

BETTER WAYS TO BUILD EXECUTIVE SUMMARY

The **Saskatchewan Heavy Construction Association** has prepared a policy paper outlining the significance for the economic development of Saskatchewan. The paper points out that the sector in good years and bad has been one of the largest employers in the province, creating major economic impacts and fiscal benefits to governments.

All provincial residents use the works of the construction industry every day in going to work or traveling to neighbours. Less understood is the critical and central role construction plays in building the infrastructure platforms that allow our industries to access global markets and earn the income that creates wealth for residents and governments. Much Saskatchewan wealth is founded on the agricultural and natural resources of the province and this will also still be the case for the foreseeable future.



Internationally competitive trade infrastructure will be a continuing requirement to sustain provincial growth and has been identified in the Provincial Economic Growth Plan. Investing in this infrastructure future has been challenged in recent years by a combination of administrative, fiscal and procedural practices that are weakening the ability of the construction industry to fully participate in, and support, sustained provincial economic growth. Future, provincial growth requires a continuing focus on new infrastructure platforms to:

- -transport goods and people into domestic and global destinations;
- -provide for intermodal scale transfers into more efficient movements;
- -provide for reduced congestion for daily commutes to work;
- -rebuild and expand utility networks for electricity, oil, gas and water; and,
- -support growing urban and rural populations with infrastructure for living and recreation.

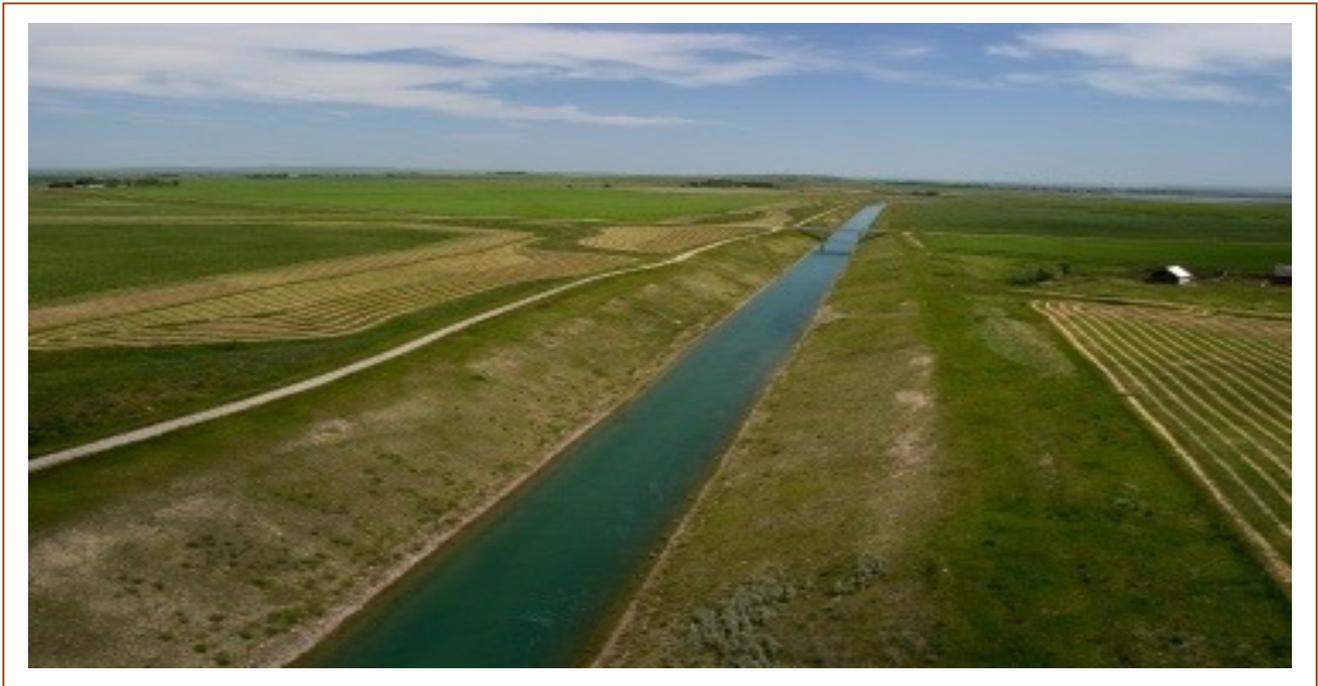
Infrastructure requirements are not limited to roads and highways, but also include the critical needs for water, fuel, container and air facilities.

Global warming suggests both opportunities and issues will arise for infrastructure development and financing in the future.

In addition, issues identified by industry in infrastructure management included a lack of long term capital planning, overlapping and often conflicting jurisdictions for infrastructure decision making, unrealistic timing calls for proposals, extreme volatility in capital spending, the need for live cycle capital management planning, funding deficiencies based in part on the dependence on government funding and a need for capacity development for the construction industry.

