

Manitoba Infrastructure

**Annual Report
2019-2020**

Manitoba Infrastructure
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MINISTER OF INFRASTRUCTURE

Room 203
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

Her Honour the Honourable Janice C. Filmon, C.M, O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, MB R3C 0V8

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Department of Manitoba Infrastructure for the fiscal year ending March 31, 2020.

Respectfully submitted,

Honourable Ron R. Schuler
Minister of Manitoba Infrastructure





**MINISTRE
DE L'INFRASTRUCTURE**

Bureau 203
Palais législatif
Winnipeg (Manitoba) R3C 0V8
CANADA

Son Honneur l'honorable Janice C. Filmon, C.M., O.M.
Lieutenant-gouverneure du Manitoba
Palais législatif, bureau 235 Winnipeg (Manitoba) R3C 0V8

Madame la Lieutenant-Gouverneure,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel du ministère de l'Infrastructure du Manitoba pour l'exercice qui s'est terminé le 31 mars 2020.

Le tout respectueusement soumis.

Le ministre de l'Infrastructure du Manitoba,

Ron R. Schuler



Honourable Ron R. Schuler
Minister of Infrastructure
Room 203, Legislative Building
Winnipeg, Manitoba R3C 0V8

Dear Minister Schuler:

I am pleased to present for your approval the 2019-2020 Annual Report for the Department of Manitoba Infrastructure.

Respectfully submitted,

Tareq Al-Zabet
Deputy Minister of Manitoba Infrastructure



Monsieur Ron R. Schuler
Ministre de l'Infrastructure
Palais législatif, bureau 203 Winnipeg (Manitoba) R3C 0V8

Monsieur le Ministre,

J'ai le plaisir de soumettre à votre approbation le rapport annuel 2019-2020 du ministère de l'Infrastructure du Manitoba.

Le tout respectueusement soumis.

Le sous-ministre de l'Infrastructure du Manitoba,

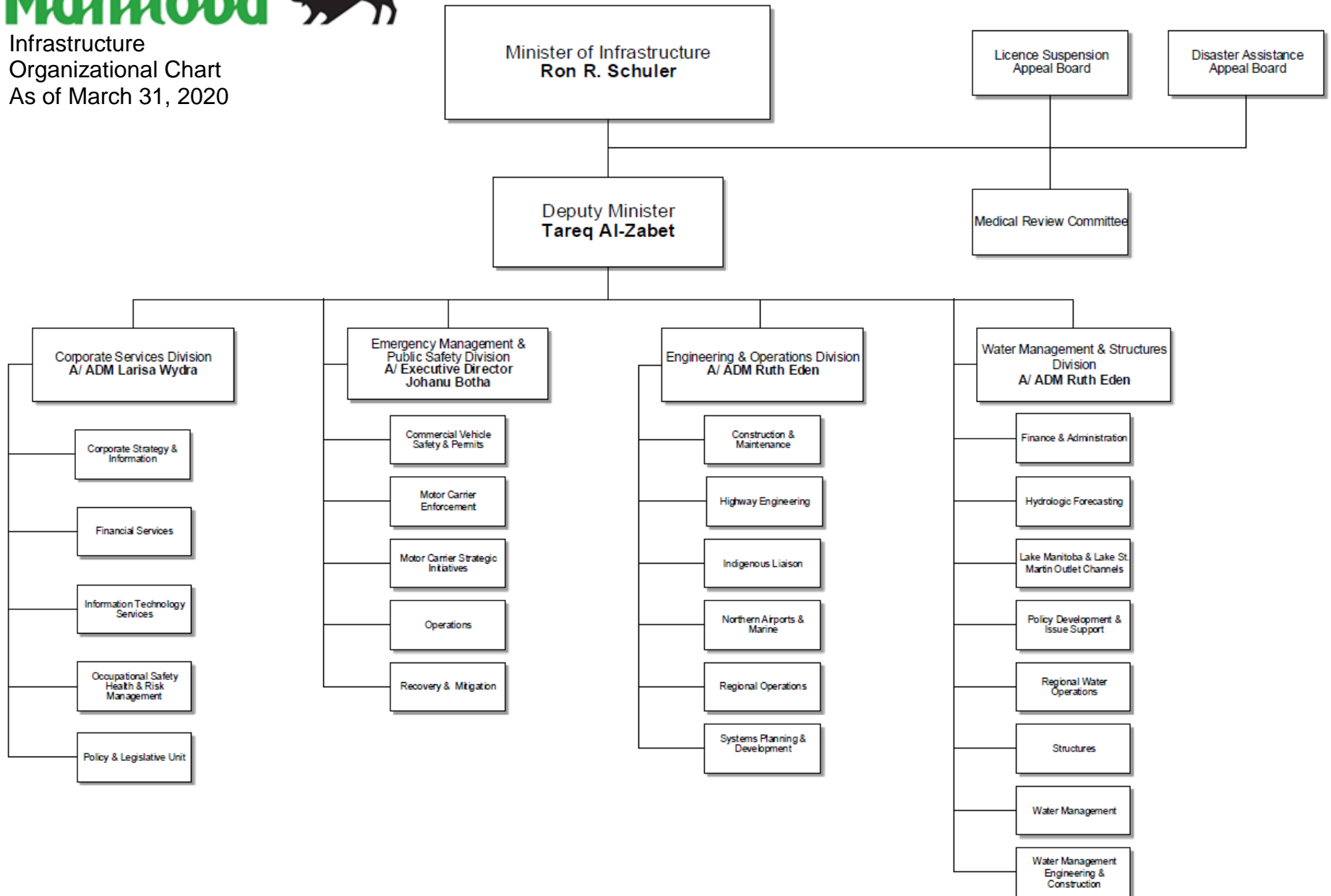
Tareq Al-Zabet



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Preface

Report Structure

The Annual Report is organized in accordance with the departmental appropriation and organization structures that reflect the department's authorized votes approved by the Legislative Assembly. The report includes information at the Main and Sub-Appropriation levels relating to the department's objectives, actual results achieved, financial performance and variances, and provides a five-year historical table giving departmental expenditures and staffing. Expenditures and revenue variance explanations previously contained in the Public Accounts of Manitoba are now provided in the Annual Report.

Vision

Connect and Protect Manitoba.

Mission

Ensure safe, reliable and sustainable infrastructure and services for Manitoba and its communities.

Department Highlights

In 2019/2020, the department's activities and achievements included:

- Maintained provincial emergency plans and systems to facilitate the ability of the Manitoba government to coordinate provincial efforts to prepare for, respond to, and recover from major emergencies and disasters.
- Revised the Disaster Financial Assistance regulation to align the expenditures per capita amount of the cost-sharing formula with the federal Disaster Financial Assistance Arrangements formula and implemented changes that will result in greater adaptability and provide local authorities with the opportunity to invest in mitigation and preparedness to reduce the future risks of disasters in their communities.
- Established the Disaster Financial Assistance programs for: 2019 Spring Flood, the Red River Floodway Compensation Fall 2019 program, and the 2019 October Severe Weather Disaster Financial Assistance program.
- Monitored the safety of 19,540 commercial vehicle carriers, tracked 64,519 vehicles and issued 2,086 performance rating letters and 7,597 safety fitness certificates.
- Weighed and inspected 254,210 commercial vehicles, which resulted in 3,318 prosecutorial violations.
- Provided stewardship and asset management of:
 - Provincial Highways – 19,100 km of roads which includes 8,500 km of structural pavement, 4,600 km of asphalt surface semi-pavement and 6,000 km of gravel roads.
 - Highway Bridges – 1,800 bridges and overpasses and 1,680 bridge-sized large culverts.

- Water Control – 13,000 thru-dike culverts, 4,750 km of drains, 3,350 crossings over drains, 90 dams, 61 reservoirs, 345 water control structures, 8 diversions, 19 community ring dikes, 425 km of linear river diking and 41 pumping stations.
- Airports and Ferries – 22 operational and one non-operational airdrome locations along with four ferries to remote communities to facilitate passengers, freight and medical assistance.
- Maintains 24/7 readiness to respond to major emergencies and disasters to coordinate provincial multi-division response via the Manitoba Emergency Coordination Centre.
- Provides permitting, routing, programming and enforcement for the commercial trucking industry to support the economy and ensure road safety for all roadway users.

The department will continue to pursue these, and other initiatives, of a similar nature.

Statutory Responsibilities

The department operates under the authority of the following acts of the Consolidated Statutes of Manitoba:

The CentrePort Canada Act (C44)
The Drivers and Vehicles Act (D104)
The Dyking Authority Act (D110)
The Emergency Measures Act (E80)
The Emergency 911 Public Safety Answering Point Act (E85)
The Government Air Services Act (G70)
The Government House Act (G80)
The Ground Water and Water Well Act (G110) [as it relates to the planning, construction or operation of provincial water control works]
The Highway Traffic Act (H60)
The Infrastructure Contracts Disbursement Act (I36)
The Lake of the Woods Control Board Act (L30)
The Off-Road Vehicles Act (O31)
The Public Works Act (P300) [except as it relates to matters within the mandate of the Accommodation Services Division of the Department of Finance]
The Provincial Railways Act (R15)
The Red River Floodway Act (R32)
The Trans-Canada Highway Act (T140)
The Transportation Infrastructure Act (T147)
The Water Power Act (W60) [as it relates to the planning, construction or operation of provincial water control works]
The Water Resources Administration Act (W70)
The Water Rights Act (W80) [as it relates to the planning, construction or operation of provincial water control works]
The Water Supply Commissions Act (W100)

Préface

Structure du rapport

Les explications relatives aux écarts budgétaires en matière de dépenses et de recettes qui étaient auparavant comprises dans les Comptes publics du Manitoba sont maintenant présentées dans le rapport annuel.

Vision

Un centre d'excellence en matière de gestion de l'infrastructure et des services publics.

Mission

Garantir une infrastructure et des services publics sûrs, fiables et durables grâce à l'innovation et au dévouement d'une main-d'œuvre créative.

Points saillants du ministère

Aperçu des activités et des réalisations du ministère en 2019-2020:

- Maintien des systèmes et des plans d'urgence provinciaux pour faciliter la capacité du gouvernement du Manitoba à coordonner les efforts provinciaux pour se préparer à un sinistre ou à une situation d'urgence grave, réagir dans de telles situations et se rétablir par la suite.
- Révision du règlement sur l'aide financière aux sinistrés afin d'harmoniser le montant des dépenses par habitant de la formule de partage des coûts à la formule fédérale des Accords d'aide financière en cas de catastrophe, et mise en œuvre de changements qui permettront une plus grande adaptabilité et donneront aux autorités locales la possibilité d'investir dans l'atténuation des catastrophes et les préparatifs d'urgence afin de réduire les risques futurs de catastrophes dans leurs collectivités.
- Mise en œuvre du Programme d'aide financière aux sinistrés pour: les inondations printanières de 2019, le Programme d'indemnisation pour dommages attribuables au fonctionnement d'urgence du canal de dérivation de l'automne 2019 et les phénomènes météorologiques violents du printemps 2019.
- Surveillance de la sécurité de 19 540 transporteurs de véhicules utilitaires, suivi de 64 519 véhicules, et émission de 2 086 lettres d'évaluation de la cote de rendement et de 7 597 certificats en matière de sécurité.
- Pesée et inspection de 254 210 véhicules utilitaires, ayant donné lieu à 3 318 infractions poursuivies.
- Entretien et amélioration:
 - Routes provinciales – 19 100 km de routes dont 8 500 km en revêtement structural, 4 600 km en semi-revêtement d'asphalte et 6 000 km en chaussées en gravier.
 - Ponts routiers – 1 800 ponts ou viaducs et 1 680 grands ponceaux de la taille d'un pont.

