encourage companies and investors to innovate — to take known processes and ideas and make them better, and to adopt new processes and ideas that allow them to be more efficient and more competitive. The EMILI project proposing to incorporate machine learning in our research and businesses holds immense promise.

There is national and global demand for the goods and services we're producing. However, trade is always an item of concern, and it is at the

forefront in the wake of extreme positions taken by candidates in the U.S. elections and Belgium's opposition to the Comprehensive Economic and Trade Agreement (CETA) between Canada and the European Union. Those extreme views pose real threats to our manufacturing and agriculture value-added industries.

No economy can insulate itself from trade relations that have built up over decades through existing agreements. The Manitoba economy is many times larger — by value of output, by the number of jobs created, by the amount of incomes produced — than it would be if we weren't exporting goods and services. For example, we would not have as many highly skilled technical financial services jobs in Manitoba if we weren't exporting that expertise and management capacity beyond our borders.

We must focus on trade policies and trade-related investment. Each year, \$25 billion in goods cross the Manitoba-U.S. border. That includes goods from our trading region in Western Canada that are routed to the U.S. and Mexico and back through the Mid-Continent Trade and Transportation Corridor. We all benefit from investment in trade-enhancing infrastructure that broadens our trading region.

Another key area is education. Like infrastructure, it pays long-term dividends and it has to align with our needs, providing students with the skills they need to obtain meaningful and gainful employment. It must support academic research and innovative ideas that enhance the competitiveness of our businesses.

Innovation within our infrastructure investments is also critical. In Manitoba, we've conducted amazing research into how to build infrastructure that's more productive and long-lasting, so we don't have to repair and replace it as often. Taking some of that solid infrastructure-related research and incorporating it into the way we build our infrastructure is crucial.

One piece of the education component that is critically important to the Business Council of Manitoba is Aboriginal engagement. We have to encourage greater participation by our Aboriginal community in every aspect of our economy and society to ensure they can benefit from, and contribute to, our prosperity.

Significant government cooperation is needed to drive that engagement strategy. Our Indigenous communities want to work and partner with businesses, but they look to governments to provide leadership and a policy framework to enable them to more fully participate. If we don't get it right, we'll continue to see a significant sector of our population trailing behind.

Focusing on fiscal policy, debt and deficit is important, but that alone isn't enough. We need growth. We need to generate jobs and incomes and revenue to government, and it has to be done by focusing on the key aspects of infrastructure, innovation, trade and trade policy, training and education and Aboriginal engagement.

If we get it right, we'll have a thriving, sustainable economy. If we don't get it right, increasing deficits and a mounting debt will continue to strain resources that allow governments to provide services our citizens want and need.

*Don Leitch is president and CEO of the Business Council of Manitoba. ■*

# MAKING THE GRADE

## HEAVY EQUIPMENT OPERATOR TRAINING PROGRAM GAINS TRACTION

 BY PAT ST. GERMAIN
 


**>The simulators** — which track operator skill and equipment safety as students complete a series of lesson plans — drastically reduced the cost of training to about \$5,800 per student, as opposed to as much as \$17,000 in the field.

INVESTMENT IN HEAVY CONSTRUCTION WORKFORCE DEVELOPMENT AT THE MANITOBA INSTITUTE OF TRADES AND TECHNOLOGY (MITT) IS PAYING OFF WITH INTEREST.

A HEAVY EQUIPMENT OPERATOR CERTIFICATE (HEOC) PROGRAM LAUNCHED IN JANUARY 2016 DREW SO MUCH INTEREST FROM STUDENTS THAT MITT IS DEVELOPING A SPINOFF PROGRAM TO TRAIN ENTRY-LEVEL HEAVY CONSTRUCTION WORKERS.

**T**he eight-week HEOC program — developed in partnership with the Manitoba Heavy Construction Association (MHCA) and Manitoba Construction Sector Council (MCSC) — is intended for workers who have some experience operating heavy equipment. But after fielding almost 100 calls from people who have no previous experience, MITT plans to offer an introductory program next year.

“We want to create this other program that will help them get their foot in the door in the industry,” MITT Sr. Manager, Business Development, Beverlie Stuart says.

“There are so many people that are interested in a career in heavy construction ... and when the calls were coming in there were a number of females that were calling, which really is quite interesting to us. They have a real keen interest in pursuing that career.”

Stuart says MITT is looking at developing a comprehensive program for entry-level workers in the industry that would cover essential skills, safety courses, work-site document use and heavy equipment-simulator training. The program would be timed to wrap up at the start of the construction season, which would allow students to segue directly into a practicum.

