



Submission to

**The Minister of Finance for the
2020 Manitoba Provincial Budget**

Building Manitoba

January 2020

The Winnipeg Construction Association

The Winnipeg Construction Association, established in 1904, represents the commercial construction industry in Manitoba. Our member firms include general contractor, sub-contractors, manufacturers, suppliers, financial institutions, lawyers, insurance and bonding companies and brokers. These members deliver the \$2 billion worth of high-quality, cutting-edge industrial, commercial and institutional buildings for Manitoba annually.

The WCA has been proudly serving the ICI construction industry in Manitoba for over 115 years with an independent and reasoned approach to policy and government affairs. Our diverse membership base is our strength, delivering policy and advocacy priorities which are member driven and vetted, always with the focus to serve and promote the construction industry in Manitoba.

All policy advocacy positions are developed in consultation with our diverse membership directly and through our Government Relations Committee. Policy positions are then approved and endorsed through our Board of Directors to ensure WCA positions have an 'all of industry' perspective.

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WCA 2020 Pre-Budget Submission Summary

Schools and personal care homes are buildings that deliver the quality of life that attracts and keeps people in Manitoba. WCA wants to see increased investment and a clear commitment to an annual 'Quality of Life' infrastructure spend. Annual commitments are made for road spending; if that can be done for roads, there should be a similar commitment and plan for these important projects.

WCA Recommends fast tracking the Skills, Talent and Knowledge Strategy to deliver better connections between industry, employers and apprentice and training providers.

Exempt portable oil-fired CSA approved construction heaters of less than 400,000 BTU from the permitting process and rely on the users (construction equipment rental firms and contractors) to follow CSA B139 (Series 2015) Installation Code for Oil Burning Equipment (Construction Heaters). The responsibility for the safe operation of these units fairly and properly falls upon the owners and users of this equipment.

We recommend the government adopt plain language standards for its tax bulletins to ensure all Manitobans have a fair understanding of tax regulations.

WCA recommends the Winnipeg Metro Region initiative continues and is pursued aggressively. There is real potential for this to improve the construction process in and around Winnipeg which will benefit the industry and province.

Manitoba Women in Construction (a WCA initiative) would like to request \$5,000 from the provincial government to invest in their website to better serve women working in the construction industry. This will provide a web resource for the industry with information regarding how to support/retain women in the construction industry by providing articles, networking opportunities, continuing education events, making connecting with others more available.

Similar to 2019 and in order to continue delivering its annual Unlocking the Toolkit event for grades 5 and 6 girls, MWC requests that a \$6,000 grant from the Minister for the Status of Women is approved for the 2020 year so we can continue our partnership with the Province in delivering this important opportunity to give young ladies the opportunity to get hands-on experience to careers traditionally held by men.

Investment in Quality of Life Infrastructure

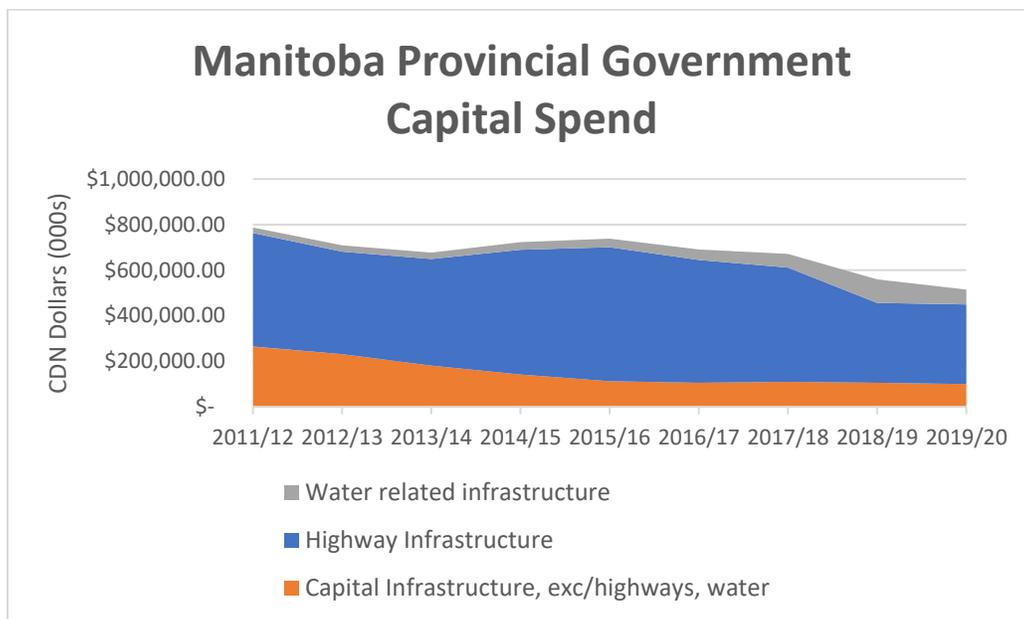
Manitobans are calling for a renewed focus on quality of life infrastructure projects, such as hospitals, personal care facilities, public housing, and schools. These vital projects need provincial investment to become realities.