The policy challenge for both the industry and the government is to identify:

- Infrastructure financing sources and approaches to increase and stabilize funding for infrastructure beyond the traditional government contribution levels from the public and private sectors;
- Institutional and infrastructure management and development approaches to accommodate a wider base of funding for infrastructure; and,
- Administrative Frameworks to provide for the long term planning of the sector.



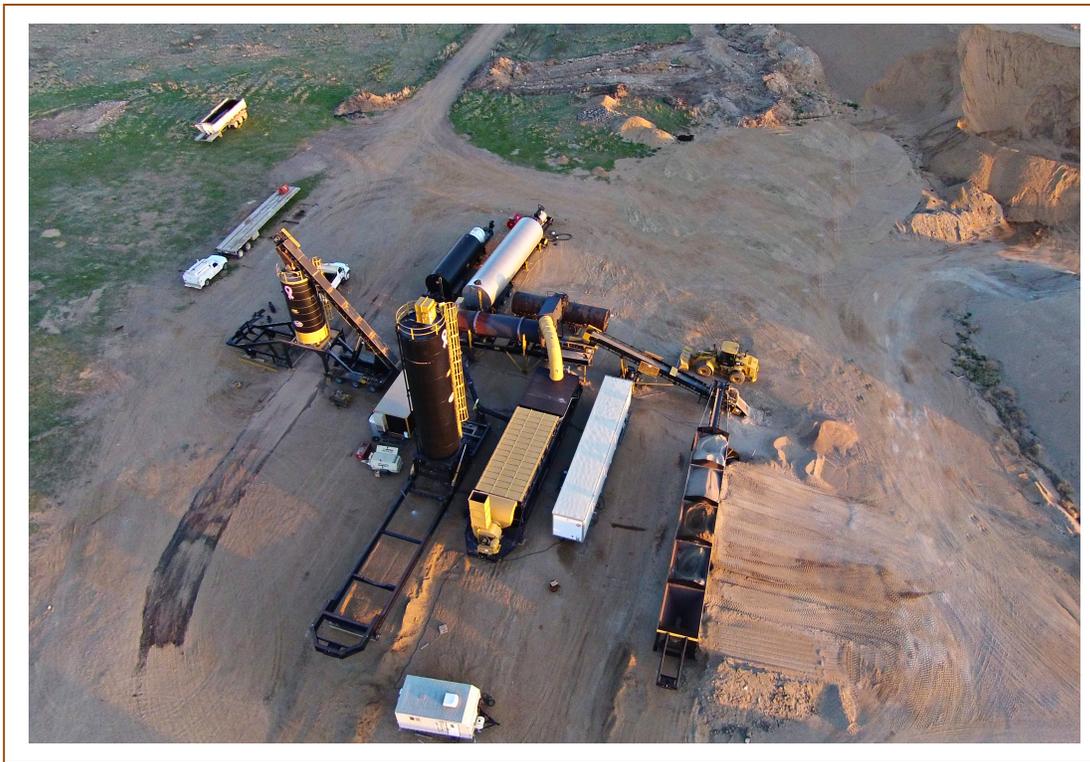
One approach considered is a Saskatchewan Infrastructure Development Trust (SIDT) established as a public – private partnership and financial trust designed to:

- Develop and implement a rolling fifty year Infrastructure plan for implementation and financing;
- Expand the basis for infrastructure beyond the existing provincial base to include federal and municipal governments, the public, industries and a known share of resource existing program revenues;
- Work with the public and private sectors to secure trade competitive infrastructure for the next generation of economic growth in Saskatchewan.

The issues raised in this paper are important to not only the SHCA members but to all to the people and economy of the Province. Saskatchewan is in the midst of significant growth and change. With these changes have come new approaches to managing the construction and infrastructure portfolio of the province where large sums of public monies may be spent.

There are better ways to build and handle Construction in Saskatchewan based on:

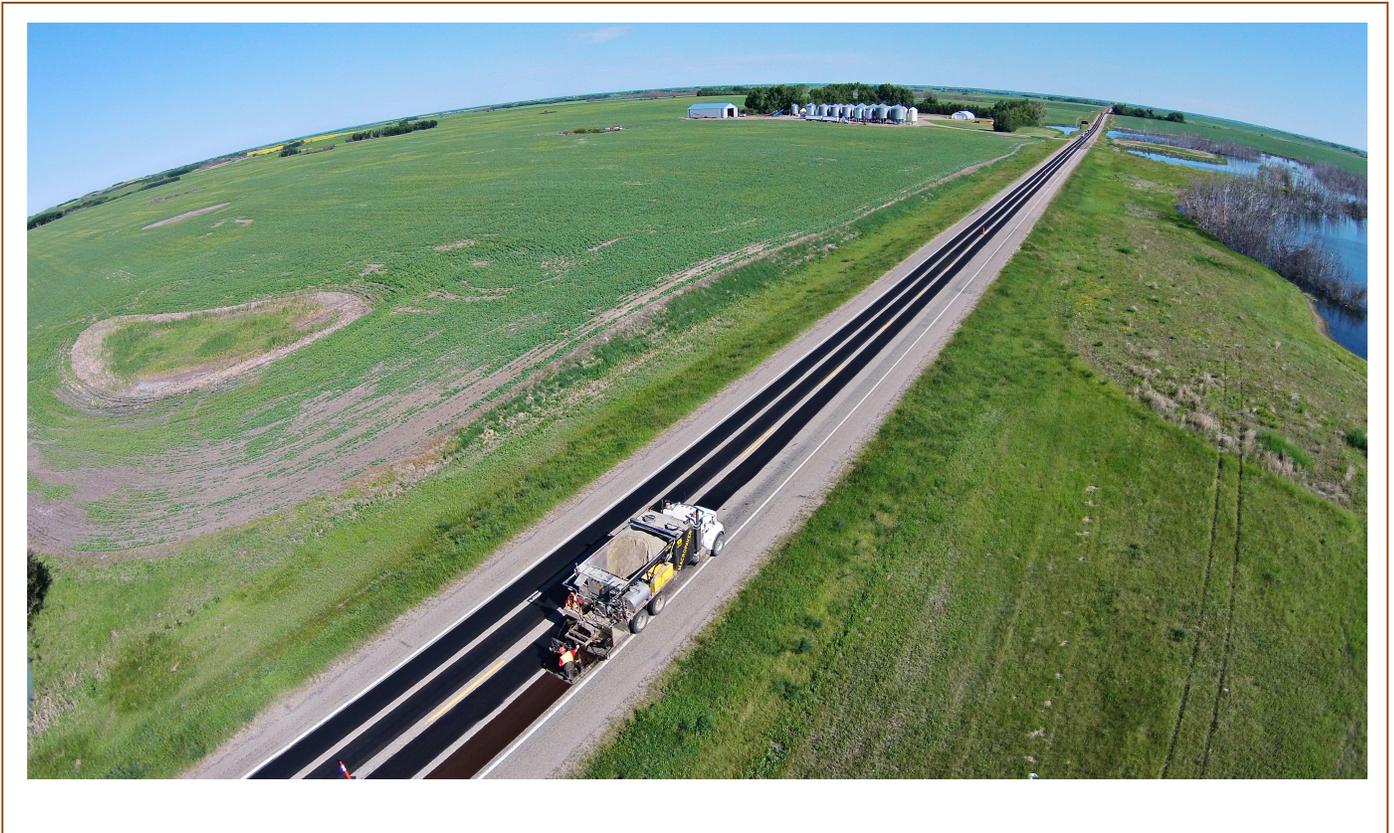
- Effective long term planning to sustain the trade and exports based on a natural resource economy;
- The simplification and streamlining of Provincial infrastructure decision-making;
- Stable and regular annual management planning cycles;
- New approaches to public financing through a third party non-government agency;
- Structuring infrastructure finance to accommodate increased sources of infrastructure financing;
- Establishing procedures that are not tied to annual fiscal and political cycles in government; and
- A recognition of the sectors importance to economic and social growth, competitiveness and improving Saskatchewan’s access to the rest of Canada and the World – the origin of most of our markets and income.



Earlier Saskatchewan leaders acted on their visions for the province. Walter Scott, the first Premier of Saskatchewan took decisions on the future without the human or financial resources of later governments. Later, after the devastation of the Dirty Thirties Douglas, Gardiner, Diefenbaker and Hamilton created a water vision for Saskatchewan following provincial economic and environmental collapse and limited funding.

It is time to supplement the Provincial Plan for Growth with its long term Infrastructure Plan in support of a stronger, more diversified Saskatchewan economy. Over time this will create the infrastructure platforms for growth that meet the vision for growth held by past, current and future Saskatchewan leaders.

The **Saskatchewan Heavy Construction Association** welcomes the opportunity to open this dialogue to improve infrastructure planning and management in the Province. The benefits of adopting this new approach will be seen in efficiency gains and benefits for the economy and society and that are shared between the public, the government and SCHA members. Please contact us at one of the points of communications listed below to discuss the issues raised in this paper further.



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SHCA Mission

The Saskatchewan Heavy Construction Association is committed to the heavy construction industry by actively promoting quality, cost-effective, socially responsible services for the public and its members.