



**MINISTER OF INFRASTRUCTURE
AND TRANSPORTATION**

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

His Honour the Honourable John Harvard, P.C., O.M.
Lieutenant Governor of Manitoba
Room 235, Legislative Building
Winnipeg, Manitoba
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 Infrastructure and Transportation for the fiscal year ending March 31, 2008.

Respectfully submitted,

Original signed by

Honourable Ron Lemieux
Minister of Infrastructure and
Transportation



March 31, 2008

Honourable Ron Lemieux, Minister
Infrastructure and Transportation

Dear Minister:

I submit for your approval the 2007/2008 Annual Report for Manitoba Infrastructure and Transportation.

2007/2008 marked the first year of the Department of Infrastructure and Transportation's (MIT) \$4 billion, ten-year highway infrastructure renewal program.

Some of the major capital projects initiated or completed in 2007/2008 were twinning of the TransCanada Highway to the Saskatchewan border; the CNR overpass on the TransCanada Highway at Portage la Prairie and the reconstruction of sections of PTH 75, Manitoba's main transportation link to the United States.

Because transportation links are so important to Manitoba's trade economy, during 2007/2008 Manitoba Infrastructure and Transportation continued to strengthen its working relationship with the United States and Mexico to modernize the mid-continent trade and transportation corridor which runs from the Port of Churchill to Mexico. MIT is a member of the North America SuperCorridor Coalition (NASCO).

It was also 2007/2008 that marked the largest government buildings' capital budget to date of \$73.1 million, comprised of 126 major capital projects. Major projects include the new Women's Correctional Facility, and further redevelopment of the former BMHC site for Assiniboine Community College.

2007/2008 saw the official opening of a universal access at the front entrance of the Manitoba Legislative Building. With the completion of this \$1.8 million project, Manitoba became the first province in Canada to provide full access at the front doors of its Legislature.

In 2007/2008, our department took its corporate procurement leadership role to another level with the introduction of legislation reinforcing the "Responsible Manufacturers" policy. The policy, put into place last year, stated Manitoba will not deal with clothing vendors who conduct business with sweatshop practices.

In keeping with the government's Green Building Policy, MIT continued to follow the intent of the policy in new major capital investment projects. The Green Building Policy is expected to reduce energy expenditures by up to one-third.

This past year, significant advances were made on the Red River Floodway Expansion Project, one of the largest infrastructure projects in Manitoba's history. The summer of 2007 was the busiest to date for construction work on the floodway project, and it is moving forward on schedule.

2007/2008 will show Manitoba Infrastructure and Transportation wisely carried out its responsibility as stewards of Manitoba's public infrastructure.

Respectfully submitted,

Original signed by

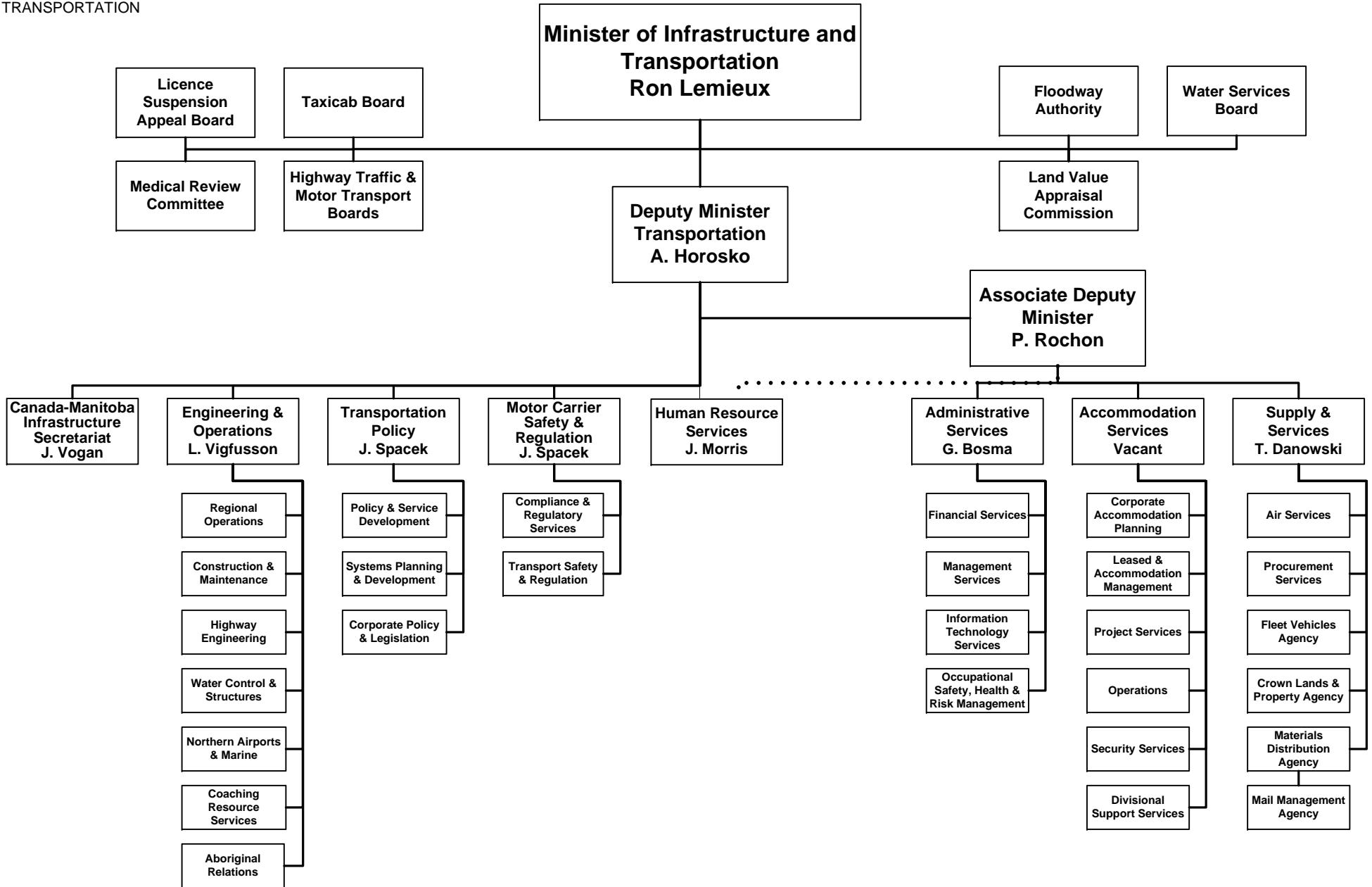
Andrew T. Horosko
Deputy Minister



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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, and financial performance and variances; and provides a five-year historical table of departmental expenditures and staffing. Expenditure and revenue variance explanations are also contained in the Annual Report.

Mandate

Establish, manage, operate, advise and coordinate funding for public infrastructure and services that;

- maximize the value and potential of public investments
- support community and economic growth
- support efficient and secure trade
- are safe, sustainable and accessible
- provide a quality customer experience
- improve quality of life

Vision

Safe and efficient public infrastructure and services that support the sustainable social and economic growth of Manitoba and its communities.

Infrastructure and Service Stewardship

Infrastructure Stewardship

MIT is directly responsible for over \$11 billion in infrastructure assets:

- **Provincial Highways:** Approximately \$5.6 billion in 19,000 km of roads which include: structural pavement (8 300 km), asphalt surface semi-pavement (4,700 km) and gravel roads (6,000 km).
- **Highway Bridges:** Approximately \$2.3 billion in provincial highway bridges (1,250) and large culverts (1,150).
- **Water Control:** \$1.0 billion in: agricultural drains (5,472 km), crossings over drains (3,350), diking (378 km and 25 encircling communities), dams (100, 61 with reservoirs), pumping stations (41), and diversions (9, including the Red River Floodway).
- **Winter Roads:** \$8.2 million invested in 2,200 km of winter roads constructed annually.
- **Accommodations:** Approximately \$1.0 billion in 7.3 million square feet of government accommodations (3.7 million square feet of office and 3.6 million square feet of special use facilities).
- **Transportation Buildings:** Approximately \$3.0 million in 560 highways workshop and storage facilities.
- **Northern Airports:** Approximately \$200.0 million in land, buildings, runways and equipment in 24 northern remote airports.
- **Marine Vessels:** Approximately \$24.0 million in eight (8) marine vessels.
- **Aircraft:** Approximately \$50.6 million in sixteen (16) aircraft providing air ambulance, fire suppression and general transport service.
- **Highway Equipment:** Approximately \$130.0 million in over 2,300 pieces of highway construction, maintenance, and preservation equipment.
- **Fleet Vehicles:** Approximately \$90 million in over 2,900 passenger, light duty and ambulance vehicles.

Manitoba Partnership Funding

Provincial and Municipal Infrastructure: MIT has led provincial responsibility for multi-billion dollar, intergovernmental infrastructure funding partnerships for provincial infrastructure (eg: transportation and Manitoba Floodway) and municipal infrastructure (eg: water and wastewater treatment, recreation and cultural facilities, tourism-related, connectivity, etc.). Municipal infrastructure (Manitoba Water Services

Board and the Canada-Manitoba Infrastructure Secretariat) also entails managing a high profile, external client relationship involving some 250 local governments and their organizations (i.e. Association of Manitoba Municipalities and the Northern Association of Community Councils).

Public Sector Services

MIT provides public sector services as government's procurement, materials and mail agent, Crown lands and property agency, fleet vehicle management agency and specialized air service provider.

Policy and Regulation Services and Management

MIT provides transportation regulation and compliance services and transportation policy, legislation and regulatory management services.

Core Competencies

Infrastructure management in acquisition, establishment, planning, consulting, technical expertise and support, operation, maintenance, preservation and enhancement, and disposal.

Consulting and management services in security, parking, contracts, leasing, construction, accommodation planning, Crown lands and transportation policy and program development.

Internal services that maximize economies of scale and purchasing power including procurement, materials, mail and fleet management.

Regulation, compliance and standards management in road use, building and facility infrastructure, highway construction and public tendering.

Community access services through northern airports, marine operations and Lifeflight air service and air services.

Infrastructure funding coordination and capital planning on behalf of Manitoba owned assets and municipal assets.

Statutory Responsibilities

INFRASTRUCTURE - Accommodations

P300 *The Public Works Act*

This Act provides for public works activities including: acquire by purchase, lease or expropriation; excavate, form; make, build, construct, erect; extend, enlarge; repair, improve; dispose of surplus property. Specific functions include: management, change, and direction and control of:

- Design, construction of all buildings belonging to the government, or as directed by the LG.
- Heating, maintenance and keeping in repair of government buildings, court houses, land titles offices, jails and other public buildings belonging to or controlled by government; psychiatric facilities and developmental centres.
- Control of furniture and fittings for all public buildings belonging to or controlled by government.
- All engineers, firemen, caretakers and other employees necessary for the proper care and maintenance of government buildings and grounds.
- Management of parking areas, traffic control, devices and tags where the stopping, standing or parking of vehicles may be prohibited, permitted, restricted, or reserved.

G80 *The Government House Act*

This Act delegates responsibility for the property management of Government House to the authority responsible for *The Public Works Act*.

Administration (both of the above Acts): Accommodation Services Division.

INFRASTRUCTURE – Manitoba Floodway Expansion

F133 The Manitoba Floodway Authority Act This Act established the Manitoba Floodway Authority as an agent of the Crown, mandated to:

- (a) expand the capacity of the floodway;
- (b) ensure that the expansion is carried out in a manner that provides increased benefits to the community;
- (c) enhance the benefits the floodway will provide to the community; and
- (d) maintain the land and structures that make up the floodway.

Administration: Manitoba Floodway Authority

INFRASTRUCTURE – Municipal and Provincial Water and Waste Water Infrastructure

W90 The Manitoba Water Services Board Act This Act established the Manitoba Water Services Board with the following general objectives:

- (a) the obtaining, development, transmission, distribution and control of water supplies for the domestic use of the people of the province, and
- (b) the collection, treatment and disposal of sewage.

Administration: Manitoba Water Services Board

INFRASTRUCTURE – Transportation and Water Control Works

H40 The Highways and Transportation Act This Act establishes the responsibility of the Minister over provincial highways, airports, and ferries. It provides enabling authority for the Minister to do all things necessary to maintain those transportation facilities including: acquisition or sale of property and materials; tendering construction and repair projects; and entering into agreements with municipalities.

H50 The Highways Protection Act This Act establishes rules for limited access highways and freeways regarding; use of adjacent or contiguous land; construction, location and use of entrances and exits; and erection of structures adjacent or contiguous to limited access highways and freeways. The Act also establishes the Highway Traffic Board and sets out its authority in relation to these highways.

H65 The Highways and Transportation Construction Contracts Disbursement Act This Act sets out the process for payment of holdbacks on highway construction contracts.

T140 The Trans-Canada Highway Act This Act provides authority for the Minister to enter into agreements with the federal government regarding the construction and maintenance of the Trans-Canada Highway within Manitoba.

W70 The Water Resources Administration Act Effective October 2007, responsibility for this Act (except sections 16, 17 and 18) insofar as it relates to the construction and maintenance of water control works, but excluding the planning and direction of water control works, was transferred to the Minister.

Administration (all of the above Acts): Engineering & Operations Division

PUBLIC SECTOR SERVICES – Air Services

G70 The Government Air Services Act This Act provides for the establishment of an internal air service for life flight, fire suppression, aerial photography, and general air transport services.

Administration: Air Service Branch, Supply & Services Division

PUBLIC SECTOR SERVICES – Crown Lands Administration

C340 *The Crown Lands Act*

Sections 1 to 4, 9, 11 to 13.1, 15, 20, subsections 23 (1) and (2), sections 24 to 26, 30 and 34. Sections 5 to 7.1(1), 7.3, 7.6, 8, 14, 16 to 18, 21, 22 and subsection 23(3) as they relate to the disposition of Crown lands and agricultural Crown lands, other than setting fees or rents or issuing work permits were assigned to the Minister effective April 1, 2006.

Administration: The provisions are administered by the Crown Lands and Property Agency (CLPA) also established on that date. Conservation & MAFRI have responsibility for the remaining sections.

L40 *The Land Acquisition Act*

This Act enabled the establishment of the Crown Lands and Property Agency Special Operation Agency (from the former Land Acquisition Branch) to manage the purchase, acquisition or expropriation of land required by a government authority and to provide land appraisal services.

P20 *Provincial Parks Act*

Sections 1 and 16, subsection 21(1), section 22, clauses 32(b), (f), (i), (j), (k), 33(u) and subsection 34(1) of the Act and the Debt Certificate Regulation, M.R. 140/96 under *The Provincial Parks Act* provide for the collection of fees or levies by way of liens and provisions relating to long term leases and permits for the occupation of Crown land within provincial parks.

W140 *The Wild Rice Act*

Sections 1 and 2, subsection 8(2), 10 to 13, 15, 16, 18 to 23 and clause 31(e) under *The Wild Rice Act* that provide the authority to issue licenses and permits under the Act and shared responsibility for other provisions relating to such licenses and permits administered by the CLPA.

Administration (all of the above statutes): Crown Lands and Property Agency

PUBLIC SECTOR SERVICES – Procurement Services

G90 *The Government Purchases Act*

This Act provides for the establishment of a purchasing bureau to provide more efficiently for the requirements of the public service.

Administration: Procurement Services Branch, Supply & Services Division

REGULATORY –Driver Licensing and Vehicle Registration

D104 *The Drivers and Vehicles Act*

The Drivers and Vehicles Act is a provincial statute which, effective March 1 2006, established legislative authority for Manitoba Public Insurance (MPI) to deliver driver and vehicle licensing services on behalf of Government. Provisions respecting licensing of drivers and registration of vehicles (both on-road and off-road), as well as the authority of the Registrar of Motor Vehicles in relation to these functions, have been moved from *The Highway Traffic Act* to this statute.

Administration: Manitoba Public Insurance Corporation

REGULATORY –Rules of Operation: On-Road, Off-Road, Commercial Vehicles, Railways and Enforcement (All users)

H60 *The Highway Traffic Act*

This Act addresses issues related to drivers and vehicles and rules of operation on Manitoba roads. Matters related to commercial road use include: motor carrier fitness; enabling authority and areas of jurisdiction for the Motor Transport Board, Licence Suspension Appeal Board, Medical Review Committee, and matters under the purview of the Highway Traffic Board; and the powers of traffic authorities (e.g. municipalities) to control and regulate vehicle traffic on highways within their areas of jurisdiction.

O31 The Off-Road Vehicles Act This Act addresses issues related to the operation of off-road vehicles, including age and licencing requirements for operators, and rules respecting on-road and off-road operation of these vehicles.

R15 The Provincial Railways Act This Act sets out requirements applicable to the licencing and operation of shortline railways operating solely within Manitoba. It also establishes the authority of the Motor Transport Board to licence and regulate shortline railways.

Administration: Transportation Policy and Motor Carrier Safety and Regulation Divisions

REGULATORY – Winnipeg Taxicab Industry

T10 The Taxicab Act This Act sets out the requirements respecting the licencing of taxicabs and their operators within the City of Winnipeg. It also establishes the Taxicab Board and prescribes its authority in relation to taxis and the owners/operators.

Administration: Taxicab Board

Organization

The Department's organization structure is illustrated in the Organizational Chart. It provides for a clear definition of divisional objectives and accountability at each level of program delivery. The role, responsibilities and year-end staffing of the divisions and boards are outlined in the following information.

Administrative Services – 97.75 FTEs

Coordinates the departmental administration and planning process, policies and programs, manages the communication and planning programs and provides for the departmental occupational safety, health and risk management programs.

Develops and administers corporate financial policy and oversight, provides centralized accounting services, financial planning and review services, financial reporting services, and administers the accommodation cost recovery program.

Provides human resource management services in the areas of training, career counselling, resource planning, job classification, labour relations, staffing, and payroll and benefits administration.

Coordinates information systems activities within the department to ensure appropriate deployment of related resources in addressing management information needs.

Provides administrative oversight for the Highway Traffic and Motor Transport Board, the Taxicab Board, the License Suspension Appeal Board and the Land Value Appraisal Commission, and provides for the Lieutenant-Governor's Office expenses.

Highways and Transportation Programs – 637.78 FTEs

Provides central management services and specialized functional support in contract administration, design and engineering to the Department's construction, maintenance and preservation programs, water control and structures, winter roads, waterway maintenance and municipal assistance programs.

Provides for safe movement of vehicular traffic on Manitoba roads by the enforcement of safety regulations.

Provides program management, planning and highway design to support the development of the primary and secondary road system.

Provides for the operation and maintenance of provincial airports and ferries in Northern Manitoba.

Provides technical services in materials engineering activities and traffic engineering.

Provides policy advice, planning, research and co-ordination for all modes of freight and passenger activity. Provides federal/ provincial, inter-provincial and industry liaison.

Provides funding to Manitoba Public Insurance for the licencing of drivers and vehicles and collects revenues provided for in *The Highway Traffic Act*.

Regulates motor carriers, administers *The Highway Protection, Highway Traffic and Off-Road Vehicles Acts*; provides an appeal procedure for citizens whose driving privileges have been suspended; and regulates taxicab, limousine and handivan licencing within the City of Winnipeg.

Government Services Programs – 663.76 FTEs

Provides safe, quality and sustainable working environments for the delivery of public programs through acquisition, planning, project management, design and engineering, parking and security services.

Provides coordination and monitoring of accommodation projects through utilization of internal and external professional and technical services for planning, design, leasing and construction management.

Provides a technically and logistically integrated infrastructure improvement plan in support of a safe, quality and sustainable portfolio.

Provides operations and maintenance for government departments and agencies occupying space in owned or leased buildings where Accommodation Services Division is the service provider.

Provides for the acquisition, renewal and monitoring of leased facilities within the Accommodation Services Division portfolio, and provides commercial and real estate expertise with respect to accommodation related issues.

Provides accounting, contracting, and administrative support services for the Division and provides for the delivery of contracted janitorial and food services at selected locations in most government buildings.

Provides overall government accommodation strategy through short and long range planning.

Administers contracts for construction requests for service related to the provision of government accommodation, including contracted janitorial and food services at selected locations in most government buildings.

Provides for charging the cost of owned and leased space to the tenant that occupies the space.

Provides corporate procurement of goods and services to all government departments and agencies.

Provides specialty air transportation services including Lifelight Air Ambulance, aerial surveillance and forest fire suppression, air transportation of personnel and cargo, and co-ordination and certification of government charter flying in private sector aircraft.

Provides materials management services, including common supplies, home care equipment and related maintenance, and redistribution or disposal of surplus assets, in addition to mail.

Provides comprehensive land management services, including administration of Crown land dispositions, appraisal, acquisition, expropriation and disposal of surplus property.

Provides complete vehicle management and maintenance services including mobile and radio services.

Infrastructure Works – 1,166.61 FTEs

Provides for the maintenance of Manitoba's primary and secondary road systems.

Provides for the rehabilitation/preservation of the Provincial Trunk Highway System and the Provincial Road System.

Provides for roadwork projects in Local Government Districts and Unorganized Territories that are a mix of projects financed 100% by the Province and projects financed on a 50/50 basis between the Province and the Local Government Districts.

Provides funding for a variety of transportation related capital projects.

Provides funding for the administration, construction and maintenance of the winter road system.

Provides annual maintenance service to water and flood control works.

Manitoba Water Services Board – 25.0 FTEs

Provides field resources to deliver technical advice and information to develop and upgrade sewer and water infrastructure.

Provides operating and capital financial assistance in support of local governments.

Canada-Manitoba Infrastructure Secretariat – 7.0 FTEs

Provides for Manitoba's contributions to the Canada-Manitoba Infrastructure Programs for the construction, renewal, expansion or material enhancement of infrastructure throughout Manitoba.

Lieutenant Governor's Office- 3.0 FTEs

The Administrative Services Division provides a support function to the Lieutenant Governor's Office, managing the finances, including administrative staff salaries, materials and supplies and transportation expenses.

Land Value Appraisal Commission -

Acts as an independent group to review government land purchases and expropriations in accordance with *The Land Acquisition Act* and *The Expropriation Act*. The Commission determines and certifies due compensation for the acquisition of land by any designated authority with the power of purchase or expropriation. A Commission hearing can be initiated by the acquiring authority or the landowner.

2007/2008 Sustainability Report

The Sustainable Development Act was proclaimed in July 1998. Sustainability is looking at any activity and making decisions with three lenses – the natural environment, the economy and social well-being. The Act is explicit in setting out principles and guidelines that flesh out the three dimensions of sustainability.

Sustainability is meeting the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable development is the all inclusive and overriding concept or philosophy that encompasses activities commonly associated with climate change, the Kyoto Accord, greening, and community economic development.

In accordance with *The Sustainable Development Act*, Manitoba Infrastructure and Transportation has integrated reporting of sustainable activities into the department's annual report. In doing so, MIT contends that individual activities being reported take into account the code of practice, financial management and procurement guidelines of the Act.

Objective/Mandate

- Integrate sustainable development principles and guidelines into all aspects of the department's programs and activities.
- Maintain the department's leadership in sustainable activities at a provincial and national level.

Activity Identification

- Partner with other levels of government and the private sector to achieve sustainable goals and objectives.
- Research improved design and construction processes and materials that use less non-renewable resources and minimize the impact on the environment.
- Build and maintain a sustainable transportation infrastructure that reduces the impact on the environment, reduces emissions and keeps communities viable.
- Implement and communicate sustainable development procurement policies and practices to government and the business community.
- Establish specifications and corporate standards for procurement of environmentally preferred goods.
- Contribute to the government's Community and Economic Development (CED) initiative.
- Adhere to recognized sustainable (green) guidelines and standards for the portfolio of buildings under MIT's jurisdiction (construction, renovation, maintenance, leasing, and energy management).
- Educate and encourage client departments and agencies on environmentally friendly vehicle and fuel options suitable to their program needs.
- Implement recycling and waste diversion systems in the portfolio of buildings and facilities under MIT's jurisdiction.

2007/2008 Continuing Programs

During 2007/2008, Manitoba Infrastructure and Transportation continued to:

- Construct additional impermeable salt storage sheds bringing its road salt management activities closer to the anticipated 2010 deliverable to have all salt storage sheds throughout the province constructed or replaced (impermeable).
- Relocate ice roads (winter roads) to land based routes. Relocation of ice roads improves safety, addresses environmental concerns with ice crossings, and provides the basis for possible all weather routes in future.
- Promote the use of bituminous C, which uses more localized aggregate materials and less asphalt, thereby consuming less non-renewable resources.
- Use Aqua-Barriers (temporary cofferdam structure). Aqua-Barrier provides an economical, effective, environmental friendly and safe alternative to conventional earth cofferdam.
- Collaborate with the University of Manitoba to develop highway embankment stabilizing techniques that minimize the need to acquire right-of-way, thus minimizing destruction to vegetations and habitats.
- Recycle its used oil, filters, plastic containers, and anti-freeze (Mechanical Equipment Services).
- Manage energy usage in its building portfolio with the continuing sustainable benefits: reducing energy consumption; reducing use and dependency of non renewable energy sources; improved occupancy comfort; and cost savings or cost avoidance.
- Upgrade the Direct Digital Control (DDC) system in facilities and new installations.
- Offer green products to government sector clients (Materials Distribution Agency).
- Recycle toner cartridges, furniture, equipment and supplies (Material Distribution Agency).
- Engage key stakeholders in government to advance sustainable procurement related initiatives.
- Achieve a high participation level by MIT employees in Commuter Challenge.
- Upgrade the Products Standards List (highway usage). Evaluation and description identifies environmental properties of construction and maintenance materials.
- Conversion of traffic signals (LED conversion).

For the second year the department retained the services of a Canada Fisheries and Oceans biologist through a Canada-Manitoba Interchange Program, to improve working relationships and education with Canada Fisheries and Oceans.

Specifications for new construction of highways storage yard buildings will require use of Energy Star rated electrical components. Heating systems are being converted from oil and propane to electric energy sources.

2007/2008 Service Volumes

2007/2008 Sustainable Activities Data	
36	Hybrid-electric vehicles (total number in provincial fleet), with 20 additional units on order for arrival during the first quarter of 2008/2009
418	E85 flex fuel vehicles (total number in provincial fleet), with 43 additional units on order for arrival during the first quarter of 2008/2009
16%	Provincial fleet vehicles that are environmentally friendly

Specific Sustainable Development activities can also be found in the body of the Annual Report.

Administration and Finance

Mandate:

- Coordinate the Departmental administration, planning process, policies and programs, manage the information resources, corporate communications and strategic planning services for the Department, and provide department-wide occupational safety and health and risk management programs.
- Develop and administer corporate financial policy and oversight, provide centralized accounting services, financial planning and review services and financial reporting services and administer the accommodation cost recovery program.
- Provide human resource management services in the areas of training, career counselling, resource planning, job classification, labour relations, staffing and payroll and benefits administration.
- Coordinate information systems activities within the Department to ensure appropriate deployment of related resources in addressing management information needs.
- Provide administrative oversight for the Highway Traffic and Motor Transport Board, the Taxicab Board, the License Suspension Appeal Board, pay indemnities for the Land Value Appraisal Commission and provides for Lieutenant Governor's Office expense.

Minister's Salary

The sub-appropriation provides for the additional compensation to which an individual appointed to the Executive Council is entitled.

1 (a) Minister's Salary

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
Salaries & Employee Benefits	42.1	1.00	31.0	11.1	

Executive Support

Executive Support provides for office expenses and all support staff of the Minister together with the Deputy Minister, Associate Deputy Minister and their support staff. They provide policy, program development, and executive management direction and monitoring for the Department.

1 (b) Executive Support

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	834.7	12.00	931.5	(96.8)	
(2) Other Expenditures	121.2		123.3	(2.1)	
Total Sub-Appropriation	955.9	12.00	1,054.8	(98.9)	

Administrative Services

Objective/Mandate

The Administrative Service Branch monitors and evaluates policies, systems and procedures. The Branch also meets the needs of internal clients for planning, information management, administrative policy and project support.

Activity Identification

Provide corporate management direction through the Office of the Executive Director, Administration and Finance.

Provide internal client services in the following areas:

Coordinate annual departmental planning activities, as well as integrating performance measurement activities.

Manage the development and coordination of the Department's major information documents and records, including annual plans, briefing books and accomplishment reports.

Provide internal and external communication services and support, manage communication items such as the Department's internet-intranet presence, the departmental newsletter, speaking notes and coordinated responses to information requests.

Lead the development of administrative policies and procedures as required, and provide specialized administrative services such as FIPPA management.

Provide project management services (facilitation, coordination, report preparation).

2007/2008 Service Volumes

39	FIPPA requests completed
234	Public enquiries received and responded to via the internet website
257	Internal web work orders completed

1 (c) Administrative Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	712.5	11.00	685.3	27.2	
(2) Other Expenditures	346.9		212.8	134.1	1
Total Sub-Appropriation	1,059.4	11.00	898.1	161.3	

Explanation:

1. Over expenditure due to a consulting contract for the development of an Information Response System Business Unit.

Financial Services

Objective/Mandate

The Financial Services Branch maintains an active comptrollership function by ensuring that financial and administrative policies, services and reporting systems are developed and administered to effectively meet management and internal requirements. The Branch also provides central financial management services in accordance with governing legislation and establishes financial administration policies and procedures.

Activity Identification

Manage the departmental financial administrative processes and oversight function through management, comptrollership, accounting services, asset accounting, financial planning and review, as well as managing the provincial accommodation cost recovery system (ACRS).

Provide comptrollership services including controlling, compliance and attest auditing, planning, advice/challenge services, archiving and training.

Provide accounting services for the processing of financial documents, appropriation control, general ledger accounting, functional direction and financial systems development support.

Provide asset accounting for the Department's general and infrastructure assets.

Provide financial planning and review for the compilation of the estimates and cash flows, budget analysis and a corporate review/challenge role.

Maintain key activities essential to fulfilling requirements under *The Financial Administration Act*, *The Appropriations Act(s)*, Treasury Board directives, and central government and departmental policies.

Maintain an accommodation cost recovery system with regular updates to reflect applicable rates used to process accommodation charges government wide.

2007/2008 Highlights

Supported the analysis and review of the organizational and financial functions within the Department.

The ongoing implementation of comptrollership functions to ensure that financial and administrative policies, services and reporting systems are compliant with the corporate comptrollership practices and requirements.

Continued improvements to departmental financial forecasting and reporting processes.

The branch assisted in ongoing staff training, process analysis and procedures and system development.

The ACRS program was integrated with the Real Estate module in SAP, providing for more efficient allocation of accommodation costs.

2007/2008 Service Volumes

<i>2007 2008 Financial Services Activities</i>	
<i>299</i>	<i>Creation of new assets with an approximate value of \$254 million</i>
<i>8</i>	<i>Federal cost shared agreements managed</i>
<i>369</i>	<i>Contracts managed within the Contract Holdback System</i>
<i>5,450</i>	<i>Accounts Receivable invoices processed</i>
<i>1,108</i>	<i>Parking Passes managed</i>
<i>74,686</i>	<i>Accounts Payable Invoices processed</i>

1 (d) Financial Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	1,055.4	19.00	1,169.4	(114.0)	
(2) Other Expenditures	397.5		376.7	20.8	
Total Sub-Appropriation	1,452.9	19.00	1,546.1	(93.2)	

Human Resource Services

Objective/Mandate

The Human Resource Services Branch effectively meets the human resource needs of the Department through the provision of comprehensive human resource programs, payroll and benefits administration, employee information systems, workforce renewal and employment equity and diversity initiatives.

Activity Identification

Provide professional expertise to the Department in the areas of human resource planning, training and development, recruitment and selection, classification, labour relations, employee relations, and pay and benefits documentation and administration.

Represent the Department in collective agreement bargaining with the Manitoba Government Employees Union (MGEU) and the Organization of Professional Engineers Employed by the Province of Manitoba (OPEEPM). Provide consultation and expertise in the areas of organizational design and change management.

Represent the Department in all human resource initiatives with central/external agencies.

2007/2008 Highlights

In MIT, a total of 402 students were hired during the 2007-08 fiscal year. Of these students, 104 were registered in the Co-op Step program through the Department of Education for positions in the various regions and head office branches of the Department. A total of 65 co-op students were hired through the Civil Engineering Co-op Program at the University of Manitoba, and the Civil Technology Cad/Co-op Program at Red River College. Students were also hired from Engineering Access Program (Engap) at the University of Manitoba and the Integrated Science and Technology Access Program at Red River College, in support of the Department's Employment Equity and Diversity Program. Of the 402 students, 57 were Aboriginal and 18 were Visible Minority.

Provided guidance and advice to management on labour relations, including appropriate discipline and negotiating settlements, to resolve issues before the formal grievance stage.

Maintained payroll records for 3,420 employees, and maintained comprehensive attendance and payroll information on the corporate human resource/payroll system (SAP).

Provided counselling and information on retirement, death benefits, long term disability and lay-off to employee/family members.

Approximately 374 staff attended various training programs offered through the Civil Service Commission, Organization and Staff Development program. A total of 685 courses were taken.

Approximately 50 days of in-house training was offered to staff.

2007/2008 Service Volumes

<i>2007/2008 Human Resource Staffing Activities</i>	
521	<i>Competitive appointments completed (445 Open, 30 Internal, 46 Closed)</i>
42	<i>Direct appointments processed</i>
172	<i>Term extension approvals arranged and processed</i>
762	<i>Position classification reviews</i>
1	<i>Group classification</i>
37	<i>Grievances including 2 Group, 3 Policy, 1 Classification Appeal, 7 Selection Appeals, There was 1 Human Rights Complaint.</i>

2007/2008 Variances

There is a noted increase in recruitment activity over the past year. This is directly attributed to the increase in our retirement rate.

1 (e) Human Resource Services

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08		2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries & Employee Benefits	1,778.4	27.75	1,819.0	(40.6)	
(2) Other Expenditures	237.2		316.6	(79.4)	
Total Sub-Appropriation	2,015.6	27.75	2,135.6	(120.0)	

Information Technology Services

Objective/Mandate

The Information Technology Services Branch (ITSB) identifies, defines and manages automated and related manual information exchange and processing systems that meet the Department's business needs.