“So it’s ideal for companies that are looking to hire,” Stuart says. “As opposed to somebody off the street, they would

**> Proof of skills certification** is a valuable asset to construction companies. When bidding on contract or subcontract work, certification demonstrates their commitment to training, education and excellence.

already have their certifications as far as safety and entry-level skills.”

Meanwhile, the first HEOC program is being enhanced to align more closely with the training needs of experienced operators.

Unique among heavy construction training programs in Manitoba, the program had public-sector as well as industry support. The federally funded Canada-Manitoba Job Grant reduced direct costs to employers investing in worker training, and the province provided \$150,000 to help buy state-of-the-art simulators. Toromont CAT donated funds and Brandt Tractor donated three simulators to the program, which combined classroom instruction with hands-on experience operating hydraulic excavators, loaders, motor graders and dozers.

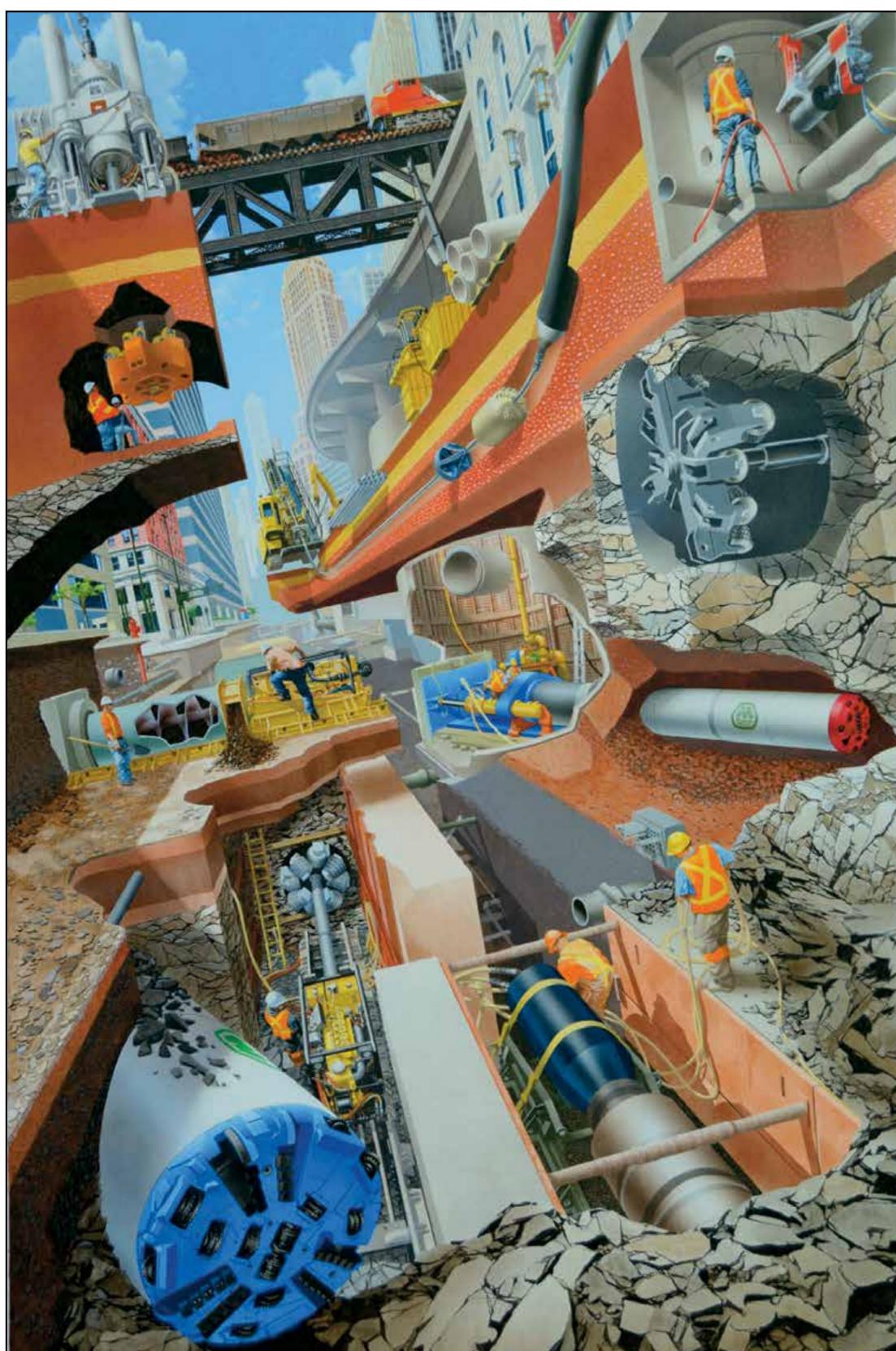
The simulators — which track operators’ skills, productivity and safety as students complete a series of lesson plans — drastically reduced the cost of training to about \$5,800 per student, as opposed to as much as \$17,000 in the field.