- Régularisation des eaux – 13 000 ponceaux de digues, 4 750 km de canaux de drainage, 3 350 voies de passage au-dessus des canaux de drainage, 90 barrages, 61 réservoirs, 345 ouvrages de régularisation des eaux, 8 ouvrages de dérivation, 19 digues circulaires communautaires, 425 km de digues linéaires de rivières et 41 postes de pompage.
- Aéroports et traversiers – 22 emplacements opérationnels d'aérodrome et un emplacement non opérationnel.
- Capacité à intervenir en cas d'urgence ou de catastrophe majeure 24 heures par jour, sept jours sur sept, de façon à coordonner l'intervention provinciale multi divisionnaire par l'intermédiaire du Centre de coordination des mesures d'urgence du Manitoba.
- Services de délivrance de permis, d'acheminement, de programmation et d'application de la loi à l'industrie du camionnage commercial afin de soutenir l'économie et d'assurer la sécurité routière de tous les usagers de la route.

Le ministère poursuivra ces initiatives, ainsi que d'autres initiatives de même nature.

Responsabilités prévues par les lois

Le ministère est régi par les lois suivantes de la Codification permanente des lois du Manitoba:

Loi sur la Société CentrePort Canada (C44)
Loi sur les conducteurs et les véhicules (D104)
Loi sur l'administration des digues (D110)
Loi sur les mesures d'urgence (E80)
Loi sur les centres téléphoniques de sécurité publique — service d'urgence 911 (E85)
Loi sur le Service aérien du gouvernement (G70)
Loi sur le Palais du gouvernement (G80)
Loi sur les eaux souterraines et les puits (G110) [en ce qui a trait à la planification, à la construction et à la gestion des ouvrages d'aménagement hydraulique de la province]
Code de la route (H60)
Loi sur l'acquittement du prix des contrats de travaux d'infrastructure (I36)
Loi sur la Commission de contrôle du lac des Bois (L30)
Loi sur les véhicules à caractère non routier (O31)
Loi sur les travaux publics (P300) [sauf en ce qui a trait aux questions relevant du mandat de la Division des services des installations du ministère des Finances]
Loi sur les chemins de fer provinciaux (R15)
Loi sur le canal de dérivation de la rivière Rouge (R32)
Loi sur la route transcanadienne (T140)
Loi sur les infrastructures de transport (T14)
Loi sur l'énergie hydraulique (W60) [en ce qui a trait à la planification, à la construction et à la gestion des ouvrages d'aménagement hydraulique de la province]
Loi sur l'aménagement hydraulique (W70)
Loi sur les droits d'utilisation de l'eau (W80) [en ce qui a trait à la planification, à la construction et à la gestion des ouvrages d'aménagement hydraulique de la province]
Loi sur les commissions d'approvisionnement en eau (W100)

Corporate Services Division

Ensure effective program delivery and appropriate utilization of departmental resources. Coordinate departmental administration and planning processes, policies and programs. In carrying out the division's mandate, five branches and two boards report to the Assistant Deputy Minister:

- Corporate Information and Strategic Initiatives
- Financial Services
- Information Technology Services
- Occupational Safety, Health and Risk Management
- Government Air Services
- Boards and Commissions
 - Licence Suspension Appeal Board
 - Medical Review Committee

The Land Valuation Appraisal Committee was transferred to the Department of Finance in 2019/2020.

Minister's Salary

Provide additional compensation to which an individual appointed to the Executive Council is entitled.

1 (a) Minister's Salary

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
Salaries and Employee Benefits	42	1.00 42	0	

Executive Support

Accommodate administrative support for the Minister and Deputy Minister. Provide executive management direction and monitoring to the department.

1 (b) Executive Support

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	657	8.00 747	(90)	
(2) Other Expenditures	115	130	(15)	
Total Sub-Appropriation	772	8.00 877	(105)	

Corporate Information and Strategic Initiatives

Provide accurate, meaningful and timely information. Support the department in strategic planning and consistent communication to ensure divisions across the department are aligned with key government policies and priorities. Manage provincial acts, regulation and policy related to departmental responsibilities. Ensure the department meets its obligations for streamlining and red tape reduction under The Regulatory Accountability Act.

Key Results Achieved

- Managed the efficient use of the department-wide Shared Information Management System.
- Coordinated and developed the department's major information documents required for planning, reporting and evaluation, including:
 - briefing materials for senior officials (Premier, Minister, Deputy Minister) and,
 - communication with media, the public and external stakeholders on behalf of senior management.
- Led issues management that prioritizes and proactively addresses public policy, operational and reputation issues that can affect the public trust, by identifying, tracking, and influencing citizen-centred service delivery within legislative and regulatory responsibilities.
- Ensured the department met its responsibilities under the Freedom of Information and Protection of Privacy Act (86 requests fully processed), records management principles, French language requirements, and accessibility management.
- Led the evaluation, development and drafting of provincial acts and regulations, including five bills that were tabled in 2019/20 related to areas including public sector tendering, vehicle technology testing, control of traffic on highways, and stewardship of provincial water ways and water control infrastructure.
- Managed the department's approach to regulatory accountability. Contributed to The Reducing Red Tape and Improving Services Act, 2020.
- Ensured any disclosures by employees were managed in accordance with the Public Interest Disclosure (Whistleblower Protection) Act.
- Coordinated and facilitated the department's progress in several key government priority areas, including:
 - Citizen-Centred Service
 - Transformation Strategy
 - Made in Manitoba Climate and Action Green Plan
 - Economic Growth Action Plan (including Look North and Tourism Strategy)
 - Open Government Initiatives and Whole-of-Government Approach
 - The Path to Reconciliation Act Annual Progress Report and advancing Call to Action
- Collaborated on road safety and transportation-related policy and strategic advice to government and participated in inter-jurisdictional initiatives and research.

1 (c) Corporate Information and Strategic Initiatives

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	\$ (000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	1,889	31.00	2,810	(921)	
(2) Other Expenditures	291		949	(658)	
Total Sub-Appropriation	2,180	31.00	3,759	(1,579)	1

Explanation:

1. Variance is primarily due to staff vacancies.

Financial Services

Maintain an active comptrollership function by ensuring that financial and administrative policies, procedures and reporting systems are developed and administered in support of legislative and government decision making. Provide central financial management services and provide support related to financial administration policies and procedures.

Key Results Achieved

- Developed and distributed the department's main estimates and supporting materials.
- Provided ongoing advice and support on the interpretation and application of central government directives and policies on department operations.
- Delivered initiatives to support the active comptrollership function including:
 - Implemented a new Electronic Request Approval system to streamline approvals with the Information Technology and Services Branch.
 - Implemented a new control structure for delegated financial signing authorities.
 - Implemented policies to enable remote work, digital signatures and electronic invoices to ensure timely and accurate accounting services were maintained.
- Provided ongoing support to branches on improving financial forecasting and reporting processes to facilitate informed management decision-making.
- Processed over 60,000 accounts payable transactions with 99% accuracy.

1 (d) Financial Services

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	\$ (000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	1,282	20.00	1,481	(199)	
(2) Other Expenditures	438		335	103	
Total Sub-Appropriation	1,720	20.00	1,816	(96)	

Information Technology Services

Provide leadership, guidance, cost-effective solutions and services to meet the business needs of the department clients through project management, business analysis, business unit liaison and support, consultation and systems/applications management in support of the department's vision and mission. Work with the department branches and Business Transformation and Technology (BTT) in the Department of Finance, to coordinate, evaluate and align information and communication technology projects based on department priorities.

Key Results Achieved

- **Electronic Request Approval (ERA)** – Developed an amalgamated approval system to help increase proficiency and consistency in the approval process with Financial Services Branch.
- **Aquarius Web Portal** – Partnered with Manitoba Agriculture and Resource Development to procure, install and configure web portal add-in for Aquarius system. This provided improved operation of and access to water and weather data quality.
- **Cost Sharing Programs** – Developed a system for Infrastructure Programs and Asset Management to keep track of quarterly cash flow on projects that are part of cost share programs with the Government of Canada.
- **Manitoba Highway Traffic Information System (MHTIS) transition to Environmental Systems Research Institute (ESRI) software** – In partnership with Traffic Engineering branch, the University of Manitoba maintains a website to disseminate traffic data as part of MHTIS. Provided licensing and configuration support for the transition to ESRI software.

1 (e) Information Technology Services

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	1,441	17.00	1,828	(387)	
(2) Other Expenditures	133		300	(167)	
Total Sub-Appropriation	1,574	17.00	2,128	(554)	

Occupational Safety, Health and Risk Management

Manage risks to the safety, health and well-being of employees, visitors and the public arising out of the work activities performed by or on behalf of the department. Examines risk mitigation and management strategies that protect departmental infrastructure and physical assets.

Program Activities	
273	Claims received – damages to department property or third-party property
\$147,024	Property Claim Recoveries
104	Worker Compensation Board Claims reported and accepted
7	COR (Certificate of Recognition) audits
1	SWC (Safe Work Certified) audit
1	Internal SWC (Safe Work Certified) audit
0	Ergonomic Assessments Completed
416	Hearing Screening Assessments Completed
Injury Statistics	
99	Notice of Injuries (Green Cards) – Injuries with no medical attention or lost time
31	No Time Loss Claims (Recorded Doctor Claims) – Injuries involving medical attention
73	Time Lost Claims – Injuries involving medical attention with lost time
Work Days Lost and WCB Costs	
1522	Work Days Lost
\$949,519	WCB Costs

Key Results Achieved

- Completed External Safe Work Certified audit on Motor Carrier Enforcement. Department is now fully safe work certified.
- Audiology technicians trained in conducting efficient noise level testing and mapping. Noise level testing is ongoing for all Manitoba Infrastructure (MI) work areas required by legislation.
- A committee of Safety Advisors and a member of the Health & Safety branch reviewed and updated departmental safety policies.
- Developed COVID-19 policies and procedures, several of which were adopted by other provinces across Canada as well as in the United States.
- Provided Health and Safety training sessions to all divisions to reduce costs from private consultants.

1 (f) Occupational Safety, Health and Risk Management

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	568	11.00	839	(271)	
(2) Other Expenditures	66		100	(34)	
Total Sub-Appropriation	634	11.00	939	(305)	

Government Air Services

The operations of Government Air Services were transferred out of the Department in 2019/20.

Government Air Services transitioned to a private carrier contract model and phased out all services. All aviation operations were ceased in June 2019.

The Fire Suppression program was transferred to external service providers on April 1, 2019, remaining under the management of Sustainable Development.

Air Ambulance and Lifelight services were transferred to external service providers in June 2019.

1 (g) Government Air Services

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	4,886	88.00	9,919	(5,033)	1
(2) Other Expenditures	4,766		9,374	(4,608)	1
(3) Less: Recoverable from Other Appropriations	(6,074)		(18,373)	12,299	1
Total Sub-Appropriation	3,578	88.00	920	2,658	

Explanation:

1. Variance is due to the divestment of Manitoba Government Air Services.

Boards and Commissions

Licence Suspension Appeal Board and Medical Review Committee

The Licence Suspension Appeal Board (LSAB) hears appeals for the public whose driver's licence have been suspended. These suspensions may be a result of Highway Traffic Act violations or as a result of court-imposed suspensions, excluding a prohibition period ordered under the Criminal Code of Canada. The LSAB hears other appeals under the Drivers and Vehicle Act for suspensions, cancellations or denials of various permits or other licences (e.g. sales persons licence, auto safety).

The Medical Review Committee (MRC) hears appeals for the public whose driver's licence have been suspended, cancelled or declassified for medical reasons.

Key Results Achieved

The Licence Suspension Appeal Board and Medical Review Committee provided a fair appeal process and considered the following number of appeals for the period of April 1, 2019 to March 31, 2020:

Licence Suspension Appeal Board		
978	Total Applications Received	
	871	Winnipeg
	82	Brandon
	25	North
723	Decisions Rendered	
	8	Full Remission
	217	Granted or Partial Grant of Request
	498	Denied (Contrary to Public Interest, No Exceptional Hardship or both)
255	Remaining Applications	
	12	To Be Scheduled
	16	Pending Further Information
	221	Did Not Appear, Abandoned, Adjourned, Cancelled; or Expired
	6	Refunded

Medical Review Committee		
108	Total Applications Received	
	82	Neurology or Alcohol Applications
	14	Cardiology Applications
	12	Vision Applications

Disaster Assistance Appeal Board

The Disaster Assistance Appeal Board (DAAB) is governed by The Emergency Measure Act. Adjudicates appeals pursuant to The Emergency Measures Act, The Red River Floodway Act, The Water Resources Administration Act (Shellmouth Dam programs), Individual Flood Protection Initiatives, and Disaster Financial Assistance (DFA) policy. Reviews appeals and conducts appeal hearings in the City of Winnipeg and throughout the Province and issues written decisions on all contentious appeals.