Activity Identification

ITSB provides information management and project management support to all branches and business units in the Department. The Branch supports business units from the conception of a business improvement opportunity or from the identification of a new or changed business requirement through implementation of an appropriate solution.

Identification, definition and analysis of business improvement initiatives – business/technical consulting, business process review, project management, business planning, risk management.

Prepare departmental information and communication technology system plans.

Provide consultative services to senior management and business units.

Conduct business process analysis and recommend changes or improvements as appropriate.

Define and manage the provision of automated information systems and equipment for the Department.

Provide policy direction and training to staff for business systems management.

Provide data stewardship and general security awareness as it applies to information and communication technology within the Department and within the Government.

Work closely with the Department of Science, Technology, Energy and Mines to coordinate the delivery of central services application development, implementation and maintenance services.

2007/2008 Highlights

Implemented the first Phase of the Highway Inventory System.

Improved the Road Information System services to the public by initiating enhancements and upgrades to the technical infrastructure. Identified opportunities and developed business requirements for additional services to the public for accessing road information more easily and from more locations.

Developed improvements to the Electronic Briefing Book (briefing notes) for use by the Department. Briefing notes are updated prior to each sitting of the Legislative Assembly.

Implemented and automated permitting system for issuing permits for over-weight and over-dimension vehicles and loads on Manitoba routes.

A pilot of the Department's Road Weather Information System was implemented.

2007/2007 Variances

Implemented automated vehicle routing on selected Manitoba routes. The remaining routes need to be implemented for complete system implementation.

1 (f) Information Technology Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	2,734.1	17.00	3,057.6	(323.5)	
(2) Other Expenditures	455.5		815.8	(360.3)	1
Total Sub-Appropriation	3,189.6	17.00	3,873.4	(683.8)	

Explanation:

1. Lower expenditures for computer equipment, software licenses and maintenance agreements.

Occupational Safety, Health and Risk Management

Objective/Mandate

The Occupational Safety, Health and Risk Management Branch (OSHRM) is mandated to 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.

Management of risks to the Department's infrastructure and physical assets.

Activity Identification

Research, develop and maintain workplace safety, occupational health and risk management programs, policies and procedures

Provide consultative and support services in workplace safety, occupational health and wellness, accident and injury claims management, and risk management programs.

Conduct COR (Certificate of Recognition) Safety Program Audits to ensure full compliance with applicable federal and provincial workplace safety and health acts and regulations. Facilitate the implementation of required COR training.

Develop and implement musculoskeletal programs and supporting training curriculum.

Report on departmental sustainable development activities.

Facilitate the development of the Department's Business Continuity Plan.

2007/2008 Highlights

Workplace incident investigation protocols successfully piloted in the previous fiscal year were adopted and are being rolled out to all MIT programs

A steering committee was established to address musculoskeletal injuries and oversee the development and implementation of musculoskeletal programs and training in all administrative and operational program areas.

Ten departmental programs successfully completed COR (Certificate of Recognition) audits.

Qualifications and responsibilities of two existing positions were rewritten to reflect the higher degree of knowledge and experience required to manage workplace safety, health and risk management programs.

2007/2008 Variances

Following development of the Maintenance Career Training Program, the Special Operations Branch assumed responsibility for delivery of the program.

Responsibility for sustainable development activities was amended to that of a consultative and reporting role.

2007/2008 Program Statistics and Service Volumes

2007/2008 Program Activities	
264	Claims - damages to MIT's property or third party property
191	Worker Compensation Board Claims
144	Training Sessions and Workshops – statutory and regulation adherence
10	COR (Certificate of Recognition) audits

2007/2008 Injury Statistics *	
204	Incidents – Injuries with no medical attention or lost time
81	Recorded Doctor – Injuries involving medical attention, with no lost time
110	Lost Time Claims – Injuries involving medical attention, with lost time

2007/2008 Work Days Lost and WCB Costs **	
2,323	Work Days Lost
\$1,366,192.58	WCB Costs

* Incidents increased from previous years due to:

- 1) an increased awareness of prompt reporting of incidents
- 2) merger of Water Stewardship programs into Manitoba Infrastructure and Transportation

** WCB Costs have increased by \$93,524.35 due to:

- 1) South Indian Lake WCB claims
- 2) settlement pension payout claims

** WCB costs include:

wage loss, medical and rehabilitation expenses, disability pensions, and administration less paid to WCB

1 (g) Occupational Safety, Health and Risk Management

Expenditures Sub-Appropriation	Actual	Estimate		Variance	Expl. No.
	2007/08	2007/08	2007/08	Over(Under)	
	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries & Employee Benefits	350.0	7.00	435.0	(85.0)	
(2) Other Expenditures	107.2		79.6	27.6	1
Total Sub-Appropriation	457.2	7.00	514.6	(57.4)	

Explanation:

1. Over expenditure due to employee relocation costs as well as increased operating costs.

Lieutenant Governor's Office

Objective/Mandate

The Administrative Services Division provides a support function to the Lieutenant Governor's Office. The Division manages the finances of the Lieutenant Governor's Office, including administrative staff salaries, materials and supplies and transportation expenses.

1 (h) Lieutenant Governor's Office

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	187.8	3.00	197.4	(9.6)	
(2) Other Expenditures	98.6		102.6	(4.0)	
Total Sub-Appropriation	286.4	3.00	300.0	(13.6)	

Land Value Appraisal Commission

Objective/Mandate

The Land Value Appraisal Commission is an independent tribunal which determines the due compensation payable for government land purchases and expropriations. Its operation is governed by *The Land Acquisition Act*, with respect to government purchases, and by *The Expropriation Act*, with respect to expropriations.

The Commission's expropriation compensation decisions are binding on both the expropriating authority and landowner(s). Decisions on matters of fact and law are appealable to the Court of Appeal. The Commission's *Land Acquisition Act* decisions are binding on the acquiring authority, but not on the landowner(s).

As of March 31, 2007 the Commission had 42 outstanding applications. For the period April 1, 2007 to March 31, 2008, the Commission received 37 applications under *The Land Acquisition Act* and *The Expropriation Act*. The applications are as follows:

	<u>Received</u>	<u>Closed</u>	<u>Outstanding</u>
<i>Land Acquisition Act</i>	27	30	1
<i>Expropriation Act</i>	10	11	37

The Commission closed a total of 41 files. Of the 41 files, 6 were withdrawn, 35 were issued Certificates. A total of 36 certificates were issued, of which 32 Certificates were issued for Agreements/Offer to Settle and Conditional Releases, and 4 Certificates were issued for 3 contentious cases. This leaves the Commission with 38 outstanding applications (1 under *The Land Acquisition Act*, 37 under *The Expropriation Act*).

The Commission held Public Hearings in connection with land being acquired by Crown Lands and Property Agency (formerly Land Management Services) for Manitoba Infrastructure and Transportation, Manitoba Floodway Authority, Manitoba Water Stewardship, Manitoba Conservation, and the City of Winnipeg.

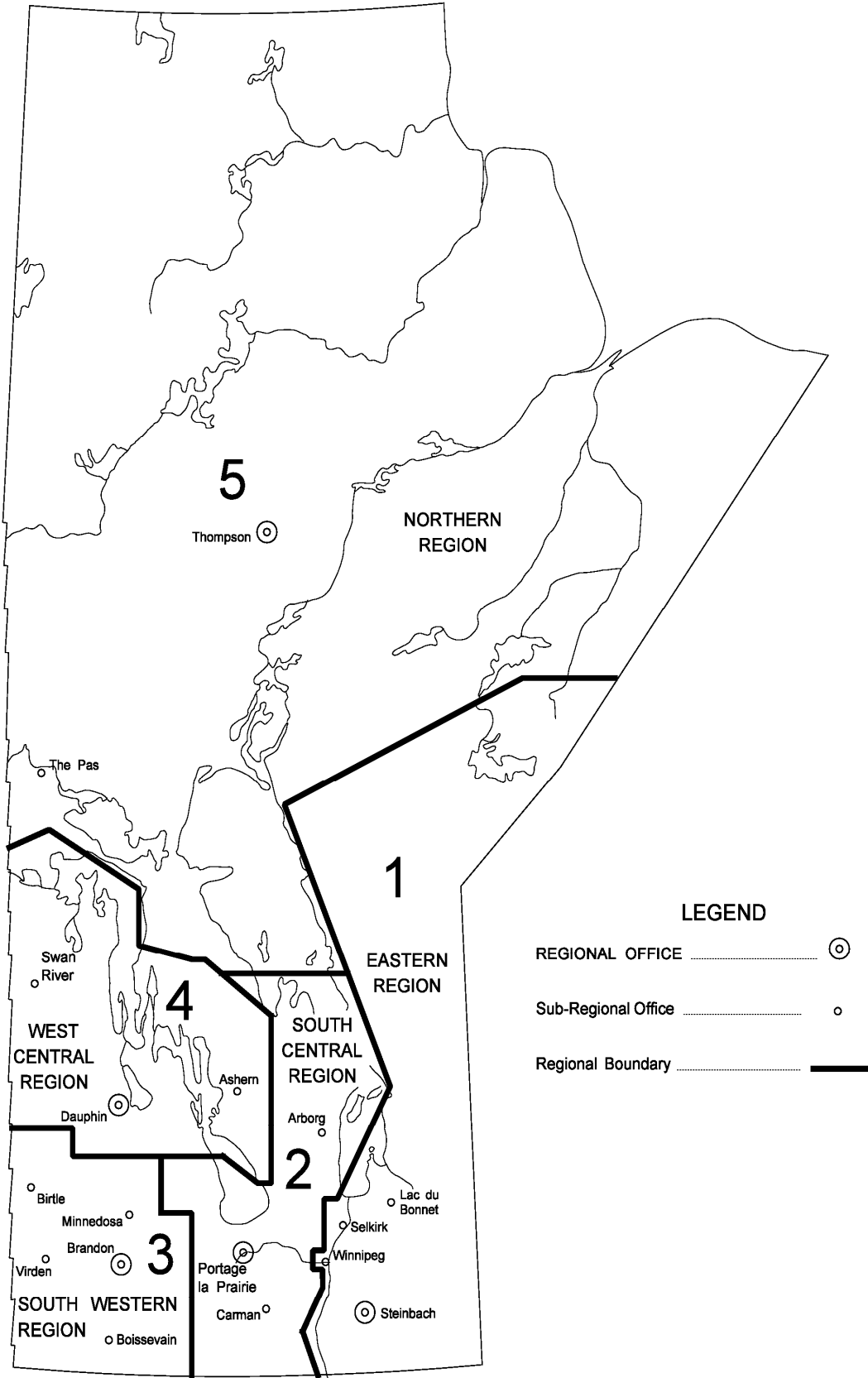
The Director of Crown Lands and Property Agency is empowered to accept agreements on which settlements of less than \$5,000.00 are reached with owners. The Commission, in an administrative rather than adjudicatory role, reviews land transfer agreements, referred by Land Management Services. There were a total of 22 properties covered in this category.

The Commission issues its reasons for decisions, which are reported in the "Land Compensation Reports", published by the Canada Law Book Inc.

1 (i) Land Value Appraisal Commission

Expenditures	Actual	Estimate	Variance	Expl.
Sub-Appropriation	2007/08	2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	
Other Expenditures	17.4		27.4	(10.0)

REGIONAL MAP



Highways and Transportation Programs

Mandate:

- Provide central management services and specialized functional support in contract administration, design and engineering to the Department's construction, maintenance and preservation programs, water control and structures, winter roads, waterway maintenance and municipal assistance programs.
- Provide for safe movement of vehicular traffic on Manitoba Highways by the enforcement of safety regulations.
- Provide program management, planning and highway design to support the development of the primary and secondary roads system.
- Provide for the operation and maintenance of provincial airports and ferries in Northern Manitoba.
- Provide technical services in materials engineering activities and traffic engineering.
- Provide policy advice, planning, research and co-ordination for all modes of freight and passenger activity. Provide federal/ provincial, inter-provincial and industry liaison.
- Provide funding to Manitoba Public Insurance for the licencing of drivers and vehicles and collects revenues provided for in The Highway Traffic Act.
- Regulate motor carriers, administers The Highway Protection, Highway Traffic and Off- Road Vehicles Acts; provides an appeal procedure for citizens whose driving privileges have been suspended; regulates taxicab, limousine and handivan licencing within the City of Winnipeg.

Division Executive Office

Objective/Mandate

The Division Executive Office provides management and policy direction to the Engineering and Operations Division. It also ensures the effective and efficient delivery of the Department's construction, maintenance, preservation and municipal assistance programs throughout the province. In addition, the Office ensures the effective and efficient delivery of the ferry service, provincial airport programs and water control operations. Also, it establishes effective environmental standards for use of resources and materials, as well as appropriate design and operational standards for all Department infrastructure.

Activity Identification

Coordinate strategic planning for Division.

Corporate quality assurance function for written correspondence, program cost information, and various other budgeting/tracking responsibilities.

Identify needs/priorities for organizational structure changes, program focus, and positive corporate culture development within the Division.

Coordinate media responses and political issues management strategies for the Division.

Provide leadership and direction to the Engineering and Operations Division in accordance with the business goals of government; and by participating in the executive management of the Department.

Provide management of the Department's:

- road construction, maintenance and preservation programs delivered through the five regions and applicable Divisional Executive Office support branches;
- water control and structures maintenance, preservation and construction programs; and,
- provincial airport system and marine operations.

Provide administrative support to Branch managers.

Provide a coaching resource in leading and prompting the work of individuals in the areas of leadership skill development and performance based learning & development for the Division.

Monitor effectiveness of standards, services and facilities within the jurisdiction of the Division.

Provide staff development by establishing coaching, mentoring and training programs to meet the needs of the Department and the expectations of employees.

2007/2008 Highlights

The Division successfully completed the rebuilding of the Senior Divisional Management Team, associated with retirements and promotions. Two (2) Director of Regional Operations; Director of Traffic Engineering, four (4) new Construction Engineers and three (3) new Technical Services Engineers were recruited to provide senior management expertise.

The Division lead an Engineering Services Review on behalf of Treasury Board. Engineering Services across government were reviewed with the intent of recommending improvements in service delivery. Treasury Board accepted a report on this initiative, which resulted in a number of recommendations as to how to move forward including:

- Identify and prioritize existing engineering vacancies and new engineering positions;
- Develop a more aggressive marketing, recruitment, and retention plan for engineers;
- Develop of a Project Management Team within MIT using existing resources;

- Engage departments to develop a process to forecast engineering requirements and a program for sharing engineering resources on a project specific basis;
- Engage departments to develop a process to streamline consultant engagement process & provide increased delegated authorities; and,
- Submit overall Progress Report.

2007/2008 Service Volumes

	<u>Budget</u>	<u>Yearend Actuals</u>
Capital (includes Federal funding)	\$239.4M	\$231.9M
Preservation	\$59.8M	\$56.6M
Winter Roads	\$8.2M	\$8.4M
Maintenance	\$101.0M	\$103.8M

The annual highway and bridge budget has increased by over 50 per cent since 2006-07 at a new record high of \$400 million. MIT met the targeted budget and reported the highest expenditures ever to date.

Some major capital projects in 2007/08 included:

- CNR overpass on TransCanada Highway at Portage la Prairie
- PTH 75 –reconstruction of north and southbound lanes
- TransCanada Highway 1 twinning to Saskatchewan border (federal-provincial cost-shared)
- PTH 59 North- completed twinning to Ile des Chenes
- Northeast Perimeter (PTH 101) upgrading from PTH 1 East to south of PTH 15
- PR 373 and PR 374 – continuation of upgrading
- PTH 6 – paving, widening and upgrades of specific portions
- PTH #2 – repaving and structure upgrades/rehabilitation
- \$50 million for bridges/structures

2007/2008 Variances

Reorganization was completed to enable the Division to move forward in a time of significantly increased funding, increased public expectations, and ongoing retirement of senior staff.

2 (a) Division Executive Office

Expenditures	Actual	Estimate	Variance	Expl.
Sub-Appropriation	2007/08	2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	
(1) Salaries & Employee Benefits	888.5	12.00	901.1	(12.6)
(2) Other Expenditures	143.6		113.2	30.4
Total Sub-Appropriation	1,032.1	12.00	1,014.3	17.8

Operations and Contracts

Objective/Mandate

Operations and Contracts and its four branches provides specialized internal services and support to ensure the timely and effective delivery of the construction, maintenance and preservation programs in accordance with consistent standards, specifications and procedures.

Activity Identification

Contract Services provides expert service and advice to develop standards/policies that form the framework for regional staff and other branches to work under, with respect to contract administration and the procurement of materials and services for construction, preservation, and maintenance projects throughout the Province. Contract Services also provides the administration for the provincial winter road program which provides seasonal land access to remote northern communities in Manitoba.

Construction Support Services provides expert technical service, advice, support and training for the department's construction, maintenance and airports staff in a manner which incorporates quality, sustainability, fairness and consistency along with the protection of the public interest. Our vision is to explore new and innovative ways to become more effective and efficient by modifying systems and processes that improve our services. Construction Support Services also provides specialized internal services and support to ensure the timely and effective delivery of the construction, maintenance and preservation programs in accordance with consistent standards, specifications and procedures.

Operational Services provides provincial maintenance operations and road preservation with the framework of business policies and procedures, management tools and supporting technologies. Co-ordinate the highway condition information to the public stakeholders.

Special Operations organizes, manages and provides the services of specialty crews comprised of over 150 seasonal office and field staff operating specialized equipment to complete highway preservation and maintenance work in the areas of seal coat, asphalt mixing, pavement marking, bridge maintenance and route and seal. Special Operations represents the Department in Emergency Preparedness with EMO coordinating the department's response when any emergency incidents arise.

2007/2008 Highlights

Contract Services

Several of the Divisions construction specifications were updated jointly with the Manitoba Heavy Construction Association. Reviewed and processed a 20% increase in bonded contracts as compared to 2006/2007. Prepared the annual and multi-year Preservation and Capital construction programs respectively. Fiscal year 2007/2008 was the first year that Contract Services was responsible for the administration and delivery of the provincial winter road program which was conducted successfully.

Operational Services

Provincial Road Initiatives

Installed 5 Road Weather Information Systems. Sites are at PTH 1 (Kirkella Rest Area), PTH 1 and PTH 13(Oakville), PTH 1 and PTH 207(Deacons' Corner), PTH 75 and PR 305 (Ste. Agathe) and PTH 75 and PTH 14(Letellier). These sites provide visual and road temperatures along with atmospheric data to our internal staff.

Provide Maintenance Management System setup and support to over 100 locations throughout the province.

Prepare the annual Provincial Maintenance Program.

Highway Condition Information is available by recorded message 24 hours a day at 945-3704 or toll free at 1-877-627-6237. Messages are updated 24 hours a day, 7 days a week from mid-October to mid-May and 5 days a week (24 hours) between mid-May and mid-October. Highway condition information can

also be obtained on the Internet at <http://www.gov.mb.ca/roadinfo>.

Construction Support Services

Training Development and Recruitment Section (TDR)

Co-op Education Programs

A total 126 students were hired as part of TDR's Civil Engineering, Civil Engineering Technology/Technician Co-op Education Program, and High School initiatives, including Engineering Access Program (EngAP) at the University of Manitoba and the ACCESS Civil Engineering Technology Program at Red River College, in support of the Department's Employment Equity and Diversity Program.

As part of the High School Initiative, TDR developed a High School Sponsorship program for Northern and rural students participating in the High School Initiative, five \$1000.00 awards were distributed to assist in furthering their education within the field of civil engineering.

Internal Training

Internal levels of training were re-implemented during 2007/2008, 45 Regional staff completed the self-instructional Level 1(Math, Survey and Materials) and Level 2 (Math) and 179 participated in internal training which included Principles of Management 1 through 3, Materials 2- A, B & C, Survey 2 and Design 3.

Career Fairs and Outreach

TDR organized two large career fair/symposium events in Brandon and Winnipeg respectively with assistance and participation from Department divisions. Smaller regional events were staffed primarily by regional staff with the displays, informational materials and supplies provided and shipped through TDR.

TDR presented and participated in conferences promoting the High School, Co-op, Project Specific and Internal Training Programs throughout the year. These presentations led to contacts with Aboriginal Communities, School Divisions, Post-secondary Institutions and other government departments which are expanding the reach of recruitment programs and strengthening the long term staffing strategy.

Geomatics and Geographic Support

Successfully deployed and trained 6 RTK GPS systems (1 per Region & CSS), deployed and trained 12 robotic total stations, imaged and deployed all new laptops for mapping and survey crews. Wireless network installed in all offices and sub offices of MIT.

Surveyed 4 Northern Airports and 3 bridge sites along with a preliminary survey in Morris using GPS and Robotic Total Stations with multiple crews.

Expanded the survey training program to full week (6) include all equipment and systems MIT uses.

Developed a new Regional Survey Tech user group for information transfer. Also held the first annual survey crew chief conference including Water Control staff.

Quality Assurance

Automated Weigh Scale System

The Automated Weigh Scale system, MISTS (Management Information System for Truck Scales) has been successfully developed and piloted at two MIT worksites and is now in a position to be implemented on a department-wide basis. The MISTS system is designed to work independently at each Scale and Destination Worksite. As such new systems can be set up and configured on a department-wide basis as required.

Geopak/Microstation Support

Continued deployment of Geopak to the Regions along with providing operational support to the Department's Engineering software Geopak, Microstation, TIMS, and associated Bentley products such as Decartes, Rebar.

Development of a discussion forum for users of Geopak, Microstation and TIMS.

Special Operations

Buildings & Storage Yards

Eight salt bins and seven sand sheds in support of the departmental Salt Management Program were constructed.

One Weigh Scale house, two engineering sheds, two equipment sheds, one wash bay, two office quarters and one warehouse building were constructed.

\$771,000 in upgrades and construction to Northern Airports/Marines.

\$152,000 in improved energy efficiency, lighting and heating systems upgrades.

2007/2008 Service Volumes

Contract Services

In 2007/2008, 368 contracts valued at \$ 170.1 Million were awarded for various types of work throughout the Province. This consisted of 102 bonded contracts valued at \$150.3 Million including:

- \$17.0 Million - Aggregate Production Projects
- \$0.3 Million - Airport Projects
- \$13.5 Million – Structures Projects
- \$1.3 Million – Building Projects
- \$12.6 Million – Grading Projects
- \$102.5 Million - Surfacing Projects
- \$0.2 Million – Traffic Projects
- \$2.9 Million – Water Control

As well, 266 non-bonded construction orders valued at \$ 19.8 Million were approved for various road and bridge projects.

309 purchase orders valued at \$ 72.3 million were awarded for the purchase of highway construction and maintenance materials such as asphalt cements, culverts and road maintenance chemicals.

2007/2008 Operational Services Service Volumes	
69	4-H clubs that participated in 4-H annual highway clean up campaign
853	Km of right of way highways cleaned
3,662	Bags of refuse collected
132,026	Calls directed to the Highway Condition Information Office

2007/ 2008 Construction Support Staffing Activities – Service Volumes	
16	Contract Reviews conducted
6	Audits conducted
40	Training – GEOPAK Users
5	GPS purchased \$250,000.
12	Total Stations purchased
80	Laptops replaced

2007/2008 Special Operations Service Volumes	
68,655	Tones of Asphalt Mixing
1,092	Lane kilometres of Seal Coat
252,307	Linear Meters Rout & Seal
4.6	Pavement Marking million dollars spent
\$2.0	Building Program, million dollars spent
\$3.03	Bridge Maintenance Program, Million dollars spent

Annual Planning activities include program scheduling, in concurrence with other Department agencies such as Asset Management's Performance Prediction Technology (PPT) program, Bridge section, maintenance schedule and input from all Regions regarding work needs.

2007/2008 Variances

Contract Services

The Asset Management section of Operational Services was transferred to Contract Services. As well, the winter road program was transferred from the Eastern and Northern Regions to Contract Services.

2 (b) Operations and Contracts

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	3,362.3	52.00	3,273.3	89.0	
(2) Other Expenditures	815.1		768.3	46.8	
(3) Grants/Transfer Payments	59.0		62.5	(3.5)	
Total Other Expenditures	874.1		830.8	43.3	
(4) Less: Recoverable from Other Appropriations	(351.0)		(375.0)	24.0	
Total Sub-Appropriation	3,885.4	52.00	3,729.1	156.3	

Water Control and Structures

Objective/Mandate

Water Control and Structures ensures safe and effective provincial water control infrastructure and structures, through the delivery of inspection, planning, design, maintenance, rehabilitation and construction activities. Responsible for the overall management of infrastructure inventory that includes: 2,068 bridges; 3,470 large culverts; 13,000 thru-dike culverts; 4,700 km of drains; 75 dams; 61 reservoirs; 345 water control structures; 12 diversions; 18 community ring dikes; 425 km of river diking, and 41 pumping stations.

Activity Identification

Design and prepare detailed plans and specifications for water control infrastructure and structures.

Supervise the construction of water control infrastructure and structures, including bridges, grade separation structures, dams, drains, control structures, overhead sign structures, large culverts and other miscellaneous structures.

Rate the capacity of bridges and structures on the highway network and water control network for increased allowable highway loading and special permit overloads.

Manage consulting engineering firms retained by the Department for preliminary, detailed design, inspection and contract administration services related to water control infrastructure and structure projects.

Provide input into and assist in the development of the Department's 5 Year Capital Program based upon inspection and condition assessment of the existing water control infrastructure and structures.

Inspect, monitor, maintain and rehabilitate condition of water control infrastructure and structures, including bridges, overpasses, dams, dikes, large culverts and associated works.

Respond to emergency water control infrastructure and structure issues, such as flooding and emergency repairs.

Provide water control infrastructure and structures technical advice and recommendations to other government agencies and jurisdictions on hydraulics, soils investigation and analysis, structural and related engineering.

2007/2008 Highlights

Successful delivery of:

\$39.6 M structure related Capital Program

\$8.0 M structure related Maintenance and Preservation Program

\$7.6 M Water Related Capital

\$6.6 M Waterway Maintenance

Timely emergent response to 25 structure sites located throughout the province to ensure the safety of the traveling public was provided.

Continue to investigate and utilize innovative materials and technologies where appropriate.

2007/2008 Service Volumes

2007/2008 Water Control and Structures Activities	
6	Preliminary Designs (Hydraulics)
23	Detailed structural designs and associated drawings
28	Structures constructed and/or rehabilitated
980	Detailed structure inspections
24	Engineering service assignments managed
166	Structures rated for load carrying capacity
27	Geotechnical design, soils investigations and monitoring at structure sites
22	Hydrologic assessments completed
47	Environmental submissions made (maintenance – 27; capital – 7; water control crossings - 13)
8	Overhead sign structures constructed, rehabilitated and repaired including bridge mounts
1,700	Overweight permits reviewed

2 (c) Water Control and Structures

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	2,481.1	38.00	3,030.7	(549.6)	1
(2) Other Expenditures	688.3		571.0	117.3	
(3) Less: Recoverable from Other Appropriations	(1,204.7)		(1,204.5)	(0.2)	
Total Sub-Appropriation	1,964.7	38.00	2,397.2	(432.5)	

Explanation:

1. Under expenditure due to staff vacancies.

Motor Carrier Safety and Regulation

Objective/Mandate

The Motor Carrier Safety and Regulation Division enhances public safety through the development, communication and administration of commercial motor carrier regulatory and safety services in a manner that protects highway infrastructure, supports sustainable development, and promotes Manitoba's economy.

Activity Identification

Compliance & Regulatory Services (CRS) develops, administers and monitors programs relative to the commercial motor carrier industry, including vehicle weights and dimensions, Commercial Vehicle Safety Alliance (CVSA) Mechanical Truck Safety Inspection Program, load securement, dangerous goods, licensing, the National Safety Code, and the Spring Road Restrictions Program. CRS develops, issues, and administers oversize and overweight permit policies; collects single trip, fuel tax, permit, and authority fees. CRS also assists in the development and implementation of the annual MIT Spring Road Restrictions Program.

Transportation Safety & Regulation (TSR) maintains a carrier profile system (CPS) that captures data on shortline railroad and motor carrier demographics, vehicles, commodities, dangerous goods, roadside inspections, convictions accidents, liability insurance, investigations and facility audit results. TSR administers a safety fitness test upon entry to the industry for commercial motor carriers and assigns safety ratings through the Safety Fitness Certificate Program. It also provides a comprehensive safety program for monitoring and regulating the performance of short line intra-provincial railways. TSR monitors insurance records for public liability and property damage for motor carriers. TSR delivers a facility audit program to effect improvement of motor carriers' safety operations.

NOTE: The Motor Carrier Safety and Regulation Division underwent a complete reorganization and the two Branches were combined and realigned along program lines to become the MOTOR CARRIER DIVISION.

2007/2008 Highlights

Motor Carrier Division met all performance measures established by Transport Canada in order to qualify for national safety code (NSC) funding.

Implemented the hiring and training of Special Operations personnel to handle the Spring Road Restrictions.

Completed enhancements to the Automated Routing and Permitting System (ARPS) for the delivery of oversize/overweight permits.

2007/08 Service Volumes

Motor Carrier Safety and Regulation Division	
Number of Vehicles Processed	533,538
PROSECUTORIAL	
Agricultural Lighting	6
Overweight	1,105
Over dimensional	678
Public Service Vehicle	45
Faulty Equipment & Safety	478
Dangerous Goods	46
Licensing	257
Provincial Hours of Service	8
Violation of Oversize/Overweight Permit	103

C.V.S.A.	504
Federal Hours of Service	59
Anhydrous Ammonia	0
Load Securement	253
Trip Inspection	71
*Other (Driver Related)	149
Other (Passenger Related)	86
Unknown	15
Total	3,723
PERMIT TRANSACTIONS	
Single Trip Permits	10,574
Designated/Regulated Commodity Permits	39
Motive Fuel Permits	6,653
Transit Licences	56
Overweight Permits	6,185
Productivity Permits (OW) New	8,755
Over dimensional Permits	23,358
Other(Administrative Fees for Permits) Misc.	1,191
Total	56,811
CARRIER PROFILE	
Active NSC Carriers as at March 31	16,727
Active NSC Vehicles as at March 31	46,824
New NSC Carrier Records	1,510
For-hire Carriers monitored for PL/PD Insurance	2,456
OOP Incidents transmitted electronically through CDE	11,873
OOP Incidents received electronically through CDE	11,269
Number of Manitoba CVSA Inspections recorded	6,618
Number of Manitoba CVSA Inspections that were OOS	1,308
Number of Manitoba Drivers that were OOS	309
Number of Safety Rating Changes	125
New Safety Fitness Certificates issued	1,510
Safety Fitness Certificates renewed	2,733
Performance Rating Letters sent	1,653
Inspection Letters sent	785
FACILITY AUDIT	
NSC Standard #15 Facility Audits conducted	125
SHORT-LINE RAILWAY	
Short-line Railways monitored	3
Track inspections	21
Signalized crossing inspections	9
Dangerous goods inspections	1
Passive crossing inspections	36
Locomotive power inspections	4
Car inspections	18
Rules inspections	2
Notices/Orders issued	0
Accidents/Incidents reported	3
Investigations conducted	1
Abandonment requests (1) completed (0)	0
Railway operating licence applications received	0

REVENUE	
Revenue through Consent Disposition	\$6,640
Revenue for Safety Rating Audits	\$0
Fine and Costs	\$1,337,974
Single Trip Permits	\$311,274
Designated/Regulated Commodity Fees	\$8,283
Motive Fuel Permits	\$130,062
Transit Licences	\$14,244
Overweight	\$267,316
Productivity Permits (OW) New	\$203,841
Over dimensional	\$581,996
Other(Administrative Fees for Permits) Misc.	\$23,334
Total	\$2,884,964

Incident - An accident, conviction or inspection

NSC – National Safety Code

OOP – Out-of-Province

OOS - Out of Service

2007/08 Variances

The division underwent a major reorganization in FY 2007/08. This included realigning the division along program lines.

2 (d) Motor Carrier Safety and Regulation

Expenditures	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Variance Over(Under) \$(000)	Expl. No.
Sub-Appropriation				
(1) Salaries & Employee Benefits	4,164.7	77.31	4,499.4	(334.7)
(2) Other Expenditures	1,218.2		1,447.7	(229.5)
Total Sub-Appropriation	5,382.9	77.31	5,947.1	(564.2)

Regional Offices

Objective/Mandate

The Regional Offices effectively develop and deliver the road construction, design, maintenance and preservation programs, as well as right-of-way management programs in each region, ensuring that projects and activities are carried out to departmental standards and incorporate the principles of sustainable development. The Regions also provide staff and engineering support to Contracts and Operational Services for construction and maintenance of the Northern winter roads network, and to Northern Airports and Marine Operations (NAMO) and Water Control and Structures (WCS) for specific capital program projects.

Activity Identification

Coordinate engineering, construction and preservation, supervision and maintenance operations for highway programs in the region, and where applicable, provide support on the Northern winter roads network and for specific NAMO and WCS projects. Monitor contract work to ensure quality control and adherence to specifications and standards.

Liaise with central office to ensure uniformity and consistency with respect to policy, standards, procedures, and communications with stakeholders, including the media. Prepare project proposals and priorities within the region and provide timely information and updates on issues as required.

Conduct road maintenance and preservation activities in an environmentally sound and economically sustainable manner by reclaiming and recycling materials, by operating equipment in a cost-effective manner and by providing for effective material storage and waste management.

Coordinate and manage all regional non-program work with respect to land development, utility installations, environmental issues, right-of-way, adjacent control areas, noise attenuation, and other use applications and issues. Actively promote and participate in innovative alternative capital funding partnerships for provincial roads.

Manage all financial, occupational safety and health, risk management, human resource, and general administration for the region.

Please see the regional map on Page 28 for boundaries and locations of offices.

2007/2008 Highlights

Eastern Region Office (Region 1)

Successfully delivered a record-breaking capital program totalling \$68 Million in expenditures for Eastern Region alone.

Work continued on the rehabilitation/reconstruction of PTH 75. PTH 75 is part of Canada's National Highway System and is Manitoba's main transportation link to the United States.