While 2019 has been a strong year for public and private infrastructure investment, previous years reflected a reduction in the amount of provincial investment in institutional infrastructure. This was recently shown by the federal Parliamentary Budget Officer (PBO) report on infrastructure investment related to the Investing in Canada Plan (IICP) announced in 2016. It found that some provinces, including Manitoba, were less likely to match federal investments for projects to proceed.

Public money is needed for building schools, hospitals, personal care facilities and other infrastructure vital to the public. A reduction in capital spending has real world implications for quality of life in Manitoba and construction business prospects. If this money is left on the table important infrastructure gets left unbuilt.

WCA analyzed Manitoba's capital spend as reported in the past nine Provincial Budgets.¹ There is clearly a significant decline in the provincial investment into capital from 2011. In Figure 1, we can see a reduction of capital infrastructure spending² reduced from over \$264 million in 2011 to less than \$99 million in 2019's budget year.

Figure 1



¹ Total capital spend does not include Internal Service Adjustments

² Capital spend is calculated using Manitoba budget Total Capital Expenditure, subtract Internal Service Adjustments and Highways and water infrastructure. Highway infrastructure includes floodway expansion in years 2011-2014

Ultimately, it is up to the elected government officials to deliver on their commitments to voters and manage their budgets accordingly. With that said, WCA wants to see all levels of government work in concert with private industry to construct world-class buildings for Manitobans and our guests. Our members are the best in the business and are ready and willing to deliver the critical institutional infrastructure Manitobans need.

WCA acknowledges the Province's commitment to build 13 schools in the next 10 years. Considering the accelerated population growth of our city and province, education investment is very much needed. In addition to the projects already announced, such as Waverley West (K-8 and 9-12) which will start shortly, WCA is currently tracking at least 11 other projects that school divisions have said there is a need for. The provincial government should be clear in their annual school building budget and timeline to ensure the school divisions and communities know when these important facilities are being built.

There is also a significant need for Personal Care facilities in Manitoba. There are at least 5 projects in various levels of planning with several of them ready to begin, just waiting for Government funding. The Provincial Government should be committing to a timeframe for these facilities.

Schools and Personal Care homes are the buildings that deliver the quality of life that attracts and keeps people in Manitoba. WCA wants to see a clear commitment to an annual 'Quality of Life' infrastructure spend. Annual commitments are made for road spending, if that can be done for roads, there should be a similar commitment and plan made for these important projects.