Key Results Achieved

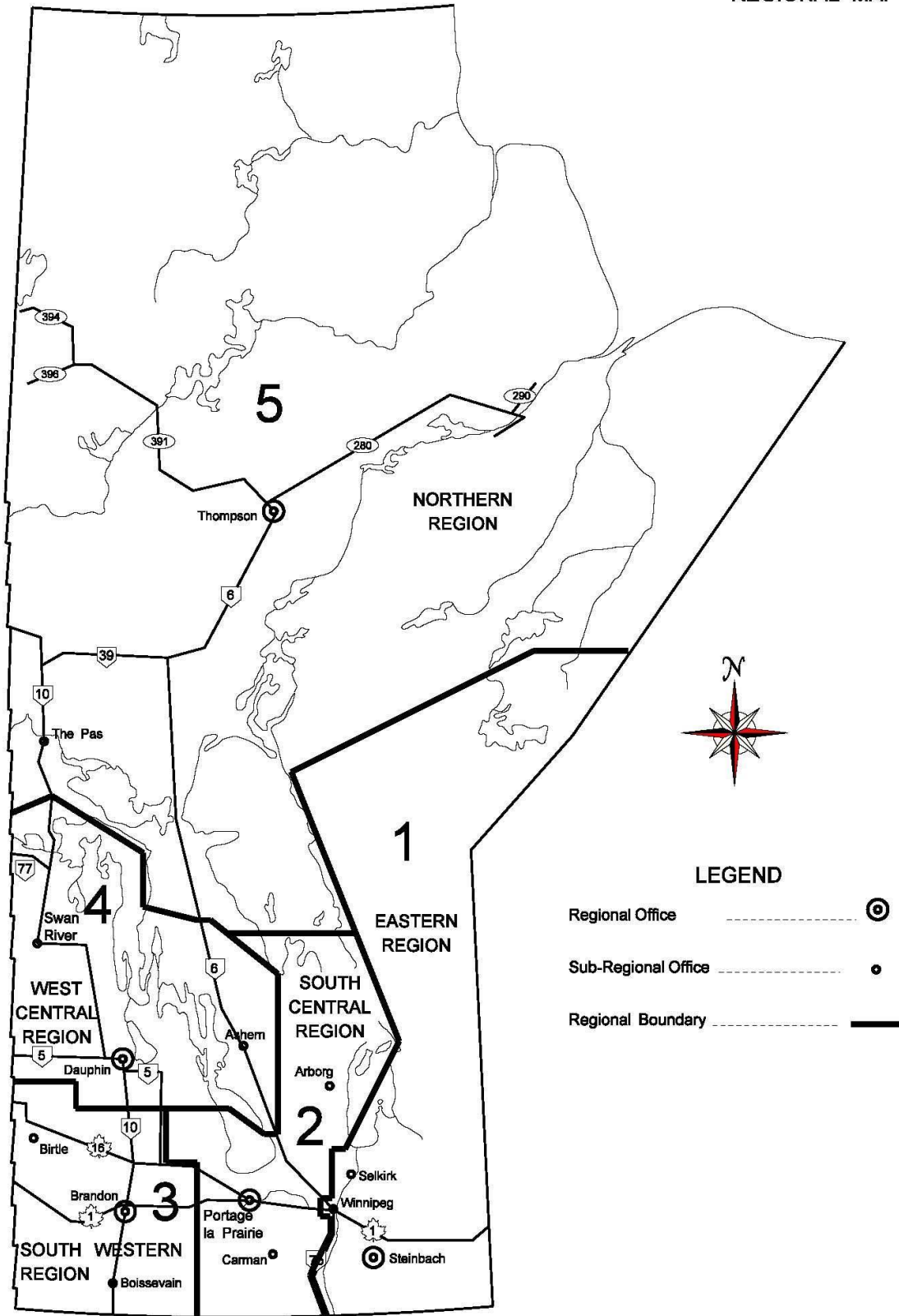
- Under the Shellmouth Dam Programs the Board heard 28 appeals of which 27 were allowed and one (1) was withdrawn. This completes all appeals.
- Under the DFA policy the Board began the year with six and received three within the year. As a result of hearings, the Board confirmed six and set aside two.

As a result of hearings, the Board has one outstanding appeal and is working to promptly schedule it.

1 (h) Boards and Commissions

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	376	4.00	397	(21)	
(2) Other Expenditures	83		85	(2)	
Other Expenditures	459	4.00	482	(23)	

REGIONAL MAP



Highways, Transportation Programs and Water Management Programs

Engineering and Operations Division

Responsible for the design, construction, operations, stewardship and administration of the provincial highway and winter road networks and all provincial northern airports and marine assets.

In carrying out the division's mandate, five branches report to the Assistant Deputy Minister:

- Division Executive Office
- Operations & Contracts
- Regional Operations
- Highway Engineering
- Northern Airports and Marine Operations

Water Management and Structures

Responsible for the delivery of the division's construction, maintenance, preservation and hydrologic programs. Provides guidance through strategic planning, policy support and comptrollership in accordance with government priorities and standards.

In carrying out the division's mandate, five branches report to the Assistant Deputy Minister:

- Division Administrative Support
- Structures
- Water Management Engineering and Construction
- Regional Water Operations
- Hydrologic Forecasting and Water Management

Engineering and Operations: Division Executive Office

Provide executive management, policy development and direction to the Engineering and Operations Division related to strategic planning, design, construction, maintenance, preservation, operations and administration of the provincial highway and winter road networks. Programs are delivered through regional operations throughout the province and specialized technical support branches.

Key Results Achieved

- Operated the annual highway maintenance, preservation, and capital programs effectively and efficiently with sound policies and decision making that has allowed the network condition to move forward in a positive direction.
- Operated the annual water maintenance, preservation, and capital programs effectively and efficiently with sound policies and decision making.

2 (a) Division Executive Office

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	1,124	12.00	1,155	(31)	
(2) Other Expenditures	131		127	4	
(3) Less: Recoverable from Other Appropriations	(188)		(246)	58	
Total Sub-Appropriation	1,067	12.00	1,036	31	

Operations and Contracts

Support Highway Regional Operations and the Water Management and Structures Division in the development and delivery of capital construction, preservation and maintenance for program areas of highways, structures, water control, and airports and marines. Undertake procurement of goods and services in support of the highway programs. Provide technical support, consulting, quality assurance, and internal audit services for highway capital projects. Lead asset management, capital programming and transportation systems planning. Maintain and ensure consistent application of departmental standard construction specifications.

Key Results Achieved

- Prepared new multi-year capital plans for Highway Infrastructure, General Transportation Assets, and Airport Runways and the annual Preservation program for 2020/21 to renew and preserve existing assets, provided safety improvements and system expansion/enhancements.
- Provided quality assurance on 28 paving projects.
- Managed the placement of approximately 954,000 tonnes of bituminous pavement on Manitoba highways.
- Established Quality Based Construction Specifications and processes for implementation in the 2020/21 construction tendering season as well as initiated the Contract Administration and Construction Inspection (CACI) process for use in the following construction season.
- Supported citizen and trucking industry need for accurate and timely information by providing road conditions on Manitoba 511 Road and Traveler Information Website where there were 3.6 million visits from approximately 930,000 unique visitors.

2 (b) Operations and Contracts

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	3,962	50.30	3,846	116	
(2) Other Expenditures	741		1,108	(367)	
(3) Less: Recoverable from Other Appropriations	(1,129)		(1,955)	826	
Total Sub-Appropriation	3,574	50.30	2,999	575	

Water Management and Structures

Provide stewardship of provincial water control infrastructure, bridges and structures on the provincial highway and agricultural drainage network, this includes inspection, maintenance, preservation, planning and design, and construction. Responsible for flood forecasting, flood response, ice jam mitigation programs, community flood protection and administration of designated flood areas.

Key Results Achieved

- Delivery of the structures component of the Highway Capital Program including the ongoing design of major projects:
 - overpass facility of Provincial Trunk Highway (PTH) 10 (18th St.) over the CPR tracks in Brandon (Daly overpass);
 - replacement of bridge over the Red River Floodway on PTH 59 and,
 - overpass facility on PTH 1A over PTH 1 at Portage la Prairie.
- Continued innovative approach to bridge management including structural health monitoring to improve safety and performance of bridge structures, and new design details to improve bridge performance and reduce overall costs.
- Delivery of the Water Related Capital Program, including major multi-year projects such as Lake St. Martin and Lake Manitoba Outlet Channels.
- Conducted successful flood forecast, preparation and flood mitigation works for major floods throughout the year including Fall 2019 Heavy Rain Event, and the preparation for the 2020 spring flood event. Record flooding was observed in southeast, southwest, central and northern parts of Manitoba.
- Developed state of the art flood forecasting tools for the Assiniboine River and Red River systems. The models integrate advanced weather information and hydrometric conditions, resulting in more timely and accurate flood forecasts to the public.
- Conducted successful operation of provincial water control structures for flood and drought mitigation.

2 (c) Water Management and Structures

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	11,244	136.00	12,021	(777)	
(2) Other Expenditures	3,946		1,618	2,328	1
(3) Less: Recoverable from Other Appropriations	(4,703)		(5,970)	1,267	1
Total Sub-Appropriation	10,487	136.00	7,669	2,818	

Explanation:

1. Unbudgeted 2019 Spring flood costs, these costs are not recoverable from Part B Capital.

Regional Offices

Planning, design and delivery of the highway capital, maintenance and preservation programs in the regions across the province, ensuring that department standards and principles of sustainable development are met. Provide front-line management and support for on-going stewardship functions, preserving safety, integrity, operational effectiveness, and legislative compliance associated with all highway infrastructure assets.

Key Results Achieved

- Delivered a Capital Highway Infrastructure Program of \$336 million.
- Upgraded 80 km of the highway network to Road Transportation Association of Canada (RTAC) loading to support economic development.
- Met the provincial winter levels of service for snow clearing supporting safety of the public and the Manitoba economy.
- Implemented the South Perimeter Safety Plan to reduce access points on the South Perimeter Highway to improve safety.
- Successfully met all challenges related to the Red River spring flood response and recovery.

2 (d) Regional Offices

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries and Employee Benefits	10,972	168.00	13,264	(2,292)	1
(2) Other Expenditures	2,335		3,394	(1,059)	1
(3) Less: Recoverable from Other Appropriations	(5,009)		(5,010)	1	
Total Sub-Appropriation	8,298	168.00	11,648	(3,350)	

Explanation:

1. Variance is due to staff vacancies.

Highway Engineering

Provide specialized engineering, environmental, technical, testing, evaluation, and analytical services in support of the delivery of the highway capital, maintenance, and preservation programs. Oversee the stewardship of transportation-related assets and ensure the long-term integrity and sustainability of provincial highway assets. Provide for the safe use of provincial highway assets by the travelling public, commercial traffic, workers, and other stakeholders.

Key Results Achieved

- Supported major design studies for: PTH 100 South Perimeter functional design, PTH 10 Daly overpass preliminary/functional design, PTH 1 and Plessis overpass structure replacement, PTH 1 twinning (Ontario boundary to 1.1 km west), PTH 32 reconstruction through Winkler, PTH 1 and 1A structure replacement (west side of Portage la Prairie).
- Initiated a project to conduct a departmental review of the 9,000 legal survey plans and development of a database for a complete property inventory.
- Continued with determination of potential surplus properties, as part of the property inventory review (above), for government's consideration to sell on the open market.
- Completed site investigations for the twinning of PTH 1 at the Ontario border and at several interchange slope and riverbank failures.
- Provided geotechnical recommendations and support to regional engineering operations on culvert design, slope failure repairs, and construction on soft ground.
- Provided mobile testing services on 32 paving projects and 16 maintenance sites for onsite quality control and quality assurance and developed 169 pavement designs in support of the department's roadway construction program.
- Successfully installed two permanent traffic signal installations to improve intersection operation and safety. Installed 12 uninterrupted power supply (battery backup) at signalized intersections to improve safety by maintaining signal operations during (Hydro) power interruptions.
- Using sophisticated highway safety analysis tools, the branch periodically screened the provincial network for collision prone locations. Maintained a priority list of locations to develop safety improvement projects.