Eastern Region continues the major undertaking of removal of illegal signs within highway rights-of-way. Focus was on PTH 1E and PTH 12, with more areas to follow in 2007. This represented new work for Technical Services staff. This is an important safety initiative, both for on and off-road users.

Completed twinning of PTH 101, from PTH 1 East to PTH 15, opening the new lanes to traffic in October 2007.

Built a much needed engineering building to provide a staging area for staff during peak construction activities, storage, and a full-time lab for testing materials, at a cost of \$155,000.

South Central Region Office (Region 2)

PTH 1 bridge approaches and detours associated with CNR overpass including Angle Road was completed in Portage la Prairie. Project was delivered on time.

PTH 2 - 18.4 km of base & bituminous pavement. Culvert replacement in 9 different locations along this stretch of road.

PTH 8 - Completed 15.7 km of road in the RM of Gimli from PR 229 North to PR 231.

PR 240 intersection improvements at Crescent Road. Cost shared with the City of Portage la Prairie.

PTH 1 & PTH 16 intersection has been approved for Federal funding to undertake the construction of an interchange.

Technical Services

Design & tender of:

- All associated approvals for PTH 8: Grade, Base and Bituminous Pavement (From PR 231- Spruce Bay)
- All associated approvals for PTH 2: Shoulders, Base and Bituminous (From 0.4 km west of PR 248 - 4.9 km E of PR 332)
- All pertinent approvals for: Jacking Concrete Culverts (12 sites) on PTH 2 (Between PR 332 and PTH 3).
- All pertinent approvals for: Jacking Concrete Culvert on PTH 17 and PR 325
- All associated project approvals for PR 326: Grading (From PR 329-4.9 Km North). Project to be tendered soon for construction this summer.
- Design work on 3 TLE files that should be finalized this fiscal year.
- Worked on the PTH 1/PTH 16 interchange terms of reference and preliminary cost estimates regarding the Asia Pacific Gateway Agreement
- Reviewed and processed 55 access permits on PR's and 49 on PTH's
- Reviewed and processed 2 Gas and 10 Hydro permit agreements.
- Reviewed and processed 30 MTS permit agreements.
- Reviewed and processed 1 permit agreement to TransCanada Pipelines.
- Reviewed and processed 1 permit agreement to Bell Canada.
- Reviewed and processed 22 Water and Sewer permit agreements.
- Reviewed and processed numerous subdivision development and RM or Towns, drainage impact reports and traffic impact studies.

South Western Region Office (Region 3)

Completed all but the top left pavement for the twinning on PTH 1 to the Saskatchewan Boundary which was partially cost shared with the Federal Government.

Completed approximately one half of a major highway reconstruction project on PTH 10 South of Brandon.

Completed approximately 80% of the twinning of PTH 16 through the Town of Russell.

Completed the grading portion of a major intersection relocation project (PTH 16/21) at Shoal Lake.

Several key cooperation projects were completed with various Municipal Governments to improve highways of mutual concern.

West Central Region Office (Region 4)

The West Central Region delivered the following capital improvements in the Roblin area:

- Completion of bituminous pavement on PTH 5 from the Town of Roblin to east of the Bield Access with an approximate value of \$3.5 million.
- Commencement of bituminous pavement on PTH 83 from west of PR 594 to north of PR 367. A total of \$3.7 million was spent in 2007/08, with an estimated \$4.2 million to be spent in 2008/09.

Work began on the reconstruction of PTH 10 through the Town of Swan River at an approximate cost of \$5.8 million. An additional \$1 million will be spent in 2008/09 to complete this work.

Bituminous pavement on PTH 68 from east of PTH 5 to west of PR 278 was completed at an approximate cost of \$6.6 million.

Bridge approaches to the newly constructed structure at Beaver Creek, south of the Overflowing River on PTH 10 were completed at an approximate cost of \$0.5 million.

The Region also continued with its annual through grade culvert replacement and bridge end protection programs, with an approximate cost of \$1.1 million.

The West Central Region was successful in their completion of their Safety Certificate of Recognition (COR) as administered by the Manitoba Heavy Construction Association (MHCA).

Northern Region Office (Region 5)

In conjunction with the Highway 283 Task Force, progress was made in the upgrading process of PR 283 and future planning to address stakeholder's requests for increased truck loading and the removal of spring load restrictions.

Work has continued on the prioritized spot improvement program for PR 391 and PR 280. This spot road improvement program addresses major vertical and horizontal deficiencies as well as drainage issues along the entire length of PR 280 and PR 391.

The continued commitment to the upgrading and surfacing of PR 373, from PTH 6 to Norway House and the upgrading and surfacing of PR 374, from PR 373 to Cross Lake has been maintained.

Resurfacing on PTH 6 has continued between Grand Rapids and Thompson. Seventy-one kilometres were paved in 2007 and major work is planned to commence in 2008 between Thompson and Paint Lake, as well as south of Grand Rapids.

Enhancements to the Winter Road network were completed.

2007/2008 Service Volumes

Eastern Region Office (Region 1)

The unprecedented growth in population and land development in the Eastern Region, combined with a dramatically increased capital program, has resulted in 212 Access Permits (40% of the Provincial total) being processed. To demonstrate the growth, of a total of 955 subdivision applications processed provincially, 403 planned subdivisions were located within Eastern Region boundaries.

Eastern Region researched and provided response information on 73% of all FIPPA requests received by Regions.

Technical Services staff prepared and/or revised 147 Ministerial letters and Briefing Notes. Staff also provided 63 Issue updates for the Issues Book.

In support of the regional construction and maintenance programs, clerical staff processed over 61,000 financial transactions.

In spite of a significant increase in construction program activity, Eastern Region supported the sharing of knowledge and experience with other MIT offices through the secondment and temporary reassignment of 3 employees. As well, the Region offered development opportunities to 68 employees, processing 48 acting status and 30 temporary reclassification events, stretching our coaching and teaching capabilities.

South Central Region Office (Region 2)

Human Resource Staffing Activities	
28	Competitions Conducted
2	Supportive Employment
50	Students Hired – includes both Engineering and Maintenance
10	Retirements
1	Double bunk approved as part of the region's succession planning.

4,577	Over Weight, Over Dimensional Permits processed
14,531	Financial documents processed for a total of \$114,137,342

South Western Region Office (Region 3)

Human Resource Staffing Activities	
7	Supportive Employment
43	Students Hired – includes both Engineering and Maintenance
17	Project Specific Hires
11	Retirements

Co-operative Partnerships	
City of Brandon	PTH 10 (18 th St North) at Cumberland Ave. – Intersection Improvements & Signals
RM of Archie	PR 467 – Spot Road Improvements
RM of Birtle	PR 359 – Spot Road Improvements
RM of Hamiota	PR 355 – Spot Grade Improvements
RM of Rosedale	PR 471 – Spot Grade Improvements
RM of Rosburn	PR 359 – Spot Road Improvements
RM of Silver Creek	PR 359 – Spot Road Improvements

West Central Region Office (Region 4)

Human Resource Staffing Activities	
19	Competitive appointments completed
35	Students hired includes both Engineering and Maintenance
6	Project Specific Hired
10	Retirements – Region 4
1	Retirements - MES
103	Access Permits applied for and processed
45	Underground Agreements and Utility Reviews

Northern Region Office (Region 5)

The Northern Region conducted 20 competitions, appointing 20 employees to new or promotional positions.

A co-operative partnership with Manitoba Hydro was established and an ongoing road construction to the Wuskwatim Generating Station site progressed. This project started in the fall of 2006 and is expected to continue until November 2008.

A co-operative partnership took place with the RM of Kelsey to perform spot grade improvements to PR 282 near The Pas.

2007/2008 Variances

South Central Region Office (Region 2)

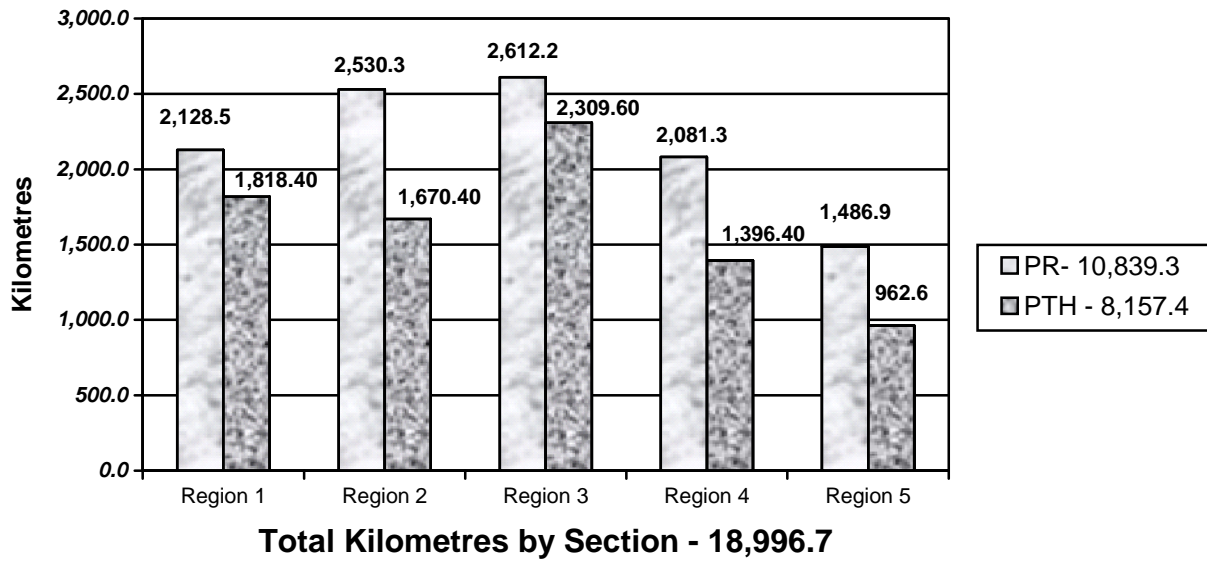
Region 2 provided contract administration for the Provincial Micro-surfacing Program.

Northern Region Office (Region 5)

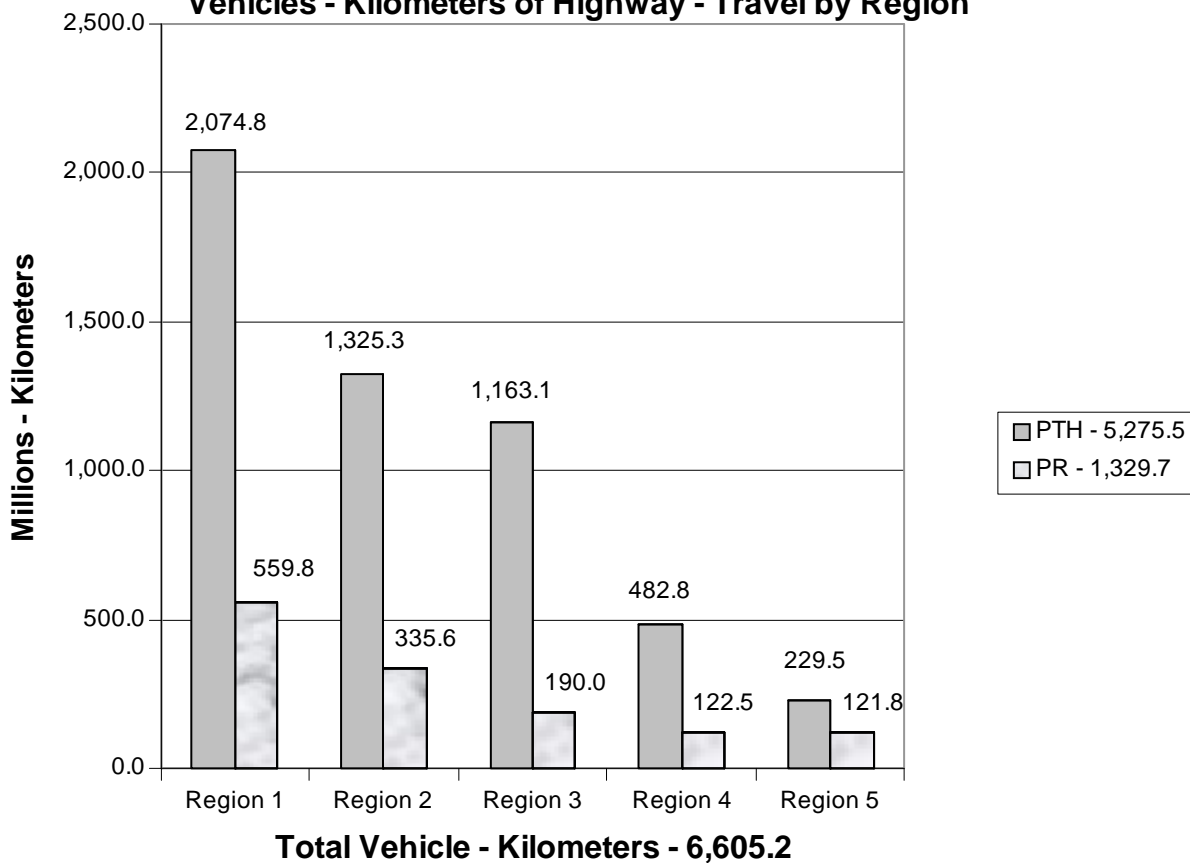
A major renovation is being undertaken to the existing Regional office; completion is expected to be in the fall of 2008

The following graphs show the existing kilometres of PTHs and PRs and vehicle-kilometres traveled in each region.

Kilometres of Highways by Region



Vehicles - Kilometers of Highway - Travel by Region



2 (e-1) Eastern Region Office (Region 1)

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08	FTE	2007/08	Over(Under)	No.
	\$(000)		\$(000)	\$(000)	
(a) Salaries & Employee Benefits	2,354.4	46.00	2,750.7	(396.3)	
(b) Other Expenditures	787.0		771.5	15.5	
Total Sub-Appropriation	3,141.4	46.00	3,522.2	(380.8)	

2 (e-2) South Central Region Office (Region 2)

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08	FTE	2007/08	Over(Under)	No.
	\$(000)		\$(000)	\$(000)	
(a) Salaries & Employee Benefits	2,275.4	40.00	2,402.3	(126.9)	
(b) Other Expenditures	702.0		682.2	19.8	
Total Sub-Appropriation	2,977.4	40.00	3,084.5	(107.1)	

2 (e-3) South Western Region Office (Region 3)

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08	FTE	2007/08	Over(Under)	No.
	\$(000)		\$(000)	\$(000)	
(a) Salaries & Employee Benefits	2,572.8	42.00	2,595.2	(22.4)	
(b) Other Expenditures	754.7		718.7	36.0	
Total Sub-Appropriation	3,327.5	42.00	3,313.9	13.6	

2 (e-4) West Central Region Office (Region 4)

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08	FTE	2007/08	Over(Under)	No.
	\$(000)		\$(000)	\$(000)	
(a) Salaries & Employee Benefits	1,908.7	32.00	1,960.0	(51.3)	
(b) Other Expenditures	655.3		622.1	33.2	
Total Sub-Appropriation	2,564.0	32.00	2,582.1	(18.1)	

2 (e-5) Northern Region Office (Region 5)

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08	FTE	2007/08	Over(Under)	No.
	\$(000)		\$(000)	\$(000)	
(a) Salaries & Employee Benefits	1,680.4	28.00	1,946.9	(266.5)	
(b) Other Expenditures	721.6		757.7	(36.1)	
Total Sub-Appropriation	2,402.0	28.00	2,704.6	(302.6)	

Regional Water Operations

Objective/Mandate

Regional Water Operations delivers the maintenance and capital programs for maintaining, and reconstructing provincial waterways, flood control, erosion control, bridges and dam infrastructure (dams, reservoirs).

Activity Identification

Provide technical and survey services for third order or above drains where necessary for clean out or new construction. Provide technical and survey services to Rural Municipalities, Conservation Districts, Manitoba Aboriginal and Northern Affairs, Crown Lands and Manitoba Conservation for drainage works.

Provide the Department of Water Stewardship with survey services for drainage applications and enforcement, snow survey data for flood forecasting, waterway capacity analysis and input into litigation and correspondence. Provide design and construction services to the Department of Conservation for the dike at Spruce Woods, pump house design for Childs Lake, road network, campground facilities and pump houses.

Provide summer maintenance services including, drain clean-outs, routine annual maintenance on water control works, including mechanical tune-ups to equipment like pumping stations, erosion control and control structures - culvert gates, and mowing back of vegetation from drains, culverts and other works to ensure obstruction free operation.

Operate water control works including mechanical operating services for dams, control structures, pumping stations and mobile pumping units, regulation and monitoring of all water control works to ensure the needed water control effect is achieved, complete agreements for land acquisition for new waterway construction, utilities right-of-ways for waterways, manage leases to permit hay harvesting from drains, complete work as directed by Water Stewardship for water supply and regulation purposes, and investigate and respond to customer requests for service, including approximately 300 pieces of correspondence annually. Provide fall shut-down, over-wintering and winter maintenance services to mechanical water control works and other works where needed. Provide on-going works monitoring and forecasting services over the winter.

Provide spring run-off – flood response services including activation and operation of flood control works, dike construction and ice breaking. Under the direction of the Department of Water Stewardship, provide onsite flood response coordination and or construction of earthen/sand bag dikes, operation of water control structures for flood control, and closing and opening of ring dikes. Provide on-site technical support to municipalities and Manitoba Aboriginal and Northern Affairs for flood response.

2007/2008 Highlights

Successfully reconstructed 4.0 km of Rosendale Drain, 3.2 km of Hatchery Drain, 1.6 km of Netley Creek and 0.9 km of North Crooked Lake Drain.

Constructed an additional 4.8 km of Main Drain, and 3.2 km of Scott Drain.

Successfully constructed a safety catwalk at White Lake Dam.

Completed a bank stability restoration on Grassmere Drain.

Constructed a discharge chamber at Rosenort Pump Station.

2007/2008 Service Volumes

2007/2008 Regional Water Operations Activities	
3000	Structures maintained
4	Designs prepared for Manitoba Conservation
20	Hydraulic designs completed
200	Hay renewal licences issued

2 (e-6) Regional Water Operations

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Salaries & Employee Benefits	1,211.6	17.00	1,104.3	107.3	
(b) Other Expenditures	678.5		580.7	97.8	
Total Sub-Appropriation	1,890.1	17.00	1,685.0	205.1	

2 (e-7) Recoverable from Other Appropriations

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
Recoveries from Other Appropriations	(1,680.2)		(2,044.4)	364.2	1
Total Sub-Appropriation	(1,680.2)	-	(2,044.4)	364.2	

Explanation:

1. Lower recoveries due to reduced engineering costs charged out as a result of vacancies.

Other Jurisdictions

In 2007/08, the Department spent \$2.98 million in providing road construction and maintenance services to other government departments, cities, towns, villages, municipalities, local government districts, government agencies, crown corporations, the federal government and private citizens. This included specialized equipment services not readily available from the private sector. These services were provided on a 100% recoverable basis.

2 (f) Other Jurisdictions

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	181.6	13.00	662.9	(481.3)	1
(2) Other Expenditures	2,940.6		2,876.5	64.1	
(3) Less: Recoverable from Other Appropriations	(141.8)		(500.0)	358.2	2
Total Sub-Appropriation	2,980.4	13.00	3,039.4	(59.0)	

Explanation:

1. Under expenditure due to staff vacancies.
2. Less work was requested by other departments.

Planning and Design

Objective/Mandate

The Highway Planning and Design Branch plans, designs and protects the existing and future highway system by consideration of safety, traffic demand, engineering, socio-economic factors, and the environment.

Activity Identification

Manage the environmental approval process on behalf of the Department and provide policy direction and support in the area of construction related environmental needs.

Manage the access and development control program on the provincial highway system for the Department.

Establish policies, procedures and guidelines and provide policy direction for the placement of utilities on and adjacent to the provincial highway system.

Manage the Department's developer pay program for on-highway improvements required as a condition of access/development permits and subdivision approvals.

Review land development proposals adjacent to the provincial highway system and provide recommendations related to their compatibility with current and future highway system requirements.

Provide drafting, mapping, and photogrammetry services and maintains central plan file for highway engineering drawings legal plans.

Provide policy direction and support in the area of highway geometric design. Undertake quality assurance reviews of highway designs. Establish design standards, prepares highway design and bridge width criteria for provincial highways. Undertake functional design studies for the Department as a means of facilitating long range highway planning.

Property Services Branch, operating within the Highway Planning and Design cost centre, contributes to the development of policy, processes, guidelines and certain agreements in connection with securing right-of-way for departmental roads and certain uses thereof consistent with related government legislation. The Branch maintains an internal property database and determines the availability for surface disposition of highway right-of-way and other real property under Transportation's control. The Branch's activities are coordinated with those of the Regions, Crown Lands and Property Agency (MIT), Survey Services (Conservation) and Lands and Geomatics (Conservation).

The Branch ensures that regulations under *The Highways and Transportation Act* are amended on an ongoing basis to accurately reflect any changes in the provincial highway system, and responds to public enquiries regarding jurisdiction over roads. It also reviews and determines the appropriateness of all proposed closings of departmental roads as well as undeveloped government road allowances in connection with the Province's Treaty Land Entitlement Program.

2007/2008 Highlights

Undertook a study to identify potential alternative routes for PTH 75 in the vicinity of St. Norbert.

Managed a scoping study for the identification of flood resistant strategic highway routes within the Red River Valley.

Managing the MIT owned property environmental liabilities assessment program.

Managing a review of the Department's engineering services engagement process.

Managing the Wasagamack – St. Theresa Point airport relocation project.

Completed the conversion of provincial RM maps to CADD.

Implemented a digital archiving program for highway engineering drawings.

Produced the 2007/2008 Highway Map

Managed the Department air photography contract

Support and advice were provided throughout the Engineering & Operations Division in the procurement of engineering services.

Property Services Branch

Continued work on outstanding land exchanges in connection with PTH 10/Umpherville Road, PR 285 and Cemetery Road near The Pas, PR 276 near Waterhen, in addition to PR 374 in the vicinity of Kichi Sipi Bridge and the proposed new Wasagamack Airport.

Provided guidance and advice to the Regions in connection with acquisition of reserve land for various highway improvement projects.

Created a document outlining criteria for consideration in the resolution of MIT's interest in winter roads in connection with Treaty Land Entitlement selections.

Examined the feasibility of the branch's future involvement in the determination of the availability for surface disposition of water control right-of-way.

Processed requests from internal operational areas for the services of LMS and Survey Services in connection with 46 projects.

Submitted Transportation's Annual Report to Treasury Board providing a comparison of actual expenditures against the approved budget identified in the Capital Program and explanation of variances.

Reviewed 7 Recommendations to Council prepared by CLPA in connection with expropriations, revestments of closed roads and sales of surplus land valued over \$25,000.

Reviewed 24 dispositions of land under Transportation's control (i.e. lease, sale, encroachment, utility easement agreements prepared by CLPA).

Processed 5 amendments to regulations to reflect changes in legal descriptions of provincial highways resulting from construction in recent years.

Processed 7 Orders of the Minister of Infrastructure and Transportation closing various departmental roads and government road allowances.

Reviewed over 150 inquiries regarding property-related issues under Transportation's control.

2007/2008 Service Volumes

2007 2008 Applications and Projects	
247	Administered access/structure applications on Provincial Roads
429	Reviewed access/structure applications on Provincial Truck Highways
54	Represented the Department at Highway Traffic Board Hearings
6	Represented the Department at Public Utilities Board Hearing
1	Represented the Department at Land Value Appraisal Commission
60	Co-ordinate developer pay on-highway improvement projects
113	Managed environmental approval process for highway projects
53	Reviewed non-highway (The Environment Act) proposals
1,118	Undertook land development related reviews

2 (g) Planning and Design

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	1,734.0	32.50	2,074.2	(340.2)	1
(2) Other Expenditures	393.2		491.9	(98.7)	
Total Sub-Appropriation	2,127.2	32.50	2,566.1	(438.9)	

Explanation:

1. Under expenditure due to staff vacancies.

Northern Airports and Marine Services

Objective/Mandate

The Northern Airports and Marine Services Branch provides for the safe and effective provincial airports and ferries in remote northern Manitoba communities to serve their transportation and emergency needs.

Activity Identification

Operate and maintain 24 airports of which 22 are staffed.

Prepare airport development programs to support services including commercial traffic, medical retrievals, forest protection, tourism and resource development.

Undertake airport upgrading projects to improve airport safety as well as traveler accessibility.

Administer the Manitoba Airports Assistance Program which provides an operating grant.

Provide passenger and vehicle ferry service to five northern Manitoba communities.

Perform maintenance and refurbish motor vessels and cable ferries to assure safety and prolong use.

Provides technical and competency based training to ensure safe and efficient operation of provincially owned airports and ferries.

2007/2008 Highlights

The development of an ongoing training and development plan for all staff.

Created and implemented a management training plan.

The enhancement of an internal and external communication plan continued.

The development of effective regulations was ensured.

The improvement of infrastructure was continued.

The Branch initiated a Five-Year Capital Program for Northern Airports and Marine Operations.

2007/2008 Service Volumes

<i>2007 2008 Northern Airports Service Volumes</i>	
<i>48,127</i>	<i>Total aircraft movements</i>
<i>156,003</i>	<i>Total passenger movements</i>
<i>11,736</i>	<i>Total freight movements</i>

<i>2007 2008 Marine Operations Service Volumes</i>	
<i>82,956</i>	<i>Total vehicles conveyed</i>
<i>195,986</i>	<i>Total passenger movements</i>

Airport Improvements

In addition to the regular operation and maintenance of the airports, a number of capital upgrading projects were implemented. Some of these projects included: the completion of gravel crushing at Poplar River, Gods River, Oxford House and Red Sucker Lake. Runway extensions were worked on at Ilford and York Landing. An equipment shop upgrade was completed at St. Theresa Pt. and Lac Brochet. Construction of a new Air Terminal Building in Shamattawa was completed. Upgrading of the runway lights in Oxford House was completed.

The Province has a preliminary agreement with INAC for the construction of a new airport at Wasagamack. This new airport will serve the Wasagamack and St. Theresa Point area. A consultant has also completed a planning study for the proposed construction of a new airport in the community of Pauingassi. Once the Department has secured a cost-sharing agreement with INAC for an airport at Wasagamack, pursuing a cost-sharing arrangement for an airstrip at Pauingassi will be made a priority.

In the late 1990s, the Department initiated the Manitoba Airport Capital Assistance Program (MACAP) to assist small airports that no longer had access to Transport Canada's capital assistance program. Since the introduction of MACAP, Manitoba has contributed in excess of \$1.4 million for 68 projects at 23 airports.

Due to financial pressures, the Department has had to make the difficult decision of cancelling MACAP in an attempt to address its primary responsibility of operating and maintaining its 24 airports in remote communities in northern Manitoba. As these communities do not have year-round access, they are extremely dependant on their airports for their transportation needs, especially in addressing emergency requirements. MACAP has given many small airport owner/operators the opportunity to leverage their resources with the aid of provincial funds to improve their airport facilities.

2 (h) Northern Airports and Marine Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	5,880.3	102.07	5,882.4	(2.1)	
(2) Other Expenditures	3,807.0		3,487.5	319.5	
(2) Grants/Transfer Payments	87.0		102.0	(15.0)	
Total Other Expenditures	3,894.0		3,589.5	304.5	
Total Sub-Appropriation	9,774.3	102.07	9,471.9	302.4	

Materials Engineering

Objective/Mandate

The Materials Engineering Branch provides specialized standards and design, research, testing and evaluation services toward the development and maintenance of sustainable and structurally competent highway embankments and pavements.

Activity Identification

Provide information to optimize the cost-effective supply of aggregate resources for the construction, preservation and maintenance programs and liaises with external agencies to protect the department's aggregate needs.

Co-ordinate the development of the infrastructure resource allocation goals, standards and strategies and leads in optimizing the pavement expenditure programs.

Provide specialized materials testing services to ensure compliance with specifications and develops testing standards to address local conditions.

Provide pavement structural designs for the construction and the rehabilitation of pavements and structural assessments to determine spring restriction needs and the impact of special hauling proposals.

Provide and manage geotechnical investigations and studies for embankment stability, groundwater and erosion assessment and protection.

Develop and manage field and lab pavement research projects.

Design and evaluate bituminous and concrete products for pavements and structures.

Provide field testing and field quality control equipment and services.

Manage the Product Standards List that evaluates and describes the construction and maintenance materials approved for procurement.

2007/2008 Highlights

A laser profiler for Mobile Operations which measures smoothness of old and new surfaces was launched.

The Brandon Central Lab relocation was completed, thus resolving noise and safety issues and providing the basis for future improvements.

The Materials Analysis System Database is fully functional for Materials Engineering Branch test data entry with full user access expected by the end of 2008-09 fiscal.

The Branch developed a Strategic Plan for the next three to five years.

Two out of the three University of Manitoba research projects have been completed. These projects are 'Embankment Stabilization to Minimize the Need for Right-Of-Way Acquisitions' and 'Development of a Landslide Risk Management System for the Manitoba Highways Network'.

The laser profiler is being used to replace the Hi-Lo beam which is being phased out.

The surface condition automated survey was completed in house, mapping all provincial roads.

Preparations are being taken to purchase and use the Falling Weight Deflectometer (FWD) to replace the Benkelman Beam program, which is being phased out.

The Mechanistic/Empirical Pavement Design Guide (MEPDG), which is launched by The US Federal Highway Administration is being adopted.

2007/2008 Service Volumes

2007/2008 Materials Engineering Activities/Statistics	
215	<i>Responses to Aggregate information requests</i>
12,897	<i>Lab tests conducted in Central Lab (Winnipeg)</i>
2356	<i>Lab tests conducted in Central Lab (Brandon)</i>
70	<i>Pavement Structural Designs issued</i>
76	<i>Pavement Impact Studies conducted</i>
5	<i>Major geotechnical projects completed</i>
29	<i>Asphalt Mix Designs performed</i>
7	<i>Concrete Mix Designs performed</i>

2 (i) Materials Engineering

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08		2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries & Employee Benefits	2,547.3	43.40	2,752.5	(205.2)	
(2) Other Expenditures	903.3		890.3	13.0	
(3) Less: Recoverable from Other Appropriations	(1,922.1)		(1,602.3)	(319.8)	
Total Sub-Appropriation	1,528.5	43.40	2,040.5	(512.0)	

Traffic Engineering

Objective/Mandate

The Traffic Engineering Branch enhances the safety and efficiency of vehicular and pedestrian traffic on the provincial highway network by providing specialized traffic, operations, engineering support, standards and data.

Activity Identification

Manage and direct the installation, maintenance and operation of all traffic control devices including traffic signals, major signs, flashing lights and pedestrian corridors, and traffic barriers (guardrails).

Establish standards/policies for the installation and maintenance of all traffic control devices.

Manage and direct speed limit reviews and provides recommendations to the Highway Traffic Board respecting speed limits on provincial routes.

Provide expertise respecting traffic control within the Engineering and Operations Division, and to other departments and jurisdictions.

Manage and direct the illumination of provincial highways.

Manage and direct the traffic monitoring program including the production of an annual report on traffic flows on the provincial highway system.

Maintain a database traffic collision record on provincial highways to assist in the identification of problem areas and the development and evaluation of mitigation measures.

Manage railway crossing safety on the provincial road network.

2007/2008 Highlights

8 permanent and temporary traffic signal installations to facilitate new intersections and construction activities were successfully installed.

Successfully implemented 13 additional trailer mounted Traffic Control Devices used to enhance driver information in critical construction and emergency situations.

Traffic Signal LED conversion is ongoing with 26 intersections converted last year resulting in a Manitoba Hydro Power Smart rebate of \$101,629.00.

Traffic data was collected at 85 counting stations, including 32 Permanent Count Stations (PCS), approximately 1100 short-term counting locations, 8 Weigh-In-Motion (WIM) sites, 45 Automatic Vehicle Classification (AVC) sites at approximately 240 intersection locations.

An over height vehicle detection and warning system was installed on PTH 1A at Kemnay to reduce incidents of large trucks colliding with the railway underpass.

The Branch reviewed speed zone change requests at various locations throughout the Province with appropriate reports submitted to the Highway Traffic Board for its consideration. The Branch also managed the consulting contract resulting in the production of the 110 km/h speed limits report. From this, presentations were made to the Highway Traffic Board recommending a staged implementation strategy of 110 km/h speed limits on select routes.

The Branch maintains a new, unique database that includes the contributing factors, configuration and location of collisions on the provincial highway system. With records dating from 1991 to present year, this database can be used for map creation and report a generation of collisions statistics. The Branch also keeps a 5 year history of traffic accident reports on file.

The Branch is leading the Department's dialogue with MADD Canada (Mothers Against Drunk Driving) toward the establishment of a memorandum of agreement describing the arrangements for the installation of memorial signs at the locations of alcohol involved fatal traffic collisions.

The Traffic Signals Section played a key role in developing and supporting the Department's Career Symposium display. A working traffic signal system and variable message sign were instrumental in attracting attention and inviting students and guests to the Department's display.

One federally funded railway crossing signal update (at Ste. Anne) and 10 cost-shared replacements of incandescent railway signals with LEDs were completed.

2 (j) Traffic Engineering

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08		2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries & Employee Benefits	1,049.2	19.00	1,206.9	(157.7)	
(2) Other Expenditures	260.8		351.4	(90.6)	
(3) Less: Recoverable from Other Appropriations	(244.3)		(221.4)	(22.9)	
Total Sub-Appropriation	1,065.7	19.00	1,336.9	(271.2)	

Transportation Policy

Objective/Mandate

Transportation Policy achieves excellence in the planning, development, and evaluation of transportation policies, programs, systems and legislation, and advise and support government in the development of transportation policies, plans, programs and legislation through the following branches:

Policy and Service Development
Corporate Policy and Legislation
Systems Planning and Development

Activity Identification

Bring a proactive and informed approach to addressing transportation issues and influencing the development of effective Federal/Provincial policy relating to all transportation modes.

Provide guidance to the Department's capital program within a framework of integrated transportation modes for economic development and land use planning.

Develop innovative financing strategies for transportation infrastructure, provide long-term transportation plans and polices, and prioritize and optimize the Province's investments in transportation infrastructure.

