



## Manitoba Heavy Construction Association (MHCA) – 2009 Chairman’s Report to the WCR&HCA

### THIS IS OUR HORIZON

I am pleased to submit a report providing an overview of recent activities and accomplishments of the MHCA, identifying its priorities and suggesting priorities for the WCR&HCA.

#### MANITOBA HEAVY CONSTRUCTION ASSOCIATION (MHCA)

While infrastructure focused in origin, what sets the MHCA apart is that our horizons and areas of interest are vast and broad in scope.

#### *Presence, Profile, Impact*

Our motto reflects our ongoing commitment to engage government, media, the general public and our membership.

It reflects how we articulate and advocate public policy positions, within the scope of our uniquely broad mandate, in a manner consistent with public interest.

#### CURRENT PROFILE

**Our Vision:** As the recognized voice of the heavy construction industry in Manitoba, we promote sustainable municipal infrastructure development, sustained investment in core infrastructure, and secure transportation systems.

We do this to ensure ongoing economic growth that benefits our province, region and country.

**Our Mandate:** in support of our Vision, our mandate challenges us to:

- Promote public policies which help grow the economy
- Advocate public policies which support sustainable infrastructure investment strategies
- Promote the positive relationship between sustainable investment in infrastructure and our quality of life, the economy and the environment
- Provide a comprehensive safety and health training and education program
- Deliver career and vocational training for entry workers and existing employees
- Participate in all and related activities consistent with public interest

#### SIGNIFICANT IMPACTS

The MHCA maintains excellent relations, access to and influence with all three levels of government. Our lobbying efforts and accomplishments are extensive, as indicated below:

- Quadrupling of the Highway Capital program since 2005
- Tabling by Manitoba of the first Multi-year Highways Investment plan
- Gaining critical improvements in provincial/municipal tender practices, including realignment of municipal capital budget approvals to facilitate earlier tender practices
- Chairing of two Strategic Infrastructure Investment Policy (SIRP) task forces for the City of Winnipeg
- Participation in provincial task forces to review Workplace Safety and Workers Compensation legislation
- Championing the National Infrastructure Policy, National Highways Program and Strategic Infrastructure Investment approach
- Chairing a public/private collaboration promoting investment in a strategic and economic Western Canada Transportation System
- Enhancing the profile of/priority for infrastructure investment at all levels of government
- Establishing relationships with municipal governments in Manitoba through collaborative work with the Association of Manitoba Municipalities

#### Manitoba Heavy Construction Safety Program (MHCSPP) - *Construction Safety Excellence*™

In addition to the above, safety is a high priority in our industry, and the MHCA spearheads a number of programs in this regard each of which offers significant positive impacts on the safety of industry workers, as well as the public:

- Under contract with the Workers Compensation Board of Manitoba (WCB) since 1990, we provide comprehensive safety and health training and education programs to the heavy construction industry through the *Manitoba Heavy Construction Safety Program (MHCSP) - Construction Safety Excellence™*
- As member of the Canadian Federation of Construction Safety Associations (CFCSA), the MHCSP delivers the Certificate of Recognition (COR™) program, Canada's national standard for construction safety programs
- The MHCSP co-hosts the annual Manitoba Construction Conference, North America's largest construction safety conference
- The MHCA and WCB also act as partners in the SAFE Roads campaign, Manitoba's private/public sector partnership road safety awareness program.

### **STRATEGIC PRESENCE**

The MHCA is an active member and participant in many stakeholder organizations at the provincial, regional and national levels. This enhances our ability to collaborate, grow strategically and facilitate relationships.

We have established relationships with key senior municipal and provincial policy administrators, government departments and agencies charged with program, legislation or regulation oversight.

The MHCA has presented to the Association of Manitoba Municipalities (AMM), Winnipeg City Council and its standing committees, provincial standing committees and federal task forces. Civic task force participation has included initiatives such as streamlining civic government, and identifying economic opportunities and taxation policy realignment.

### **International Presence**

International trade plays a vital role in the economic growth of Manitoba, western Canada, and Canada. The MHCA president has participated in international trade missions with three successive Manitoba Premiers (Filmon, Doer, Selinger), including trade and business development missions to Ukraine and Poland (1997); to China (2008); and to Mexico/United States (2010).

He has attended successive North American SuperCorridor Organization (NASCO) conferences (2005-09). NASCO promotes development of a mid-continent trade corridor linking Canada, United States and Mexico. At NASCO, he was a keynote speaker at the request of the Province of Manitoba.

### **Western Transport Ministers (WTM) Report - MHCA spearheaded private/public sector collaboration**

The 2005 WTM Report reflects a significant political and public policy achievement. For the first time, the four western provincial governments adopted the concept of a strategic, seamless multi-modal transportation system. It projected a \$14 billion investment in multi-modal trade and transportation infrastructure, with \$3 billion identified for Manitoba.