2 (e) Highway Engineering

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	7,379	94.00	7,654	(275)	
(2) Other Expenditures	1,144		1,119	25	
(3) Less: Recoverable from Other Appropriations	(1,865)		(1,897)	32	
Total Sub-Appropriation	6,658	94.00	6,876	(218)	

Northern Airports and Marine Services

Connect Manitoba's northern communities with airport and ferry services in accordance with regulations and standards. Negotiate cost-shared agreements, some revenue generation through fees, and grant programs. Ensure the continuance of operating certificates as governed by The Canada Aeronautics Act and The Canada Shipping Act.

Key Results Achieved

- Provided annual grants to assist municipal airport commissions in Manitoba in operating and maintaining safe airports for recreational flying, aerial seeding, crop spraying, and for emergency backup in the event of an accident. There are presently 37 municipal airports eligible for this grant. The total value of the current program is \$85,800.
- Continuously improved of the safety management program through multi-stakeholder input, including ongoing program audits and facility inspections.
- Conducted airport surveys at seven airports in 2019 to meet Transport Canada regulations.

2 (f) Northern Airports and Marine Services

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	1,418	15.00	1,307	111	
(2) Other Expenditures	490		498	(8)	
Total Sub-Appropriation	1,908	15.00	1,805	103	

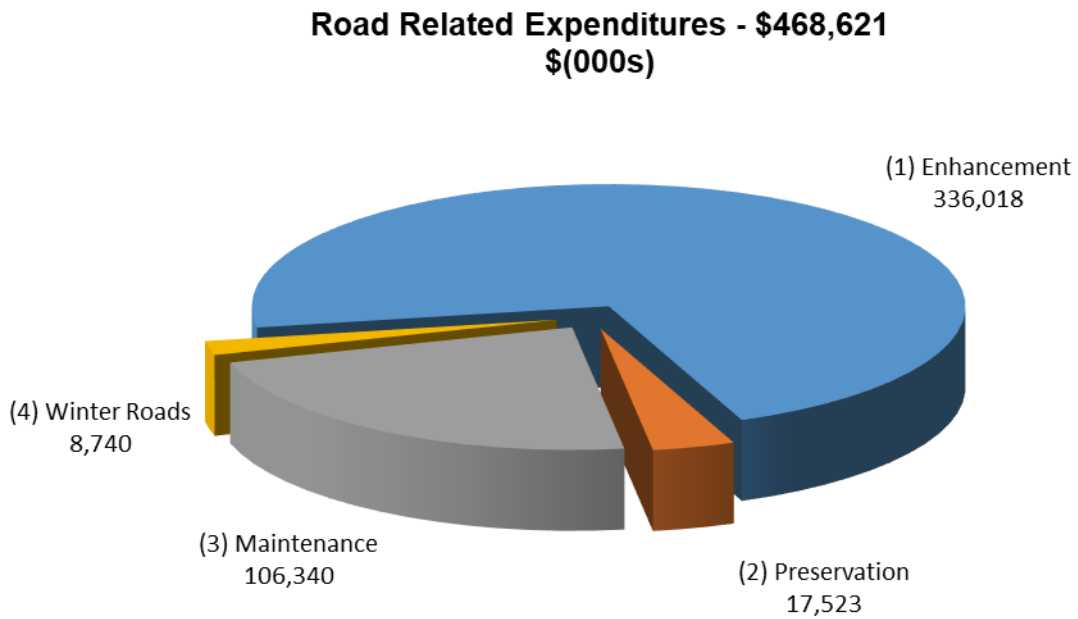
Infrastructure Works

Provide for the construction, preservation and maintenance of provincial all-weather and winter roadways, northern airports and ferry operations, municipal assistance programs, water-related asset maintenance and preservation and flood mitigation initiatives.

Maintenance and Preservation of Provincial Trunk Highways, Provincial Roads and Related Projects

Deliver road maintenance and preservation activities on all highway infrastructure assets to ensure that the traveling public and commercial vehicles are provided with a safe, efficient, environmentally sound, economically sustainable and convenient network.

Road Related Expenditures



(1) Enhancement activities or projects are those that add to the existing highway infrastructure (increase the useful life of the asset) or add a new asset. These projects or activities are proactive in nature and are funded from the annual Capital Investment program.

Examples of enhancement activities include:

- construction of new highways or roads
- widen grade and shoulder gravel
- granular base course
- high performance chip seal
- culvert replacement
- bituminous pavement
- concrete pavement
- microsurfacing

(2) Preservation costs are those costs related to treatments, repairs and/or replacements of highway infrastructure fixtures to ensure the asset life expectancy is met and generally extended without enhancing the asset's original structural design capacity. The treatments, repairs and/or replacements generally are of a proactive nature in the form of preventative maintenance activities and are funded from the annual Part "A" program.

Examples of preservation activities include:

- rout and crackfill
- sealcoating
- bituminous levelling

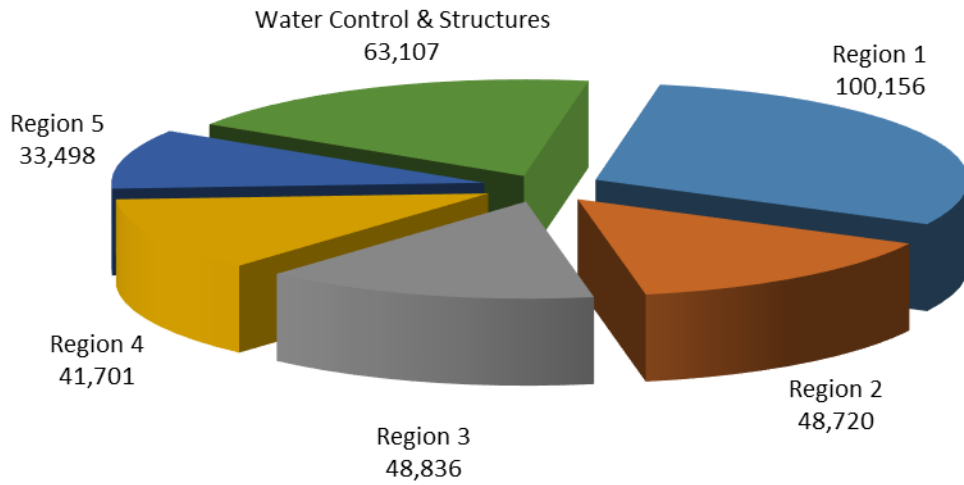
(3) Maintenance costs relate to servicing, repairing and/or treatments provided to ensure the continuing safe and efficient use of Manitoba's transportation asset infrastructure on an annual basis. Those services, repairs and/or treatments generally are of a reactive nature and are funded from the annual maintenance program - Part "A".

Examples of maintenance activities include:

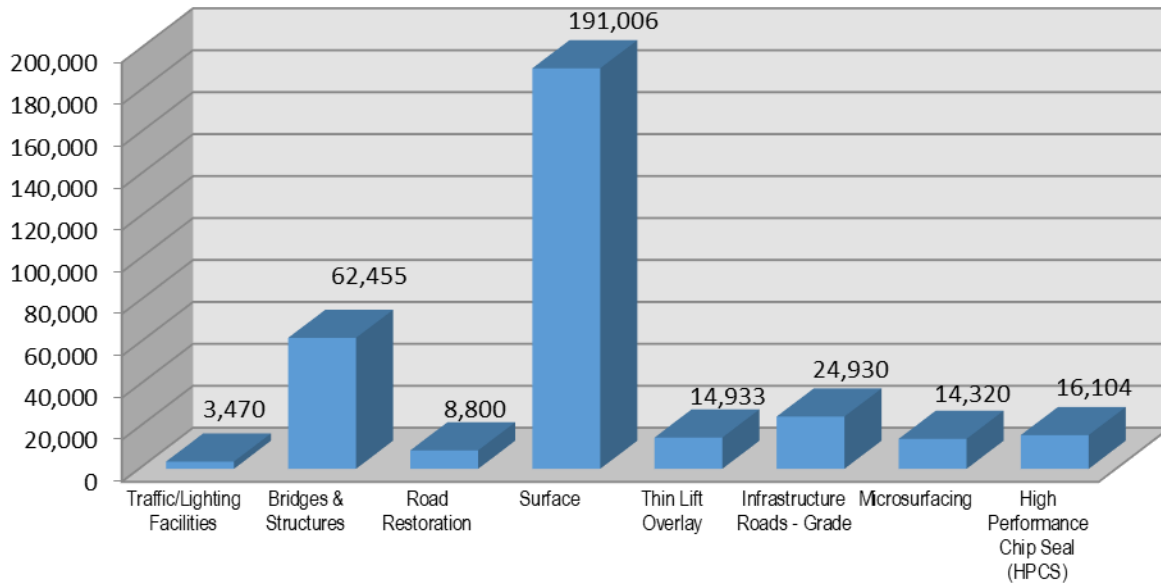
- snow clearing
- patching
- sanding
- salting and de-icing
- removing trees and brush
- gravel road maintenance

(4) The department has been funding and administering the construction and maintenance of winter roads through contracts with First Nations and other local groups since 1979.

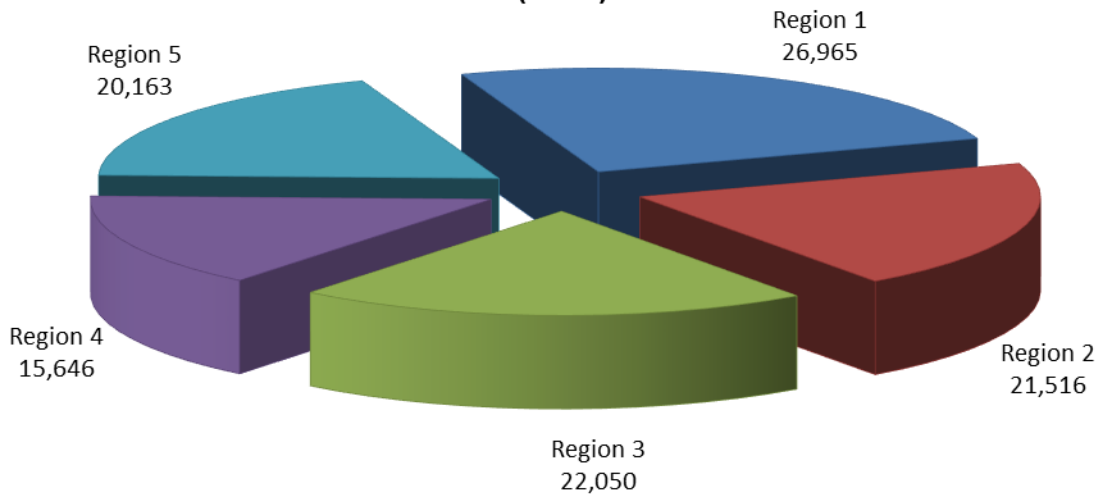
**Enhancement Expenditures by Branch - \$336,018
\$(000s)**



