



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

February 25, 2019

**CCA PROVINCIAL VICE-CHAIR REPORT
ADVOCACY UPDATE FROM THE MHCA**

The following are highlights of the Manitoba Heavy Construction Association's (MHCA) policy and advocacy activity.

MANITOBA

A number of updates:

2019/20 Provincial Budget

The 2019/20 provincial budget will be tabled March 7. This by far is the single most important issue our industry faces in Manitoba. A number of key questions to which we do not have answers. Those include:

- What priority will infrastructure budgets have?
- Will Manitoba materially increase its highways capital program slashed by 55% (program cuts and under expenditures) since this government took office in 2016?
- Will it restore funding for the rural municipal roads program which it has slashed by 85% since election?
- Will it commit that any federal infrastructure program funding will augment base provincial infrastructure budgets?
- Will it in fact proceed to reduce the PST from 8% to 7% in the face of strong public support to keep it at 8% provided the one point is dedicated to infrastructure?

Bill 4 – Project Labour Agreements

Manitoba will introduce legislation prohibiting the award of contracts for publicly funded projects based upon a requirement that the bidder is unionized and if not, that its workers join a union as a condition of employment - forced unionization. Its consideration in late 2018 was stalled by NDP opposition. It will be considered likely within the next two months. The MHCA will present in support of the legislation.

Carbon Tax

The MHCA has submitted via a transportation sector working group a revised, pointed response to Manitoba's Green Plan, which effectively concentrates on reducing greenhouse gas emissions with five-year targets. MHCA also requested provincial government engagement to press federal government for initiatives that speak directly to assisting industry (early adopters) to take up new technologies.

The MHCA made clear that the technologies/devices and initiatives offered as proposals to date are targeted at the long-haul trucking industry. The vast majority of these proposals are not applicable to heavy construction. We encouraged whole-government perspective in carbon footprint reduction strategy, which encouraged protection of aggregate resources and improved procurement protocols.

Communications

To further remind the public of the importance of investment in infrastructure, the MHCA partnering with Merit Contractors of Manitoba, was in the airwaves with a FIX OUR ROADS campaign November 8 - December 15, 2018. It focused on the critical link between investment in core infrastructure, the economy and jobs.

Post campaign (Jan. 8 – Feb. 4) we conducted an Omnibus survey which found as follows:

- 75% of Manitobans are concerned or very concerned about cuts to highways budget (in context of \$6 billion required in repairs)
- 67% indicate support for keeping PST at 8% if the revenues of that one point were dedicated to highways repairs (as an option to rolling back PST to 7%)
- 61% said they believed Winnipeg's roads to be in poor or very poor shape
- 42% said they believed Manitoba's highways to be in poor or very poor shape (51% of non-Winnipeggers said poor or very poor)
- 30% said they had seen/heard MHCA-Merit advertising about roads public messages

WINNIPEG

In October 2018 Mayor Brian Bowman was re-elected to serve a second term as Winnipeg's mayor. Key to our industry has been a strong commitment to continued investment in core municipal infrastructure across the board. In Winnipeg and select surrounding municipalities, it rates #1-3 in priority.

The MHCA is interested not only, in strategically harnessing infrastructure investment, to help grow the economy, but upon the broader, big picture, horizon-focusing policies. And there are a number of initiatives led by Mayor Bowman and supported by council, we believe fall into these categories and deserve support. Those include:

- The Winnipeg Indigenous Accord (WIA) which speaks to the Mayor's commitment to lead a truth and reconciliation strategy. The MHCA has responded to the Mayor's invitation, and will sign the WIA. Our industry has a good record of engagement with Indigenous peoples. Through the WIA, we expect that engagement will accelerate with greater impact.
- The City of Winnipeg's multi-year operating budgeting is welcomed. To commence with the 2020 budget, it demonstrates to ratepayers and senior governments, the city's fiscal challenges, and the opportunities to improve fiscal management.
- Three organizations - Consulting Engineers, Winnipeg Construction and the MHCA have written the Mayor, offering to 'blank page' work with him and council on his proposed stakeholder working group to accelerate street construction projects. Improved procurement and early tendering of construction projects, can enhance existing program dollar values, by up to 15% and minimize interruption to the public. A first meeting date has been set for April 8, 2019
- As called for by the Mayor ... a top to bottom review our public transit system, Necessary, if we wish to fully harness public transportation in a modern city. That review, should also consider opportunities to extend the transit into the capital region.
- The Mayor has championed a commitment to long-term, strategic investment in Winnipeg's core infrastructure. It is supported by dedicated revenue streams, smart debt and leveraged funding from senior levels of government. It is managed through an annual and five-year capital program, supported by an asset-management strategy, that other governments would be wise to copy.

What is also true, is that the provincial and federal governments, should be pressed to increase their infrastructure investment contributions, whether capital or life cycle costs. Municipalities own most of the public infrastructure, yet collect only 8 cents of every tax dollar collected across Canada. The costs that Winnipeg - that all municipalities bear - are beyond their current fiscal capacity.

Note: At the time of writing this report the 2019 Preliminary Operating and Capital Budget had not yet been tabled. It is due to be released March 1 and considered for final adoption on March 20, 2019.

- Mayor Bowman has voiced support to modernize the relationship between municipalities and the federal government. Municipalities are caught in an archaic statutory bind, creatures of provincial legislation. That turn of

the century structure, simply does not work now, given the expanded roles and rising demand for services, from municipalities.

- We agree, that municipalities need greater transparency and predictability in revenue sharing from the provincial government. Knowing these financial details earlier in the budgeting process would benefit both levels of government and Manitobans. What exists is flawed, not because of what current governments have introduced. Rather, it is *an inheritance* of failed decades of governance, *that must be corrected*.
- Mayor Bowman has correctly noted that cities need a new funding arrangement - a New Fiscal Deal - with the provincial government and by extension Ottawa. For many years now, including at last year's civic leader's dinner, we have spoken to the need for a *New Fiscal Deal*, to correct the weaknesses of the archaic relationship. It is long overdue that we revisit the sharing of roles, responsibilities, and revenue streams for the delivery of services.
- Mayor Bowman, has demonstrably focused on the need to grow the economy. Without economic growth, we are incapable of improving services, or meeting the needs and expectations of a growing population.

And lastly, one of the Mayor's most important and growing achievements, is to have systematically and strategically, *given a Winnipeg voice and presence*, to all of these policy areas at the municipal, provincial and national levels, in a manner bringing credibility not just to the Mayor, but council and our city.

GROUP OF SIX

We are working as part of a group of six business organizations to orient an annual business opinion poll to a broader focus including examination of government performance and industry views related to economic growth. A purpose would be to establish benchmarks and harness information as part of longer-term public advocacy work.

BREAKFAST WITH LEADERS

The current municipal, provincial and federal political context is very interesting. **Winnipeg** tables its preliminary 2019 operating and capital budgets on March 1; **Manitoba** tables its 2019/2020 budget on March 7; and a **federal election** looms with a host of issues.

The MHCA, in partnership with the *Winnipeg Construction Association, Manitoba Home Builders Association, Canadian Manufactures & Exporters, Merit Contractors* and *Manitoba Trucking Association*, is hosting four *Breakfast with Leaders as follows:*

- March 1 - Hon. Jim Carr, Federal Minister of International Trade Diversification
- March 12 - Candice Bergen, PC MP, Portage-Lisgar, Opposition House Leader
- April 4 - Winnipeg Mayor Brian Bowman
- April 25 - Hon. Scott Fielding, Manitoba Minister of Finance

There is a myriad of other topic areas which capture our advocacy attention. The above highlights topics addressed by the MHCA Board of Directors.

Respectfully submitted,



Greg Orbanski,
CCA Regional Vice-Chair

cc. MHCA Board of Directors