Investment in Trades Education

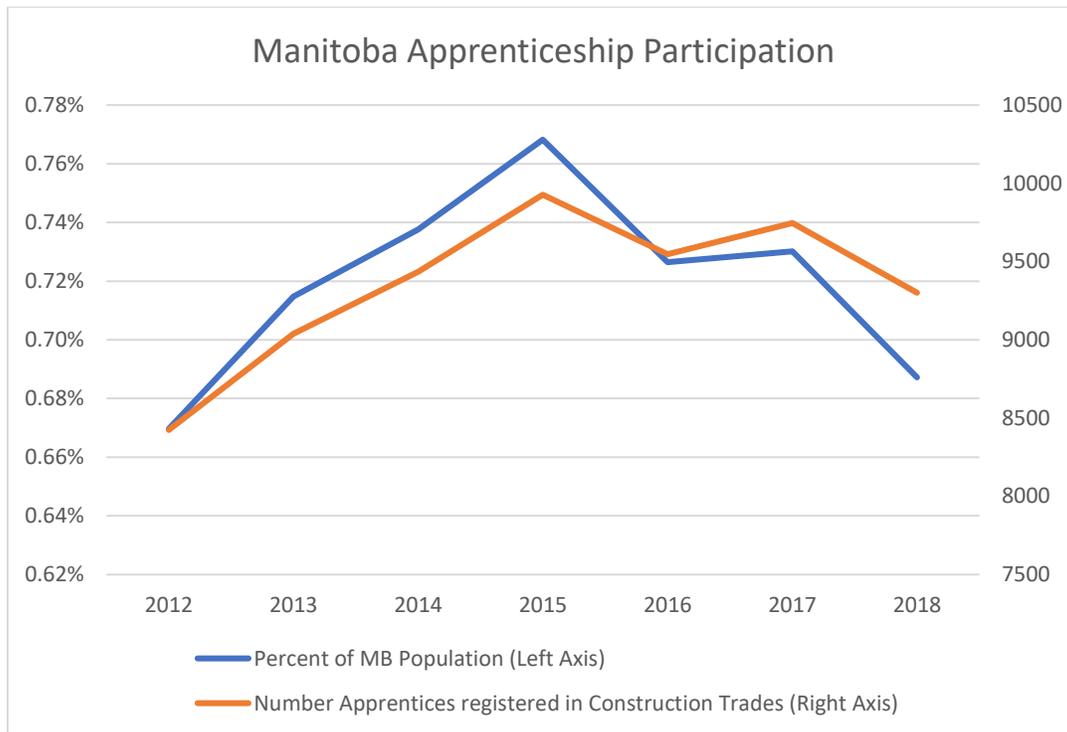
Support for young people entering the industry continues to be vital. Over the next ten years nearly 20% of Manitoba's trades labour force is expected to retire³. The only way the industry can fill that gap is if the current level of new entrants to the trades is maintained.

The graph below⁴ outlines the participation rate of the apprentice trades in Manitoba over the past seven years. It clearly shows that in recent years there is a declining interest in pursuing these trades. More needs to be done to encourage young people in Manitoba to pursue a career in the trades.

WCA actively promotes the construction industry as a career path with a variety of fulfilling career options. Each year we put on *Unlocking the Toolkit*, a Manitoba Women in Construction initiative giving grades 5 and 6 girls the opportunity to learn about potential careers in construction. This event is a great way to reach young women at an important time in their lives to ensure they are aware that there is a place in construction for them.

³ Buildforce, Highlights 2020-2029

⁴ StatsCan, Table: 37-10-0023-01



WCA also hosts the Manitoba Construction Career Expo every year, an initiative that gives 2,000 high school students from across Manitoba the chance to try a wide variety of trades as they are making important decisions about their futures.

The **High School Apprenticeship Program (HSAP)** provides practical paid work experience and credit towards a high school diploma. The HSAP provides an opportunity for early entry in the trades and builds interest with youth. Students are then able to transfer their hours of HSAP on-the-job training after graduation to a Level one apprenticeship training program of the student’s choice.

In addition to HSAP, the current high school vocational system provides a range of program clusters that provide exposure to a variety of trades. The method for developing curriculum for these clusters relies heavily on high school educators and should include more industry involvement in the building of these programs. In addition to industry relevant technical skills, it would also be preferable to increase the emphasis on essential and employability skills within the high school vocational programs, including those that incorporate HSAP options.

WCA Recommends fast tracking the Skills, Talent and Knowledge Strategy to deliver better connections between industry, employers and apprentice and training providers.

Red Tape Reduction

Construction Heaters

The Office of the Fire Commissioner has been attempting to regulate and issue permits for the use of portable construction heaters for the past several years. This has been a completely useless, frustrating and expensive exercise for the local rental companies and contractors that rely on fast, clean, portable heat on construction sites. We appreciate that the OFC has a role in inspecting new and replacement gas and oil-fired equipment however the attempt to insert itself into the portable heat business has been an exercise in futility. To our knowledge, Manitoba is the only jurisdiction in Canada that requires permits for portable construction heaters.

There are literally hundreds of these oil-fired heaters in service every day in Manitoba and they move around sites and from site-to-site regularly. Many of these heaters are manufactured here in Winnipeg by a locally owned firm. These units are literally “plug and play” – roll them up, plug them in, flip the switch.

There are similar heaters used in the construction marketplace that are fueled by Natural Gas or Propane. There is some additional diligence and training required in the handling of these units and we are not advocating this exemption for these units at this time.

We recommend an Exemption for portable oil-fired CSA approved construction heaters of less than 400,000 BTU from this permitting process and rely on the users (construction equipment rental firms and contractors) to follow CSA B139 (Series 2015) Installation Code for Oil Burning Equipment (Construction Heaters). The responsibility for the safe operation of these units fairly and properly falls upon the owners and users of this equipment.