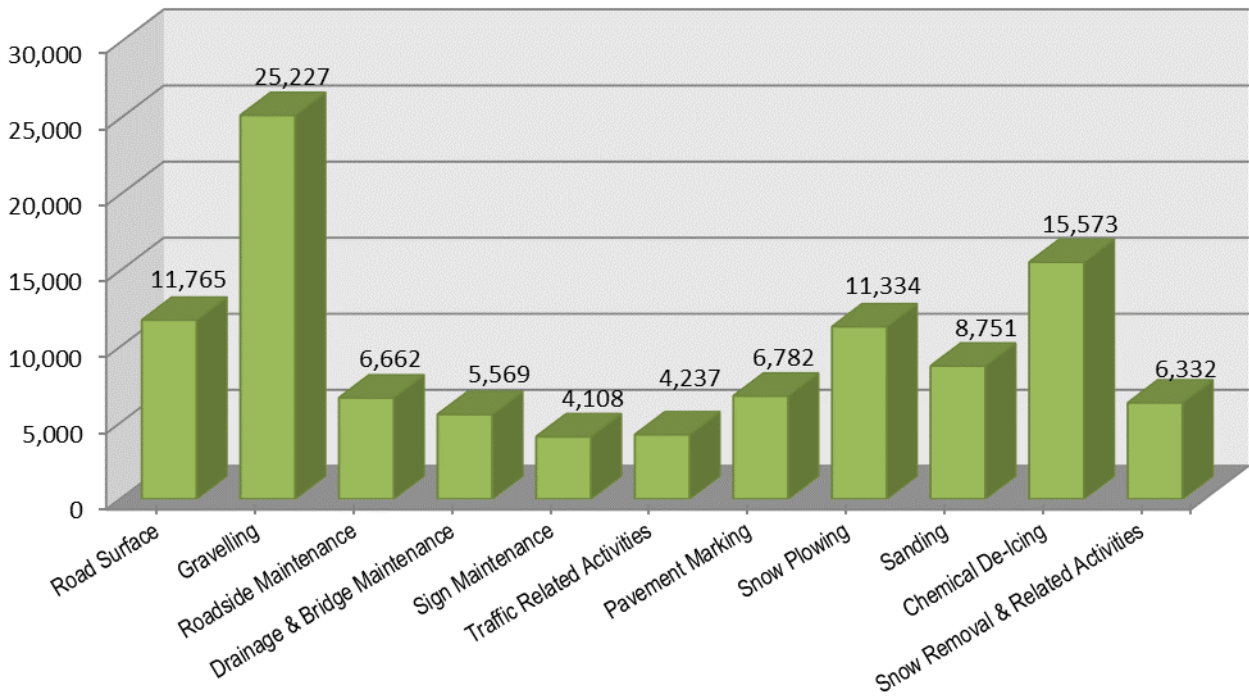
**Enhancement Expenditures by Activity - \$336,018
\$(000s)**



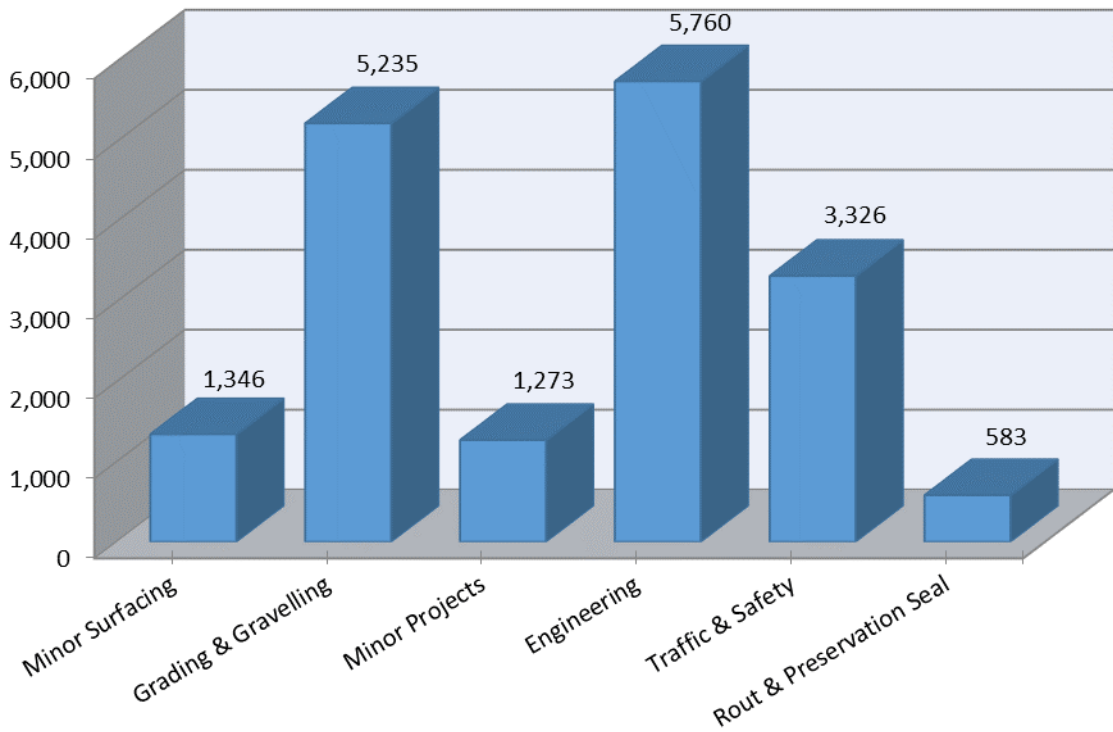
**Maintenance Expenditures by Region - \$106,340
\$(000s)**



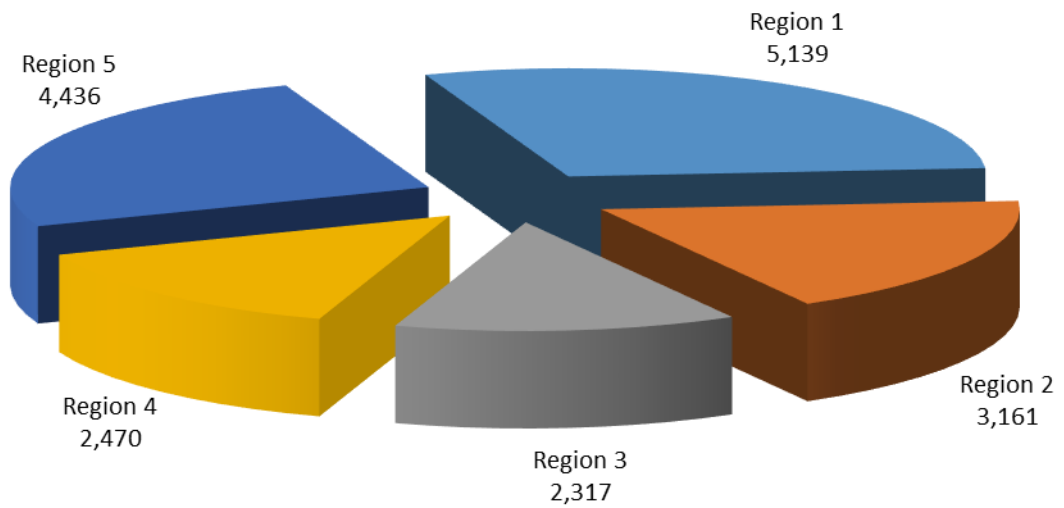
**Maintenance Expenditure by Activity - \$106,340
\$(000s)**



**Preservation Expenditures by Activity - \$17,523
\$(000s)**



**Preservation Expenditures by Region - \$17,523
\$(000s)**



3 (a) Maintenance and Preservation of Provincial Trunk Highways, Provincial Roads and Related Projects

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20	2019/20		Over(Under)	
	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries and Employee Benefits	57,741	992.00	58,200	(459)	
(2) Other Expenditures	90,133		93,151	(3,018)	1
(3) Less: Recoverable from Other Appropriations	(24,011)		(26,211)	2,200	1
Total Sub-Appropriation	123,863	992.00	125,140	(1,277)	

Explanation:

1. Under-expenditure and under-recovery is primarily related to a change for recording engineering service procurement (ESP) costs. The ESP are charged directly to the capital program in 2019/20.

Maintenance and Preservation of Water-Related Assets

Ensure the management and preservation of existing water-related assets by undertaking waterway maintenance and preservation projects to optimize their safe and efficient operation. Support water management, flood forecasting, and flood mitigation efforts by acquiring and analyzing data.

Key Results Achieved

- Effectively operated and maintained the provincial dams, drains, pumping stations and flood control infrastructure.
- Effectively operated and maintained the Red River Floodway, Portage Diversion, and Shellmouth Dam.
- Responded during both spring and fall high water events along the Red River, including community ring dike closures and operation of town pumping stations.
- Completed flood hazard mapping hydraulic studies.
- Broke 37.1 kms of ice through the ice jam mitigation program.

3 (b) Maintenance and Preservation of Waterway Projects

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	3,264	99.00	4,569	(1,305)	1
(2) Other Expenditures	9,507		12,114	(2,607)	2
(3) Less: Recoverable from Other Appropriations	(11,350)		(11,544)	194	
(3) Less: Recoverable from Part B - Capital	(1,421)		(5,139)	3,718	2
Total Sub-Appropriation	0	99.00	0	0	

Explanation:

1. Variance is due to staff vacancies.

2. Under-expenditure and under-recovery is primarily related to a change for recording engineering service procurement (ESP) costs directly to the capital program in 2019/20.

Northern Airports and Marine Services Operations

Connect Manitoba's northern communities with airport and ferry services in accordance with regulations and standards. Protect and invest in Manitoba's airport and marine infrastructure by adhering to compliance and regulatory programs that enhance safety and promote uniformity with provincial, federal, and international standards.

Key Results Achieved

- Transferred ownership of the Grace Lake airport to Beaver Air Services Limited Partnership, Missinippi Management Ltd., and Mathias Colomb Cree Nation in May, 2019.
- Improved navigation through the installation of:
 - Precision Approach Path Indicators (PAPI) at Tadoule Lake and Brochet;
 - new PAPI LED lights, navigational aids, Field Electrical Center at Gods River Airport; and,
 - new electrical service and a new Field Electrical Center in Little Grand Rapids.
- Completed first phase of removing trees and brush at Shamattawa to meet Transport Canada Obstacle Limitation Surface regulations. Phase 2 planned for FY2020/21.
- Crushed gravel for runway maintenance at God's Lake Narrows Airport (4,000 cubic metres), Island Lake Airport (4,000 cubic metres), and Pukatawagan Airport (2,200 cubic metres).
- Completed a five-year out of water hull inspection on the C.F. Johnny Paul ferry, and made improvements that included rebuilding one main drive engine, replacing several drive engines, and installing new propellers propeller shafts, deck hatches and water tank.
- Replaced water lines below deck on the ferry, M.V. Joe Keeper.

3 (c) Northern Airports and Marine Services

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
Northern Airports Operations	11,555	100.00	11,354	201	
Marine Services Operations	3,630	17.00	3,114	516	
Less Recoverable from Part B - Capital	(55)	-	(325)	270	
Total Sub-Appropriation	15,130	117.00	14,143	987	

Winter Roads

Manage the engineering, construction, maintenance and operations of Manitoba's approximately 2,200 kilometre winter road network, including monitoring of contract work to ensure safety and quality control in accordance to specifications and standards. Prepare project proposals and priorities for operations of the winter road program including any required improvements to maintain reliability and provide timely information and updates on issues, as required.

Key Results Achieved

- Road realignments at several significant sites throughout the winter road network, such as the entrance into Island Lake, Leaf River ice crossing, and various areas towards Oxford House.
- Successfully delivered freight into four communities for major school projects; Bunibonabee Cree Nation, God's Lake First Nation, Manto Sipi Cree Nation, and Wasagamack First Nation.
- Relocated the road at Lawford River into Oxford House in preparation of a new crossing site.

3 (d) Winter Roads

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
Other Expenditures	8,740	9,502	(762)	

Emergency Management & Public Safety Division

Oversee and coordinate all aspects of emergency management in the province and regulate Manitoba's motor carriers in a manner that enhances road safety, protects infrastructure and promotes economic development through innovation and collaborative stewardship.

In carrying out the division's mandate, two branches report to the Executive Director:

- Emergency Measures Organization
- Motor Carrier

Emergency Measures Organization

Build towards an ever more resilient province through applying a whole-of-government approach to all phases of emergency management. Provide risk-based information to government decision makers to ensure effective provincial preparedness for and response to disasters, build initiatives and programs that incentivize municipalities and the public to prepare for and mitigate against all hazards, and maximizes federal, industry, and non-government organization collaboration to enhance recovery efforts.