Work towards the implementation of strategic initiatives that will enhance the safety, security, effectiveness, efficiency and sustainability of Manitoba's transportation network.

Supply the expertise necessary for a legislative and regulatory framework that supports the Department's vision of a transportation system that is safe, efficient and supports the sustainable social and economic growth of Manitoba.

Coordinate the provision of executive decision-making support to the Deputy Minister, Minister, CEDC, Treasury Board, Cabinet, and Premier.

Provide management guidance to the branches; establish divisional administrative policies and develops specifications, standards, and procedures that govern the delivery of professional policy and planning advice and services; manage and monitor a task assignment protocol to ensure effective and timely responses to requests; and oversee the divisional budget allocation and provides administrative support to branch managers and staff.

2007/2008 Highlights

Policy and Service Development

Continued to implement the Manitoba International Gateway Strategy (MIGS), which is designed to position Manitoba as a growing Mid-Continent gateway of choice for global commerce and international transportation. In this respect, Policy & Service Development successfully implemented the Manitoba International Gateway Council, which is comprised of private sector leaders to guide the Manitoba International Gateway Strategy (MIGS). Acted as the secretariat and advisors to the MIG Council in this crucial formative stage.

Successfully continued to grow international partnerships required to secure Manitoba's growth as a transportation gateway, for example, via leadership role through the North America Super Corridor Coalition (NASCO), including positioning Manitoba to be the jurisdiction of choice for an innovative cross border freight tracking demonstration.

Worked with the Federal Government and OmniTRAX to realize a \$68 million announcement to improve the Hudson Bay Rail line to Churchill (\$60m) and facilities at the Port of Churchill (\$8m). Continued to lead provincial management of a \$3 million federal-provincial-OmniTRAX initiative to continue the work of the Churchill Gateway Development Corporation, a marketing institution for the gateway to assure the growth of the Port of Churchill through traffic diversification. This goal was realised in 2007, when a

Russian vessel carrying a shipment of Russian fertilizer arrived at the Port of Churchill. The same Russian vessel departed with a shipment of Durum wheat for Italy, demonstrating a successful back-haul. Additionally, first ever Churchill to Halifax transfer shipment of grain occurred.

Successfully defended Manitoba's interests on federal transportation policy and program matters, including submission(s):

- on federal rail legislation (Bill C-8) that resulted in passage of the Bill being supportive of Manitoba's shippers interests;
- to a federal regulatory agency that resulted in a multi-million reduction in rail costs to grain farmers;
- to a comprehensive federal rail safety assessment, to protect Manitoban's interests;
- in full support of Manitoba shipper complaints about inadequate rail car supply to a federal quasi-judicial agency.

Managed a financial contribution to Central Manitoba Railway to ensure continued rail service on a line threatened by closure, to the benefit of industries and communities in the Brokenhead-Eastman region. Funded and played a leadership role in the preparation of a business development plan to seek a sustainable future for this transportation resource.

Managed six figure research services agreements with the University of Manitoba Transport Institute (UMTI) and Centre for Sustainable Transportation (CST), as a basis for the research and data development needed to support Manitoba's strategic intents and needs in transportation. Innovative research focuses ranged from developing a variety of innovative transportation demand management initiatives, to promoting an integrated approach for increasing energy efficiency and reducing greenhouse gas emissions from trucks providing transportation in Winnipeg.

Corporate Policy and Legislation

Research and analytical services were provided to the Department's transportation regulatory boards (Motor Transport Board and Taxicab Board) on three applications to these Boards to adjust tariffs of passenger transportation fares.

The branch developed the Department's inventory of permitting and license requirements for the Manitoba BizPaL initiative, which provides entrepreneurs with simplified access to the permit and licensing information they need to establish and run their businesses.

Two Intelligent Transportation Systems cost-sharing contribution agreements with Transport Canada were concluded, and the Automated Permitting and Routing System (ARPS) was successfully demonstrated to Transport Canada officials.

Research and analysis was provided to develop Manitoba's response to a Canada-wide transportation sector labour and skills shortage survey. The branch gathered and synthesized information from several Manitoba-based transportation organizations in order to identify the nature and extent of skills shortages in Manitoba's transportation sector, as well as identify initiatives being undertaken to address these challenges.

The branch supported the negotiation of a border registration reciprocity agreement with the Province of Saskatchewan.

A mandated review of the (Motorcycle) Safety Helmets Exemption Regulation was undertaken, and amendments were developed for a number of other MIT regulations.

The branch conducted research and analysis on a variety of emerging road safety issues.

Systems Planning and Development

The branch provides analysis and advice on long range strategic and tactical issues that impact the economic and social well being of the province and its citizens from a transportation systems perspective.

The three main categories of activities the branch participates in are:

A) Planning and Development Initiatives

Asia-Pacific Gateway & Corridor Initiative (APGCI) – The Branch prepared applications under the Federal Asia Pacific Gateway and Corridor Initiative (APGCI) that resulted in \$33.25 million of federal funding for twinning Inkster Boulevard with an upgraded interchange at PTH 101.

Gateways and Borders Crossings Fund (GBCF) – At the request of Transport Canada, the Branch resubmitted an APGCI submission under the GBCF that resulted in \$21 million of federal funding for a grade separated interchange at PTH1 and PTH16 with an overpass traversing the CNR mainline at PTH16.

Strategic Highway System Initiative – Branch staff provided lead in technical, research and co-ordination services to the Department's Strategic Highway System (SHS) Task Force; spearheaded SHS consultations with neighbouring provincial and US transportation authorities and prepared the *Strategic Highway System Report*. Work on defining the Regional Highway Network (RHN) categorical definitions and criteria, engineering, operational and policy standards is currently in progress with a preliminary status report scheduled for release by late summer to early fall of 2008. An ancillary activity of the SHS is a review of loading, access and design standards that apply to new road designations

Strategic Multi-Modal System Review – a parallel study to the strategic highway system, but encompasses air, rail and marine modes of critical importance to the province. The terms of reference have been completed and the Departmental Task Force Committee (DTFC) will be struck in June 2008 to commence work on the initiative.

Northern Development Strategy – a major focus of branch activities in 2007/08 was economic analysis and management of several studies/initiatives pertaining to all weather road development in northern Manitoba.

Provincial Land Use Policy Review (PLUP) – At the request of Intergovernmental affairs, the Branch is drafting the policies pertaining transportation (all modes) and land use as part of the overall policy revision

Review of Developments – Branch is working closely with Intergovernmental affairs for development review and input to local area development plans, zoning by-laws, as well as annexation, provincial parks and ecological reserve requests to assess the compatibility with highway operations and future system plans to protect the existing investment in transportation infrastructure, to ensure the efficiency and safety of the system is maintained and its future development is protected.

Urban/Transit Initiatives – TSPDB is becoming increasingly involved in urban and transit issues and represents Manitoba's interests on the provincial and national urban transportation task forces.

Developer Cost Responsibility Initiative – The Branch was tasked with preparing guiding policies to assist in the formalization of current practices in recovering costs imposed on the Department resulting from upgrading or providing access to provincial roadways adjacent to property developments.

Emerson Border Crossing Study – TSPDB is representing Manitoba in a joint study with North Dakota, the Canada Border Security Agency and U.S. Department of Homeland Security to determine the long range infrastructure requirements to accommodate future growth at the Emerson/Pembina border crossing. The Emerson/Pembina border crossing is ranked 6th overall in Canada and 2nd busiest in the west in terms of trade with the United States. Added security requirements, electronic customs clearance needs and traffic growth have exceeded the capacity of the current infrastructure to accommodate vehicles in an expeditious manner, particularly at peak hours.

B) Major Transportation Studies

Nunavut Manitoba Route Selection Study – In 2007/08 TSPDB provided project management services for a route selection study between Rankin Inlet and the existing highway network in Manitoba that was jointly administered by Manitoba, Nunavut and the Kivalliq Inuit Association (KIA). The consultant has

recommended the Eastern Route Alternative beginning at Gilliam, reach northward through Churchill to Rankin Inlet as the route alignment location. The recommendation was accepted by the province. TSPDB is seeking approval for the business case study for the development of the road. .

Brandon Area Road Network Development Plan – MIT and the City of Brandon completed a road network development study for the Brandon area (City of Brandon, RM of Cornwallis and RM of Elton). MIT worked closely with the consultant to re-draft the final report to reflect the Steering Committee's comments and was presented to MIT Executive Management, Brandon City Council in fall of 2007

Large Area Transportation Network Study on the East Side of Lake Winnipeg (LATNS – ESLW) – TSPDB prepared an initial Request for Qualifications (RFQ) to conduct a road network study linking communities on the East Side of Lake Winnipeg. This is a major study worth over \$1.5 million and the department will be reviewing qualifications of interested firms followed by formal proposals and presentations in May 2008. Work is anticipated to begin June 2008.

National Roadside Survey – TSPDB arranged with the federal government to cost share several Automated Vehicle Classifier (AVC) sites at strategic locations in the province for the purpose of determining truck configuration and travel patterns as part of the National Roadside Survey (NRS). Data from these surveys are instrumental in understanding long range highway provision requirements and subsequent budget impacts on the province.

C) Taskforces and Committees

National Highway System – The Branch Director represents the Department on the National Highway System Task Force (as established by the Council of Ministers Responsible for Transportation and Highway Safety). In September 2005, the Council of Ministers endorsed an expanded National Highway System comprised of Core, Feeder and Northern and Remote categories comprising 38,021 km of routes (a list of Manitoba's NHS routes is attached). This past year, the Council of Ministers has approved the NHS Task Force recommendations for establishing design and level of service standards for the various types of NHS routes.

Federal Full Cost Accounting Taskforce Committee – TSPDB is participating as a member of the Federal Full Cost Accounting Taskforce committee to represent Manitoba's interests in this project. Completed reports include land values, road inventories, autos and light truck operating costs, road costs by jurisdiction, heavy truck, marine, air, rail, accidents, emissions, allocations, noise, GHG and non-recurrent congestion and surface valuation. Ongoing federal/provincial discussions concern resolving the conceptual framework to commence the second phase of the Full Cost Accounting Initiative that is to determine what the "Benefits" of transportation systems are to the national and provincial economies.

National Freight Forecasting Initiative (NFFI) – TSPDB is the prairie region representative (AB, SK, MB) on the NFFI steering committee for the purpose to forecast freight flow characteristics for the next 30 years over Canadian transportation systems. The purpose of the study is to identify capacity constraints, shifts in trade patterns and commodity flows and required system enhancements to accommodate future growth. The NFFI is a twofold process, the first involves forecasting freight flows and characteristics based on historical data and anticipated developments by industry sectors with "expert" papers on the subject, and the second is verification of the forecasts by shippers and carriers in a series of cross Canada conferences to be held in summer and fall of 2008. Winnipeg is the center for the Western roll-out conference.

Update of Western Transportation Strategy – In March of 2005, WTM released the Western Transportation Strategy document, "Western Canada Transportation Infrastructure Strategy for an Economic Network – A Time for Vision and Leadership". In December, 2007, Western Deputy Ministers of Transportation agreed to update the Western Transportation Strategy document. Manitoba is the lead jurisdiction for this initiative and TSPDB is undertaking this on MIT's behalf. The process of updating and coordinating inputs from other jurisdictions began in March '08. A working group has been formed with membership from each of the participants and work has begun on updating this document with the goal of completion by late April or early May of 2008.

2007/2008 Service Volumes

The Systems Planning and Development Branch represented MIT and the Province on a number of interdepartmental and inter-Provincial transportation related task forces, committees and working groups:

- National Highway System
- Transportation Report Card
- National Freight Forecasting Initiative
- Full Cost Investigation Road Traffic Working Group
- Wabanong Nakaygum Okimawin Interdepartmental Working Group
- Wabanong Nakaygum Okimawin Transportation Working Group
- Inter-Departmental Land Use Committee
- CEDC inter-Departmental working committees.
- Western Transportation Strategy Update

Managed two major transportation studies - *Nunavut Manitoba Route Selection Study* and *the Brandon Area Road Network Development Plan*.

Branch reviewed and commented on 47 local area development plans, zoning by-laws, as well as annexation, provincial parks and ecological reserve requests and other significant economic development proposals. The Department was represented at Planning Board, Municipal Board, and Municipal Council and CEDC meetings.

Planning Branch sits on Departmental Steering Committees for several Departmental initiatives including:

- PTH 75 – St. Norbert Bypass Study
- PTH 75 – Alternative Flood Routes

Numerous briefing notes, letters and informational backgrounders are drafted for the Premier and Ministers.

2 (k) Transportation Policy

Expenditures	Actual 2007/08		Estimate 2007/08	Variance Over(Under)	Expl. No.
Sub-Appropriation	\$(000)	FTE	\$(000)	\$(000)	
(1) Salaries & Employee Benefits	2,146.0	29.50	2,255.2	(109.2)	
(2) Other Expenditures	1,178.2		1,094.5	83.7	
(2) Grants/Transfer Payments	4.8		104.8	(100.0)	1
Total Other Expenditures	1,183.0		1,199.3	(16.3)	
(3) Churchill Gateway Development Initiative	4,948.9		1,000.0	3,948.9	2
Total Sub-Appropriation	8,277.9	29.50	4,454.5	3,823.4	

Explanation:

1. Grant payment not required.
2. Additional funding approved.

Manitoba Public Insurance Agreement

On April 19, 2004, under the authority of subsection 323(4) of *The Highway Traffic Act* of Manitoba (C.C.S.M. c. H60), the Registrar of Motor Vehicles, with the written approval of the Minister of Infrastructure and Transportation, delegated specific authority, powers and duties to the President and Chief Executive Officer of the Manitoba Public Insurance Corporation.

Non Union staff transferred upon announce of the transfer as part of the Budget address, April 19, 2004. Employee Transition Agreement signed June 29, 2004 between MGEU, and Province and Corporation.

All staff transferred October 1, 2004.

A master agreement has been signed between the Minister and the Corporation.

Legislation formalizing the Registrar's delegation of authority to Manitoba Public Insurance was brought into force on March 1, 2006 under The Drivers and Vehicles Act. This statute conveys to MPI the necessary powers and duties to administer driver licensing and vehicle registration programs and related functions.

2 (I) Manitoba Public Insurance Agreement

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
MPI Agreement	21,197.4	21,197.4	0.0	

Motor Transport and Highway Traffic Boards

Objective/Mandate

The Highway Traffic Board was put in place to ensure the safety of the traveling public and protection of highway infrastructure through the administration of the Highways Protection Act and portions of the Highway Traffic Act.

The Motor Transport Board ensures all Manitobans are provided with adequate transportation services at a reasonable cost through the administration of a regulatory system under the Highway Traffic Act governing motor carriers and public service vehicle operators.

Activity Identification

Highway Traffic Board

Establishes and removes control lines adjacent to limited access highways and designates limited access highways

Issue permits for access onto limited access highways and development/structures adjacent to these highways.

Establishes speed limits throughout the Province including the City of Winnipeg

Approves traffic control devices and their design, municipal weight by-laws, bridge closure and restrictions, highway classification and by-laws for parking in alleyways.

Conduct public hearings on current issues; makes orders and regulations, and provides policy input to the Minister.

Motor Transport Board

Issue operating authorities for intra-provincial bus, inter-municipal liveries and short line railway industries involved in public service operations.

Monitor and establishes transportation rates and charges for PSV scheduled bus carriers and inter-municipal livery operators.

Determine sanctions on motor carriers and PSV operators for breaches of regulations.

Conduct public hearings on current issues; makes orders and regulations, and provides policy input to the Minister.

2007/2008 Service Volumes

Highway Traffic Board Activities

52	<i>Public Hearings Held (Winnipeg and rural areas)</i>
435	<i>Structure and Access Applications administered</i>
32	<i>Speed limits/traffic control devices/by-laws</i>
19	<i>On-site inspections</i>
33	<i>Regulation sections written</i>
3	<i>Public Utility Board Appeals</i>

Motor Transport Board Activities

27	<i>General/Public Meetings</i>
30	<i>Operating Authorities issued/amended</i>
0	<i>Suspension Orders</i>
29	<i>School bus requests</i>
192	<i>PSV operating authorities renewed</i>
1	<i>Shortline Railway Application Discontinuance</i>
104	<i>Limited CT Permits issued</i>
326	<i>Breakdown/Demo permits issued</i>

2 (m-1) Motor Transport and Highway Traffic Boards

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Salaries & Employee Benefits	237.0	3.00	271.0	(34.0)	
(b) Other Expenditures	168.6		159.2	9.4	
Total Sub-Appropriation	405.6	3.00	430.2	(24.6)	

Licence Suspension Appeal Board and Medical Review Committee

Objective/Mandate

The Licence Suspension Appeal Board (LSAB) provides an appeal process in cases where a person's driver's licence has been suspended by the Court or by the Registrar of Motor Vehicles. In making their decisions, the Board must ensure that in all cases a remission of the suspension would not be contrary to the public interest and that no exceptional hardship will result if the suspension remains in effect.

The Medical Review Committee provides an appeal process in cases where a person's driver's licence has been suspended, cancelled or refused on medical grounds. In making their decisions, the Committee must ensure that in all cases the safety of the general public is considered above the exceptional hardship that will result if the suspension, cancellation or refusal to issue a licence remains in effect.

Activity Identification

The Licence Suspension Appeal Board (LSAB) and The Medical Review Committee (MRC) conduct hearings and provide decisions regarding licence suspension appeals.

The Licence Suspension Appeal Board reviews applications for relief of exceptional hardship during suspension of driving privileges. The primary function of the LSAB is to hear appeals of individuals who have had their driver's licences suspended by the Courts or the Registrar of Motor Vehicles. The Highway Traffic Act further provides for the board to hear appeals for suspensions, cancellations, or denials of Driving School Permits, Driving School Instructor Permits, Automobile Dealers Permits, Salespersons' Permits, Safety Inspection Station Permits and Mechanic's Permits.

The Medical Review Committee determines whether the standards, as set out by The Canadian Medical Association, The National Safety Code, and Manitoba Regulation 412/7, are applied in a fair and equitable manner and whether an exception to the rule may be made. The Committee may confirm, quash or vary the decision of the Registrar of Motor Vehicles.

2007/2008 Service Volumes

Licence Suspension Appeal Board Breakdown by Age, Type of Suspension and Decision April 1, 2007 – March 31, 2008

Age	Alcohol	Auto Theft & Vandalism	264 Other & 167 HTA	273 HTA	Totals
16 & 17					
Granted	-	-	-	12	12
Denied	-	-	-	13	13
18 – 20					
Granted	8	1	-	97	106
Denied	2	-	1	64	67
21 – 24					
Granted	18	2	5	57	82
Denied	2	-	5	60	67
25 – 29					
Granted	23	-	6	43	72
Denied	1	-	7	27	35
30 – 34					
Granted	20	-	7	27	54
Denied	1	-	1	10	12
35 – 39					
Granted	17	1	4	30	52
Denied	3	-	1	11	15

Age	Alcohol	Auto Theft & Vandalism	264 Other & 167 HTA	273 HTA	Totals
40 – 44					
Granted	10	1	1	17	29
Denied	2	-	3	7	12
45 – 49					
Granted	19	-	1	36	56
Denied	3	-	2	4	9
50 – 54					
Granted	18	2	1	12	33
Denied	2	-	-	2	4
55 – 59					
Granted	14	-	1	10	25
Denied	1	-	-	-	1
60 – 64					
Granted	3	-	1	8	12
Denied	2	-	-	2	4
65 – 69					
Granted	3	-	-	3	6
Denied	2	-	-	4	6
70 – 74					
Granted	-	-	-	2	2
Denied	-	-	-	-	0
Over 74					
Granted	-	-	1	2	3
Denied	-	-	-	-	0
TOTALS	174	7	47	561	789
Cancellation of Inspection Station Permit - denied				5	
Cancellation of Mechanic's Permit - denied				1	
Cancellation of Dealer's Permit – denied				1	
TOTAL APPLICATIONS HEARD				796	
Applications Cancelled				58	
Applications Pending				76	
Suspensions Expired				47	
TOTAL APPLICATIONS RECEIVED				977	
HEARINGS HELD – 152 hearings held					
127	Winnipeg				
20	Brandon				
5	Thompson/The Pas				

**Medical Review Committee Summary
April 1, 2007 – March 31, 2008**

CATEGORIES	DISPOSITIONS		TOTALS
Cardiology	2 Granted	0 Denied	2
Neurology	4 Granted	7 Denied	11
Alcohol Related	1 Granted	2 Denied	3
Vision	1 Granted	3 Denied	4
Totals			20
Cancelled or Remain Pending			21
TOTAL APPLICATIONS RECEIVED			41
TOTAL HEARINGS HELD – 8			
3 – Cardiology			
3 – Neurology and Alcohol Related			
2 – Vision			

2 (m-2) Licence Suspension Appeal Board and Medical Review Committee

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Salaries & Employee Benefits	239.7	3.00	257.7	(18.0)	
(b) Other Expenditures	58.5		84.8	(26.3)	
Total Sub-Appropriation	298.2	3.00	342.5	(44.3)	

Taxicab Board

Objective/Mandate

The Taxicab Board ensures citizens in Winnipeg receive quality taxicab service that meets the public need at reasonable cost through the administration of a system of economic regulation.

Activity Identification

Conduct public hearings on matters relating to industry and users.

Establish, review and revise the number of taxicab licences required by the public convenience and necessity.

Regulate rates charged by industry.

Issue taxicab licences, taxicab driver licences and regulates licence transfers.

Provide training for taxicab drivers.

Establish vehicle standards and inspects taxicabs for vehicle condition and meter accuracy.

Investigate and resolves complaints against taxicab operators and drivers for breaches of regulations and service failures when warranted.

Maintain a liaison between the Board and the taxicab industry, governments and other affected groups.

2007/2008 Highlights

The Manitoba Taxicab Board continued to be a leader in promoting taxicab driver safety. The safety measures implemented in Winnipeg by the Taxicab Board are considered the most comprehensive in North America.

The Taxicab Board held one public hearing with respect to a tariff increase for handivans. The Taxicab Board approved an increase of 6.6% that became effective August 1, 2007.

The Taxicab Board inspection staff issued 12 Provincial offence notices which included 8 notices for operating a vehicle as a taxi without proper licencing and 4 notices for operating with open liquor in the vehicle.

2007/2008 Service Volumes

23	Board meetings held
1	Public Hearing for a handivan tariff increase
12	New taxicab business licenses issued
114	Temporary taxicab business licenses issued
542	Renewed taxicab business licenses
2,372	Taxicab driver's licenses issued
258	New driver's licenses issued
2,071	Renewed driver's licenses
43	Replacement licenses
2,547	Taxicab inspections completed (including street patrols, meter checks and on-site inspections)
75	Approved requests for power of attorney
112	Sales transfers
47	Show Cause Hearings
13	Licence Application hearings

2 (m-3) Taxicab Board

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Salaries & Employee Benefits	526.2	8.00	520.9	5.3	
(b) Other Expenditures	197.8		147.3	50.5	
Total Sub-Appropriation	724.0	8.00	668.2	55.8	

Government Services Programs

Mandate:

- Provide safe, quality and sustainable working environments for the delivery of public programs through acquisition, planning, project management, design and engineering, parking and security services.
- Provide coordination and monitoring of accommodation projects through utilization of internal and external professional and technical services for planning, design, leasing and construction management.
- Provide a technically and logistically integrated infrastructure improvement plan in support of a safe, quality and sustainable portfolio.
- Provide operational and maintenance for government departments and agencies occupying space in owned or leased buildings where the Division is the service provider.
- Provide for the acquisition, renewal and monitoring of leased facilities within the Accommodation Services Division portfolio and provide commercial and real estate expertise with respect to accommodation related issues.
- Provide accounting, contracting, and administrative support services for the Division and provide for the delivery of contracted janitorial and food services at selected locations in most government buildings.
- Provide overall government accommodation strategy through short and long range planning.
- Administer contracts for construction requests for service related to the provision of government accommodation including contracted janitorial and food services at selected locations in most government buildings.
- Provide for charging the cost of owned and leased space to the tenant that occupies the space.
- Provide corporate procurement of goods and services to all government departments and agencies.
- Provide specialty air transportation services including Lifeflight Air Ambulance, aerial surveillance and forest fire suppression, air transportation of personnel and cargo and co-ordination and certification of government charter flying in private sector aircraft.
- Provide materials management services including common supplies, home care equipment and related maintenance, and redistribution or disposal of surplus assets, in addition to mail.
- Provide comprehensive land management services, including administration of Crown land dispositions, appraisal, acquisition, expropriation and disposal of surplus property.
- Provide complete vehicle management and maintenance services including mobile and radio services.

Project Services

Objective/Mandate

The Project Services Branch provides coordination and monitoring of accommodation projects through utilization of internal and external professional and technical services for planning, design, and leasing and construction management.

Activity Identification

Client Services involves overall project planning coordination related to government accommodation projects which include optimum space utilization and compliance with changing programs, policies and new initiatives, within the context of accommodation strategic planning.

Project Management coordinates all aspects of Capital and Client projects assigned to the branch to ensure timely completion. This includes design services, estimating services, which provides total project cost estimates (cost and duration), for proposed or actual new construction and renovation proposals, and complete project coordination.

Technical Consultations provide technical expertise to all branches within the Division and to other Provincial departments on projects; provide guidance on the development of project scopes of work.

Architectural / Engineering Services involves the ongoing development of new policies and design standards for the Province of Manitoba's building portfolio and providing design/construction documentation for selected projects.

Monitoring of Consultants involves the monitoring and approval of all outside consultant drawings and specifications to ensure compliance with related legislated policies, building codes, and established standards, participating in site inspections and the commissioning phase of a project.

Managed Environment Infrastructure Support provides long range planning, estimating, design and construction of electrical, structured cabling, and mechanical infrastructure within the Managed Environment.

2007/2008 Highlights

Of particular note is the Branch's increasing involvement in planning and managing projects for significant new Provincial builds which will dominate the work of the Branch over the next few years, in addition to its traditional project management role for life cycle improvements to the current portfolio. Some noteworthy projects in this area are the construction of a New Women's Correctional Facility, an expansion of Milner Ridge Correctional Facility, the relocation of Assiniboine Community College to the former Nurses' residence on the former Brandon Mental Health Centre site, and collaboration with Manitoba Health in the redevelopment of the Selkirk Mental Health Centre site.

Some noteworthy projects that addressed the requirement for life cycle upgrades included Envelope Restoration work at Red River College, ongoing improvements at the Churchill Town Centre (base building upgrades for the school), and the new Accessibility Ramp at the Legislative Building.

The Department is also moving forward with setting up three additional bilingual service centers; one in St. Vital, one in Ste. Anne and one in St. Laurent.

2007/2008 Service Volumes

The 2007/2008 fiscal year included \$73,100.0 in Capital Investment Expenditures Part B11(b) for projects of various sizes and scope. Within this amount, \$20,849.6, or 28.5% was allocated for projects identified within the MIT Program for meeting critical client needs such as life cycle upgrades, life safety improvements, or improvements to facilities to improve accessibility and energy efficiency and \$50,025.0, or 68.4% is allocated to projects identified within the Client Program which consists of client identified net new capital projects.

The branch provided services to all Provincial departments as well as a number of agencies of government this fiscal year and worked on an additional 200+ operations and client funded projects.

2007/2008 Variances

Improved information management and additional enhanced financial flexibility enabled Project Services Branch to maximize the Division's funding within the Capital Plan in meeting client needs in a cost-effective manner.

As the Province continues to invest in life-cycle improvements to its current asset base and embarks on new construction to deliver Government programs of the future, the integrated planning and project management processes that Project Services uses will be critical to its success.

3 (a) Project Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	2,823.6	45.00	3,622.9	(799.3)	1
(2) Other Expenditures	7,811.9		7,004.9	807.0	2
(3) Less: Recoverable from Other Appropriations	(4,973.3)		(3,255.5)	(1,717.8)	2
(4) Less: Recoverable from Part B - Capital Investment	(4,160.1)		(4,160.1)	0.0	
Total Sub-Appropriation	1,502.1	45.00	3,212.2	(1,710.1)	

Explanation:

1. Under expenditure due to staff vacancies.
2. The over expenditure and increased recoveries are due to increased demand for client funded projects.

Technical Services

Objective/Mandate

The Technical Services Branch provides a technically and logistically integrated infrastructure improvement plan in support of a safe, quality and sustainable portfolio.

Activity Identification

Provide professional architectural and engineering related technical and consulting services

Provide construction estimates.

Provide regulatory and policy assessment of projects to ensure adherence with environmental and safety legislation and related policies including 'greening' initiatives, such as but not limited to the Green Building Policy.

2007/2008 Highlights

This branch was newly created through the Estimates process this fiscal year to meet a drastically increased demand for professional technical services. The basic structure was put in place and the Division is considering next steps for implementation action.

2007/2008 Variances

The basic structure was put in place and the Division is considering next steps for implementation action.

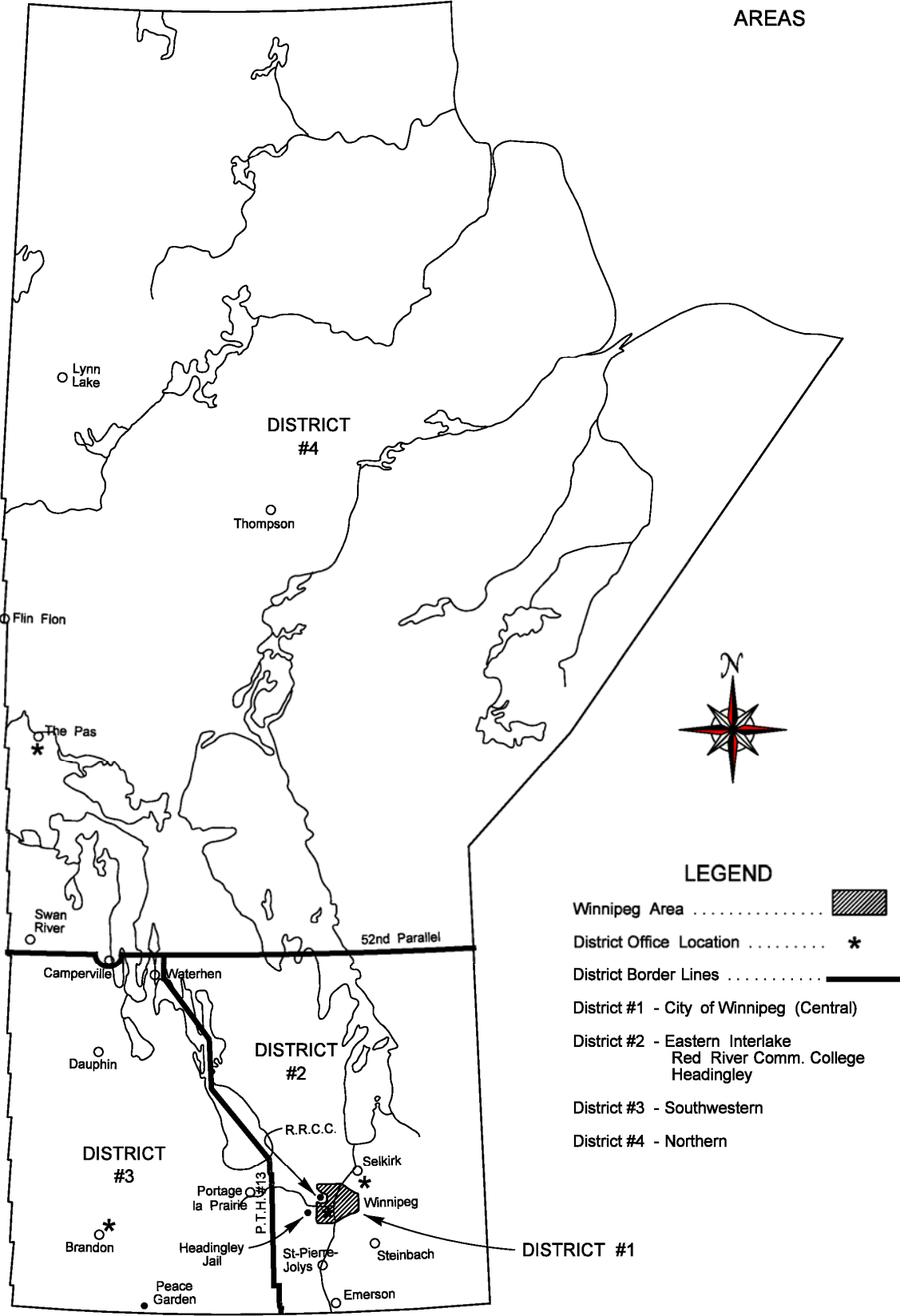
3 (b) Technical Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	775.9	14.00	1,038.4	(262.5)	1
(2) Other Expenditures	7.1		6.7	0.4	
(3) Less: Recoverable from Other Appropriations			(151.2)	151.2	1
Total Sub-Appropriation	783.0	14.00	893.9	(110.9)	

Explanation:

1. Under salary expenditure and under recovery due to staff vacancies.

**PROPERTY MANAGEMENT
AREAS**



Operations

Objective/Mandate

The Operations Branch operates and maintains safe, quality and sustainable work environments for the delivery of public programs.

Activity Identification

District Operations continued to provide comprehensive facility management, with an emphasis on the preventive maintenance program. Capital reinvestment planning has become the renewed focus as maintenance trends demonstrate a need for life cycle planning and prioritization of essential system replacement and capital reinvestment.

The Districts have begun playing an increasing role in the integrated design team with respect to large capital programs, both for existing and new infrastructure projects. The Operational input contributes to the capital project efforts to satisfy decreased life cycle operating and maintenance costs.

Technical and Energy Services has played a significant role in the domain of life cycle planning and analysis. With the implementation of the SMART program, data requirements and the methodology to populate the essential parameters and performance measures is emerging as a priority.

Mould and Asbestos Remediation Program has evolved into a significant lead role within the Division, coordinating the Divisional input and management of the Governments Tracked Sites Initiative. This entails validation and update of the existing asbestos inventory, providing estimates on remediation, drafting a remediation strategy and integrating the remediation with maintenance and capital projects underway or in the planning stages.

