

*April 2018*

## Promise made, promises broken

### ***Conservatives pledged to hold to \$500 million annually, adopt five-year program***

The MHCA is continuing to press, including through meeting with provincial ministers, for a restoration of Manitoba Infrastructure's highways capital budget, after a series of deep cuts since 2016.

"Manitoba needs a strategic, sustained and incremental approach to investing in its highways and trade-enabling infrastructure," MHCA President Chris Lorenc said. "This is why the industry has advocated for an annual and five-year infrastructure investment program, to set out future investment in a strategy that gets the most value out of each year's budget for highways."

The multi-year program approach was among a number of promises made by the Progressive Conservatives. Some of those promises were made on the campaign trail, prior to the 2016 election and then again following the party's election to power.

#### **The government promised to:**

- maintain investment in traditional core infrastructure (land drainage, streets, sewer, water, highways, bridges and structures) at no less than \$1 billion annually
- invest no less than \$500 million in Manitoba Infrastructure's annual highways capital budget
- apply six infrastructure investment guiding principles - a permanent, predictable sustainable program; strategically invest in infrastructure to focus on economic growth; harness innovation in all areas; partner with the private sector; dedicate revenues to purpose; and, review annually for discipline to purpose
- implement an annual and five-year rolling program
- release an infrastructure investment deficit report to underpin infrastructure strategies

#### **It has:**

- expanded 'core' infrastructure definition to include schools, institutions, healthcare, recreation
- cut the annual highways capital program by 40% since 2016; \$150 million cut in 2018, alone
- underspent by \$92 million over two budgets, \$68 million of which was in 2017/18
- not adopted an annual and five-year rolling budget
- not released the infrastructure investment deficit report

Worker wages account for about 30% of each project budget. The unprecedented single-year cut of \$152 million to the provincial highways budget will see \$50 million taken out of employee income this year. "That will hurt our local economies directly and immediately," Lorenc noted.