Key Results Achieved

- Contributed to provincial preparedness through maintaining the Manitoba Emergency Plan, operated the 24/7 provincial duty officer system, and provided risk-based information on evolving hazards to government officials.
- Coordinated the Manitoba Emergency Management System during Spring Flood 2019, summer wildfire response season 2019, and 2019 fall flooding and severe weather event.
- Delivered seven Municipal Emergency Management Workshops that improved municipalities' ability to prepare for, respond to, and recover from emergencies and disasters; registered 466 new accounts to the Emergency Measures Organization Learning Management System; and had 367 users successfully complete online training.
- Implemented changes to the Disaster Financial Assistance regulation that will result in greater adaptability and provide local authorities with the opportunity to invest in mitigation and preparedness to reduce the future risk of disasters in their communities.
- Established the 2019 Spring Flood and 2019 October Severe Weather Disaster Financial Assistance programs that will provide disaster recovery funding to over 39 Manitoban communities.

4 (a) Emergency Measures Organization

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	2,653	24.00	2,129	524	
(2) Other Expenditures	8,180	-	8,412	(232)	
Total Sub-Appropriation	10,833	24.00	10,541	292	

Motor Carrier

Regulate Manitoba's motor carriers, enhance road and short-line rail safety, protect infrastructure, and promote economic development through innovation and collaborative stewardship. Administer the National Safety Code and other safety related regulatory requirements, including short-line rail regulation, safety fitness certificates, carrier performance thresholds, facility audits, and investigations. Promote carrier regulatory compliance, safety routes, permit large and heavy loads, administer the Trucking Productivity Improvement Fund Program, and lead policy, planning and regulatory accountability activities to improve Motor Carrier program delivery.

Key Results Achieved

- Revised permit policies to adapt to spring 2019 changes to the Vehicle Weights and Dimensions on Classes of Highways Regulation and led two public engagements on the regulation and impact of mandating electronic logging devices in Manitoba.
- Continued the upgrade of the Advanced Routing and Permitting System which enhances client services and reduces red tape for the Trucking Productivity Improvement Fund Program and certain permits.
- Developed more than 75% of the course content for a commercial vehicle operator's compliance course to improve overall commercial carrier safety in Manitoba.
- Underwent a Safe Work audit in 2019, with Motor Carrier program now having met the "Safe Work Certified Standards for Occupational Safety and Health in the Province of Manitoba".
- Implemented system changes to the traffic and criminal software. Developed and implemented an educational roadside enforcement strategy.

4 (b) Motor Carrier

Expenditures by Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2019/20 \$(000)	FTE	2019/20 \$(000)	Over(Under) \$(000)	
(1) Salaries and Employee Benefits	4,947	73.00	5,735	(788)	
(2) Other Expenditures	1,348	-	1,358	(10)	
Total Sub-Appropriation	6,295	73.00	7,093	(798)	

Costs Related to Capital Assets

The province follows standards issued by the Canadian Institute of Chartered Accountants and the Public Sector Accounting Board. Accounting standards require that expenditures on tangible capital assets be amortized over the useful life of the asset.

Tangible capital assets are those with a useful life extending beyond one year, which are acquired, constructed or developed and held for use. The expected useful life of an asset takes into consideration the passage of time, normal wear and tear and the effects of obsolescence.

The province has adopted a standard useful life for each asset class that is expected to remain the same over time. The straight-line method of amortization used reflects a constant charge for the service of the asset as a function of time.

Recognizing amortization in this way allocates the cost of capital assets to the periods of service provided and recognizes amortization as an expense in the annual statement of operations.

5 Costs Related to Capital Assets

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Air Services				
(1) Amortization Expense	1,112	2,395	(1,283)	
(2) Interest Expense	543	1,085	(542)	
(3) Less: Recoverable from Other Appropriations	-	(1,191)	1,191	
Subtotal (a)	<u>1,655</u>	<u>2,289</u>	<u>(634)</u>	
(b) General Assets				
(1) Amortization Expense	6,916	6,586	330	
(2) Interest Expense	4,151	4,535	(384)	
Subtotal (b)	<u>11,067</u>	<u>11,121</u>	<u>(54)</u>	
(c) Infrastructure Assets - Provincial Roads and Highways				
(1) Amortization Expense	278,334	214,266	64,068	1
(2) Interest Expense	210,456	212,084	(1,628)	
Subtotal (c)	<u>488,790</u>	<u>426,350</u>	<u>62,440</u>	
(d) Infrastructure Assets - Water Related				
(1) Amortization Expense	7,350	7,945	(595)	
(2) Interest Expense	11,595	12,640	(1,045)	
(3) Less: Recoverable from Other Appropriations	(18,945)	(20,585)	1,640	
Subtotal (d)	<u>-</u>	<u>-</u>	<u>-</u>	
Total Costs Related to Capital Assets	<u>501,512</u>	<u>439,760</u>	<u>61,752</u>	

Explanation:

1. Variance is primarily related to the write-down of East Side Road Authority (ESRA) tangible capital. Assets and projects being completed earlier than anticipated.

Emergency Expenditures

Provide for expenditures related to forest fires, flooding and other natural disasters. Includes a provision for environmental emergency response expenditures, disaster assistance and other related expenditures and partial reimbursement to government departments for property losses not covered by insurance.

27-1 Emergency Expenditures

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	Estimate 2019/20 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
Total Other Expenditures	39,324	49,500	(10,176)	1
TOTAL	39,324	49,500	(10,176)	

Explanation:

Actual costs were lower than budget.

Capital Investment

Acquire, construct and maintain general assets and infrastructure assets for the Manitoba government. Provide authority for the annual purchase of or investment in Tangible capital assets (TCAs). TCAs are those with a useful life extending beyond one year that are acquired, constructed or developed and held for use, not for resale.

Manitoba has two forms of TCAs, General Assets and Infrastructure Assets:

General Tangible Assets: Provide for acquisition of physical assets, major building construction, and building renovation projects.

Infrastructure Assets: Provide for the construction and enhancement of provincial highways, bridges, airport runways, and water control structures.

B15 Capital Investment

Expenditures by Sub-Appropriation	Actual 2019/20 \$(000)	FTE	Estimate 2019/20 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) General Assets					
(1) Transportation Capital Projects and Equipment	1,840		10,534	(8,694)	1
(2) Information Technology Projects	0		270	(270)	2
(3) Air Services Capital Projects	0		3,090	(3,090)	3
Subtotal (a)	1,840		13,894	(12,054)	
(b) Infrastructure Assets					
(1) Highway Infrastructure	336,018		350,000	(13,982)	4
(2) Airport Runway Capital	278		3,150	(2,872)	5
(3) Water Related Infrastructure	33,965		65,415	(31,450)	6
Subtotal (b)	370,261		418,565	(48,304)	
Total Capital Investment	372,101		432,459	(60,358)	

Explanation:

1. Paused Transportation Equipment Capital investment pending a review.
2. Delays in the highway inventory system and traffic management system projected timelines.
3. Divestment of Manitoba Government Air Services.
4. Primarily due to favorable contract bids, shorter road construction season, advertising ban during the provincial and federal election periods, and environmental project delays.
5. Paused Airport Runway Capital investment pending a review.
6. Primarily due to environmental approvals, advertising ban during the provincial and federal election periods, and unfavorable construction conditions.

PART A – OPERATING EXPENDITURE
DEPARTMENT OF INFRASTRUCTURE
RECONCILIATION STATEMENT

\$(000s)

DETAILS	2019/20 ESTIMATES
2019/20 MAIN ESTIMATES	\$640,906
Allocation of functions from:	
- Internal Services Adjustments	8,269
2019/20 ESTIMATE	\$649,175

Department of Infrastructure

Expenditure Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Estimate 2019/20		Actual 2019/20	Actual 2018/19	Increase (Decrease)	Expl. No.
	15-1 Administration and Finance				
42	(a) Minister's Salary:	42	42	-	
	(b) Executive Support:				
747	1. Salaries and Employee Benefits	657	680	(23)	
130	2. Other Expenditures	115	113	2	
	Corporate Information and Strategic				
	(c) Initiatives				
2,810	1. Salaries and Employee Benefits	1,889	2,198	(309)	
949	2. Other Expenditures	291	419	(128)	
	(d) Financial Services:				
1,481	1. Salaries and Employee Benefits	1,282	1,186	96	
335	2. Other Expenditures	438	311	127	
	(e) Information Technology Services:				
1,828	1. Salaries and Employee Benefits	1,441	1,387	54	
300	2. Other Expenditures	133	125	8	
	(f) Occupational Safety, Health and				
	Risk Management:				
839	1. Salaries and Employee Benefits	568	545	23	
100	2. Other Expenditures	66	150	(84)	
	(g) Government Air Services:				
9,919	1. Salaries and Employee Benefits	4,886	8,654	(3,768)	1
9,374	2. Other Expenditures	4,766	7,931	(3,165)	1
(18,373)	3. Less: Recoverable from other	(6,074)	(14,590)	8,516	1
	appropriations				
	(h) Boards and Commissions:				
397	1. Salaries and Employee Benefits	376	620	(244)	
85	2. Other Expenditures	83	165	(82)	
10,963	Total 15-1	10,959	9,936	1,023	
	15-2 Highways and Transportation				
	Programs				
	(a) Division Executive Office:				
1,155	1. Salaries and Employee Benefits	1,124	1,222	(98)	
127	2. Other Expenditures	131	189	(58)	
(246)	3. Less: Recoverable from other	(188)	(211)	23	
	appropriations				

Department of Infrastructure

Expenditure Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Estimate 2019/20		Actual 2019/20	Actual 2018/19	Increase (Decrease)	Expl. No.
	(b) Operations and Contracts:				
3,846	1. Salaries and Employee Benefits	3,962	4,223	(261)	
1,108	2. Other Expenditures	741	669	72	
(1,955)	3. Less: Recoverable from other appropriations	(1,129)	(1,334)	205	
	(c) Water Management and Structures:				
12,021	1. Salaries and Employee Benefits	11,244	10,253	991	
1,618	2. Other Expenditures	3,946	1,618	2,328	2
(5,970)	3. Less: Recoverable from other appropriations	(4,703)	(5,132)	429	
	(d) Regional Offices:				
13,264	1. Salaries and Employee Benefits	10,972	12,134	(1,162)	
3,394	2. Other Expenditures	2,335	2,937	(602)	
(5,010)	3. Less: Recoverable from other appropriations	(5,009)	(5,997)	988	
	(e) Highway Engineering:				
7,654	1. Salaries and Employee Benefits	7,379	7,454	(75)	
1,119	2. Other Expenditures	1,144	1,371	(227)	
(1,897)	3. Less: Recoverable from other appropriations	(1,865)	(2,036)	171	
	(f) Northern Airports and Marine Services:				
1,307	1. Salaries and Employee Benefits	1,418	1,173	245	
498	2. Other Expenditures	490	387	103	
32,033	Total 15-2	31,992	28,920	3,072	
	15-3 Infrastructure Works				
	(a) Maintenance and Preservation of PTH's, PR's and related projects:				
151,351	1. Gross Expenditures	147,874	151,284	(3,410)	3
(500)	2. Less: Recoverable from other appropriations				
(25,711)	3. Less: Recoverable from Part B - Capital Investment	(24,011)	(23,551)	(460)	

Department of Infrastructure

Expenditure Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Estimate 2019/20		Actual 2019/20	Actual 2018/19	Increase (Decrease)	Expl. No.
	Maintenance and Preservation of				
	(b) Waterway Control Projects				
16,683	1. Gross Expenditures	12,771	15,787	(3,016)	4
(16,683)	3. Less: Recoverable from Part B				
	- Capital Investment	(12,771)	(15,426)	2,655	4
	(c) Northern Airports and Marine				
	Services Operations				
11,354	1. Northern Airports Operations	11,555	11,295	260	
3,114	2. Marine Services Operations	3,630	3,519	111	
(325)	3. Less: Recoverable from Part B				
	- Capital Investment	(55)	(154)	99	
9,502	(d) Winter Roads:	8,740	8,681	59	
148,785	Total 15-3	147,733	151,435	(3,702)	
	15-4 Emergency Management and				
	Public Safety				
	(a) Emergency Measures				
	Organization				
2,129	1. Salaries and Employee				
	Benefits	2,653	1,958	695	
8,412	2. Other Expenditures	8,181	1,024	7,157	5
	(b) Motor Carrier:				
	1. Salaries and Employee				
5,735	Benefits	4,947	5,371	(424)	
1,358	2. Other Expenditures	1,348	1,316	32	
17,634	Total 15-4	17,129	9,669	7,460	