Legislative Grounds Section has continued to provide excellent service through winter snow clearing and maintenance, as well as contributing to morale and quality of life in many government buildings through plants and flowers year round. Their work on the Legislative grounds, adjacent parks and government green space is recognized as a source of pride for the section, branch and department.

2007/2008 Highlights

The Operations Branch supported the completion of the Accommodation Services major capital budget in a consultative role, assisted on-site construction coordination and independently managed several minor capital and minor maintenance projects in various provincial areas. Projects were extremely varied and included boiler installations, mechanical systems, building envelope, life safety, and interior improvements. The summary table below provides detail.

District	Minor Capital		Minor Maintenance	
	No. of Projects	Expenditures	No. of Projects	Expenditures
#1	18	\$292.3	24	\$146.8
#2	21	\$461.0	14	\$194.8
#3	25	\$422.4	9	\$53.6
#4	6	\$60.5	5	\$67.0
Greenhouse	2	\$23.1	4	\$23.6
Employee Housing	2	\$67.8	3	\$32.9
Parking Program	2	\$46.8	6	\$49.5
Totals	76	\$1,373.9	65	\$568.2

The SMART system implementation went live in June of 2007 for the Plant maintenance module, corrective maintenance work orders. The Preventive Maintenance work order system went live in July of 2007. The system was not without challenges adapting to a new way of doing business. Through significant training and follow up, the system is in place and continues to demonstrate potential for years to come.

The Branch continued to enhance its capabilities in such areas as sustainable development and utility management through employee training and education, and in the enhancement of building environmental systems. Efforts are continually being made to reduce energy use in building components through envelope and interior design, and replacement of building environmental systems with more efficient systems, reflecting that utility costs of the Accommodation Services portfolio are in the \$14 million range annually. Water use reduction is another initiative that is promoted within the building systems, and work continues to include replacement with more efficient fixtures.

The Operations branch has been working with other provincial departments on emergency planning to establish a common format of Business Continuity Plans throughout government. Coordinating with the Emergency Measures Organization office, plans are being documented for emergency restoration of services following disasters or pandemics so that plans are in place to mitigate program service disruptions following catastrophic events. Initiatives have also begun to determine and quantify the magnitude of specific environmental liabilities within all government properties, with a view to remediation.

3 (c) Operations

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	19,096.3	363.19	20,650.5	(1,554.2)	
(2) Other Expenditures	38,656.8		44,352.5	(5,695.7)	1
(2) Grants/Transfer Payments	898.6		898.6	0.0	
Total Other Expenditures	39,555.4		45,251.1	(5,695.7)	
(3) Less: Recoverable from Other Appropriations	(1,197.9)		(7,224.6)	6,026.7	1
Total Sub-Appropriation	57,453.8	363.19	58,677.0	(1,223.2)	

Explanation:

1. Under expenditure and under recovery due to financial restructuring.

Leased Properties

Objective/Mandate

The Leased Properties Branch provides for the acquisition, renewal and monitoring of leased facilities within the Accommodation Services Division portfolio and provide commercial and real estate expertise with respect to accommodation related issues.

Activity Identification

Lease Acquisition and Renewal: Acquire lease properties, which meet the client Departments' program needs. Negotiates leases which are cost effective and meets the needs of client programs and the Province of Manitoba. Identify expiring leases and negotiates lease renewals at preferred rates including tenant improvements to meet the client program current requirements. Negotiate new lease transactions and lease renewals through direct negotiation on the Request for Proposal (RFP) process. Prepare annual Leased Properties estimates.

Lease Administration: Provide day to day administration of all properties leased by the province and ensure the proper use of Tenant Improvement Allowance agreed upon during lease negotiations. Coordinate the maintenance and operations of leased premises in accordance with terms and conditions of lease agreements throughout their term. Negotiate and administer leasehold improvements undertaken during the term of a lease agreement. Provide a point of contact and resolution for client service related issues. Manage conflict resolution between all parties with respect to contravention to the terms and conditions of lease agreements or Acts which apply to the properties (e.g. Workplace Safety & Health). Administer financial transactions such as rental payments, escalations, operating expenditures and adjustments as set out in the terms and conditions of the lease agreements.

Lease Documentation: Create and maintain all lease documentation and related ancillary documents for the lease portfolio.

Drawing and Record Archives: Provides space inventory drawings that depict base plans showing workgroup allocations which supports the ACRS program. Maintains centralized storage of all drawings, including as-builts, working drawings, etc.

Parking: Maintain a controlled cost recovery paid parking program for each property owned or leased by the Province and to provide management for the program.

2007/2008 Highlights

A continued priority for the branch is to ensure that leases within the government portfolio are consistently procured at or below fair market value. In keeping with government's commitment to sustainability and accessibility initiatives, the Leased Properties branch has made it a heightened priority to ensure that sustainability, greening and universal accessibility initiatives are an important consideration in acquiring and renewing leased properties.

Significant projects in the 2007-08 fiscal year included new leases of 32,599 sq. ft. at 215 Garry Street, 8,720 sq. ft at 175 Hargrave Street, 6,254 sq. ft at 326 Broadway and 5,807 sq. ft at 2210 Saskatchewan in Portage la Prairie.

To encourage provincial staff to seek alternative means of commuting to work, the Parking Program has worked with clients to establish safe convenient bicycle storage and scooter parking areas in owned downtown lots as required

2007/2008 Service Volumes

The leased properties program portfolio includes 215 leases totalling approximately 1.57 million square feet of building space and 312,500 square feet of land. The total budget for the Branch this fiscal year was approximately \$27.6 million.

During the 2007/2008 year, 33 leases were renewed, 16 leases were acquired as new and 7 were terminated which include some non-portfolio leases, as well as leases that have yet to commence and are not reflected in the total numbers.

The branch manages 205 owned and leased parking facilities, with 7,934 parking stalls.

2007/2008 Variances

Administration of the Provincial Parking Program was transferred to the branch in October 2006. The Parking program provides fair and equitable access to parking for the conduct of government business on a cost-recoverable basis.

In October of 2006, the Space Inventory Section (2 staff) of the Project Services Branch and the Parking Section (5 staff) of the Operations Branch, were transferred to the Leased Properties Branch under the new name Leasing, Accommodation Management and Parking.

3 (d) Leased Properties

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	890.8	16.00	922.3	(31.5)	
(2) Other Expenditures	27,881.0		27,885.5	(4.5)	
(3) Less: Recoverable from Other Appropriations	(2,121.8)		(3,286.5)	1,164.7	1
Total Sub-Appropriation	26,650.0	16.00	25,521.3	1,128.7	

Explanation:

1. Initial recovery estimate for the Parking Program was not met.

Divisional Support Services

Objective/Mandate

The Divisional Support Services Branch provides accounting, contracting, and administrative support functions for the Division and provide for the delivery of contracted janitorial and food services at selected locations in most government buildings.

Activity Identification

Financial Services: Ensure accurate, timely completion of all activities related to Accounts Payable, General Financial Services, Account Receivable Recoveries and Revenues, and Financial Reporting for the Division within the SAP environment. This includes tracking, reporting and controlling divisional budgets, capital and client-funded projects, salary costs and allocations, and operating expenditures. Manage all financial aspects relating to the delivery of services provided by Accommodation Services Division (ASD), ensuring that financial policies and procedures are followed.

Administrative Support: Provide secretarial and clerical support to all branches of the Division. This includes administrative support for human resource activities required by the Branches.

Contracting Services: Provide all contracting and tendering activities for the Division such as construction, consulting and service contracts. This includes the preparation and award of contracts, ensuring adherence to government policies and procedures.

Provide effective administration and monitoring of all contracts, including composing bids, preparing tenders and contract documents, advertising and awarding contracts. Examples include: janitorial services, trade services and snow clearing.

Coordinate the preparation of Divisional annual estimates, yearly business plans, and monthly forecasts.

2007/2008 Highlights

Divisional Support continued to be instrumental in striving for financial accountability through enhanced project reporting and timely divisional financial reporting during 2007/2008.

With the arrival of three new modules of SAP, the focus of the reporting effort has shifted from in-house adhoc reporting tools to utilizing the new functionality available in SAP. The implementation of this new toolset has not been trouble free, with much new learning taking place this year and continuing in future years as the Branch assists other branches of the Division in adapting to this new technology and its required processes.

3 (e) Divisional Support Services

Expenditures	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Variance Over(Under) \$(000)	Expl. No.	
Sub-Appropriation					
(1) Salaries & Employee Benefits	552.2	10.18	885.6	(333.4)	1
(2) Other Expenditures	269.7		297.4	(27.7)	
Total Sub-Appropriation	821.9	10.18	1,183.0	(361.1)	

Explanation:

1. Under expenditure due to staff vacancies.

Security and Parking

Objective/Mandate

The Security and Parking Branch provides security and parking services for government departments and agencies occupying space in owned or leased buildings where the Division is the service provider.

Activity Identification

Security Services: Provide the effective delivery of security services through out the Province of Manitoba. This includes:

- providing security for government staff, visitors, elected officials and visiting dignitaries,
- electronically monitoring the security of assets through the Communication Centre,
- providing mobile patrols to protect people and assets.

Provide client departments with security consulting and related services. These activities include security awareness training, security electronics installations and monitoring, locksmith services, security project delivery, and quality control monitoring of contracted security related projects.

Liaise between clients and police authorities throughout the Province on issues related to security matters.

Coordinate the Provincial Government Employee Photo Identification Card program.

Recommend guidelines, processes and procedures relative for the provision of security protection services to the government as required.

2007/2008 Highlights

Security Awareness training sessions continue to be offered for groups of government employees across the province.

The Security Branch continues to coordinate a Provincial Government Employee Photo Identification Card initiative and encourages all provincial government employees to wear this identification while in a provincial government workplace.

The Security Branch also develops, designs, installs and coordinates the installation of security systems in-provincial government facilities owned or leased as required.

Security at Manitoba's Legislative Building is continually being assessed the Security Branch and improvements recommended. Additional Security Officers have been assigned to the Legislative Building. In November of 2007 and extensive audit was undertaken of all security practices, policies and procedures and the technological equipment at the Legislature. The 'sign-in' procedure at the Legislature required of all visitors, couriers, and contracted trades people has been modified to provide for an expedited passage of persons attending with confirmed appointments.

Information sessions continue to be made available to all staff at the Legislative Building to orient them to the enhanced security initiatives.

During 2007/2008 several Security Officers were re-accredited in the use of an Automated Defibrillator (AED) which is located in the Security Office of the Legislature.

2007/2008 Service Volumes

The Security Branch reported more than 4000 security incidents in the 2007/2008 fiscal year. These incidents include vandalism, assaults, thefts, and alarm responses.

2007/2008 Variances

In order to maintain the focus on security and in recognition of the business links between the Parking program and Leasing, on October 30, 2006 the Parking portfolio was transferred to Leased Properties, now identified as Leasing Accommodation Management and Parking. Security and Parking is now called the Security Branch.

3 (f) Security Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	4,438.3	96.79	4,372.0	66.3	
(2) Other Expenditures	1,146.5		1,037.9	108.6	
(3) Less: Recoverable from Other Appropriations	(1,024.3)		(860.6)	(163.7)	
Total Sub-Appropriation	4,560.5	96.79	4,549.3	11.2	

Accommodation Cost Recovery

Objective/Mandate

The Accommodation Cost Recovery Program manages an Accommodation Cost Recovery System (ACRS) that allocates charges to all tenants that occupy owned or leased office and warehouse space.

Activity Identification

The Accommodation Cost Recovery program is jointly administered by the Accommodation Services and Administration and Finance Divisions of Manitoba Infrastructure and Transportation. The program is supported by the technology-based Accommodation Cost Recovery System (ACRS). Program activities are as follows.

- Develop, implement and maintain relevant policies and administrative procedures necessary to delivery of the Accommodation Cost Recovery program.
- Maintain a perpetual inventory indexed by occupant, of all government owned and leased accommodation.
- Identify the cost of the space occupied by each program and client work group within programs.
- Process a billing to each client work group for the cost of the space it occupies.
- Develop and circulates all relevant written guidelines and financial reports.

2007/2008 Highlights

Successfully recovered costs for departmentally managed, provincially owned space and leased space by cost allocation to departments and special operating agencies.

2007/2008 Service Volumes

<i>2007 2008 Accommodation Cost Recovery</i>	
962	<i>Clients</i>
476	<i>Workgroups in 97 owned facilities, cost recovered throughout the Province</i>
486	<i>Workgroups in 182 leased facilities, cost recovered throughout the Province</i>

3 (g) Accommodation Cost Recovery

Expenditures	Actual	Estimate	Variance	Expl.
Sub-Appropriation	2007/08	2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	
Recovery from Other Appropriations	(53,529.0)	(53,647.3)	118.3	

Corporate Accommodation Planning

Objective/Mandate

The Corporate Accommodation Planning Branch provides leadership and advice to assist in the development of strategic long range accommodation planning.

Activity identification

Client Requirements and the Capital Plan: Serve a central role in ensuring client infrastructure requirements are prioritized over a multi-year strategic long term Capital plan, which includes; coordinating the longer-term identification of program needs, mapping them into a long term capital plan, and facilitating their prioritization within the broader comptrollership context.

Strategic Asset Management: Working with the client departments, central agencies and ASD branches, lead strategic asset management planning in an effort to anticipate the impact of various facility investment decisions.

Policy Review and Development: Work to develop a methodology and criteria as part of a policy framework to evaluate the Province's holdings and assist in the development and maintenance of an efficient infrastructure portfolio.

Performance Measurement: Foster advancements in the area of performance measurement and continuous improvement for the division and aid in the adaptation or development of Performance Measures along with indicators and benchmarks using the SMART system.

Special Initiatives: Coordinate Division participation in horizontal initiatives and intergovernmental efforts. Coordinate corporate responses and discrete actions to short term activities as an additional aspect of the CAP service profile.

2007/2008 Highlights

Providing corporate leadership and coordination across a number of horizontal initiatives in 2007/2008 continued to be the focus for the Branch.

In order to help promote the memory of firefighters, peace officers and workers who have died in the workplace, the Branch developed the business case and approvals for what became *The Firefighters, Peace Officers and Workers Memorial Foundations Act* which received Royal assent in November 2007.

The Branch worked with the Department of Culture, Heritage and Tourism to seek approval for changes to the Government's Art Acquisition Policy to allow for acquisitions related to major renovations or new construction to occur in a more consistent manner to meet the broader policy objectives of the Artwork Policy.

The Branch continued its work to identify and seek approval for sale of buildings that are no longer required to meet the accommodation requirements of the Provincial Government.

As in previous periods, the Branch continued to provide advice and expertise to arms length organizations and special operating agencies across portfolios. This effort continues to inform strategic decision making on the role of government in managing arms-length real property issues.

3 (h) Corporate Accommodation Planning

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	471.5	6.00	584.2	(112.7)	
(2) Other Expenditures	89.5		102.0	(12.5)	
Total Sub-Appropriation	561.0	6.00	686.2	(125.2)	

Procurement Services

Objective/Mandate

The Procurement Services Branch (PSB) provides corporate procurement services to all government departments and certain agencies to ensure that each purchase contract represents a fair and reasonable cost to taxpayers, and that it extends competitive opportunity to interested suppliers.

Activity Identification

Provide departments and certain agencies with centralized tendering and contracting services for goods and related services.

Provide product specifications, material identification, cataloguing services and commodity standardization strategies.

Promote Sustainable Development procurement initiatives including the purchase and use of environmentally preferred goods and services across government.

Increase the participation of Aboriginal Businesses in providing goods and services to Manitoba through the implementation of the Aboriginal Procurement Initiative; liaise with the vendor community to promote business opportunities and increase the participation of small businesses.

Develop corporate supply strategies and establish contracts for common use goods and related services used across government.

Provide consultative services to clients regarding product evaluations, procurement methods, and contract terminology.

Develop and implement corporate procurement policies and establish best practices with input from departmental representation and guidance from the Deputy Ministers Committee on Procurement.

Participate in Federal/Provincial procurement initiatives such as reduction of inter-provincial trade barriers, inter-provincial information networks and initiatives aimed at improving access to government procurement.

Administer government-wide purchasing activity through the delegation of purchasing authority of the Purchasing Card.

2007/2008 Highlights

Sustainable Development: PSB played a leadership role in the implementation and communication of Sustainable Development procurement across Government including:

- Communicating procurement related SD policies and initiatives to government and the vendor community
- Establishing specifications and corporate standards for procurement of environmentally preferred goods
- Engaging key stakeholders to advance procurement related SD initiatives

Community Economic Development: Key aspects of Procurement Services' procurement strategy to contribute to the government's Community and Economic Development (CED) initiative include:

- Responsible Manufacturers policy to promote awareness and educate businesses and government buyers about manufacturing of clothing under humane working conditions
- Social Purchasing Portal linking inner city suppliers with buyers
- Aboriginal Procurement Initiative (API) phasing in new aspects of the Initiative

Service Improvement: PSB worked with key stakeholders in coordinating procurement across government in such areas as:

- Review of Procurement Card and American Express Travel Card programs.
- Provide consulting services to client departments and suppliers on procurement policy and practices, contracting terminology, product evaluation and commodity standardization

Aboriginal Procurement: The phasing in of the API, designed to increase the participation of Aboriginal businesses in providing goods and services to government, with the focus on raising awareness of the API through participation in trade shows and meetings with Aboriginal organizations such as the Aboriginal Chamber of Commerce.

Manitoba Supplier Development: PSB participated in several trade shows and annual events such as Vision Quest, Association of Manitoba Municipalities, and the Manitoba, Winnipeg, and Aboriginal Chambers of Commerce, Manitoba Municipal Administrators Association and the Southern Chiefs Organization Trade Summit.

Federal-Provincial-Territorial Procurement: In addition to negotiations to reduce trade barriers under the Agreement of Internal Trade, PSB worked with provincial, territorial and federal counterparts in establishing an annual forum in which jurisdictions profile best practices in procurement in their respective jurisdictions.

2007/2008 Service Volumes

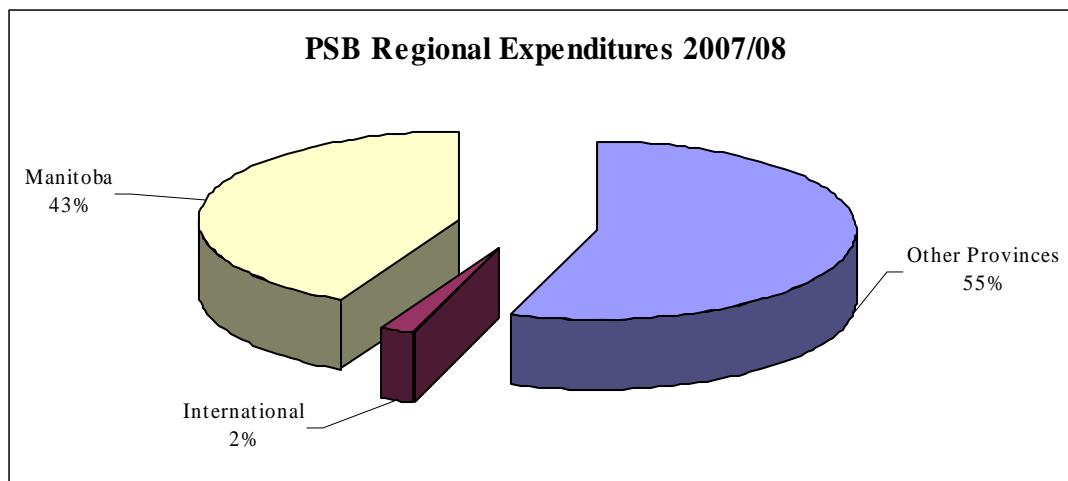
As one of the largest purchasing agencies in Manitoba, the PSB facilitates the acquisition of an extensive and wide range of products and related services valued at approximately \$71.3 million annually (5 year average).

Tenders processed by the PSB resulted in approximate savings of \$8.3 million based on historic saving percentages, which have been applied to tendered purchases reported through SAP in the 2007/2008 fiscal year.

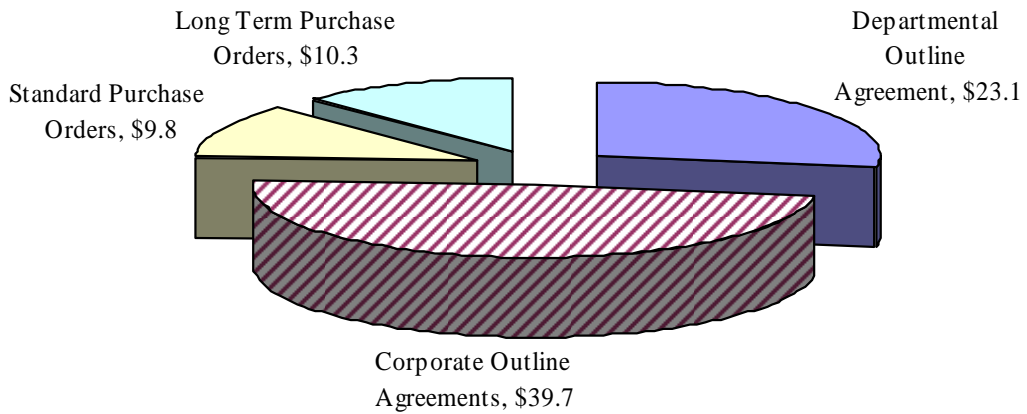
During 2007/2008, the PSB processed 997 requisitions containing 4,035 goods and services items valued at \$82.9 million.

Approximately \$35.2 million (42.5%) was awarded to Manitoba suppliers, \$45.9 million (55.4%) to suppliers in other parts of Canada, and \$1.8 million (2.2%) to international suppliers. Of the \$35.2 million awarded to Manitoba suppliers, approximately \$4.2 million was awarded to rural suppliers.

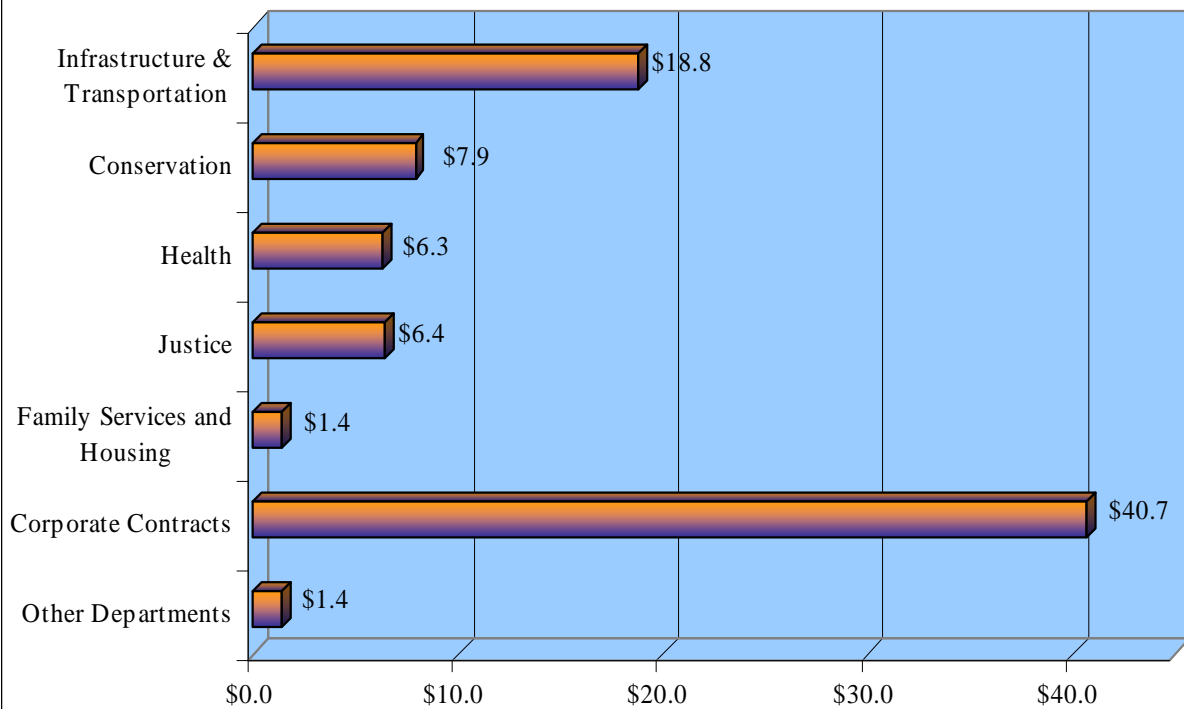
Delegated purchases made through procurement card transactions were valued at \$10.6 million of which \$8.8 million (83.6%) was to Manitoba suppliers.



PSB Procurement Activity by Type 2007/08 (\$M)

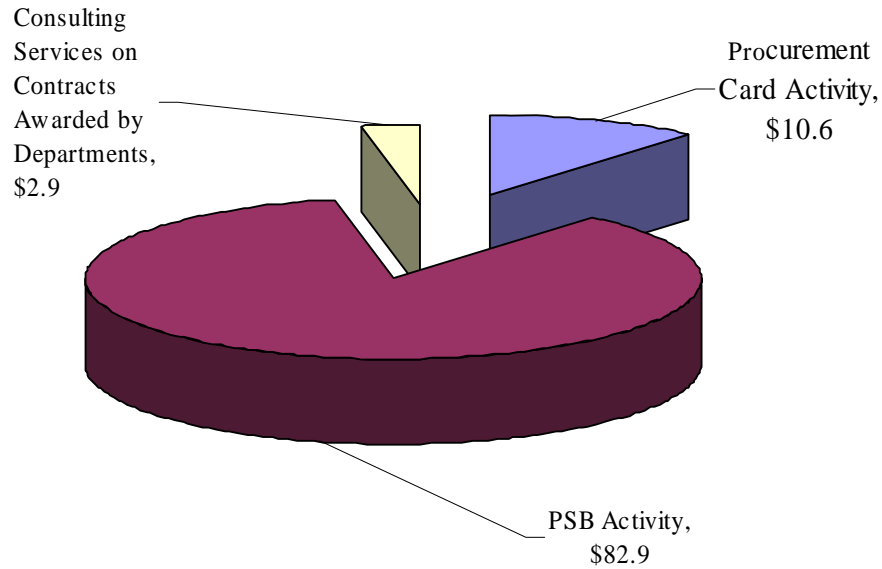


PSB Procurement by Department 2007/08 (\$M)



PSB Managed Procurement - Delegated & Corporate (\$M)

Total Procurement - \$96.4



Ten Largest Commodities 2007/2008	Value (Millions)
Fuels And Lubricants	\$22.8
Medical, Dental, Veterinary	\$9.0
Construction Materials	\$8.5
Vehicles, All Types	\$8.1
Food	\$7.3
Machinery	\$6.6
Operating Services	\$4.0
Stationery Supply	\$2.7
Safety Equipment And Devices	\$2.4
Equipment	\$1.8
NOTE: Commodity values are intended only to report on purchasing trends and are based on estimated usage with relative percentages applied to the contract values reported for 2007/2008.	

3 (i) Procurement Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	2,034.5	32.60	2,022.0	12.5	
(2) Other Expenditures	368.8		371.1	(2.3)	
Total Sub-Appropriation	2,403.3	32.60	2,393.1	10.2	

Government Air Services

Objective/Mandate

Manitoba's Air Services Branch provides specialty air transportation services including Lifeflight Air Ambulance, aerial surveillance and forest fire suppression, air transportation of personnel and cargo and co-ordination and certification of government charter flying in private sector aircraft.

Activity Identification

Air Ambulance – In conjunction with Manitoba Health, Air Services provides Lifeflight air ambulance transportation, both in and outside the Province, using two (2) Manitoba owned jets and private sector aircraft.

Fire Suppression – One of Air Services' major responsibilities is meeting Manitoba's aerial surveillance and forest fire suppression needs in conjunction with Manitoba Conservation, using seven (7) CL-215 Water Bombers, three (3) Cessna twin engine Birddog aircraft, two (2) turbinized DeHavilland Single Otter aircraft and one (1) turbinized DeHavilland Twin Otter aircraft.

General Transportation – When the aircraft are not being utilized for either fire suppression or air ambulance purposes, Air Services provides air transport services for provincial personnel and cargo, using: the eight passenger Cessna jet; the nine passenger Piper Navajo twin engine aircraft; the three, five passenger Cessna 310s, the two, ten passenger float/ski equipped DeHavilland Single Otters and the eighteen passenger DeHavilland Twin Otter. In addition to the actual transport, Air Services also coordinates and audits charter billings for all clients flying in private sector aircraft.

2007/2008 Highlights

Client requirements for specialized aviation services in the 2007/2008 year have remained relatively unchanged. When compared to 5 years of historical data, Branch activities have remained relatively constant. Minimal variances can be attributed to changing weather patterns and their correlating impact on fire suppression requirements.

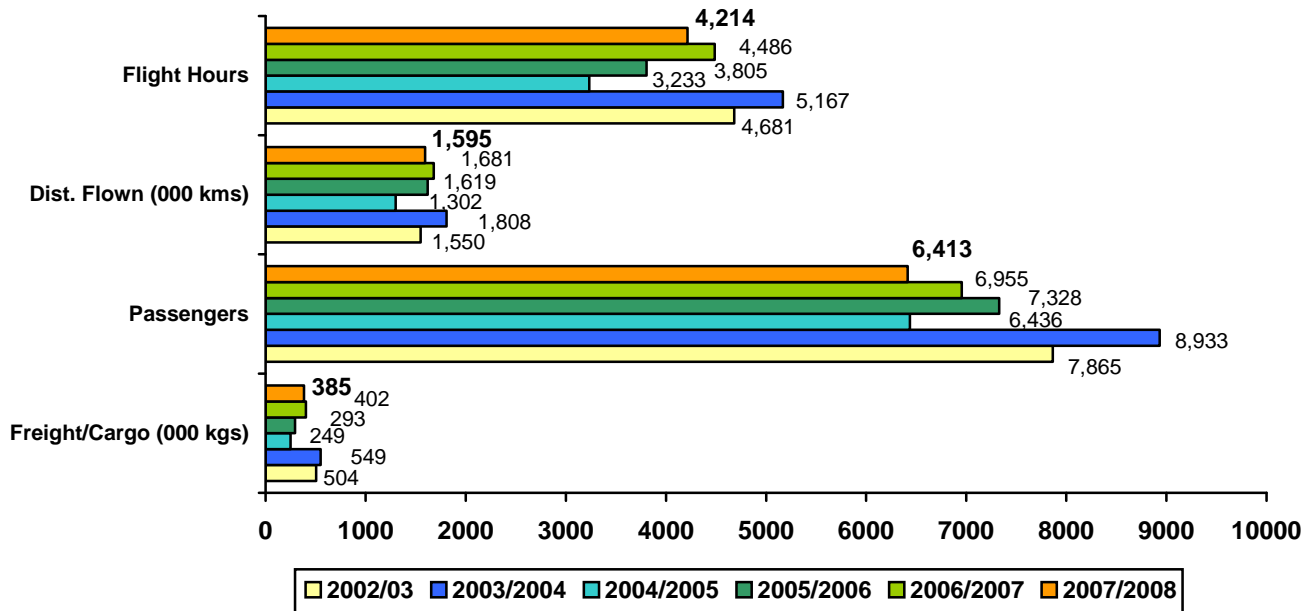
Currently, government air operators such as Manitoba's Air Services Branch conduct their respective flight operations in compliance with Canadian Aviation Regulations which do not facilitate optimal program delivery to Canadian citizens. Subsequently, the federal aviation regulating body (Transport Canada) has agreed to support Manitoba's initiative to develop aviation regulations for "state" governmental air operators. Manitoba's most recent draft of state aviation regulations is currently under review by Transport Canada.

2007/2008 Service Volumes

16	Provincially owned aircraft
7	CL-215 Water Bombers
3	C-310 Birddog aircraft
2	Citation Jet aircraft
2	Single Otter aircraft
1	Twin Otter aircraft
1	Navajo aircraft
5	Managerial staff
40	Pilots
28	Aircraft maintenance/avionics engineers
7	Financial/Administrative support personnel

Note: The operation and financial models of Air Services are based on cost recovery of all programs and services.

Aircraft Utilization Summary



Medical Services Program

Lifelight Air Ambulance Program accounted for 751,254 kilometres of the total air distance travelled in 2007/2008, compared to 832,035 kilometres in 2006/2007, a decrease of 80,781 kilometres.

Lifelight Air Ambulance transported 478 patients in-Province in 2007/2008, compared to 533 in 2006/2007, a decrease of 55 patients.

Lifelight Air Ambulance transported 111 patients out-of-Province in 2007/2008, compared to 107 patients in 2006/2007, an increase of 4 patients.

Fire Suppression Program

Forest fire suppression activities accounted for 554,288 kilometres of the total air distance travelled in 2007/2008, compared to 517,363 kilometres in 2006/2007, an increase of 36,925 kilometres.

Water bombing drops totalled 3,606 in 2007/2008, compared to 3,076 drops in 2006/2007, an increase of 530 drops.

General Air Transportation Program

General Transport:

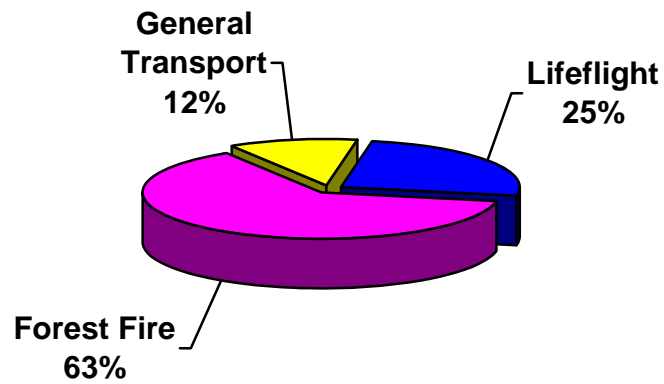
Air Services provides limited general transport of governmental personnel and cargo in provincially operated aircraft; combining flights between the various departments whenever possible.

General air transportation including the Northern Patient Transportation Program accounted for 288,923 kilometres of the total distance travelled in 2007/2008, compared to 328,344 kilometres in 2006/2007, a decrease of 39,421 kilometres.

