



The yardstick Manitoba needs to gauge progress toward economic 'miracle'

Premier Brian Pallister spoke passionately at the Manitoba Chamber of Commerce breakfast meeting Wednesday, April 19, 2017 about his objective to secure for Manitoba the reputation of 'most-improved jurisdiction' in his first term. The premier went on to say that, by the end of a second term, Canadians would be talking about "the Manitoba miracle."

All Manitobans should wish him success in these goals for our province's economy, for we succeed as well.

Premier Pallister acknowledged those goals required tough decisions -- balancing the need to protect critical services, with the need to rein in spending -- from a variety of departments and sectors that receive public funding. But, as he put it, they were 'the right thing to do.'

Continuing that theme, he said his government would base all its financial and fiscal decisions on evidence they were the right thing to do for Manitoba, its people and its economy.

And that, he noted, would guide his government's infrastructure investments which would be strategic, evidence-based investments made at the right time, and focused on the best economic return.

From a Manitoba taxpayer and industry perspective, I say 'hallelujah.' Long overdue.

The MHCA, in these pages, has often sent the message that strategic investment in core infrastructure is one of the most certain ways the public sector can enable economic growth, spur investment, create jobs and, thereby, grow the revenues needed to sustain our quality-of-life programs.

There is one yardstick, however, missing from the bank of information the public needs to be able to measure the progress of its government's policies. And that is the size, scale and scope of Manitoba's core-infrastructure deficit.

The MHCA sought this information over the past administration's 17 years in government, but it was never released. Yet it is key to measuring the progress of a key objective of Premier Pallister -- making Manitoba Canada's most-improved jurisdiction.

Consistent with the Premier's commitment to do the right thing, his government should provide an assessment of 'Manitoba's core infrastructure deficit,' coupled with a 'sustainability strategy' flowing from it.

Core infrastructure for provincial purposes is described as its highways, streets, water/waste water, bridges, flood-protection and land-drainage assets. The Premier used this definition heading into the provincial election and has repeated it since.

The "infrastructure investment deficit" is the calculation of the investment required to bring to good condition existing infrastructure assets, and to build the new infrastructure necessary for a growing economy and population.

Without knowing the dollar figure attached to that "deficit," provincial core infrastructure budgets cannot be said to be addressing recovery, investment and growth-priority or sustainability objective(s). Nor can they be 'measured' for progress and therefore be demonstrative of 'most-improved jurisdiction.'

In fact, 'freezing' capital-program levels in each of the next four or five years effectively reduces investment levels due to inflationary pressures.

The absence of this information, provincially, sits in stark contrast to Winnipeg's budgetary planning. Winnipeg's infrastructure deficit was publicly released in its 2011 Infrastructure Funding Council (IFC) report: the deficit, expressed in 2009 dollars, was calculated to be \$7.4 billion for existing and projected new needs, half of which are transportation-based.

In part arising from the IFC Report, Winnipeg's City Council launched in 2013, the Local and Regional Streets Renewal Program, funded by dedicated, annual 2% realty-tax increases 1% to regional, and 1% to local streets along with civic cash-to-capital contributions from general revenues, and contributions from other levels of government.

That allowed for a plan for taking the dedicated revenue streams (along with other related allocations) over a number of years to an investment level that would be "sustainable" -- in other words at a level where annual program funding would not be in deep deficit. That is a 'sustainability strategy.'

Such a 'sustainability strategy' allows the public to engage in an informed, constructive discussion about priorities and directions, aware of the extent of the challenge and the budget plans that are proposed to meet it.

Public discussion around provincial core infrastructure investment strategies has to include reaching sustainable levels of investment, based upon existing condition, projected new demands and underpinned by overall investment strategies that focus investing first in those areas that grow the economy, provide the best return on public investment.

Manitobans need this crucial "infrastructure deficit" yardstick, from their provincial government, in order to engage in that debate.

Releasing a report on Manitoba's core infrastructure deficit is "the right thing to do."

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