Students who completed the course in late February in the initial program

provided feedback, and Stuart says some suggested elements of the program should be more challenging, with recognition of prior learning. For example, students may already have certification for safety courses that were included in the HEOC curriculum.

The inaugural class of 16 students included a mix of entry-level participants and experienced heavy equipment operators. The next class will cater to experienced heavy equipment operators. “Experienced operators would receive credit for prior training which could reduce classroom and practicum requirements,” Stuart says. Upon completion of the program, participants will receive an advanced operator certificate, which is a valuable asset to construction companies. When bidding on contract or subcontract work, certification demonstrates their commitment to training, education and excellence.

The program was designed to be mobile, and MITT is working with industry partners to find a financially feasible way to deliver it in northern and First Nations communities. ■



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# TURN IN THE ROAD

## FROM DOCTORS WITHOUT BORDERS TO HIGHWAY CONSTRUCTION

BY BOB ARMSTRONG

**BUILDING A NEW HIGHWAY INTERCHANGE FOR WINNIPEG COMMUTERS MIGHT SEEM LIGHTYEARS AWAY FROM PROVIDING CLEAN WATER AND SANITATION TO DESPERATE REFUGEES IN A WAR-TORN COUNTRY, BUT TO DIANA NICHOLSON THEY'RE JUST TWO WAYS OF USING HUMAN INGENUITY TO SOLVE PROBLEMS.**

Currently, the project manager for Nelson River Construction on the Highway 59-Perimeter Highway interchange, Nicholson spent three years working as an engineer with the aid agency Doctors Without Borders.

Conditions in the two jobs could hardly be more different, but both involved making effective use of resources to ensure public safety and develop needed infrastructure.

As a subcontractor on the Hwy 59 project, Nelson River Construction is putting down base materials and doing all the paving. As project manager, Nicholson ensures that the work happens on time, on budget and in accordance with the "hundreds and hundreds" of pages of specifications intended to assure the durability and safety of the new roadway.

"The intersection is a lot more complicated than most people would realize," she says.

Those hundreds of pages of specifications demonstrate that highway construction is far more complex than the average passing driver might realize. Specifications detail how much granular material (gravel in various sizes) goes under the road; the slope as the road rises to the overpass; the angles of curves; design factors intended to make the road safer and longer-lasting — even factors affecting the ability of snowplows to move snow off the road.

> Just as in other kinds of construction, road builders continually adapt to new materials and techniques to improve results

Just as in other kinds of construction, road builders continually adapt to new materials and techniques to improve results. Nicholson notes that the interchange project is one of the first in Manitoba to use a new base layer called a drainable stable base. The material allows water to drain out from underneath the roadway in order to prevent the freeze and thaw cycles that damage our roads. "Everything is continually reviewed to make sure our roads last longer," she says.

Adding to the complexity of the job is the fact that it's an extremely busy intersection, travelled by commuters who live north of Winnipeg, trucks bypassing the city on the north Perimeter and people going to and from Lake Winnipeg's east-side communities.

"We're not everybody's favourite people when we're working in the lanes," she says, noting that work is scheduled so that two lanes are kept open at rush hour.

For Nicholson, who graduated in 2006 with a degree in biosystems engineering from the University of Manitoba, heavy construction is a sharp left turn from her previous path.

"Luckily engineering teaches you how to learn really fast, and I've been taken under the wing by my boss."

Working for Doctors Without Borders, she oversaw development of safe drinking water supplies and sanitary disposal sites for medical and other waste in refugee camps and clinics in Chad, Central African Republic, South Sudan and Sierra Leone.

It was harrowing work for the young engineer, who earned a Master's degree in biosystems engineering and international development from Guelph University in 2010.

In Central African Republic and South Sudan, the camps came under attack by rebel forces, and workers on occasion had to retreat to a bunker. In Sierra Leone, she worked on sanitation systems during the West African Ebola crisis, donning spacesuit-like personal protection suits and taking her own temperature daily to monitor for signs of infection.

Constructing latrines, showers and water wells to provide survival facilities for camps with as many as 50,000-60,000 people brought her face-to-face with people who have nothing.

"The first time we set up one of those taps I saw that water really is life — just the sheer joy of people being able to turn on a tap and have clean water," she says.

Earlier this year, Nicholson received a University of Manitoba Distinguished Alumni Award or Outstanding Young Alumni in recognition of her aid work. This winter, when construction season wraps up in Manitoba, she plans to return to wherever she's needed on another contract with Doctors Without Borders. ■



> Engineer Diana Nicholson is a project manager for Nelson River Construction.