Department of Infrastructure

Expenditure Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Estimate 2019/20		Actual 2019/20	Actual 2018/19	Increase (Decrease)	Expl. No.
	15-5 Costs Related to Capital Assets				
	(a) Air Services:				
2,395	1. Amortization Expense	1,112	2,611	(1,499)	
1,085	2. Interest Expense	543	1,331	(788)	
(1,191)	3. Less: Recoverable from other appropriations		(1,369)	1,369	
	(b) General Assets:				
6,586	1. Amortization Expense	6,916	6,856	60	
4,535	2. Interest Expense	4,151	4,335	(184)	
	(c) Infrastructure Assets - Provincial Roads and Highways:				
214,266	1. Amortization Expense	278,334	218,835	59,499	
212,084	2. Interest Expense	210,456	197,272	13,184	
	3. Less: Recoverable from other appropriations				
	(d) Infrastructure Assets - Water Related:				
7,945	1. Amortization Expense	7,350	7,275	75	
12,640	2. Interest Expense	11,595	11,757	(162)	
(20,585)	3. Less: Recoverable from other appropriations	(18,945)	(19,016)	71	
439,760	Total 15-5	501,512	429,887	71,625	6
649,175	Total Infrastructure and Transportation	709,325	629,847	79,478	

Expenditure Variance Explanations

Comparison of the 2019/20 actuals to the 2018/19 actuals

- 1. 15-1(g): Government Air Services: Salaries and Employee Benefits - \$(3,768) DECREASE, Other Expenditures - \$(3,165) DECREASE, and Recoverable from Other Appropriation - \$8,516 DECREASE**
Variance is related to the divestment of Manitoba government air services.
- 2. 15-2(c): 2019 Spring Flood: Salaries and Employee Benefits - \$1,563 INCREASE, Other Expenditures – \$2,373 INCREASE**
Year-over-year increase is related to unbudgeted 2019 Spring Flood costs.
- 3. 15-3(a): Maintenance and Preservation of PTH's, PR's and related projects: Gross Expenditures – \$(3,410) DECREASE**
Variance is primarily related to a budget reduction of \$(10.6M) in 2019/20, offset by favorable winter conditions in 2018/19 for road maintenance with fewer multi-day storm and freezing rain events.
- 4. 15-3(b): Maintenance and Preservation of Waterway Control projects: Gross Expenditures – \$(3,016) DECREASE, Recoverable from Other Appropriations - \$2,655 DECREASE**
Primarily related to a change for recording engineering service procurement (ESP) costs. The ESP costs were charged directly to the capital program 2019/20.
- 5. 15-4(a): Emergency Measures Organization – \$7,157 INCREASE**
Variance is primarily related to costs for evacuees from the 2011 Spring Flood paid to the Canadian Red Cross.
- 6. 15-5: Costs Related to Capital Assets – \$71,625 INCREASE**
Variance is primarily related to 2019/20 budget increases of \$18M for new capital investment and a write-down of \$49.5M to East Side Road Authority assets to fair market value in 2019/20.

Department of Infrastructure

Revenue Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Actual 2018/19	Actual 2019/20	Increase/ (Decrease)	Expl. No.		Actual 2019/20	Estimate 2019/20	Variance	Expl. No.	
Government of Canada:									
4,224	4,980	756		(a)	Winter Roads	4,980	4,553	427	
241	241	-		(b)	National Safety Code	241	241	-	
58	70	12		(c)	Refunds for Services	70	-	70	
-	2,480	2,480	A1	(d)	Airport Capital Assistance Program	2,480	-	2,480	B1
4,097	55,760	51,663	A2	(e)	Infrastructure Renewal	55,760	52,750	3,010	B2
8,620	63,531	54,911			Total Government of Canada	63,531	57,544	5,987	
Other Revenue:									
165,671	167,274	1,603	A3	(a)	Automobile and Motor Carrier Licences and Fees	167,274	159,931	7,343	B3
6,096	6,661	565		(b)	Cost Recovery from Municipalities and Other Third Parties	6,661	4,994	1,667	B4
21,804	21,871	67		(c)	Drivers' Licences	21,871	20,139	1,732	B5
145	132	(13)		(d)	Licence Suspension Appeal Board Fees	132	295	(163)	
4,141	2,924	(1,217)		(e)	Sundry	2,924	1,842	1,082	
197,857	198,862	1,005			Total Other Revenue	198,862	187,201	11,661	
206,477	262,393	55,916			TOTAL DEPARTMENTAL REVENUE	262,393	244,745	17,648	

Revenue Variance Explanations

Comparison of the 2019/20 actuals to the 2018/19 actuals.

GOVERNMENT OF CANADA

A1. Airport Capital Assistance Program – \$2,480 INCREASE

Variance is primarily due to the receipt of revenue from the federal government in 2019/20 instead of 2018/19.

A2. Infrastructure Renewal– \$51,663 INCREASE

Projects and annual funding levels approved or committed by the federal government for various cost-shared agreements differ year-over-year.

OTHER REVENUE

A3. Automobile and Motor Carrier Licences and Fees - \$1,603 INCREASE

Volume of transactions increased year-over-year.

Revenue Variance Explanations

Comparison of the 2019/20 actuals to the 2019/20 estimates.

GOVERNMENT OF CANADA

B1. Airport Capital Assistance Program – \$2,480 INCREASE

Variance is primarily due to the receipt of revenue from the federal government in 2019/20 instead of 2018/19.

B2. Infrastructure Renewal – \$3,010 INCREASE

Net increase is primarily related to revenue for New Building Canada Fund projects of \$12.8M completed earlier than scheduled and the receipt of \$6.0M related to Provincial Territorial Base Infrastructure Funding. The increase is primarily offset by the cost-sharing agreement with Canada for the Outlet Channels remaining under negotiation at the end of fiscal year 2019/20 (\$17.2M).

OTHER REVENUE

B3. Automobile and Motor Carrier Licences and Fees – \$7,343 INCREASE

Higher than anticipated volume of transactions.

B4. Cost Recovery from Municipalities and Other Third Parties – \$1,667 INCREASE

Revenue of \$4.7M received from Manitoba Hydro related to Provincial Road (PR) 280 was not budgeted.

B5. Drivers' Licences – \$1,732 INCREASE

Higher than anticipated volume of transactions.

Department of Infrastructure

Revenue Summary

for fiscal year ended March 31, 2020

with comparative figures for the previous fiscal year (\$000s)

Emergency Expenditures

Actual 2018/19	Actual 2019/20	Increase/ (Decrease)	Expl. No.		Actual 2019/20	Estimate 2019/20	Variance	Expl. No.
55,256	16,995	(38,261)	1	Government of Canada:				
				Other: Emergency Expenditures	16,995	8,300	8,695	2
55,256	16,995	(38,261)		TOTAL REVENUE	16,995	8,300	8,695	

Explanation:

1. Revenue related to the shareable costs for 2017 Disaster Financial Assistance Arrangements (DFAA) events recorded in 2018/19.
2. Revenue received from the federal government for the 2010 Wildfire program not budgeted.

**MANITOBA INFRASTRUCTURE
FIVE YEAR EXPENDITURE AND STAFFING SUMMARY BY APPROPRIATION (\$000)
For the fiscal years ended March 31, 2015 - March 31, 2020***

MAIN APPROPRIATION	2015/16		2016/17		2017/18		2018/19		2019/20	
	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s
15-1 Corporate Services	188.00	10,685	186.00	10,090	186.00	12,493	183.00	9,936	180.00	10,959
15-2 Highways, Transportation and Water management Programs	485.90	34,276	503.90	51,876	489.80	46,628	479.30	28,920	475.30	31,992
15-3 Infrastructure Works	1,159.35	177,209	1,150.35	176,254	1,150.35	171,887	1,298.00	151,435	1,208.00	147,733
15-4 Emergency Management and Public Safety	99.00	9,610	97.00	9,851	99.00	9,541	97.00	9,669	97.00	17,128
15-5 Costs Related to Capital Assets		343,737		376,830		403,593		429,887		501,512
TOTAL APPROPRIATIONS	1,932.25	575,517	1,937.25	624,901	1,925.15	644,142	2,057.30	629,847	1,960.30	709,324

* Actual expenditures have been adjusted for comparative purposes.

Adjustments are for:

- 1) Hay permitting transferred from 15-3b to RESD
- 2) Disaster Financial Assistance transferred from BA27-1 to 15-4
- 3) Fire Suppression Program (recovery of amortization) transferred BA27-1 to 15-5a-3
- 4) Cost Related to Capital Assets - Air Services Amortization Expense transferred from 15-5a-1 to the Department of Sustainable Development
- 5) Cost Related to Capital Assets - Air Services Interest Expense transferred from 15-5a-2 to the Department of Sustainable Development

EMERGENCY EXPENDITURES
FIVE YEAR EXPENDITURE SUMMARY BY APPROPRIATION (\$000)
For the fiscal years ended March 31, 2016 - March 31, 2020*

	Actual/*Adjusted Expenditures									
	2015/16		2016/17		2017/18		2018/19		2019/20	
MAIN APPROPRIATION	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s	FTEs	\$000s
27-1 EMERGENCY EXPENDITURE										
Disaster Assistance		60,900		8,113		21,721		17,193		2,011
Miscellaneous		13,220		69,632		46,803		8,186		37,313
TOTAL MAIN APPROPRIATION		74,120		77,745		68,524		25,379		39,324

* Actual expenditures have been adjusted for comparative purposes.

INFRASTRUCTURE

Manitoba Infrastructure 2019/20 Annual Report Performance Measures

The following section provides information on key performance measures for the department for the 2019/20 reporting year. All Government of Manitoba departments include a Performance Measurement section, in a standardized format, in their Annual Reports. Performance indicators in departmental Annual Reports are intended to complement financial results and provide Manitobans with meaningful and useful information about government activities, and their impact on the province and its citizens.

What is being measured and using what indicator?	Why is it important to measure this?	What is the starting point? (baseline data and year)	What is the 2019/2020 (current year) result or most recent data?	What is the trend over time?	Comments/recent actions/report links
<p>The ride condition of Manitoba's paved highways as measured by the International Roughness Index (IRI) in terms of kilometers and percentage in Good and Poor condition.</p>	<p>Improvements to this measure demonstrate better highways for the travelling public and commercial carriers indicating a commitment to providing a great safe transportation network and public infrastructure.</p>	<p>10/11: International Roughness Index (IRI): Good – 9,352 km or 73.4% Poor – 3,315 km or 26.0% No data – 70 km or 0.6%</p>	<p>19/20: International Roughness Index (IRI): Good – 9,002 km or 70% Poor – 3,404 km or 26% No data – 511 km or 4%</p>	<p>'Good' road conditions are slightly decreasing compared to the 10/11 baseline year.</p>	<p>The IRI was developed by the World Bank in the 1980's and is used to measure the quality of ride or surface smoothness of pavement.</p> <p>The Transportation Association of Canada (TAC) developed the 'Performance Measures for Highway Road Networks' report in March 2012 to identify performance measures and to recommend best practices.</p> <p>The key performance measure identified was IRI and it has been categorized as; very good (<1), good (>1 <1.75), fair (>=1.75<2.8), and poor (>2.8).</p> <p>For reporting purposes very good, good, and fair have been combined to represent 'good.'</p>

What is being measured and using what indicator?	Why is it important to measure this?	What is the starting point? (baseline data and year)	What is the 2019/2020 (current year) result or most recent data?	What is the trend over time?	Comments/recent actions/report links
The number of km of highways renewed is measured by the length of surfaced highways being annually upgraded and/or renewed, and based on the completed projects in the annual Highway Capital Program.	MI is responsible for approximately 13,000 km of surfaced highway network. The length of highway that is renewed every year is an indicator of the health of the highway network.	12/13 – 1,330 km 13/14 – 1,050 km 14/15 – 1,230 km 15/16 – 1,420 km 16/17 – 1,013 km 17/18 – 1,183 km 18/19 – 1,044 km 19/20 – 1,027 km	19/20 – 1,378 km	Fluctuating.	The amount of surfaced highway being renewed fluctuates mainly due to the multi-year nature of many of our surfacing projects, weather and contractor availability.
Condition of provincial dams using an Asset Condition Risk Index.	Public safety and cost effective asset management.	2009 Average Condition Risk Index = 2.24	2019/20 Condition Risk Index = 2.48	Condition is marginally poorer than baseline because rate of completion of required rehabilitation has not been able to keep up with the rate of deterioration.	Scale of 1 to 5; higher score is poor condition and higher risk.
Inspection frequency on provincial dams.	Public safety and cost effective asset management.	2009 (first full year of this program): 83 engineering inspections completed 2011 (first full year of the routine maintenance inspection program): 139 routine maintenance inspections completed.	2019/20: 94 engineering inspections and 329 routine maintenance inspections completed.	Slight decrease in achieving target frequency for routine inspection and on target for frequency of engineering inspections.	Frequency target for engineering inspections varies from year to year as some sites are on a biennial inspection schedule.
Inspection frequency on provincial dikes.	Public safety and cost-effective asset management.	2009: 14 engineering inspections completed.	2019/20: 20 engineering inspections completed.	Target frequency achieved.	Frequency target varies from year to year as sites are either on a three year or two-year inspection schedule.

