



Celebrating 75 **GROUND**BREAKING years in 2018

# MANITOBA'S ECONOMY ON NOTICE

PALLISTER GOVERNMENT'S ECONOMIC REPORT CARD SHOWS OBVIOUS ROOM FOR IMPROVEMENT

BY CHRIS LORENC AND YVETTE MILNER



Chris Lorenc is president of the Manitoba Heavy Construction Association.



Yvette Milner is president of Merit Contractors.

**W**e all like a good deal. We're Manitobans. Money in the pocket. When it comes to putting out a couple of bucks to make a couple more bucks, who wouldn't go for a guaranteed return? We're Manitobans.

Public investment in core infrastructure (streets, highways, bridges & structures, sewer & water, land drainage) is about as close a guaranteed return on the dollar as you can get. But it's not all delayed reward: there is instant gratification in smoother roads, and fewer traffic jams, too. Who would leave that kind of opportunity for return on investment (ROI) on the table?

As for the future ROI, strong investment in roads and highways is the gift that keeps on giving: It boosts our GDP for many years – it increases trade, and trade in Manitoba is 53% of our GDP. Who wouldn't grab that kind of opportunity?

This is the kind of investment governments can and should use, in the interests of the provincial economy, and all Manitobans. We deserve and need better roads. Now. And we need to look after our economy — our kids' employment prospects — by investing in the GDP returns that keep on giving.

This is Public Investment 101; pretty much text book stuff, on the shelf. The text is backstopped by a hefty bibliography supporting the business case. Again — who wouldn't seize that opportunity?

Apparently, not the Pallister government.

Far from being Manitoba's economic saviour, this government is restraining immediate growth and putting our potential for growth at risk. It has no multi-year plan for investment in core infrastructure.

It has slashed the very budget that supports return on investment, that helps fill the treasury with tax revenues that carry social program budgets.

In 2015-16, \$628 million was invested in our highways. The Pallister government cut the budget every year and for 2018-19, it budgeted a mere \$350 million for highways. Municipalities are hurting too — the municipal roads and bridges program was all but eliminated, cut from \$14 million to \$2 million.

The ride's getting bumpier, yes. But where the pain really hits the road is on our economy because if we can't get trade on the road, 53% of our GDP is impaired, employment takes a hit, and incomes don't rise. Our standard of living doesn't get the solid lift it should.

How do we know these things?

Economic analyses have documented infrastructure's predictable, high-value ROI.

The primer for Manitoba was written in 2014 by the Conference Board of Canada.

The Conference Board analysis said Manitoba's plan, at the time, to invest \$1.02 billion annually in core infrastructure — roads, highways, bridges and water structures — would boost real GDP by \$6.3 billion

(2%) over 2014-2018, create 59,000 person-years of employment and boost average incomes by \$1,100.

In 2015, the Board checked its numbers. It reviewed the \$1.04 billion invested in core infrastructure in 2014, and found every \$1 of that investment boosted GDP by about \$1.30. The largest impact was on personal incomes and retail sales. The spin-offs were seen in tax revenues (people earn and spend) to governments.

The ROI? We get to invest in health and education. Cut deficits. Decide on where taxes might be adjusted.

pound. The bridge or overpass you drive on (or under) doesn't spectacularly, tragically "fail."

It means things that must work, actually do work. We don't think about that, until something fails.

And speaking of failing, here's a mid-term report card: The Pallister government cut or under-expended the highways budget by 55% since 2016. It cut funding to municipal water and sewer this year by 27%. It slashed funding for municipal highways and bridges by 84%.

## WE CALL CORE INFRASTRUCTURE AN ECONOMIC INVESTMENT. REALLY, IT'S AN INVESTMENT IN PEOPLE. IN MANITOBANS.

Our province and our economy get on solid footing.

Setting aside the financial and fiscal benefits of sustained, strategic investment, let's talk about how well-maintained core infrastructure gets personal.

It means your car doesn't get swallowed by a sinkhole. It means your water flows when you turn the tap; your sewage gets flushed and, equally important, treated. It means your house and your community won't get swamped when the snows melt and rains

We call core infrastructure an economic investment. Really, it's an investment in people. In Manitobans.

We know "there are no guarantees in life." But when experience and evidence repeatedly bear out that the ROI of core infrastructure is like money in the (treasury) bank, why wouldn't you invest?

It's Public Investment 101. The Pallister government apparently doesn't get it, and it's hurting our economy. 🙏

## Avoid contact with overhead power lines.

Lower equipment before making a move. Plan ahead for safe clearance.

NATURAL GAS PIPELINE

For your **SAFETY**

**ClickBefore**  
YouDigMB.com

or call 1-800-940-3447

**Manitoba Hydro**