Simplify explanations of retail sales tax application

Determining when retail sales tax should be applied to construction work can be extraordinarily complicated and create an administrative burden for contractors. For example, removing asbestos from a pipe can be considered taxable or non-taxable depending on whether the pipe is enclosed in a wall or open along the ceiling. This confusion causes many mechanical and electrical contractors to simply apply RST to an entire project, which drives up the cost of construction and generates unwarranted sales tax revenue for the province. ***We recommend the government adopt plain language standards for its tax bulletins to ensure all Manitobans have a fair understanding of tax regulations.***

Permitting and Inspections amendments (Treasury Board Secretariat Report)

WCA is very supportive of the provincial initiative to improve the Winnipeg Metropolitan Region approach to economic development. This is an important aspect to this new way to plan for growth is consistency between jurisdictions on permitting and inspection processes and timeframes. Earlier in

2019, the Treasury Board Secretariat released a report⁵ which included several recommendations regarding permitting and inspections, including:

- Recommendation 1 – Accelerate the pace at which the Winnipeg Metropolitan Region is moving to adopt a co-ordinated approach to development. Establish a working group that includes representatives from the municipalities, metropolitan region, province and the private sector.
- Recommendation 2 – Create a new quasi-judicial tribunal or broaden and enhance the mandate of the existing municipal board, to allow it to hear a wide range of planning, zoning and permitting appeals across the entire province.
- Recommendation 3 – Enact Legislation which requires Service Standards (including specified and enforceable timelines) for all levels of permitting and zoning applications across the province.
- Recommendation 4 – Make inspections more consistent across the entire province

WCA recommends the Winnipeg Metro Region initiative continues and is pursued aggressively. There is real potential for this to improve the efficiency of the construction approval process in and around Winnipeg which will benefit the industry and province.

Industry Investment Opportunities

Investment for Manitoba Women in Construction

Manitoba Women in Construction (a WCA initiative) is a community of women working in the construction industry who share a common goal of supporting, educating and mentoring women in construction. MWC strives to provide a voice for women in the construction industry today and into the future.

The mandate of MWC is to build the long-term success of women in Manitoba's construction industry by providing a resource for support, mentoring, networking, community involvement and education. We are committed to increasing the representation and retention of women in the industry. WCA recognizes that women are underrepresented in the construction industry with only 12% in the total industry and approximately 4% of the skilled trades being women. Education and support to promote the construction industry as a viable career option for women is important to our success.

MWC hosts around ten industry events throughout the year with over 600 members participating. These events are very successful, but improvements can be made. MWC would like to increase investment in their website to facilitate improved communication out to all members and potential members, as well as develop functionality to facilitate more member to member communication.

MWC would like to request \$5,000 from the provincial government to invest in their website to better serve this community. This will provide a web resource for the industry for information regarding how to support/retain women in the construction industry by providing an improved platform to access: industry articles, networking opportunities, continuing education events and making connections.

⁵ Planning, Zoning and Permitting in Manitoba, June 11, 2019

As an important part of MWC activities, we also host an 'Unlocking the toolkit' for over 100 girls in grades 5 and 6. We would also like to acknowledge our appreciation for the Provinces' partnership in this important event in the past. MWC received a \$6,000 grant from the Honourable Minister for the Status of Women in 2019 to help fund this event. ***MWC requests that a \$6,000 grant is approved for the 2020 year so we can continue our partnership with the Province in delivering this important opportunity to expose young ladies to careers traditionally held by men and provide attendees with the opportunity to try trades firsthand.***

Conclusion

Construction in Manitoba is an important employer, contributes 7% to our provincial GDP and for the first time ever, Building Permit values in Manitoba have exceeded \$3 billion in a single calendar year. Our industry literally 'Builds Manitoba'. The investment and red tape reduction priorities outlined in this paper comes from our members who construct the buildings Manitobans rely on for their businesses, education, health and homes. It is important to our members to always work to improve themselves and the industry. The priorities outlined in this paper provide a foundation to ensure that...**"Together, We Build Manitoba"**

Thank you for taking the time to understand the priorities for the construction industry as we enter 2020. We look forward to continuing to work with you in the coming year. Please direct your response or any questions you may have to Darryl Harrison – Manager, Policy and Research – at 204-775-8664 ext.2249 or darryl@winnipegconstruction.ca.