The WTM Report recognized that collaboration with the private sector was imperative, and the MHCA initiated and led this formation. The MHCA president was named co-chair of the Western Canada Transportation System Strategy Group. Based on private sector recommendations related to the removal of trade impediments, the updated WTM Report in 2008 includes northern territories' needs. Its focus now will likely be narrowed to a 'national highway' linking western to eastern Canada with strategic commercial corridors to the United States.

### **Mayor's Trade Council (MTC); CentrePort Canada - \$460 million and growing**

The MHCA initiated and its president chaired the 2008 Mayor's Trade Council (MTC), which recommended a sweeping set of recommendations to position Winnipeg and Manitoba to a higher profile and economic role in domestic and international trade. The results:

- The MTC's report recommendations were immediately adopted by City Council and the Province of Manitoba
- The MHCA president participated as part of the Premier's Leader's Group which harnessed business, labour, and multi-government support
- This formed the basis for a provincial initiative to create 'CentrePort Canada,' Canada's first inland port.
- The MHCA president is now a member of CentrePort Canada's Board of Directors

The federal government has designated CentrePort Canada as *Canada's first inland port and Canada's first foreign trade zone (FTZ)* which immensely advances Manitoba's international competitive advantage.

Commitments from the municipal, provincial and federal government have already resulted in more than \$460 million of announced investment in trade/transportation related infrastructure.

All of this supports long-term economic growth for Manitoba, for western Canada and Canada. This is just the beginning: the anticipated result is additional hundreds of millions of dollars in new infrastructure and business investment decisions.

### **MHCA PRIORITIES FOR 2010**

The MHCA will pursue a number of strategic priority initiatives in 2010 which include:

#### **Sustained Infrastructure Funding Post Stimulus Programs**

Pursue in Manitoba and through the WCR&HCA, the CCA and the RBHCC as a priority matter for government relations attention, sustainable and sustained federal investment the nation's infrastructure as a continuing stimulus to provincial and municipal investment in core municipal and transportation infrastructure.

#### **'New Deal' for Municipalities - funding, planning management**

Current '*municipal revenue authority*' and '*access to revenue streams*,' coupled with existing *turn of the century* fiscal arrangements between senior levels of government and municipal governments, are inadequate to meet local needs.

The burgeoning national municipal infrastructure deficit is estimated to now be in the vicinity of \$123 billion. With existing revenue streams municipalities cannot address their core municipal infrastructure.

Any such new access to revenues must be associated with re-examination of existing funding relationships with clear, transparent, *accountable for revenue* outcomes.

#### **Provincial Construction Programs: budget management tools**

In addition to encouraging the provincial government for incremental increases to the highways capital program, the MHCA will continue to press the provincial government to enhance and /or implement three key budget planning tools around management of its construction program to support our mutual business relationship interests. Those are:

1. Rolling Budget/Carry Forward Capital Expenditures
2. Early Tender Call and Award Practices
3. Annual and Five-Year Capital Budget

#### **Trade & Transportation / CentrePort Canada**

Trade and transportation present economic growth opportunities to platform growth continuation of Manitoba/Canada's economies. As such they require sustainable policy driven, economic growth referenced attention.

There have been roughly \$460 million worth of trade and transportation infrastructure assets investment announcements made since roughly the release and adoption of the Mayor's Trade Council (MTC) Report. An imperative is continuing momentum.

The MHCA will continue its presence and support for CentrePort Canada as an economic growth initiative and encourage continued infrastructure investment and policy/regulatory reforms which allow *CentrePort Canada* to become the lynchpin around which trade increases and our economy grows.

#### **East Side Road Authority (ESRA)**

The MHCA will legitimately position the industry as a value add partner to both the ESRA and the First Nations communities, focus on ensuring a transparent and fiscally responsible approach in the management and delivery of the project all to ensure that commercially sound joint venture and related opportunities are supported by ESRA.

#### **Manitoba Heavy Construction Safety Program (MHCSPP) - Construction Safety Excellence™**

The MHCA Board adopted an MHCSPP Strategic Plan following broad industry and stakeholder consultation and will focus its energies on key improvements and developments including:

- MHCSPP Accessibility: Rural / Urban
- New Manitoba Construction Conference (MCC) for Brandon, Manitoba
- COR™ or SECOR as a Condition of Contract (CoC)

### **MANITOBA CONSTRUCTION SECTOR COUNCIL (MCSC)**

Support the Manitoba Construction Sector Council (MCSC) whose mandate is to enhance the image of the industry and the benefits of working in the construction sector; attracting individuals from non-traditional groups; strengthening the skills of the province's construction sector workforce; and addressing human resource needs.

### **Education & training / training simulators**

While much has already been accomplished more requires ongoing attention including:

1. Continue promoting the acceptance of the Gold Seal Certification Program
2. Work with Red River College in expanding and broadly promoting availability of education leading to career paths in the heavy construction industry
3. Continue pursuing a business plan which would see the acquisition of heavy equipment operator training simulators with which to train new entrants and existing heavy equipment operators in the HCI

### **Hours of Service (HOS) Exemption**

There has been good progress made on this file and the MHCA will continue its involvement in achieving an industry specific HOS exemption.