Co-ordination of Government Charter Flights:

Air Services arranged 737 government charters with private sector carriers in 2007/2008, compared to 745 charters 2006/2007, a decrease of 8 charters.

Flight Hour Utilization Summary



2007/2008 Variances

See 2007/2008 Service Volumes.

3 (j) Government Air Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	6,457.5	80.00	6,439.1	18.4	
(2) Other Expenditures	5,886.2		7,869.5	(1,983.3)	1
(3) Less: Recoverable from Other Appropriations	(12,276.4)		(14,308.6)	2,032.2	1
Total Sub-Appropriation	67.3	80.00	0.0	67.3	

Explanation:

1. Lower expenditures and recoveries due to reduced fire suppression activities and air ambulance out of service for three months.

Special Operating Agencies

Materials Distribution Agency

Objective/Mandate

Materials Distribution Agency became a special operating agency on April 1, 1993. Mail Management Agency became a special operating agency on April 1, 1996. Both Agencies amalgamated April 1, 2005. Refer to Part 5 – Special Operating Agencies for detailed program and financial information.

Activity Identification

MDA provides mail and materials management services to the public sector, including but not limited to Mail Management Services for Members of the Legislative Assembly; inter-department and federal mail; contract administration; digital printing; home care equipment rentals; office equipment management; warehouse and inventory management services and transportation, storage and disposal services.

2007/2008 Highlights

- MDA website was built, populated and a launch was completed in late fiscal year 2007/2008.
- MDA was audited by the Provincial Internal Audit Department in 2007. Recommendations have been implemented or built into the 2008/09 Business Plan.
- Employee survey was conducted in October 2007 and suggestions were inducted into the 2007/2008 Business Plan.
- Carried out special distribution projects for government clients (examples: Elections Manitoba's post election inventory/storage and Helmet Distribution for Manitoba Healthy Living)
- Purchased and implemented new high speed printing equipment at central site.

2007/2008 Service Volumes

<i>2007/2008 Activities</i>	
<i>55,614</i>	<i>Orders processed</i>
<i>578</i>	<i>Inter-office government moves</i>

Crown Lands and Property Agency

Objective/Mandate

The Crown Lands and Property Agency (CLPA) became a special operating agency on April 1, 2006. Land Management Services, designated as a special operating agency on April 1, 1995, was dissolved April 1, 2006 and amalgamated with other government programs from Manitoba Agriculture, Food and Rural Initiatives (Crown Land Management) and Conservation (Park District Records and Lands Branch) to form the new Crown Lands and Property Agency. Refer to Part 5 – Special Operating Agencies for detailed program and financial information.

Responsibilities of the Agency:

CLPA administers Crown Lands on behalf of all Manitoba government departments. The services provided by the Agency include:

- processing applications from the public to purchase or lease Crown lands, as well as renewals and assignments of existing leases and permits;
- acquiring lands for public purposes by agreement and/or expropriation;
- selling surplus government properties; and
- providing real estate appraisal and consulting reports for government departments and other public agencies.

2007/2008 Highlights

The Agency's four previous offices were consolidated in Portage la Prairie in September 2007, and a functionally-based organization structure was implemented in December 2007. The process of integrating, harmonizing and streamlining application review procedures was begun in the fourth quarter of the 2007/2008 fiscal year, and will continue in 2008/2009.

2007/2008 Service Volumes

Transactional Activities	#	Revenue Activity Type	\$(000)
Land Acquisition Branch		Land Acquisition Branch	
Leases	38	Leases	66.1
Sales	13	Sales	4,152.5
Subtotal	51	Subtotal	4,218.6
Agricultural Crown Lands		Agricultural Crown Lands	
Forage Leases	2,136	Forage Leases	1,124.2
Cropping Leases	83	Cropping Leases	179.5
Special Leases	2	Special Leases	9.5
Casual Grazing Permits	12	Casual Grazing Permits	2.0
Renewable Grazing Permits	52	Renewable Grazing Permits	7.8
Casual Hay Permits	30	Casual Hay Permits	1.9
Renewable Hay Permits	320	Renewable Hay Permits	46.2
Subtotal	2,635	Subtotal	1,371.1
Lands Branch		Lands Branch	
Permits (Vacation Home Permits & General Permits)	3,200	Vacation Home Permits & Leases	107.6
Leases (Vacation Home Leases & Miscellaneous)	632	Miscellaneous	515.6
Licences of Occupation	629	Miscellaneous & Easements	466.3
Easements	1,150	Wild Rice Licences	11.2
Wild Rice Licences	320	Land Sales (Non-Cottaging)	388.1
Land Sales	125	Land Sales (Cottaging Program)	288.5
Subtotal	6,056	Subtotal	1,777.3
Parks Program		Parks District Program	
Vacation Home Leases & Permits	5,783	Vacation Home Leases & Permits	4,181.7
Commercial Leases & Permits	134	Commercial Leases & Permits	317.6
Private Land Service Fees	411	Private Land Service Fees	103.9
General Permits	159	General Permits	58.1
Non-profit Permits & Leases	50	Non-profit Permits & Leases	15.8
Subtotal	6,537	Lot Development Fees	27.3
		Subtotal	4,704.4
TOTAL	15,279	Total Revenue Collected for Clients	12,071.4

Note: This \$12.1 million is revenue collected for client departments and does not include any of the Agency's own revenues

Appraisal and Negotiation		
Land Acquisition Branch		Actual
	Projects Completed	49
	Borrow Agreements	3
	Agreements	54
	Appraisals	84
	Acres Acquired	964
*LVAC Certification	\$1,806,443	

Legal Processing		
Land Acquisition Branch		Actual
	Expropriations	3
	Current Files:	
	Processing	64
	Finalizing	3
	Backlog Files	130
	Other Files	25
	Plan Certificates	10
Right-of-Way Plans	30	

* LVAC denotes Land Value Appraisal Commission

Fleet Vehicles Agency

Objective/Mandate

Fleet Vehicles Agency became a special operating agency on April 1, 1992. Refer to Part 5 – Special Operating Agencies for detailed program and financial information.

2007/2008 Highlights

Of the 413 model year 2008 units ordered, 28 are hybrid-electric vehicles and 122 are E85 flex fuel vehicles, with the year's purchases further contributing to the "greening" of the provincial fleet.

Together with Manitoba Health, the Agency successfully launched the provincial ambulance replacement and management program in 2001/2002. As of March 31, 2008, the Agency now owns 162 ambulances that are leased to Manitoba Health and assigned by them to Regional Health Authorities.

Keys™ is the Agency's in-house developed fleet and equipment management system that may be used as either an asset or project management tool. Following its licensing to the Yukon Territory and to the Mechanical Equipment Services Branch of Manitoba Infrastructure and Transportation during the first quarter of 2006/2007, Keys™ was licensed in 2007/2008 to the provincial Emergency Measures Organization (EMO), with EMO going "live" with Keys™ as a project management tool on April 1, 2008.

During the fourth quarter of 2007/2008, primarily as a replacement for 15 passenger vans, the Agency ordered seven smaller school buses for lease to Frontier School Division.

Consideration was given to a possible change in the Agency's role and mandate. Under the proposed change, the Agency is to obtain increased control over timely vehicle replacement, and is to move towards greater vehicle standardization within the fleet, all the while determining with departmental customers what is "the right vehicle for the job".

2007/2008 Service Volumes

2007/2008 Fleet Vehicles Agency Service Volumes	
2,907	Total units in the fleet as of March 31, 2008
374	Units purchased
414	Units disposed
100%	Percent of provincial clients retained since the Agency's conversion to an optional service in 1995/1996
81%	Percent efficiency rate, maintained regarding vehicle, equipment and radio services
Less than 1%	Vehicle comeback rate

For further information on the Special Operating Agencies and the 2007/2008 highlights please refer to their individual 2007-08 Annual Progress Reports

Infrastructure Works

Mandate:

- Provides for the maintenance of Manitoba's primary and secondary road systems.
- Provides for the rehabilitation/preservation of Provincial Trunk Highway System and the Provincial Road System.
- Provides for roadwork projects in Local Government Districts and Unorganized Territories that are a mix of projects financed 100% by the Province and projects financed on a 50/50 basis between the Province and the Local Government Districts.
- Provides funding for a variety of transportation related capital projects.
- Provides funding for the administration, construction and maintenance of the winter road system.
- Provides annual maintenance service to water and flood control works.

Maintenance and Preservation Program

Objective/Mandate

The Maintenance and Preservation of Provincial Truck Highways, Provincial Roads and Related Expenditures Program protects public investment in highway infrastructure and ensure that the travelling public and commercial vehicles are provided with safe, efficient and convenient movement by maintaining roads, bridges and traffic control devices to acceptable standards.

Activity Identification

Provide repairs to paved surfaces, including shoulders.

Conduct gravel surface work including dragging, re-gravelling and dust control.

Carry out roadside maintenance, including mowing, weed control and litter pick-up.

Perform preservation through micro-surfacing, route and crackfill and sealcoating.

Provide maintenance of signs, guardrails, guide posts and traffic control devices.

Perform maintenance on bridges and drainage facilities.

Conduct winter maintenance activities including snow plowing, snow fencing, sanding and salting.

2007/2008 Highlights

The Department built seven new salt storage and seven new sand storage buildings throughout the province further reducing the environmental concerns on storage of treated sand and road salts within the province.

The Department completed Phase 1 of the Maintenance Career Training program to effectively address impacts based on anticipated staff turnover and knowledge transfer. This training involved over 100 departmental employees

Due to growing public demand for improved winter driving conditions, the Department received approval to improve winter maintenance levels of service during the 2007/08 winter season.

Weekend Road Patrols

As the Department's Road Information service currently provides 24/7 coverage in the winter, the entire provincial road network will have an increased road patrol presence to ensure updated road information is available on the weekends.

The road patrols will provide timelier road condition information for the traveling public, as well as provide an opportunity for quicker response times to address adverse road conditions.

Scheduled Night Shift on the National Highway System routes

The Department will schedule a weekday night shift that will focus on Manitoba's portion of the National Highway System, including PTH's 1, 75, 6, 16, 100, 101, and 60, and portions of PTH 10 and PR 221 (Inkster Boulevard). These roads comprise approximately 10% to 15% of the entire provincial highway network.

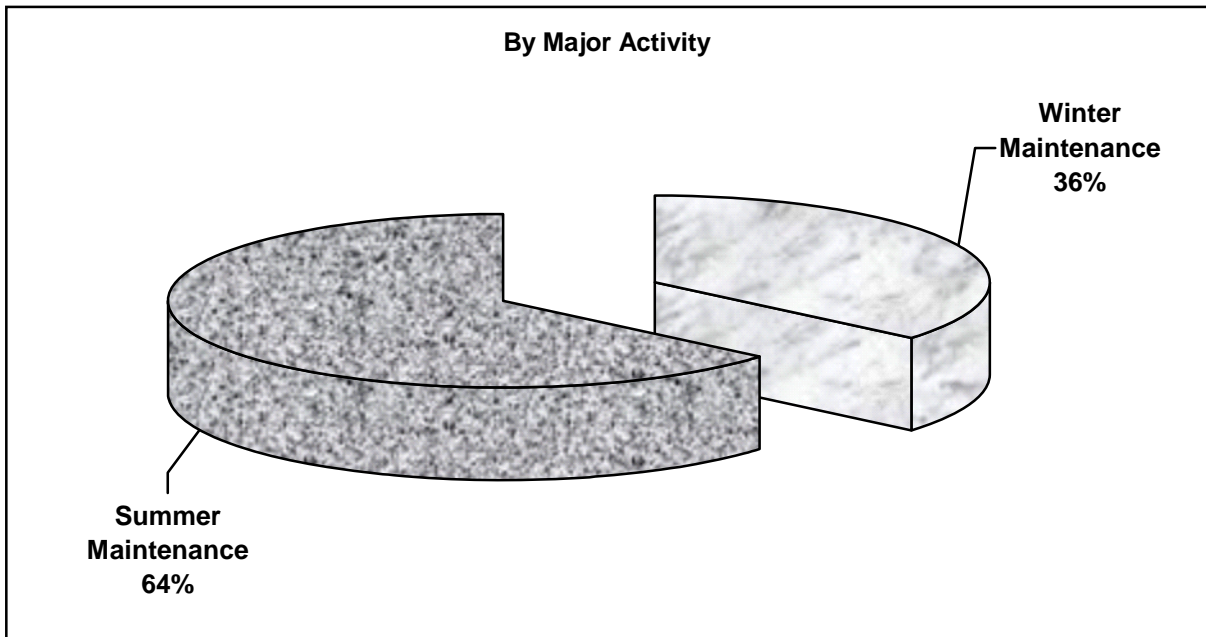
This enhanced level of plowing and sanding operations will also provide timelier road condition information for the traveling public, as well as provide an opportunity for quicker response times to address adverse road conditions on these major traffic and trade corridors. This enhanced service is expected to cost the department \$2.3m annually

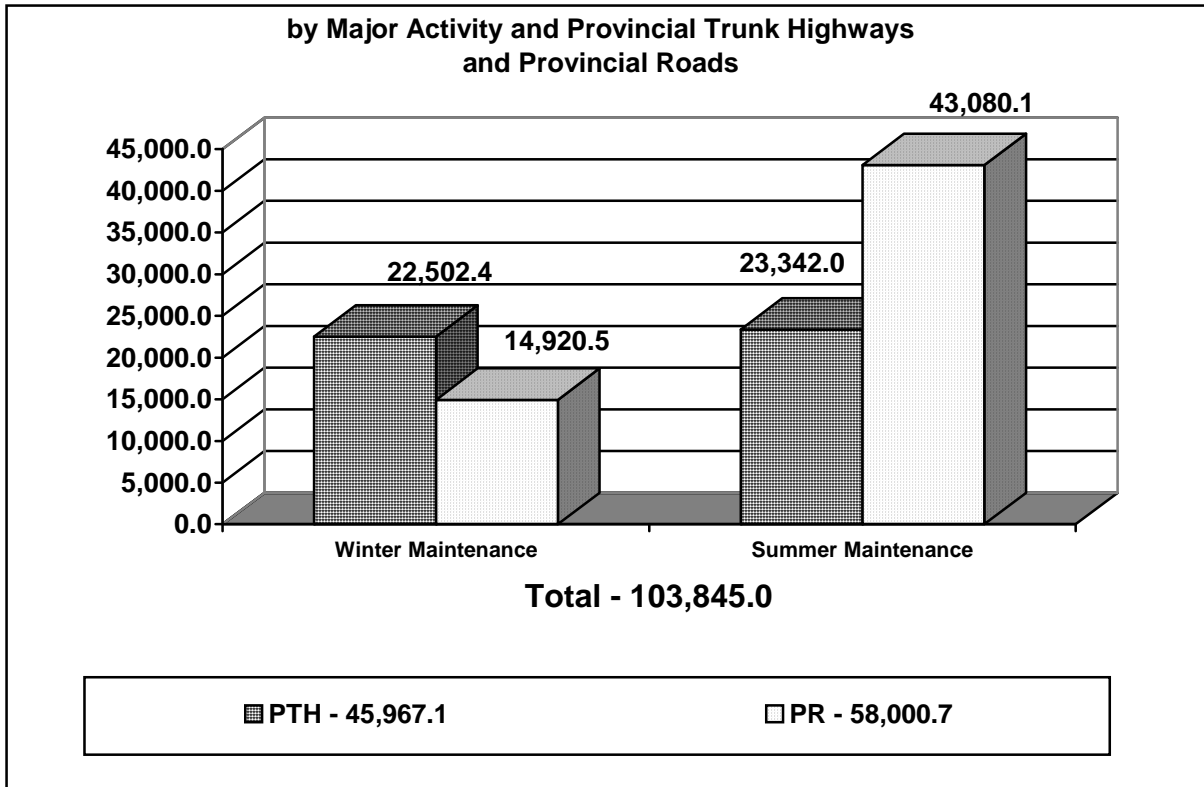
2007/2008 Service Volumes

2007/2008 Maintenance and Preservation Major Activities		
Work Activity	Work Accomplishment	Cost
Maintenance Patching	1,804,917 square meters	\$9,624,745
Spot Road Improvements	Various Locations	\$3,965,664
Seal Coat (includes preparation work)	4,043,300 square meters	\$11,389,748
Microsurfacing	193.9 lane kilometres	\$4,811,017
Pavement Marking	33,834 lane kilometres	\$4,393,358
Dragging Gravel Roads	253,947 pass kilometres	\$4,287,857
Gravelling (includes community main access, stabilization)	370,358 cubic meters 15,930 kilolitres	\$11,918,196
Snow Plowing	1,206,678 pass kilometres	\$4,001,438
Winter Ice Control	146,820 kilometres treated	\$3,543,494

The following graphs show maintenance expenditure by major activity and by PTH and PR Systems.

2007/2008 Maintenance Expenditures





4 (a) Maintenance and Preservation Program

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Estimate 2007/08 \$(000)	Variance Over(Under) \$(000)	Expl. No.
(1) Salaries & Employee Benefits	49,201.7	998.29	47,391.4	1,810.3	1
(2) Other Expenditures	111,286.5		113,456.6	(2,170.1)	2
(3) Recoverable from Part B Capital	(14,888.0)		(11,849.8)	(3,038.2)	3
Total Sub-Appropriation	145,600.2	998.29	148,998.2	(3,398.0)	

Explanation:

1. Increased salary costs were incurred and subsequently charged back to the expanded Capital Program.
2. Extreme cold weather curtailed Preservation activities during the fourth quarter.
3. Increased salary as well as survey and design costs were charged back to the expanded Capital Program.

Mechanical Equipment Services

Objective/Mandate

The Mechanical Equipment Services Branch (MES) provides mechanical equipment and warehousing services to support the safe and efficient delivery of the Department's construction, maintenance and preservation programs and remote airport programs in a manner which incorporates the principles of sustainable development and environmental awareness.

Activity Identification

Develop policy and standards applicable to the maintenance of the mechanical equipment fleet and the Department's warehouse operations.

Acquire and services a variety of mechanical equipment required for highway maintenance for the Department.

Operate a network of repair and warehouse facilities throughout the province to provide equipment, materials and parts to the department.

Regularly inspect and provide preventive maintenance on equipment and facilities to prolong service life.

Acquire and maintain equipment required for airport operation to ensure serviceability of remote airports.

2007/2008 Highlights

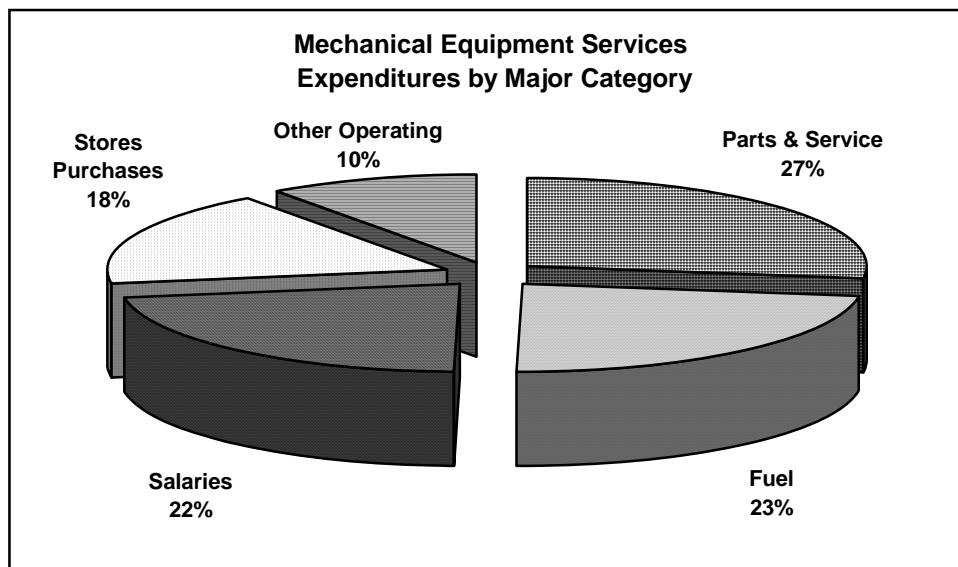
MES was given a capital budget of \$7 million for equipment in the 2007/2008 fiscal year. This increased funding was spent on winter related equipment with the exception of one (1) Underbridge Inspection crane, one (1) digger/derrick truck and two (2) hot oil tankers.

Late in the 2007/2008 fiscal year, Mechanical Equipment Services were given an additional \$4.4 million for equipment purchases. With this additional funding, MES purchases fifteen (15) used motor graders and (14) used loaders.

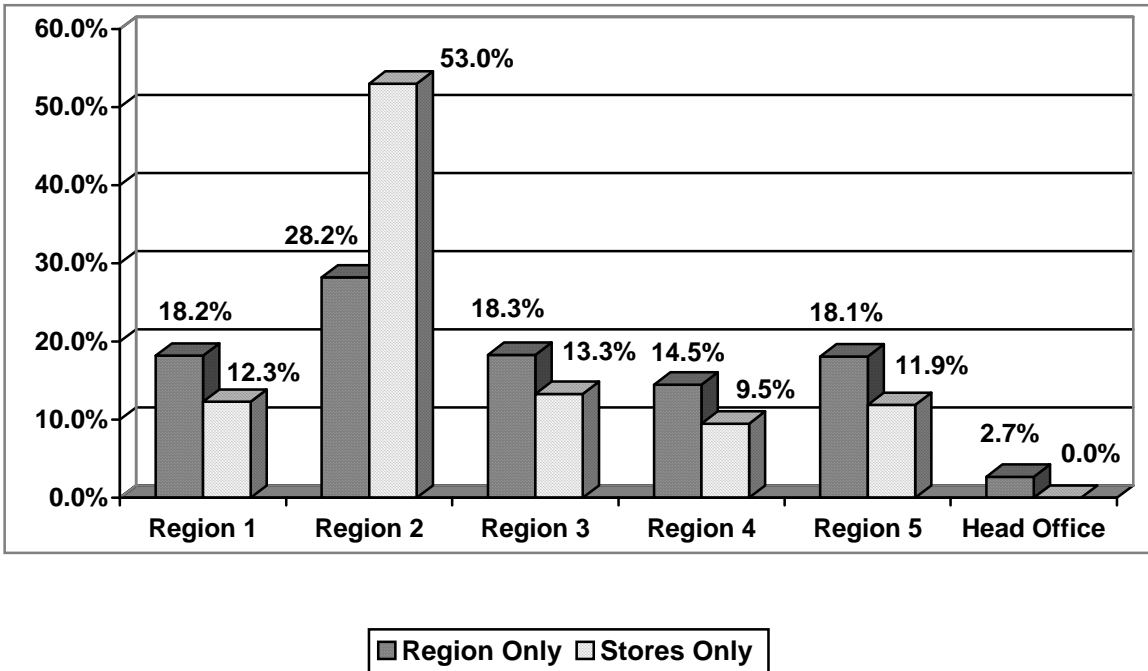
Mechanical Equipment Services worked further to enhance synergies with Fleet Vehicles Agency by transferring the management of the MES light duty fleet over to FVA.

2007/2008 Service Volumes

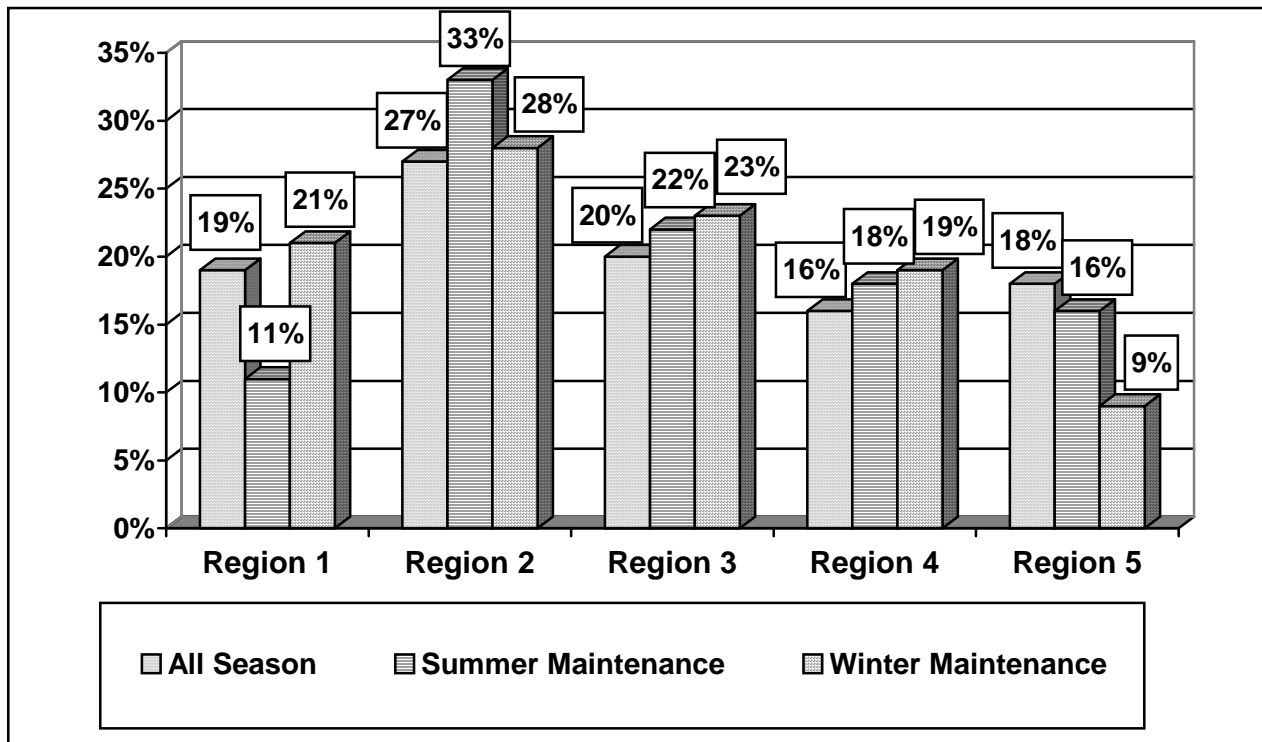
Expenditures:



Mechanical Equipment Services Expenditures by Region Only and Stores Only



Mechanical Equipment Services 2007/2008 Fleet Equipment Distribution by Region



2007/2008 Variances

Most significant change to Mechanical Equipment Services operation was the additional funding allotted to equipment purchases. This funding allows MES to make huge strides in updating the Departments equipment fleet.

Continued funding at this level will allow MES to improve the equipment fleet's reliability allowing the maintenance forces to provide the motoring public with a safe road network to travel on.

4 (b) Mechanical Equipment Services

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Variance Over(Under) \$(000)	Expl. No.	
(1) Salaries & Employee Benefits	6,894.5	150.33	6,970.2	(75.7)	
(2) Other Expenditures	25,269.1		24,014.2	1,254.9	1
(3) Less: Recoverable from Other Appropriations	(33,318.1)		(30,984.4)	(2,333.7)	1
Total Sub-Appropriation	(1,154.5)	50.33	0.0	(1,154.5)	

Explanation:

1. Additional expenditures and recoveries due to increased machine utilization and increased warehouse stores inventory.

Work in Municipalities, Local Government Districts and Unorganized Territory

Objective/Mandate

This sub-appropriation accounts for the roadwork projects that are financed 100% by the Province or on a 50/50 basis between the former Local Government Districts and the Province.

Activity Identification

Many local government agencies do not have the equipment or the specialized knowledge to implement their annual programs. Many of these jurisdictions are also located in very remote areas. Purchasing the required equipment and obtaining the specialized knowledge would be a tremendous burden on their taxpayers and in many cases a duplication of effort. Therefore, the Department delivers services that are not available at a reasonable price from any other source.

Provides emergency funding for flood damage to the provincial road and provincial trunk highway systems.

2007/2008 Service Volumes

The expenditure of \$3,236.9 is for work performed by the department, plus payment to the Rural Municipalities for the departments' share of the work performed by them. 50% of the cost of work performed by the department is recoverable from the Rural Municipalities and goes to General Revenue.

4 (c) Work in Municipalities, Local Government Districts and Unorganized Territory

Expenditures	Actual	Estimate	Variance	Expl.	
Sub-Appropriation	2007/08	2007/08	Over(Under)	No.	
	\$(000)	FTE	\$(000)		
Expenditures	3,236.9		2,265.9	971.0	1

Explanation:

1. Additional expenditures due to increased main market road costs and several flood projects.

Other Projects

4 (d) Other Projects

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
Highway Maintenance Equipment	-	20.0	(20.0)	
Airport Improvements	5,427.5	1,995.1	3,432.4	1
Ferries and Landings	116.4	120.9	(4.5)	
Buildings & Storage Yards	315.9	429.8	(113.9)	
Improvements to Weigh Scales	15.3	40.0	(24.7)	
Total Sub-Appropriation	5,875.1	2,605.8	3,269.3	

Explanation:

1. Increased expenditures due to gravel crushing for stockpiles for several airport runways.

Winter Roads

Objective/Mandate

The Department has been funding (on a 50/50 basis with Indian and Northern Affairs Canada) and administering the construction and maintenance of winter roads through contracts with First Nations and other local groups since 1979. The 2,200 kilometre winter road system provides for lower cost transportation of bulk goods to 23 remote communities and inter-community travel in northern Manitoba for their 26,000 residents during a period of approximately six to eight weeks every winter.

Activity Identification

Contract Services, together with Northern(5) and Eastern(1) Regions, administer 18 winter road contracts, including setting specifications, preparing tender and contract documents and inspection of the winter road system.

Establish effective safety standards, specifications and procedures for the construction and maintenance of winter roads.

2007/2008 Highlights

The 2007/2008 winter road season was successful with the communities receiving their scheduled loads required for re-supply of fuels and infrastructure improvements such as sewer and water projects and housing.

Facilitated a winter road forum/safety work shop with other provincial jurisdictions as a mechanism to exchange knowledge and experience as it relates to winter roads.

Replacement of two bridges on the Rice River Road to improve the reliability of the winter road network on the east side of Lake Winnipeg. Minor relocations and widening of select locations on the network to improve safety and reliability.

Working together with private industry and the communities, the Winter Road Safety Committee has drafted a terms of reference for a consultant to gather relevant winter road practices from other jurisdictions in order to develop best practices for working on winter roads in Manitoba.

2007/2008 Service Volumes

18 winter road construction orders were administered, covering a total distance of 2,200 kilometres with a program value of \$8.2 million.

The winter road program provides employment for approximately 120 employees of local contractors from the communities.

2007/2008 Variances

The responsibility for the winter road program has been transferred from the Eastern and Northern Regions to Contract Services.

4 (e) Winter Roads

Expenditures	Actual	Estimate	Variance	Expl.
Sub-Appropriation	2007/08	2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	
Other Expenditures	8,443.4		8,230.8	212.6

Waterway Maintenance Projects

Objective/Mandate

Waterway Maintenance Projects provide annual maintenance service to water and flood control works.

Activity Identification

Assess water and flood control works and identify maintenance requirements on an on-going basis.

Where necessary prepare designs and plans for maintenance projects.

Complete maintenance work on water and flood control works to support their optimum operation.

2007/2008 Service Volumes

2007/2008 Waterway Maintenance Activities	
20,000	Man-hours of pumping to remove excess surface water and spring runoff
5	Km of new drain constructed
81	Km of existing drain reconstructed
30	Km of drain cleanouts
40	Surveys completed
60	Culverts replaced
350	Km of drains maintained (mowing, silt cleanout and vegetation control)

4 (f) Waterway Maintenance Projects

Expenditures Sub-Appropriation	Actual 2007/08	Estimate 2007/08		Variance	Expl. No.
	\$(000)	FTE	\$(000)	Over(Under) \$(000)	
(1) Waterway Maintenance	6,604.3	17.99	6,284.4	319.9	
(2) Minor Capital Projects	461.0		475.0	(14.0)	
(3) Less: Recoverable from Part B - Capital Investment	(688.4)		(690.0)	1.6	
Total Sub-Appropriation	6,376.9	17.99	6,069.4	307.5	

Manitoba Water Services Board

Objective/Mandate

The Manitoba Water Services Board assists municipalities with the development of sustainable water and wastewater works, including:

- water supply, treatment, storage and distribution;
- collection and treatment of sewage;
- the disposal of treated effluent and waste sludge in an environmentally sustainable manner; and
- the provision of drought resistant, safe water supplies to rural residents for domestic and livestock needs.

Activity Identification

Enter into agreements with municipalities and/or water co-operatives to deliver a sustainable water and wastewater infrastructure that enhances economic development while improving public health and environmental concerns.

Operate a number of water supply and treatment facilities on behalf of the municipalities. Cost of operation and maintenance is recovered through (wholesale) water sales.

Lead the development of sustainable water and wastewater infrastructure and provide project management for major infrastructure projects for other Departments.

Conduct feasibility studies and environmental impact assessments for developing inter-municipal or regional infrastructure services.

2007/2008 Highlights

The Board had a good construction season in 2007/2008, with water and sewer projects totalling about \$30.0 million being developed. During the year, Provincial grants were increased by \$2.0 million to \$14.0 million, which allowed for additional projects to be fast tracked.

Some of the major projects substantially completed in 2007/2008:

- 3rd and final phase of the new \$15.0 million wastewater treatment plant, which incorporates nutrient reduction.
- Water and sewer system in the Village of Anola (R.M. of Springfield), \$1.8 million, to alleviate groundwater contamination.
- Water and sewer system in the Village of Arden (R.M. of Lansdowne), \$1.9 million.
- 1st phase of the Melita water supply and treatment system, \$1.3 million.
- \$6.0 million expansion of the Yellowhead Regional Water supply system, to connect MacGregor, Austin, Plumas and areas surrounding.
- \$3.0 million expansion of the Wallace water supply system.
- Rural water supply pipeline expansion in the R.M.s of Grey, Portage la Prairie, Cartier and St. Francois.

2007/2008 Service Volumes

2007/08 Total Clients Served	Provincial Grants	Explanation No.
51 Municipalities	14,000.0	1., 2., 3.