What is being measured and using what indicator?	Why is it important to measure this?	What is the starting point? (baseline data and year)	What is the 2019/2020 (current year) result or most recent data?	What is the trend over time?	Comments/recent actions/report links
Inspection activity related to provincial bridge assets.	Public safety and cost effective asset management.	2014/15: 1,400 bridges and structures with Level 1 inspections 715 bridges and structures with Level 2 inspections.	2019/20: 2,459 bridges and structures with Level 1 (89.6% of target) inspections completed 888 bridges and structures with Level 2 (99.8% of target) inspections completed.	Targeting inspection frequency to meet provincial policy.	Department is working towards setting a target for this asset class.

Regulatory Accountability and Red Tape Reduction

Manitoba Infrastructure is committed to implementing the principles of regulatory accountability as set out in [The Regulatory Accountability Act](#). The department works to achieve balance with regulatory requirements, identify the best options for them, assess their impact and incorporate them in department activities, programs and in the development of all regulatory instruments.

A regulatory requirement is a requirement in a regulatory instrument for a person to take an action in order to:

- access a program or service offered by the government or a government agency
- carry on business
- participate in a regulated activity

Regulatory accountability provides a framework to create a transparent, efficient and effective regulatory system. Red tape reduction aims to remove the regulatory requirements that are unclear, overly prescriptive, poorly designed, redundant, contradictory or antiquated. Not all regulatory requirements create red tape.

Regulatory Requirements

	Baseline (April 1, 2016)	2016/17 (March 31, 2017)	2017/18 (March 31, 2018)	2018/19 (March 31, 2019)	2019/20 (March 31, 2020)
Total number of regulatory requirements	93,713	94,027	93,856	86,059	86,518

The 2019/20 figure includes changes to regulatory requirements that do not reflect the actual change in regulatory requirements established by the department in the fiscal year. Specifically, the reorganization resulted in changes to the departmental structure whereby divisions, related programs, regulatory instruments and their corresponding regulatory requirements previously owned by the department were transferred out. The 2019/20 number in the above table reflects the transfer of 31 regulatory requirements to Central Services.

The department's count for the 2019/20 period resulting from its own regulatory activity is 86,518. Some of the increase is due to 722 regulatory requirements that were not recorded in previous fiscal years and that are being included in the count for 2019/20. By comparison with the 2018/19 count of 86,059, the count for 2019/20 of 86,518 (resulting from the department's own regulatory activities) represents an increase of 459 regulatory requirements. However, when the 722 regulatory requirements are considered, this represents a net decrease of (263) regulatory requirements in 2019/20.

Additional information is provided in the 2019/2020 Manitoba Regulatory Accountability Report.

Achievements

Since April of 2019, the department's achievements in reducing regulatory requirements and eliminating red tape included:

- Permit process reviews, occurring during the design phase of the project to upgrade of the Advanced Permitting and Routing System, resulted in a reduction of 611 regulatory requirements for the trucking industry.
- Red tape reduction activities undertaken by the Trucking Productivity Improvement Fund Program resulted in a reduction of 120 regulatory requirements for the trucking industry.
- The department tabled five bills in 2019/20 related to areas including public sector tendering, vehicle technology testing, control of traffic on highways, and stewardship of provincial water ways and water control infrastructure, and contributed to The Reducing Red Tape and Improving Services Act, 2020.

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007 and amended in 2018 gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and protects employees who make those disclosures from reprisal. The Act builds on protections already in place under other statutes, as well as collective bargaining rights, policies, practices and processes in the Manitoba public service.

Wrongdoing under The Act may be: contravention of federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement; or knowingly directing or counseling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure made by an employee in good faith, in accordance with The Act, and with a reasonable belief that wrongdoing has been, or is about to be, committed is considered to be a disclosure under The Act, whether or not the subject matter constitutes wrongdoing. All disclosures receive careful and thorough review to determine if action is required under The Act, and must be reported in a department's annual report in accordance with Section 29.1.

The following is a summary of disclosures received by Manitoba Infrastructure and for fiscal year 2019/2020:

Information Required Annually (per Section 29.1 The Act)	Fiscal Year 2019/2020
The number of disclosures received, and the number acted on and not acted on. Subsection 29.1(2)(a)	2 Disclosures were received
The number of investigations commenced as a result of a disclosure. Subsection 29.1(2)(b)	2 Investigations were commenced as a result of a disclosure
In the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken. Subsection 29.1(2)(c)	N/A

MANITOBA TRUCKING PRODUCTIVITY IMPROVEMENT FUND

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For the year ended March 31, 2020

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MANITOBA TRUCKING PRODUCTIVITY IMPROVEMENT FUND

Statement of Operations and Accumulated Surplus

For the year ended March 31, 2020

	Budget 2020	2020	2019
REVENUE			
Proponent fees	\$ 605,200	\$ 985,937	\$ 694,838
Interest income	40,400	52,428	42,009
	<u>\$ 645,600</u>	<u>\$ 1,038,365</u>	<u>\$ 736,847</u>
EXPENSES			
Audit fees	\$ 10,000	\$ 7,861	\$ 5,660
Bad debt expense	-	40	
	<u>\$ 10,000</u>	<u>\$ 7,901</u>	<u>\$ 5,660</u>
EXCESS OF REVENUE OVER EXPENSES	<u>635,600</u>	<u>1,030,464</u>	<u>731,187</u>
Accumulated surplus- beginning of year	4,180,973	4,180,973	3,449,786
ACCUMULATED SURPLUS - END OF YEAR	<u>\$ 4,816,573</u>	<u>\$ 5,211,437</u>	<u>\$ 4,180,973</u>

MANITOBA TRUCKING PRODUCTIVITY IMPROVEMENT FUND

Statement of Financial Position

As at March 31, 2020

	2020	2019
FINANCIAL ASSETS		
Cash	\$ 2,228,689	\$ 1,274,709
Term deposits	2,809,254	2,757,534
Interest receivable	708	-
Accounts receivable	234,753	202,866
Less Allowance for doubtful accounts	-40	-
	<u>5,273,364</u>	<u>4,235,109</u>
FINANCIAL LIABILITIES		
Accounts payable and accrued liabilities	9,300	9,370
Due to other Provincial departments (Note 5)	52,627	44,766
	<u>61,927</u>	<u>54,136</u>
NET FINANCIAL ASSETS AND ACCUMULATED SURPLUS	\$ <u>5,211,437</u>	\$ <u>4,180,973</u>

MANITOBA TRUCKING PRODUCTIVITY IMPROVEMENT FUND

Notes to Financial Statements

Year Ended March 31, 2020

1. DESCRIPTION OF OPERATIONS

The Manitoba Trucking Productivity Improvement Fund was established in June, 2004 under the authority of The Highways and Transportation Act (S.M. 2004, c.8). The Fund became operational in April 2005. The purpose of the Fund is to provide a mechanism whereby motor carriers may take advantage of the productivity gains accrued by carrying increased weights on the Manitoba highway system in return for paying for the damages caused to the highway infrastructure. The fees paid to the Fund will be expended on the related highway rehabilitation and improvement projects. Capital assets constructed or purchased as a result of the Fund agreements are included in the Summary Financial Statements of the Province of Manitoba.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian public sector accounting standards and reflect the following significant accounting policies.

Measurement uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingencies at the date of the financial statements, and the reported amount of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenues

Proponent fees are recognized on an accrual basis when earned, the amount can be reasonably estimated and collection is reasonably assured. These fees are considered earned as proponents make use of roads.

Expenses

All expenses incurred for goods and services are recognized at the gross amount on an accrual basis.

Financial assets

(i) Cash

Cash includes cash held in trust by the Province of Manitoba.

(ii) Receivables

Receivables are recorded at the lower of cost and net realizable value. Amounts doubtful of collection are recorded when there is uncertainty that the amounts will be realized.

(iii) Portfolio investments

Term deposits are short-term deposits with original maturities of more than three months. These investments are recognized at amortized cost.

Liabilities

Liabilities present obligations as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded in the financial statements when there is an appropriate basis of measurement and a reasonable estimate can be made of the amounts involved.

3. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Measurement

Financial instruments are classified into one of the two measurement categories: (a) fair value; or (b) cost or amortized cost.

The Fund records its financial assets at cost or amortized cost. Financial assets include cash, accounts receivable, and term deposits. The Fund also records its financial liabilities at cost. Financial liabilities include accounts payable and accrued liabilities, and amounts due from other Provincial departments.

Gains and losses on financial instruments measured at fair value are recorded in accumulated surplus as re-measurement gains and losses until realized. Upon disposition of the financial instruments, the cumulative re-measurement gains and losses are reclassified to the statement of operations. Gains and losses on financial instruments measured at cost or amortized cost are recognized in the statement of operations in the period the gain or loss occurs.

The Fund did not incur any re-measurement gains and losses during the year ended March 31, 2020 (2019-\$nil).

Financial Risk Management Overview

The Fund has exposure to the following risks from its use of financial instruments: credit risk, market risk, and interest rate risk.

Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Fund to credit risk consist principally of cash, receivables and term deposits.

Cash and term deposits: The Fund is not exposed to significant credit risk as these amounts are primarily held in trust by the Province of Manitoba.

Receivables: The Fund is exposed to minimal credit risk from its proponents. The receivable balances are from a large client base, and payment in full is typically collected when it is due. The organization assesses, on a continuous basis, accounts receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current economic conditions and historical funding and payment trends. The balance of the allowance for doubtful accounts at March 31, 2020 is \$40.00 (\$2019 - \$nil).

Market Risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates, will affect the Fund's income from operations or the fair values of its financial instruments.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The interest rate exposure relates to cash and term deposits.

The interest rate risk on cash is considered to be low because of its short-term nature. The interest rate risk on term deposits is considered low as the original deposits are reinvested at rates for investments with similar terms and conditions.

Foreign Currency Risk

Foreign currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in a foreign currency.

Liquidity Risk

Liquidity risk is the risk that the Fund will not be able to meet its financial obligations as they come due. The Fund is not exposed to significant liquidity risk as it has minimal financial obligations at this time. The Fund manages liquidity risk by maintaining adequate cash balances and by review from the Province of Manitoba to ensure adequate funds will be received to meet the obligations.

4. CONTRIBUTED SERVICES

During the year, the Operating Fund of the Province of Manitoba provided office space and other administrative services to the Fund at nil cost (2019 - \$nil). No contributed services are recognized in the financial statements due to the difficulty in estimating the fair value of such expenses.

5. DUE FROM OTHER PROVINCIAL DEPARTMENTS

This balance is non-interest bearing and has no set repayment terms.

6. IMPACTS OF COVID-19

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Management has determined that there are no specific impacts to these financial statements as at March 31, 2020. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results in the Fund for future periods.