### **WCR&HCA**

The MHCA is appreciative and supportive of the WCR&HCA and we would encourage profile attention by it in 2010 in the following areas:

### **Sustained Infrastructure Funding Post Stimulus Programs**

There have been very significant increases in federal infrastructure funding over the last number of years but many of the programs are due to expire in 2011.

- What happens when the course of these programs expires?
- What level of infrastructure funding will the federal government then be participant in?
- What impact to the economic stimulus will there be if the funding dramatically falls?
- What are the required levels of federal investment in infrastructure to ensure that gains made are not lost by regressing to past practices?

Of paramount importance in shaping public policy is public opinion. What is the prevailing public opinion related to these matters and how might it be shaped and /or harnessed?

Some insight can be gained from a FCM poll conducted by Strategic Counsel (January 2010). Without going in any great detail, the poll did find that:

- Canadians believe the federal government should work toward a balanced budget over the medium to long-term, while continuing to improve ageing roads, bridges, public transit, and water systems.
- Alongside health care (75%), Canadians view community infrastructure as the most important area to protect (69%) from federal spending cuts.
- Canadians consider municipal infrastructure investments as being essential to their quality of life.
- Canadians also see the state of their local infrastructure as an economic issue, and believe ageing infrastructure is as big a problem for the national economy as the federal budget deficit itself.
- Compared to 2008, Canadians are far more likely to pay attention to municipal affairs – and they want greater Federal involvement in the local issues that affect them on a daily basis.
- Canadians are in favour of allowing municipalities greater revenue-generating abilities in addition to raising property taxes.
- While fighting the deficit is important, Canadians believe investing in local infrastructure is an immediate an ongoing priority.
- Canadians believe that the country's future prosperity will be at risk if we do not continue to improve and upgrade our infrastructure (83%).
- In fact, 50% of Canadians support raising the GST (32%) or income taxes (18%) as their first choice for eliminating the deficit.
- Most think that we will risk our future prosperity should we fail to continue improving and upgrading our infrastructure
- Canadians believe that improving local infrastructure (57%) would have a greater impact on their quality of life than tax cuts (45%).
- Most Canadians would support increasing the GST from 5% to 6% and dedicating the revenues to improving local infrastructure (70%).

- This view is entrenched, with 43% of Canadians strongly supporting this GST hike, up 9% since 2008 (34%). Only one-in-five Canadians would oppose such a move (21%).

Given the strong public support for investment, we believe the WCR&HCA should commit resources to pursue a priority public and government relations initiative, in support of sustainable and sustained federal investment in the nation's infrastructure as a continuing stimulus to provincial and municipal investment in core municipal and transportation infrastructure.

#### **Western Canada Transportation System (WCTS)**

The WCR&HCA chairs a western Canada private sector group - Western Canada Transportation System Group (WCTS Group) - whose mandate is to pursue the development and funding of the WCTS - a multi-modal transportation system designed to underpin western Canada's economy which is overwhelmingly dependent upon trade.

The MHCA encourages the WCR&HCA to support continued pursuit of the WCTS narrowed in focus to a national highway which connects western Canada to eastern Canada with strategic links south to the United States Border in a manner consistent with federal priorities as outlined in the National Framework Document on Strategic Gateways and Corridors, and the principles of the Asia Pacifica Gateway & Corridor Initiative (APGCI).

#### **Promotion of Careers in the Heavy Construction Industry**

The aging workforce and imminent retirements in the construction industry generally (but specifically in the heavy construction industry) is well documented in Labour Market Information (LMI) studies conducted by the Canadian Construction Sector Council.

The Canadian Construction Association's (CCA) Roadbuilders & Heavy Construction Council (RBHCC) struck a committee chaired by Gene Syvenky (ARHCA) to pursue the development of a national website designed to promote careers in our industry. It would allow one national, consistent message complete with provincial links promoting career opportunities.

The committee has met several times and continues to work towards finalizing the elements of such a website. This matter will be considered at the RBHCC meetings in March 2010.

The WCR&HCA is encouraged to support the development of a national website along with related promotional material for the purposes of promoting careers in and attracting new workers to the heavy construction industry.

#### **Hours of Service (HOS) Exemption**

There has been some good progress made on this file. An HOS Exemption Application was filed in December 2009, and the preparation of a 'promotional lobby' brochure for use in soliciting support for the application and beyond has been prepared in draft.

The WCR&HCA is encouraged to support the industry specific exemption from the federal Hours of Service Regulation concurrent with supporting literature to assist in lobby efforts with provincial jurisdictions.

#### **CONCLUSION**

The WCR&HCA has made a mark on the development of infrastructure policy in western Canada and nationally. We believe its work is deserving of continued support and encouragement.

We thank you for the opportunity of presenting this report.

Respectfully submitted,



Barry Arnason,  
Chair, MHCA