Explanation Numbers:

1. Provincial grants enable the MWSB to carry out sewer and water projects totalling about \$29.3 million. The total includes Municipal, as well as Federal, cost sharing on projects.
2. During 2007/2008, MWSB provided project management to Manitoba Conservation for upgrading the wastewater treatment plant at Hecla Island, construction of the West Hawk Lake lagoon, and upgrading the Big Whiteshell lagoon. Sewage lagoon assessment studies were carried out for Bissett (North Nopiming) and Grindstone Provincial Park and a ground water supply study was completed for Birds Hill Lake.
3. MWSB also provided in 2007/2008, project management services to Manitoba Infrastructure and Transportation for the design of water and wastewater infrastructure for the Milner Ridge Correctional Centre.

5 Manitoba Water Services Board

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE	Variance Over(Under) \$(000)	Expl. No.
(a) Salaries & Employee Benefits	1,610.2	1,589.2	21.0	
(b) Other Expenditures	271.7	273.3	(1.6)	
(c) Sewer and Water Projects	14,000.0	12,000.0	2,000.0	1
Total Other Expenditures	15,881.9	13,862.5	2,019.4	
(d) Less: Recoverable from Rural Economic Development Initiatives	(2,984.0)	(2,984.0)	0.0	
Total Sub-Appropriation	12,897.9	-	10,878.5	2,019.4

Explanation:

1. Increased expenditures due to increased capital grant assistance for municipal water and wastewater projects.

Canada Manitoba Agreements

Objective/Mandate

Manitoba contributes funding to infrastructure projects through the Canada-Manitoba Infrastructure Programs:

1. Municipal Rural Infrastructure Fund (MRIF);
2. Canada-Manitoba Infrastructure Program (CMIP); and
3. Canada Strategic Infrastructure Fund (CSIF).

The federal-provincial funding enhances community public infrastructure. Provincial participation in the federal-provincial agreements provides support to local infrastructure on a multi-year basis, enabling predictable and ongoing municipal infrastructure support.

Activity Identification

The Canada-Manitoba Infrastructure Programs are delivered by a joint federal-provincial office called the Canada-Manitoba Infrastructure Secretariat. Staffed with federal and provincial officials, the joint Secretariat minimizes overlap and duplication in federal-provincial program delivery and contributes to a cooperative federal-provincial relationship.

2007-2008 Highlights

Program support was provided to both the federal and provincial Ministers responsible for Infrastructure.

The local application intake, review and approval process was managed.

The department oversaw the environmental assessment of projects.

The local government consultative process was facilitated.

Funding contributions to local infrastructure projects were administered.

Public information activities were coordinated.

For further information on the Canada-Manitoba Infrastructure Programs (CMIPs) and the 2007/08 highlights please refer to the separate federal-provincial CMIPs 2007/08 Annual Progress Report

6 Canada-Manitoba Agreements

Expenditures	Actual		Estimate	Variance	Expl.
Sub-Appropriation	2007/08		2007/08	Over(Under)	No.
	\$(000)	FTE	\$(000)	\$(000)	
Other Expenditures	20,543.3	7.00	20,543.1	0.2	

7 Costs Related to Capital Assets

Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) Air Services				
(1) Amortization Expense	2,975.1	3,543.3	(568.2)	
(2) Less: Recoverable from Other Appropriations	(3,340.6)	(3,340.7)	0.1	
Subtotal (a)	(365.5)	202.6	(568.1)	
(b) Desktop Services				
(1) Amortization Expense - Transition	198.4	198.6	(0.2)	
(2) Enterprise Software Licences	424.2	352.2	72.0	
Subtotal (b)	622.6	550.8	71.8	
(c) General Assets				
(1) Amortization Expense	14,343.0	14,305.4	37.6	
(2) Interest Expense	15,519.3	17,404.1	(1,884.8)	
(3) Less: Recoverable from Other Appropriations	(450.5)	(450.5)	0.0	
Subtotal (c)	29,411.8	31,259.0	(1,847.2)	
(d) Infrastructure Assets - Provincial Roads and Highways				
(1) Amortization Expense	73,139.9	75,699.8	(2,559.9)	
(2) Interest Expense	67,317.6	69,457.0	(2,139.4)	
Subtotal (d)	140,457.5	145,156.8	(4,699.3)	
(e) Infrastructure Assets - Water Related				
(1) Amortization Expense	2,381.6	2,602.2	(220.6)	
(2) Interest Expense	2,271.2	3,618.9	(1,347.7)	
Subtotal (e)	4,652.8	6,221.1	(1,568.3)	
Total Costs Related to Capital Assets	174,779.2	183,390.3	(8,611.1)	

Infrastructure Capital Investment Program

The Infrastructure Capital Investment Program expended \$231.9 million in 2007/08 in the construction, reconstruction, upgrading and enhancement of Provincial Trunk Highways (PTHs) and Provincial Roads (PRs). This includes activities such as land acquisition, grading/gravelling, surfacing, structures and traffic improvements.

The program supports the department's goal to ensure a safe, efficient and sustainable provincial transportation network as a basis for long term economic growth and development.

Major Infrastructure Capital Investment Program projects for the fiscal year included:

- Continued reconstruction of portions of the northbound lanes of PTH 75 from Emerson to north of Letellier;
- Continued reconstruction of portions of southbound lanes of PTH 75 from Winnipeg to Ste. Agathe;
- Rehabilitation of the CNR Overpass on the Trans-Canada Highway at Portage la Prairie;
- Paving of 18.1 kilometres of PTH 2 from Elm Creek to Fannystelle (two year project);
- Continuation of a project to add passing lanes to PTH 10 south of Brandon (12.7 kilometres);
- Paving of PTH 16 through Russell;
- Paving of 26.9 kilometres of PTH 6 in the vicinity of William River;
- Continued twinning of the Trans-Canada Highway from the Saskatchewan Boundary to West of PTH 83 as part of a multi-year project;
- Paving on PTH 68 east of Ste. Rose du Lac (11.8 kilometres);
- Overlay of the northbound lanes of PTH 8 north of Winnipeg (7.2 kilometres);
- Continued twinning of the northeast Perimeter Highway (PTH 101) (multiyear project);
- Paving of 23.0 kilometres of PTH 6 north of Minago River;
- Overlay of PTH 10 in Swan River (1.6 kilometres);
- Paving of PTH 8 from Winnipeg Beach to Gimli (14.9 kilometres);
- Overlay of PTH 16 from Russell to Binscarth (15.2 kilometres);
- Overlay of the northbound lanes of PTH 59 from north of PTH 4 to PR 317 (8.5 kilometres);
- Overlay of 18.6 kilometres of PTH 6 south of Minago River;
- Completion of the twinning of PTH 59 at Ile des Chenes;
- Widening and paving of PTH 83 north of Roblin (17.1 kilometres);
- Continuation of the overlay of the eastbound lanes of the Trans-Canada Highway from east of PTH 11 to PR 308 (17.5 kilometres);
- Continuation of the rehabilitation of the structure at PTH 59 and PTH 44; and
- Overlay of PTH 10 from PTH 39 to Cranberry Portage (16.6 kilometres)

Airport Runway Infrastructure Capital Investment

Expenditures relating to runway extensions and improvements. Such projects include: runway extensions at Ilford and York Landing.

B15 Capital Investment

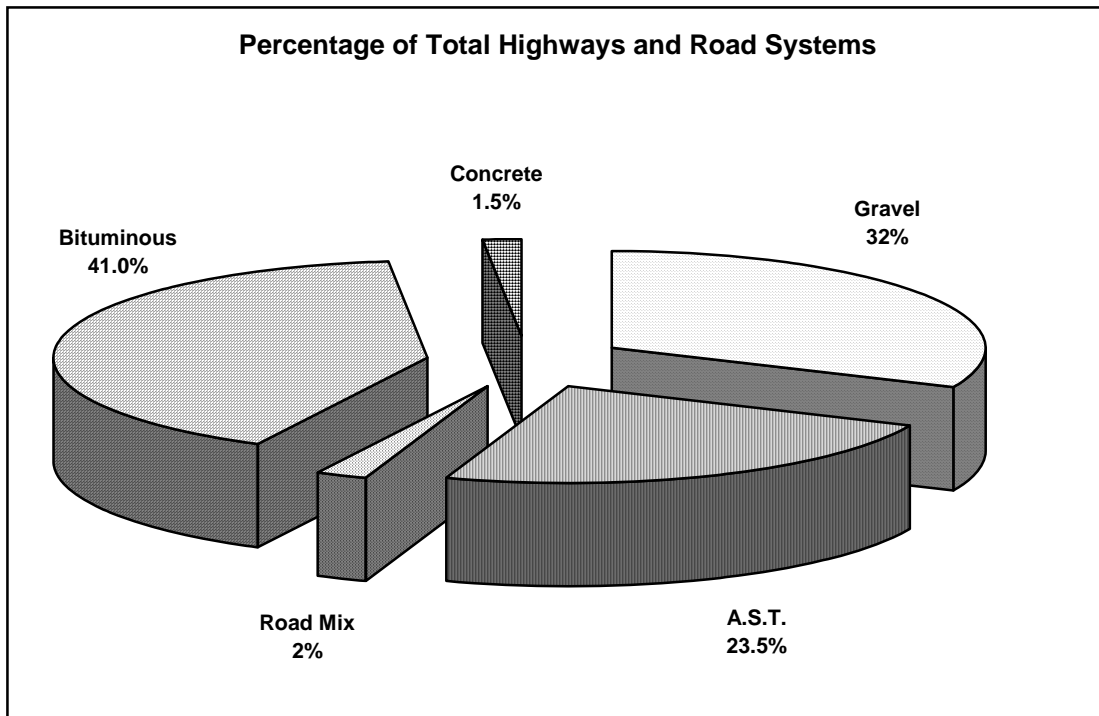
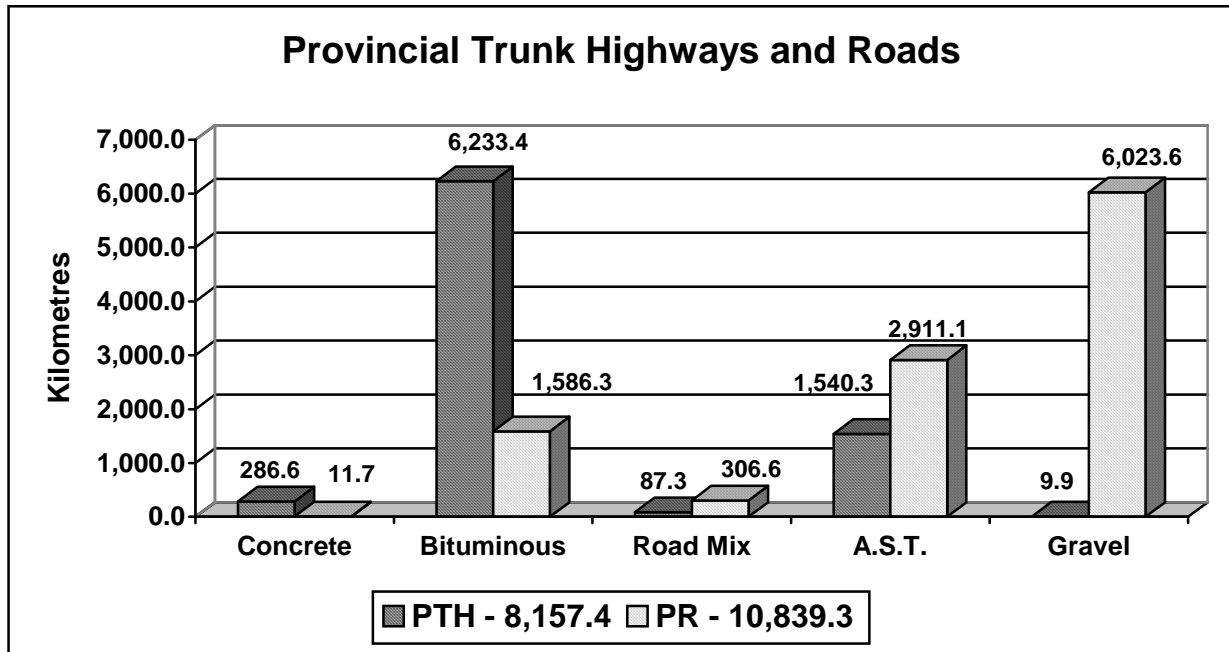
Expenditures Sub-Appropriation	Actual 2007/08 \$(000)	Estimate 2007/08 FTE \$(000)	Variance Over(Under) \$(000)	Expl. No.
(a) General Assets				
(1) Government Services Capital Projects	58,095.3	73,098.1	(15,002.8)	1
(2) Transportation Capital Projects and Equipment	16,422.6	12,787.5	3,635.1	2
(3) Air Services Capital Projects	2,334.6	2,580.0	(245.4)	
Subtotal (a)	76,852.5	88,465.6	(11,613.1)	
(b) Infrastructure Assets				
(1) Highway Infrastructure	231,858.8	239,417.6	(7,558.8)	3
(2) Airport Runway Capital	9.0	237.3	(228.3)	4
(3) Water Related Capital	7,442.7	9,382.5	(1,939.8)	5
(4) Manitoba Floodway Expansion	155,992.6	213,791.7	(57,799.1)	6
Subtotal (b)	395,303.1	462,829.1	(67,526.0)	
Total Capital Investment	472,155.6	551,294.7	(79,139.1)	

Explanation:

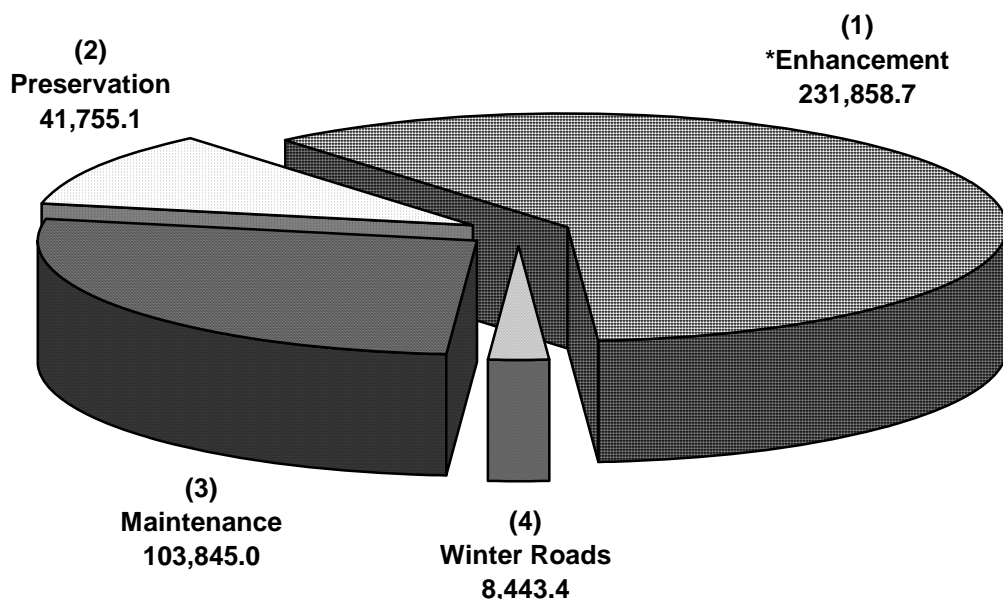
1. The under expenditure is the result of several project delays.
2. The purchase of additional highway maintenance equipment was approved.
3. Decreased construction expenditures due to very cold weather in January and February.
4. Project progress was limited by equipment and labour availability.
5. The Seine River diversion project was carried into 2008/09 due to delays in Federal regulatory approvals.
6. Lower expenditures due to the reprofiling of the floodway project which resulted in some components being deferred to 2008/09.

The following graphs show section distance kilometres of surface type by highway and road systems and percentages of surface types of the total highway and road systems.

2007/2008 Summary of Surface Types



Road Related Expenditures - \$385,902.2



(1) Enhancement activities or projects are those that add to the existing highway infrastructure (increase the accounting useful life of the asset) or add a new asset. These projects or activities are proactive in nature and are funded from the annual Part “B” program (see page 112).

Examples of enhancement activities include:

- Construction of New Highways or Roads
- Widen Grade and Shoulder Gravel
- Acquisition of Right of Way
- Granular Base Course
- Culvert Replacement
- Bituminous Pavement

(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 assets 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 (see page 102).

Examples of preservation activities include:

- Route and Crackfill
- Seal coating
- Micro surfacing
- Bituminous Leveling

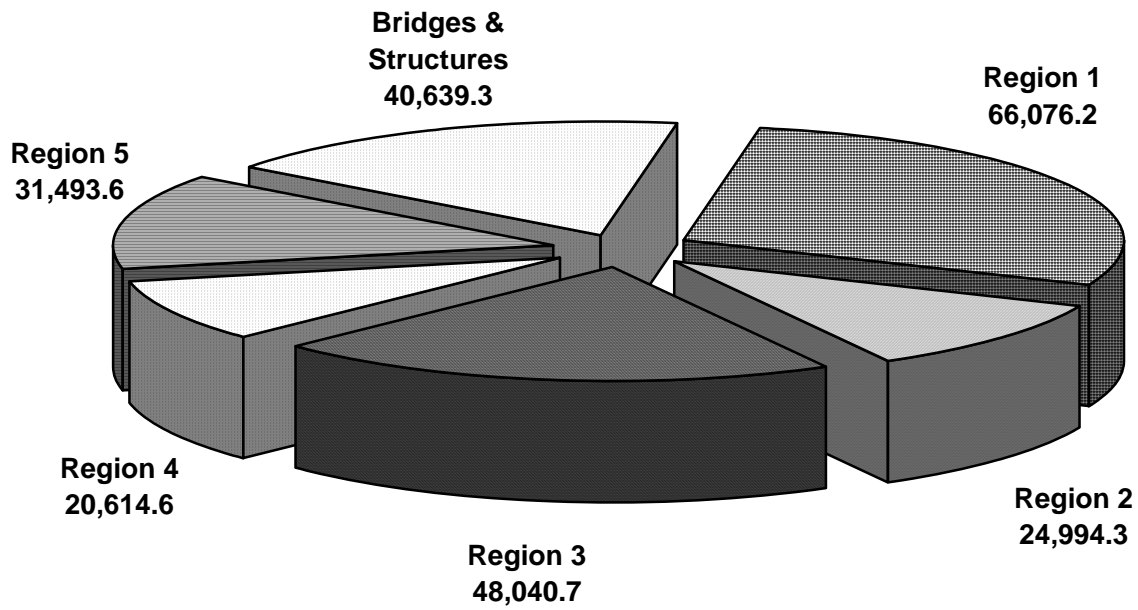
(3) Maintenance costs relate to servicing, repairing and/or treatments provided to ensure the continuing safe and efficient use of the Province’s transportation asset infrastructure on an annual basis. Those services, repairs and/or treatments generally are of a reactive nature and are funded from the annual maintenance program - Part “A” (see page 101).

Examples of maintenance activities include:

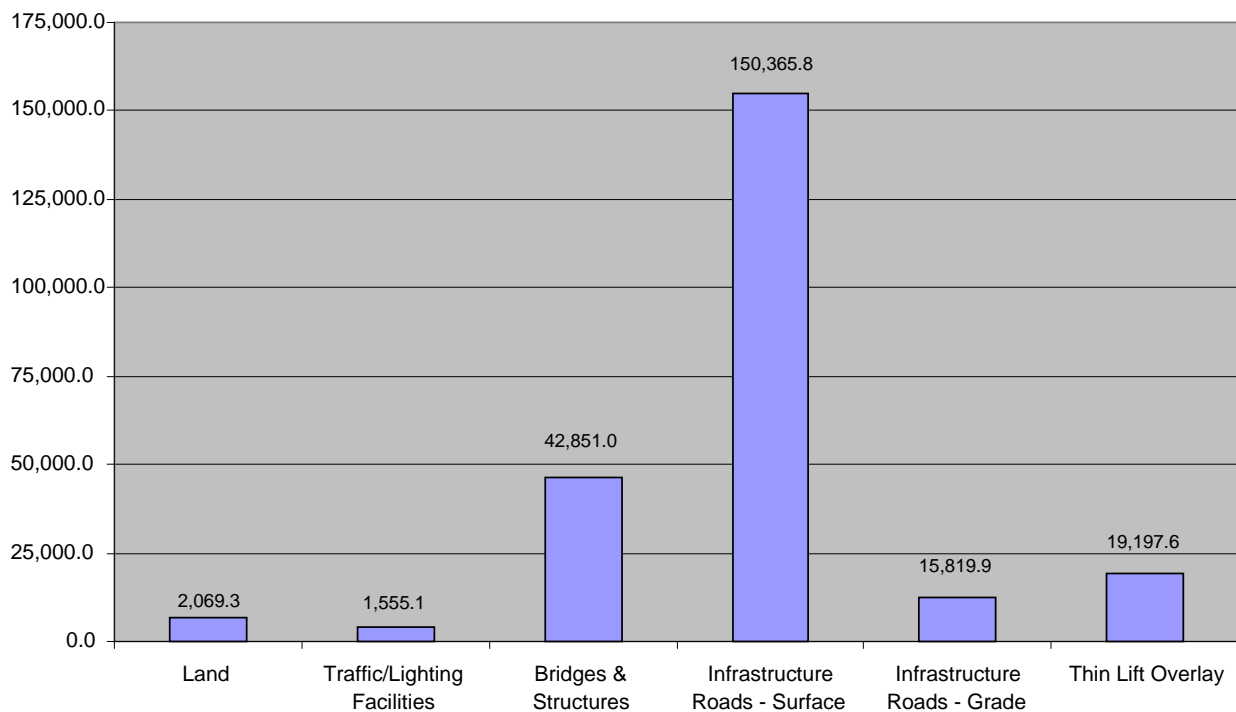
- Snow Clearing
- Patching
- Sanding
- Salting and De-icing
- Brushing
- Gravel Road Maintenance

(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 (see page 106).

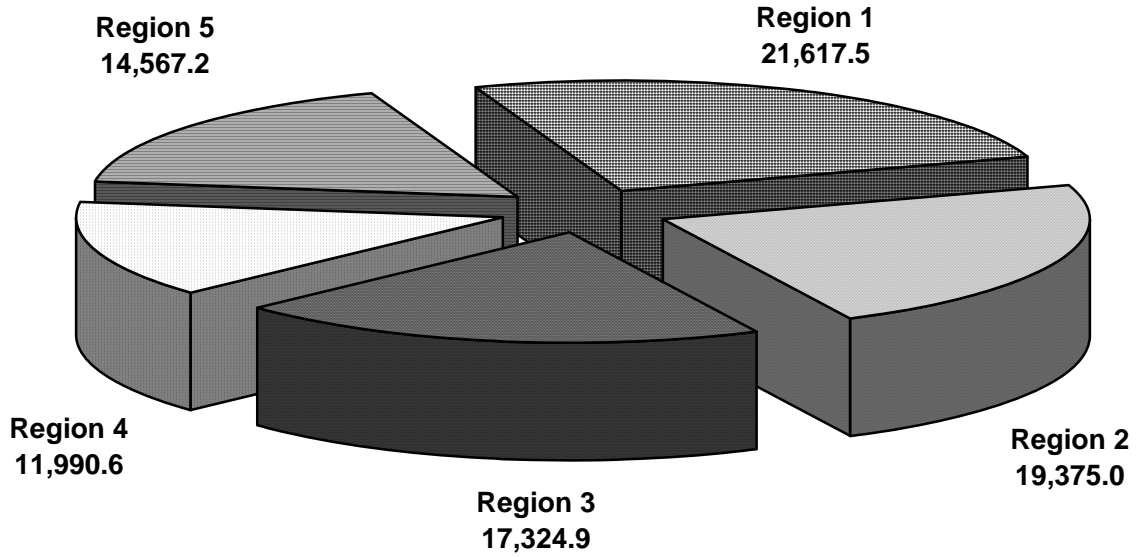
Enhancement Expenditures by Branch - \$231,858.7
 (Does not include Airport Infrastructure \$9.0
 or Water Related Infrastructure \$7,442.7)



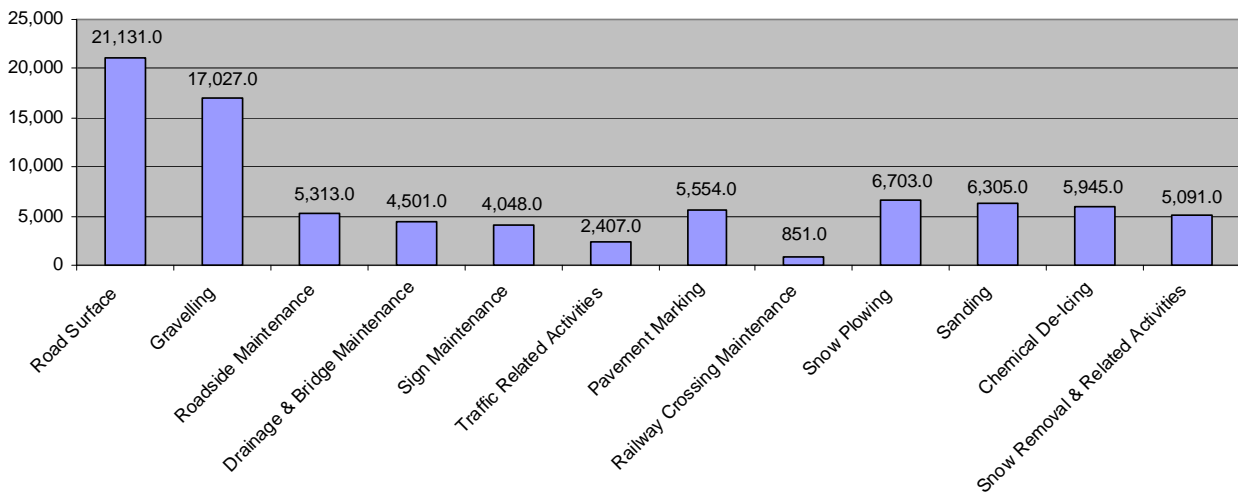
Enhancement Expenditures by Activity



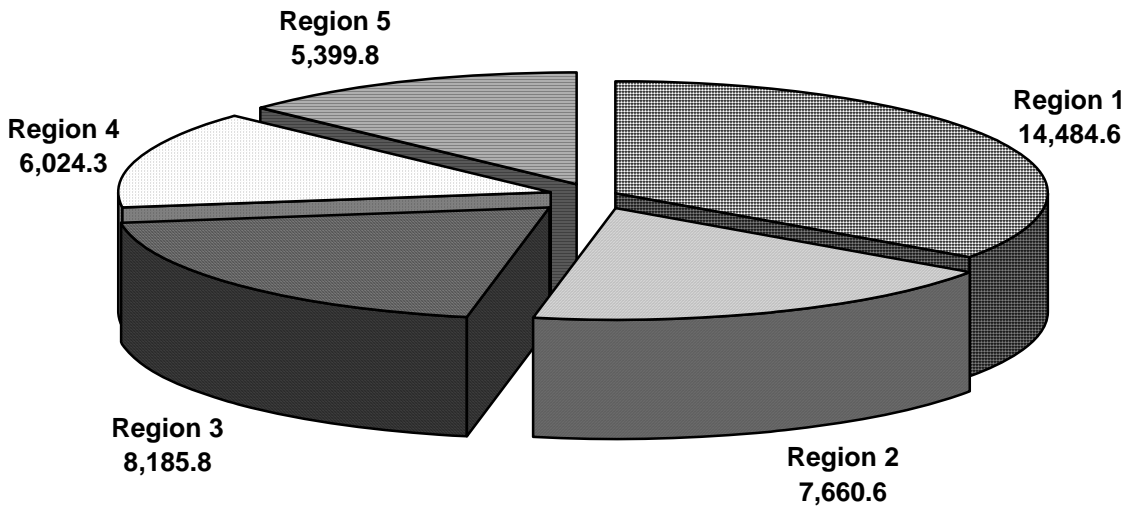
Maintenance Expenditures by Region - \$84,875.2



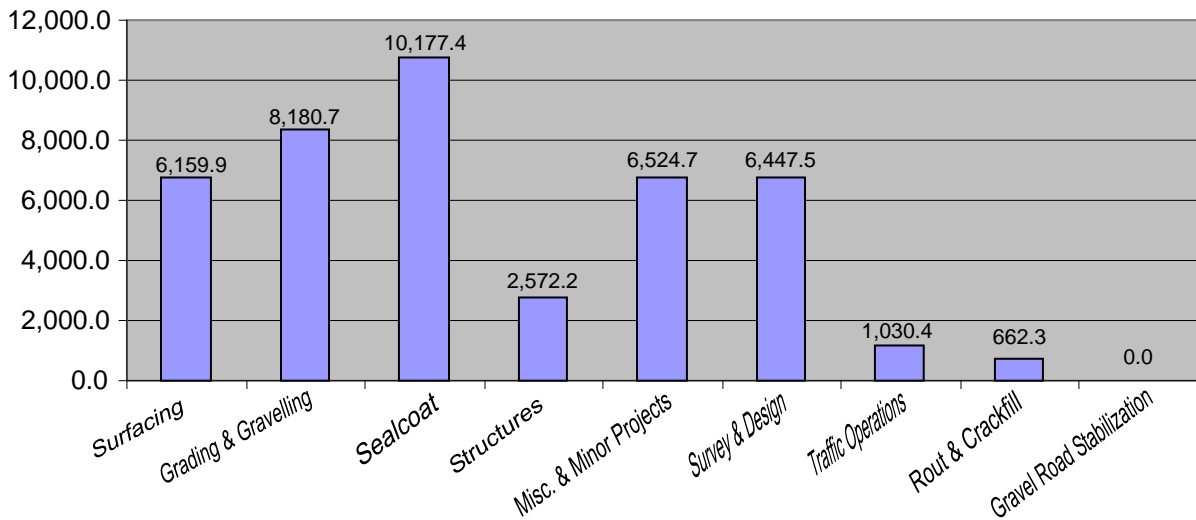
Maintenance Expenditures by Activity



Preservation Expenditures by Branch - \$41,755.1



Preservation Expenditures by Activity



Department of Infrastructure and Transportation

Expenditure Summary

for fiscal year ended March 31, 2008

with comparative figures for the previous fiscal year (\$000.0)

Estimate 2007-2008		Actual 2007-2008	Actual 2006-2007	Increase (Decrease)	Expl No.
15-1 Administration and Finance					
31.0	(a) Minister's Salary:	42.1	30.3	11.8	
	(b) Executive Support:				
931.5	1. Salaries & Employee Benefits	834.7	708.0	126.7	
123.3	2. Other Expenditures	121.2	122.8	(1.6)	
	(c) Administrative Services:				
685.3	1. Salaries & Employee Benefits	712.5	608.4	104.1	
212.8	2. Other Expenditures	346.9	162.6	184.3	1
	(d) Financial Services:				
1,169.4	1. Salaries & Employee Benefits	1,055.4	1,019.7	35.7	
376.7	2. Other Expenditures	397.5	299.5	98.0	
	(e) Human Resource Services:				
1,819.0	1. Salaries & Employee Benefits	1,778.4	1,559.5	218.9	
316.6	2. Other Expenditures	237.2	326.4	(89.2)	
	(f) Information Technology Services:				
3,057.6	1. Salaries & Employee Benefits	2,734.1	2,671.0	63.1	
815.8	2. Other Expenditures	455.5	404.9	50.6	
	(g) Occupational Safety, Health and Risk Management:				
435.0	1. Salaries & Employee Benefits	350.0	442.4	(92.4)	
79.6	2. Other Expenditures	107.2	96.0	11.2	
	(h) Lieutenant Governor's Office:				
197.4	1. Salaries & Employee Benefits	187.8	179.1	8.7	
102.6	2. Other Expenditures	98.6	101.7	(3.1)	
27.4	(j) Land Value Appraisal Commission:	17.4	8.5	8.9	
10,381.0	Total 15-1	9,476.5	8,740.8	735.7	
15-2 Highways and Transportation Programs					
	(a) Division Executive Office:				
901.1	1. Salaries & Employee Benefits	888.5	856.6	31.9	
113.2	2. Other Expenditures	143.6	99.9	43.7	
	(b) Operations and Contracts:				
3,273.3	1. Salaries & Employee Benefits	3,362.3	2,814.2	548.1	2
830.8	2. Other Expenditures	874.1	807.2	66.9	
(375.0)	3 Less: Recoverable from Other Appropriations	(351.0)	(113.7)	(237.3)	3
	(c) Water Control and Structures:				
3,030.7	1. Salaries & Employee Benefits	2,481.1	2,421.2	59.9	
571.0	2. Other Expenditures	688.3	535.4	152.9	
(1,204.5)	3 Less: Recoverable from Other Appropriations	(1,204.7)	(327.4)	(877.3)	4
	(d) Motor Carrier Safety and Regulation:				
4,499.4	1. Salaries & Employee Benefits	4,164.7	3,837.4	327.3	
1,447.7	2. Other Expenditures	1,218.2	932.2	286.0	
	(e) Regional Offices:				
	1. Eastern Region Office - Steinbach:				
2,750.7	(a) Salaries & Employee Benefits	2,354.4	2,622.4	(268.0)	
771.5	(b) Other Expenditures	787.0	942.9	(155.9)	
	2. South Central Region Office - Portage:				
2,402.3	(a) Salaries & Employee Benefits	2,275.4	2,104.2	171.2	
682.2	(b) Other Expenditures	702.0	659.1	42.9	
	3. South Western Region Office - Brandon:				
2,595.2	(a) Salaries & Employee Benefits	2,572.8	2,360.6	212.2	
718.7	(b) Other Expenditures	754.7	723.3	31.4	
	4. West Central Region Office - Dauphin:				
1,960.0	(a) Salaries & Employee Benefits	1,908.7	1,744.3	164.4	
622.1	(b) Other Expenditures	655.3	583.0	72.3	
	5. Northern Region Office - Thompson:				
1,946.9	(a) Salaries & Employee Benefits	1,680.4	1,656.8	23.6	
757.7	(b) Other Expenditures	721.6	647.3	74.3	
	6. Regional Water Operations:				
1,104.3	(a) Salaries & Employee Benefits	1,211.6	1,103.4	108.2	
580.7	(b) Other Expenditures	678.5	532.6	145.9	5

Department of Infrastructure and Transportation

Expenditure Summary

for fiscal year ended March 31, 2008

with comparative figures for the previous fiscal year (\$000.0)

