



The Honourable Adrien Sala
103 Legislative Building
450 Broadway
Winnipeg, MB R3C 0V8

February 14, 2025

Subject: Canadian Council for Public-Private Partnerships Submission of Recommendations for the Government of Manitoba's Budget 2025 Consultation

Dear Minister Sala,

On behalf of the Canadian Council for Public-Private Partnerships (CCPPP), I am pleased to submit our recommendations for the Government of Manitoba's Budget 2025 consultation process.

CCPPP represents virtually all major players in Manitoba's infrastructure sector, including the workers responsible for building P3 hospitals, schools, highways, bridges, water and wastewater treatment facilities, and more over the last three decades. Our members encompass leading firms in construction, engineering, legal, advisory services, banking, finance, operations, and facilities maintenance, all with extensive experience in delivering, operating, and maintaining Manitoba's public infrastructure projects. CCPPP is uniquely positioned as the only organization that brings together all facets of the infrastructure industry to support the Government of Manitoba in achieving its infrastructure financing and procurement objectives.

The Canadian infrastructure funding landscape has evolved significantly. Amid growing government deficits and the absence of a new federal infrastructure program, the Council is encouraging provincial governments and the private sector to consider how they can effectively work together to solve the infrastructure gap. Our recent public opinion polling suggests more than 70 per cent of Manitobans are not confident the government can cover the costs of infrastructure repair and upgrades without raising taxes and over 70 per cent of Manitobans also prefer approaches that leverage a combination of government and private investments to build, fund, operate and maintain public infrastructure. This demonstrates clear public support for governments to reconsider partnership models like P3s.

Over the past 30 years, Canadian governments have partnered with the private sector on more than 300 P3 projects valued at over \$139 billion. These projects have delivered essential infrastructure, including hospitals, courthouses, bridges, schools, and highways. In Manitoba, transformational initiatives such as the Chief Peguis Trail Extension and the award-winning Southwest Transitway – Stage 2 and Pembina Highway Underpass Project showcase the benefits of P3s. While not suitable for every project, P3s are a proven, effective solution for delivering complex infrastructure in many cases.

The Canadian Council for
Public-Private Partnerships

Le Conseil Canadien pour
les Partenariats Public-Privé

T +1416.861.0500
E partners@pppcouncil.ca

PO Box 565, Station Adelaide
Toronto, ON M5C 2J6



To this end, the Council is putting forward the following recommendation: The Council strongly recommends that the Government of Manitoba reassess its stance on P3s. It is imperative for the government to develop a deeper understanding of P3s, particularly the advantages of private capital at risk in performance-based contracts and the benefits of amortizing the province’s investment over the project’s lifecycle. These approaches ultimately serve the province’s bottom line and deliver better value to taxpayers.

Given the cancellation of the Manitoba Schools Project and ongoing infrastructure needs, like roads and highways, including all-season roads for communities like Poplar River First Nation and with Municipalities, like Winnipeg, who have depleted [rainy day reserve funds](#), CCPPP is imploring the government to reassess its stance on P3s. Governments need more tools to finance and deliver infrastructure – not fewer.

P3s are not the right solution for every infrastructure asset but they are the *only* procurement option enabling the Government of Manitoba to repay the consortium against project completion or performance milestones over time, including [a “multi-decade horizon” which Premier Kinew has stated publicly is his preference](#). This approach allows the government to leverage private finance through the Design-Build-Finance-Maintain model, stretching scarce tax dollars further by utilizing private capital. This financing model also enhances oversight, as investors have “skin in the game,” incentivizing them to deliver on time and on budget.

As we have conveyed to Minister Sala, the Council understands and respects that government priorities may shift in response to fiscal challenges. We support the government’s ongoing efforts to conduct financial reviews to ensure the province’s fiscal performance aligns with the needs of Manitobans. As part of this review process, the Council encourages the Government of Manitoba to remain open-minded and reconsider its opposition to the P3 model. We welcome the opportunity to collaborate with the government to explore our recommendations, share best practices, and provide relevant data points.

If you have any questions or would like to discuss these recommendations further, Council staff and members are available at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Lisa Mitchell". The signature is written in a cursive, flowing style.

Lisa Mitchell
President and CEO



C.C.

Hon. Tracy Schmidt, Minister of Education and Early Childhood Learning

Hon. Lisa Naylor, Minister of Transportation and Infrastructure

Silvester Komlodi, Deputy Minister of Finance

Brian O'Leary, Deputy Minister of Education and Early Childhood Learning

Ryan Klos, Deputy Minister of Transportation and Infrastructure