Estimate			Actual	Actual	Increase	Expt
2007-2008			2007-2008	2006-2007	(Decrease)	No.
(2,044.4)	7.	Less: Recoverable from Other Appropriations	(1,680.2)	(1,603.2)	(77.0)	
	(f)	Other Jurisdictions:				
3,539.4	1.	Gross Expenditures	3,122.2	3,415.0	(292.8)	
(500.0)	2.	Less: Recoverable from Other Appropriations	(141.8)	(777.7)	635.9	6
	(g)	Planning and Design:				
2,074.2	1.	Salaries & Employee Benefits	1,734.0	1,740.0	(6.0)	
491.9	2.	Other Expenditures	393.2	420.4	(27.2)	
	(h)	Northern Airports and Marine Services:				
5,882.4	1.	Salaries & Employee Benefits	5,880.3	5,147.5	732.8	
3,589.5	2.	Other Expenditures	3,894.0	3,593.5	300.5	
	(i)	Materials Engineering:				
2,752.5	1.	Salaries & Employee Benefits	2,547.3	2,137.0	410.3	
890.3	2.	Other Expenditures	903.3	827.1	76.2	
(1,602.3)	3.	Less: Recoverable from Other Appropriations	(1,922.1)	(1,494.2)	(427.9)	7
	(j)	Traffic Engineering:				
1,206.9	1.	Salaries & Employee Benefits	1,049.2	1,077.3	(28.1)	
351.4	2.	Other Expenditures	260.8	343.1	(82.3)	
(221.4)	3.	Less: Recoverable from Other Appropriations	(244.3)	(84.1)	(160.2)	8
	(k)	Transportation Policy:				
2,255.2	1.	Salaries & Employee Benefits	2,146.0	2,006.8	139.2	
1,199.3	2.	Other Expenditures	1,183.0	797.2	385.8	9
1,000.0	3.	Churchill Gateway Development Initiative	4,948.9	192.1	4,756.8	10
21,197.4	(l)	Manitoba Public Insurance Agreement:	21,197.4	20,682.2	515.2	
	(m)	Boards and Commissions:				
	1.	Motor Transport & Highway Traffic Boards:				
271.0	(a)	Salaries and Employee Benefits	237.0	236.1	0.9	
159.2	(b)	Other Expenditures	168.6	160.2	8.4	
	2.	Licence Suspension Appeal Board and Medical Review Committee:				
257.7	(a)	Salaries and Employee Benefits	239.7	214.8	24.9	
84.8	(b)	Other Expenditures	58.5	58.3	0.2	
	3.	Taxicab Board:				
520.9	(a)	Salaries and Employee Benefits	526.2	466.0	60.2	
147.3	(b)	Other Expenditures	197.8	143.5	54.3	
73,483.2	Total 15-2		75,266.5	67,241.8	8,024.7	

15-3 Government Services Programs

	(a)	Project Services:				
3,622.9	1.	Salaries & Employee Benefits	2,823.6	2,470.1	353.5	
7,004.9	2.	Other Expenditures	7,811.9	6,644.9	1,167.0	11
(3,255.5)	3.	Less: Recoverable from Other Appropriations	(4,973.3)	(3,565.0)	(1,408.3)	11
(4,160.1)	4.	Less: Recoverable from Part B	(4,160.1)	(1,700.0)	(2,460.1)	12
	(b)	Technical Services				
1,038.4	1.	Salaries & Employee Benefits	775.9	2,146.5	(1,370.6)	13
6.7	2.	Other Expenditures	7.1	560.8	(553.7)	13
(151.2)	3.	Less: Recoverable from Other Appropriations	0.0	(2,144.9)	2,144.9	13
	(c)	Operations:				
20,650.5	1.	Salaries & Employee Benefits	19,096.3	17,757.6	1,338.7	
45,251.1	2.	Other Expenditures	39,555.4	38,464.2	1,091.2	
(7,224.6)	3.	Less: Recoverable from Other Appropriations	(1,197.9)	(2,623.3)	1,425.4	14
	(d)	Leased Properties:				
922.3	1.	Salaries & Employee Benefits	890.8	431.1	459.7	15
27,885.5	2.	Other Expenditures	27,881.0	25,827.0	2,054.0	
(3,286.5)	3.	Less: Recoverable from Other Appropriations	(2,121.8)		(2,121.8)	15
	(e)	Division Support Services:				
885.6	1.	Salaries & Employee Benefits	552.2	760.0	(207.8)	
297.4	2.	Other Expenditures	269.7	331.4	(61.7)	

Department of Infrastructure and Transportation

Expenditure Summary

for fiscal year ended March 31, 2008

with comparative figures for the previous fiscal year (\$000.0)

Estimate		Actual	Actual	Increase	Expl
2007-2008		2007-2008	2006-2007	(Decrease)	No.
	(f) Security Services:				
4,372.0	1. Salaries & Employee Benefits	4,438.3	4,054.3	384.0	
1,037.9	2. Other Expenditures	1,146.5	1,133.4	13.1	
(860.6)	3. Less: Recoverable from Other Appropriations	(1,024.3)	(724.6)	(299.7)	16
(53,647.3)	(g) Accommodation Cost Recovery:	(53,529.0)	(51,659.7)	(1,869.3)	
	(h) Corporate Accommodation Planning:				
584.2	1. Salaries & Employee Benefits	471.5	431.8	39.7	
102.0	2. Other Expenditures	89.5	94.0	(4.5)	
	(i) Procurement Services:				
2,022.0	1. Salaries & Employee Benefits	2,034.5	1,867.9	166.6	
371.1	2. Other Expenditures	368.8	334.3	34.5	
	(j) Government Air Services:				
6,439.1	1. Salaries & Employee Benefits	6,457.5	6,251.6	205.9	
7,869.5	2. Other Expenditures	5,886.2	6,256.9	(370.7)	
(14,308.6)	3. Less: Recoverable from Other Appropriations	(12,276.4)	(12,442.5)	166.1	
	(k) Materials Distribution Agency:				
	(l) Crown Lands and Property Agency:				
	(m) Fleet Vehicles Agency:				
43,468.7	Total 15-3	41,273.9	40,957.8	316.1	
	15-4 Infrastructure Works				
	(a) Maintenance and Preservation Program:				
160,848.0	1. Gross Expenditures	160,488.2	146,732.5	13,755.7	17
(11,849.8)	2. Less: Recoverable from Part B	(14,888.0)	(11,018.1)	(3,869.9)	18
	(b) Mechanical Equipment Services:				
6,970.2	1. Salaries and Employee Benefits	6,894.5	6,569.7	324.8	
24,014.2	2. Other Expenditures	25,269.1	25,977.1	(708.0)	
(30,984.4)	3. Less: Recoverable from Other Appropriations	(33,318.1)	(31,959.5)	(1,358.6)	
2,265.9	(c) Work in Municipalities, Local Government Districts and Unorganized Territory:	3,236.9	3,376.8	(139.9)	
2,605.8	(d) Other Projects:	5,875.1	2,695.9	3,179.2	19
8,230.8	(e) Winter Roads:	8,443.4	7,649.3	794.1	
	(f) Waterway Maintenance Projects:				
6,284.4	1. Waterway Maintenance	6,604.3	5,389.4	1,214.9	20
475.0	2. Minor Capital Projects	461.0	500.6	(39.6)	
(690.0)	3. Less: Recoverable from Part B	(688.4)	(690.0)	1.6	
168,170.1	Total 15-4	168,378.0	155,223.7	13,154.3	
	15-5 Manitoba Water Services Board				
1,589.2	(a) Salaries & Employee Benefits	1,610.2	1,551.4	58.8	
273.3	(b) Other Expenditures	271.7	272.4	(0.7)	
12,000.0	(c) Sewer and Water Projects	14,000.0	11,300.0	2,700.0	21
(2,984.0)	(d) Less: Recoverable from Rural Economic Development Initiatives	(2,984.0)	(2,984.0)	0.0	
10,878.5	Total 15-5	12,897.9	10,139.8	2,758.1	
20,543.1	15-6 Canada-Manitoba Agreements	20,543.3	23,149.3	(2,606.0)	
	15-7 Costs Related to Capital Assets				
	(a) Air Services:				
3,543.3	1. Amortization Expense	2,975.1	2,533.9	441.2	
(3,340.7)	2. Less: Recoverable from Other Appropriations	(3,340.6)	(2,745.7)	(594.9)	
	(b) Desktop Services:				
198.6	1. Amortization Expense - Transition	198.4	198.4	0.0	
352.2	2. Enterprise Software Licences	424.2	350.9	73.3	
	(c) General Assets:				
14,305.4	1. Amortization Expense	14,343.0	12,922.1	1,420.9	
17,404.1	2. Interest Expense	15,519.3	14,596.0	923.3	
(450.5)	3. Less: Recoverable from Other Appropriations	(450.5)	(343.9)	(106.6)	
	(d) Infrastructure Assets - Provincial Roads and Highways:				
75,699.8	1. Amortization Expense	73,139.9	68,352.7	4,787.2	

Department of Infrastructure and Transportation

Expenditure Summary

for fiscal year ended March 31, 2008

with comparative figures for the previous fiscal year (\$000.0)

Estimate		Actual	Actual	Increase	Expl
2007-2008		2007-2008	2006-2007	(Decrease)	No.
69,457.0	2. Interest Expense	67,317.6	60,892.8	6,424.8	
	(e) Infrastructure Assets - Water Related:				
2,602.2	1. Amortization Expense	2,381.6	2,336.4	45.2	
3,618.9	2. Interest Expense	2,271.2	2,369.1	(97.9)	
183,390.3	Total 15-7	174,779.2	161,462.7	13,316.5	22
510,314.9	Total Infrastructure and Transportation	502,615.3	466,915.9	35,699.4	

Expenditure Variance Explanations

Comparison of the 2007/2008 actuals to the 2006/2007 actuals

1. **15-1C-2: Administrative Services: Other Expenditures – \$184.3 INCREASE**
Increased expenditures due to a consulting contract for the development of an Information Response System Business Unit.
2. **15-2B-1: Operations and Contracts: Salaries – \$548.1 INCREASE**
Increased salary expenditures due to severance costs and the filling of vacant positions.
3. **15-2B-3: Operations and Contracts: Recoveries – (\$237.3) INCREASE**
Increase reflects the budgeted increase in recoveries as well as additional hiring of recoverable staff.
4. **15-2C-3: Water Control And Structures: Recoveries – (\$877.3) INCREASE**
Increase reflects the budgeted increase in recoveries as well as additional hiring of recoverable staff.
5. **15-2E-6B: Regional Water Operations: Expenditures – \$145.9 INCREASE**
Increased expenditures for safety training programs and initiatives as well as higher fleet vehicle costs.
6. **15-2F-2: Other Jurisdictions: Recoveries – \$635.9 DECREASE**
Less work was requested by other departments.
7. **15-2I-3: Materials Engineering: Recoveries – (\$427.9) INCREASE**
Increase due to additional requests for testing services.
8. **15-2J-3: Traffic Engineering: Recoveries – (\$160.2) INCREASE**
Increase due to the budgeted increase in the recovery of engineering salaries.
9. **15-2K-2: Transportation Policy: Expenditures – \$385.8 INCREASE**
Increased expenditures mainly due to the financial support to the Central Manitoba Railway.
10. **15-2K-3: Transportation Policy: Churchill Gateway Development Initiative – \$4,756.8 INCREASE**
Increase due to the contribution to support the rehabilitation of the Hudson Bay Rail Line.
11. **15-3A-2: Project Services: Expenditures – \$1,167.0 INCREASE**
11. **15-3A-3: Project Services: Recoveries – (\$1,408.3) INCREASE**
Increases due to additional client activity in 2007/08.
12. **15-3A-4: Project Services: Recoveries from Part B – (\$2,460.1) INCREASE**
Increase is due to the budgeted increase in the recoveries from Part B – Capital Investment.
13. **15-3B-1: Technical Services: Salaries – (\$1,370.6) DECREASE**
13. **15-3B-2: Technical Services: Expenditures – (\$553.7) DECREASE**
13. **15-3B-3: Technical Services: Recoveries – \$2,144.9 DECREASE**
Decreases due to restructuring of the program.
14. **15-3C-3: Operations: Recoveries – \$1,425.4 DECREASE**
Decreased spending resulting from Operations staff involved in SAP training and implementation of new programming produced lower recoveries in 2007/08.
15. **15-3D-1: Leased Properties: Salaries – \$459.7 INCREASE**
15. **15-3D-3: Leased Properties: Recoveries – (\$2,121.8) INCREASE**
Increases due to restructuring of the program.
16. **15-3F-3: Security Services: Recoveries – (\$299.7) INCREASE**
Increase due to restructuring of the program and additional security requirements for clients.
17. **15-4A-1: Maintenance and Preservation Program: Gross Expenditures – \$13,755.7 INCREASE**
The increase reflects the budgeted increase to the program.
18. **15-4A-2: Maintenance and Preservation Program: Recoveries – (\$3,869.9) INCREASE**
Increased recoveries due to additional survey and design expenditures being allocated to the Capital Enhancement Program.
19. **15-4D: Other Projects: Airport Improvements – \$3,179.2 INCREASE**
Increase due to gravel crushing for stockpiles for several airport runways.
20. **15-4F-1: Waterway Maintenance Projects: Maintenance – \$1,214.9 INCREASE**
Increase due to the enhanced bridge and dam inspection, maintenance and renewal program.
21. **15-5C: Manitoba Water Services Board: Sewer and Water Projects – \$2,700.0 INCREASE**
Additional projects were approved in 2007/08.
22. **15-7: Costs Related to Capital Assets – \$13,316.5 INCREASE**
Amortization and interest costs have increased over the previous year due to increased spending on general and infrastructure programs, resulting in increases to the asset pool.

Department of Infrastructure and Transportation

Revenue Summary

for fiscal year ended March 31, 2008

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

Actual 2006- 2007	Actual 2007- 2008	Increase/ (Decrease)	Expl. No.		Actual 2007- 2008	Estimate 2007- 2008	Variance	Expl. No.
Government of Canada:								
3,909.2	7,208.3	3,299.1	A1	(a) Winter Roads	7,208.3	3,824.5	3,383.8	B1
202.3	202.2	(0.1)		(b) Norway House Airport	202.2	171.2	31.0	
268.8	268.7	(0.1)		(c) National Safety Code	268.7	268.8	(0.1)	
57.3	85.7	28.4		(d) Refunds for Services	85.7	410.0	(324.3)	B2
322.1	361.0	38.9		(e) Canada-Manitoba Infrastructure Programs	361.0	368.8	(7.8)	
71,840.4	73,887.2	2,046.8		(f) Manitoba Floodway Expansion	73,887.2	100,154.7	(26,267.5)	B3
646.4	94.0	(552.4)	A2	(g) Airport Capital Assistance Program	94.0	270.0	(176.0)	B4
209.5	53.3	(156.2)	A3	(h) Permits and Routing System	53.3	0.0	53.3	B5
212.1	0.0	(212.1)	A4	(i) Road Weather Information System	0.0	0.0	0.0	
5,196.8	862.8	(4,334.0)	A5	(j) Strategic Highways Improvement Program	862.8	500.0	362.8	B6
0.0	0.0	0.0		(k) God's Lake Narrows Bridge	0.0	2,500.0	(2,500.0)	B7
0.0	0.0	0.0		(l) Animal Health Surveillance	0.0	500.0	(500.0)	B8
82,864.9	83,023.2	158.3		Total Government of Canada	83,023.2	108,968.0	(25,944.8)	
Other Revenue:								
100,449.9	103,134.4	2,684.5	A6	(a) Automobile and Motor Carrier Licences and Fees	103,134.4	97,997.8	5,136.6	B9
4,288.2	4,649.6	361.4		(b) Cost Recovery from Municipalities and Other Third Parties	4,649.6	4,257.2	392.4	
16,933.5	21,596.9	4,663.4	A7	(c) Drivers' Licences	21,596.9	19,416.1	2,180.8	B10
103.6	119.5	15.9		(d) Licence Suspension Appeal Board Fees	119.5	100.0	19.5	
1,251.4	885.9	(365.5)	A8	(e) Rentals from Various Government Properties	885.9	1,396.4	(510.5)	B11
227.7	253.3	25.6		(f) Taxicab Licences and Fees	253.3	200.0	53.3	
1,856.8	1,535.0	(321.8)		(g) Sundry	1,535.0	1,527.1	7.9	
125,111.1	132,174.6	7,063.5		Total Other Revenue	132,174.6	124,894.6	7,280.0	
207,976.0	215,197.8	7,221.8		TOTAL DEPARTMENTAL REVENUE	215,197.8	233,862.6	(18,664.8)	
676.9	0.0	(676.9)		Sale of Government Assets	0.0	100.0	(100.0)	

Revenue Variance Explanations

Comparison of the 2007/2008 actuals to the 2006/2007 actuals.

GOVERNMENT OF CANADA

A1. Winter Roads – \$3,299.1 INCREASE

The increase in 2007/2008 reflects the capital expenditures incurred on the Rice River Road and on several other capital projects that were approved under the winter roads agreement.

A2. Airport Capital Assistance Program – (\$552.4) DECREASE

The decrease is due to a reduction of \$362.0 in the approved funding level in 2007/08 and some work deferred to 2008/09.

A3. Permits and Routing System – (\$156.2) DECREASE

Lower activity in the project in 2007/2008.

A4. Road Weather Information – (\$212.1) DECREASE

Program completed in 2006/2007.

A5. Strategic Highways Improvement Program – (\$4,334.0) DECREASE

Program was completed in 2007/2008.

OTHER REVENUE

A6. Automobile and Motor Carrier Licences and Fees – \$2,684.5 INCREASE

The increase is due to file growth.

A7. Drivers' Licences – \$4,663.4 INCREASE

The increase is due to file growth along with 2006/07 actual revenue being reduced due to the implementation of a prorated 4 month transition period to align the licence renewal date with the vehicle registration date.

A8. Rentals from Various Government Properties – (\$365.5) DECREASE

Lower revenue resulted mainly from the sale of the Manitoba Technology Centre.

Revenue Variance Explanations

Comparison of the 2007/2008 actuals to the 2007/2008 estimates.

GOVERNMENT OF CANADA

B1. Winter Roads –\$3,383.8 INCREASE

The increase reflects the capital expenditures incurred on the Rice River Road and on several other capital projects that were approved under the winter roads agreement.

B2. Refunds for Services – (\$324.3) DECREASE

Decrease reflects lower activity than originally anticipated.

B3. Manitoba Floodway Expansion – (\$26,267.5) DECREASE

The decrease is the result of changes in project scheduling, resulting in lower expenditures for the year and consequently lower revenue recovered from Canada.

B4. Airport Capital Assistance Program – (\$176.0) DECREASE

Some work was deferred to 2008/09.

B5. Permits and Routing System – \$53.3 INCREASE

This project was anticipated to be completed in the prior fiscal year and 2007/08 revenue represents carryover completion costs.

B6. Strategic Highways Improvement Program – \$362.8 INCREASE

Actual revenues for the final year were higher than originally estimated.

- B7. God's Lake Narrows Bridge – (\$2,500.0) DECREASE**
A separate agreement was not finalized with the Federal Government in 2007/08.
- B8. Animal Health Surveillance – (\$500.0) DECREASE**
An agreement with the Federal Government is still under negotiation.

OTHER REVENUE

- B9. Automobile and Motor Carrier Licences and Fees – \$5,136.6 INCREASE**
The increase is due to file growth.
- B10. Drivers' Licences – \$2,180.8 INCREASE**
The increase is due to file growth
- B11. Rentals from Various Government Properties – (\$510.5) DECREASE**
Lower revenue resulted mainly from the sale of the Manitoba Technology Centre.

MANITOBA INFRASTRUCTURE AND TRANSPORTATION
FIVE YEAR EXPENDITURE AND STAFFING SUMMARY BY APPROPRIATION (\$000)
For the fiscal years ended March 31, 2004 - March 31, 2008

APPROPRIATION	Actual/*Adjusted Expenditures									
	2003/04		2004/05		2005/06		2006/07		2007/08	
	FTE	\$	FTE	\$	FTE	\$	FTE	\$	FTE	\$
15-1 Administration and Finance	95.75	8,583.4	91.75	8,968.9	91.75	8,926.9	95.75	8,740.8	98.73	9,476.5
15-2 Highways and Transportation Programs	843.48	65,229.8	733.43	63,669.8	573.33	66,611.9	556.08	66,977.2	559.07	75,266.5
15-3 Government Services Programs	608.52	37,579.2	610.31	38,421.7	614.11	39,423.8	616.11	40,957.8	634.00	41,273.9
15-4 Infrastructure Works	1,173.99	122,539.4	1,156.99	125,956.8	1,128.99	136,341.7	1,132.50	155,488.2	1,205.06	168,378.0
15-5 Manitoba Water Services Board	-	9,604.5	-	10,205.1	-	10,266.2		10,139.8		12,897.9
15-6 Canada-Manitoba Agreements	6.00	16,050.0	6.00	11,059.9	7.00	20,051.8	7.00	23,149.3	7.00	20,543.3
15-7 Costs Related to Capital Assets		147,328.8		148,485.2		155,846.0		161,462.7		174,779.2
TOTAL	2,727.74	406,915.1	2,598.48	406,767.4	2,415.18	437,468.3	2,407.44	466,915.8	2,503.86	502,615.3

*Adjusted figures reflect historical data on a comparable basis in those appropriations affected by a reorganization.

Manitoba Infrastructure and Transportation 2007-08 Annual Report Performance Measures

The following section provides information on key performance measures for the department for the 2007-08 reporting year. This is the third year in which all Government of Manitoba departments have included 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. For more information on performance reporting and the Manitoba government, visit www.manitoba.ca/performance. Your comments on performance measures are valuable to us. You can send comments or questions to mbperformance@gov.mb.ca.

What is being measured and using what indicator?	Why is it important to measure this?	Starting from what baseline?	What is the 2007/2008 (current year) result or most recent data?	What is the trend over time?	Comments/recent actions/report links										
<p>The safety and economic advantage of Manitoba's key inter-jurisdictional highways. Investment specifically for twinning.</p>	<p>A greater amount of twinned inter-jurisdictional (linking to other provinces and states) highway indicates Manitoba's stronger competitive positioning and advantage in offering road users safe, efficient and economical travel routes.</p>	<p>2003/2004 \$15,059,226.88</p>	<p>2007/2008 \$24,975,805.84</p>	<p>The majority of investment is for the twinning of the Trans-Canada highway from Virden to the Saskatchewan border. Due to a late start on the project by the contractor, the work completed in 2007/2008 was less than planned.</p> <table border="1" data-bbox="1249 662 1554 862"> <tr> <td>03/04</td> <td>\$15,059,226.88</td> </tr> <tr> <td>04/05</td> <td>\$16,445,564.07</td> </tr> <tr> <td>05/06</td> <td>\$20,467,733.80</td> </tr> <tr> <td>06/07</td> <td>\$27,475,047.58</td> </tr> <tr> <td>07/08</td> <td>\$24,975,805.84</td> </tr> </table>	03/04	\$15,059,226.88	04/05	\$16,445,564.07	05/06	\$20,467,733.80	06/07	\$27,475,047.58	07/08	\$24,975,805.84	<p>www.gov.mb.ca/highways</p>
03/04	\$15,059,226.88														
04/05	\$16,445,564.07														
05/06	\$20,467,733.80														
06/07	\$27,475,047.58														
07/08	\$24,975,805.84														
<p>The safety of transportation infrastructure. Winter roads constructed over a land base.</p>	<p>28 communities (approx. 38,000 residents) live in remote areas that depend on the cost-effective network of winter roads to truck in bulk supplies.</p>	<p>In 1998/99, \$2.18 million was invested in winter roads. Since 1999, 577 km (26 percent) of winter roads have been added to the network . 654 km (30 percent) of winter roads have been realigned away from water and moved to a land-base since 1999.</p>	<p>In 2007/08 \$8.44 million was invested in winter roads.</p>	<p>The majority of approximately \$800,000 increase in expenditures on winters roads (\$8.44 million in 2007/08 versus \$7.65 million in 2006/2007) reflects inflationary increases, especially related to fuel costs.</p>	<p>www.gov.mb.ca/highways</p>										
<p>The environmental sustainability of the Manitoba Government vehicles fleet. The number of hybrid and E85 vehicles added to the fleet annually as a percentage of the total number of vehicles added to the fleet.</p>	<p>A greater proportion of hybrid and E85 vehicles in the Manitoba Government vehicles fleet results in fewer carbon emissions.</p>	<p>In 2004/2005 hybrid and E85 vehicles represented 6.6 percent of the total new vehicles purchased for the fleet.</p>	<p>In 2007/08 hybrid and E85 vehicles represented 37 percent of the total new vehicles purchased for the fleet. This is an increase from 30.2 percent in 2006/07.</p>	<p>The trend is toward an increasing proportion of fleet vehicle purchases being environmentally preferable hybrid and E85 models. The number of hybrid and E85 vehicles in the fleet will continue to increase as more makes and models become available.</p>	<p>More information about Manitoba's Fleet Vehicles can be found at http://www.fva.gov.mb.ca</p>										

What is being measured and using what indicator?	Why is it important to measure this?	Starting from what baseline?	What is the 2007/2008 (current year) result or most recent data?	What is the trend over time?	Comments/recent actions/report links
Infrastructure enhancements are measured by determining the number of projects initiated and the extent of municipal, federal, and other partners levered investments as a result of provincial investment in local infrastructure initiatives.	Infrastructure investments improve community capacity and quality of life for citizens. Provincial investments have significantly enhanced the capacity of communities to undertake projects and lever further investments from other partners that would not necessarily occur otherwise.	Data collection on the Canada-Manitoba Infrastructure Programs (CMIPs) began in October 2000.	Between 2000 and March 31, 2008 a total of 283 projects were initiated and / or completed leveraging \$926 million in complementary funding from all partners – government and non-government.	These investments are made over a number of years and results in significant investments from other partners, enhancing the capacity of communities to undertake projects on a multi-year basis that would not necessarily occur otherwise.	The data does not include the Manitoba Floodway project or Manitoba Water Services Board (MWSB) projects. Additional information on the Canada-Manitoba Infrastructure Programs is also available on the website: http://www.infrastructure.mb.ca
The two way trade flows through the Churchill rail and port gateway.	The volume of import and export tonnage is indicative of Manitoba's efforts at supporting the Churchill Gateway Development Corporation (CGDC), whose mandate is to grow and diversify two way traffic through the Gateway away from a reliance on Canadian Wheat Board (CWB) grains.	The best and most recent value for this indicator is overall two-way tonnage volumes through Churchill, best differentiated between Canadian Wheat Board grains and non-Wheat Board products since inception of the Corporation in 2003. See Table A.	See Table A – most recent data is for 2006.	Stable. Growing season conditions and market locations are external factors that impact the volume of crops that need to be transported.	Key supporting actions by CGDC have been to partner with a major multinational grain company to market the gateway for non-CWB products, and developing linkages with Russian interests on "Arctic Bridge" marine development between Churchill and Murmansk, Russia.

Table A

Year	CWB Grains	Non-CWB Grains	Total Crop Exports	Range of Non-CWB Crops	Inbound Traffic	Other Outbound Traffic
2003	470,000	145,000	615,000	Canola, Linola, Feed Peas		Fuel (from Port only), Nunavut Dry Cargo
2004	360,000	40,000	400,000	Canola	Scrap Metal	Fuel (Rail and Port), Nunavut Dry Cargo
2005	353,000	113,000	466,000	Canola, Feed Peas		Fuel (Rail and Port),
2006	384,000	104,000	488,000	Canola		Fuel, Nunavut Dry Cargo

The Public Interest Disclosure (Whistleblower Protection) Act

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. This law gives employees a clear process for disclosing concerns about significant and serious matters (wrongdoing) in the Manitoba public service, and strengthens protection 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 18 of the Act.

The following is a summary of disclosures received by Manitoba Department of Infrastructure & Transportation for fiscal year 2007 – 2008:

Information Required Annually (per Section 18 of The Act)	Fiscal Year 2007 – 2008
The number of disclosures received, and the number acted on and not acted on. <i>Subsection 18(2)(a)</i>	NIL
The number of investigations commenced as a result of a disclosure. <i>Subsection 18(2)(b)</i>	NIL
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. <i>Subsection 18(2)(c)</i>	NIL



AUDITOR'S REPORT

On The Manitoba Trucking Productivity Improvement Fund

To the Legislative Assembly of Manitoba

We have audited the statement of financial position of the Manitoba Trucking Productivity Improvement Fund as at March 31, 2008, the statement of revenues and expenses and the statement of fund balance for the year then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as stated in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The Fund derives revenue from proponents, the completeness of which was not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Fund and we were not able to determine whether any adjustments might be necessary to revenue, the net result for the year, current assets and the fund balance.

In our opinion, except for the adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2008, and the results of its operations and cash flows for the year then ended, in accordance with Canadian generally accepted accounting principles.

Office of the Auditor General

Office of the Auditor General

Winnipeg, Manitoba
September 4, 2008

**Manitoba Trucking Productivity Improvement Fund
Statement of Financial Position
As at March 31, 2008**

	2008	2007
	\$	\$
Assets		
Funds on Deposit with the Minister of Finance	641,396	462,256
Accounts Receivable	21,033	29,085
Accrued Interest Receivable	1,815	1,277
	<u>664,244</u>	<u>492,618</u>
 Liabilities and Fund Balance		
Accounts Payable and Accrued Charges	17,000	22,549
 Fund Balance	<u>647,244</u>	<u>470,069</u>
	<u>664,244</u>	<u>492,618</u>

**Manitoba Trucking Productivity Improvement Fund
Statement of Revenues and Expenses
For the Year Ended March 31, 2008**

	2008	2007
	\$	\$
Operating Revenues		
Fees from Proponents (Note 5)	217,272	318,802
Interest Earned	23,562	7,506
	240,834	326,308
Operating Expenses		
Bad Debt Expense	44,128	118,034
Highway Rehabilitation and Improvement Expense	12,000	-
Legal Fees	2,531	14,549
Audit Fees	5,000	4,000
	63,659	136,583
Net Result For The Year	177,175	189,725

**Manitoba Trucking Productivity Improvement Fund
Statement of Fund Balance
For the Year Ended March 31, 2008**

	2008	2007
	\$	\$
Fund Balance		
Beginning of Year	470,069	280,344
Net Result for the Year	177,175	189,725
Fund Balance		
End of Year	647,244	470,069

Manitoba Trucking Productivity Improvement Fund
Notes to the Financial Statements
For the Year Ended March 31, 2008

1. Incorporation and Function

The Manitoba Trucking Productivity Improvement Fund (the 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 Manitoba Trucking Productivity Improvement Fund agreements are included in the Operating Fund of the Province of Manitoba.

2. Significant Accounting Policies

a. General

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

b. New Accounting Policies

Effective April 1, 2007 the entity adopted the following new accounting standards issued by the Canadian Institute of Chartered Accountants (CICA):

Section 1506, Accounting Changes

Section 1506 requires that voluntary changes in accounting policies are made only if they result in the financial statements providing reliable and more relevant information. Additional disclosure is required when the entity has not yet applied a new primary source of Canadian GAAP that has been issued but is not yet effective, as well as when changes in accounting estimates and errors occur. The adoption of this revised standard had no material impact on the entities financial statements for the year ended March 31, 2008.

Section 3855, Financial Instruments – Recognition and Measurement

Section 3855 prescribes the criteria for recognition and presentation of financial instruments on the balance sheet and the measurement of financial instruments according to prescribed classifications. Under this section, financial assets and liabilities are initially recorded at fair value. This section also addresses how financial instruments are measured subsequent to initial recognition and how the gains and losses are recognized.

The Fund is required to designate its financial instruments into one of the following five categories: held for trading; available for sale; held to maturity; loans and receivables; and other financial liabilities. All financial instruments classified as held for trading or available for sale are subsequently measured at fair value with any change in fair value recorded in net earnings or directly to the Fund Balance, respectively. All other financial instruments are subsequently measured at amortized cost.

The Fund has designated its financial instruments as follows:

Funds on deposit are classified as financial assets held for trading and are measured at fair value with gains and losses recognized in net earnings.

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Accounts receivable and accrued interest receivable are classified as loans and receivables. These financial assets are recorded at their amortized cost using the effective interest rate method.

Accounts payable and accrued charges are classified as other financial liabilities. These financial liabilities are recorded at their amortized cost using the effective interest rate method.

The adoption of this revised standard had no material impact on the Fund's financial statements for the year ended March 31, 2008.

c. Financial Instruments

The Fund's financial instruments consist of funds on deposit, accounts receivable, and accounts payable and accrued charges.

Unless otherwise noted, it is management's opinion that the Fund is not exposed to significant interest, currency or credit risk arising from these financial instruments.

The fair value of accounts receivable, accrued interest receivable, accounts payable and accrued charges approximates their carrying values due to their short-term maturity.

d. Use of Estimates

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

e. Future Accounting Policy Changes

The CICA has issued two new standards, CICA 3862: *Financial Instruments – Disclosures* and CICA 3863: *Financial Instruments – Presentation*, which enhance the abilities of users of financial statements to evaluate the significance of financial instruments to an entity, related exposures and the management of these risks.

The CICA has also issued a new standard, CICA 1535: *Capital Disclosures*, which requires the disclosure of qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and processes for managing capital.

These changes in accounting policies, which will be adopted effective April 1, 2008, will only, require additional disclosures in the financial statements.

3. Statement of Cash Flows

A statement of cash flows has not been presented in these financial statements as no additional useful information would be provided by its inclusion.

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4. Contributed Services

During the year, the Department of Infrastructure and Transportation provided office space and other administrative services to the Fund at nil cost. Because of the difficulty of estimating the fair value of such expenses, no contributed services are recognized in the financial statements.

5. Revenue Recognition Policy

Fees associated with the Fund are recorded as revenue as received and held in the Fund until such time as the Province's Consolidated Fund incurs corresponding maintenance or preservation costs, or records amortization expenditures relating to the associated fixed assets. Investment income is recorded in accordance with terms of the related investment.