

## Good governance benefits all Albertans

Getting infrastructure decisions right is crucial to ensuring that investments contribute to productivity growth, competitiveness and efficient access to public services. Key to any successful infrastructure program is an appropriate structure for decision making, strategic planning, and implementation that is transparent and accountable. Strengthening the transparency and processes to benefit from healthy private sector competition will provide for improved road infrastructure delivery.

The Alberta Road Builders and Heavy Construction Association (ARHCA) is committed to providing principled and compelling solutions to ensure Alberta's road infrastructure supports a vibrant economic climate and enhances the quality of life of Albertans.

## Recommendations:

The ARHCA convened a very accomplished and diverse group of advisors from the public and private sectors to form an expert advisory panel. The [Transportation Infrastructure Advisory Panel](#) worked with the ARHCA to assess road infrastructure challenges and identify policy recommendations to support long overdue improvements. The ARHCA is advocating the following recommendations for the Alberta government.

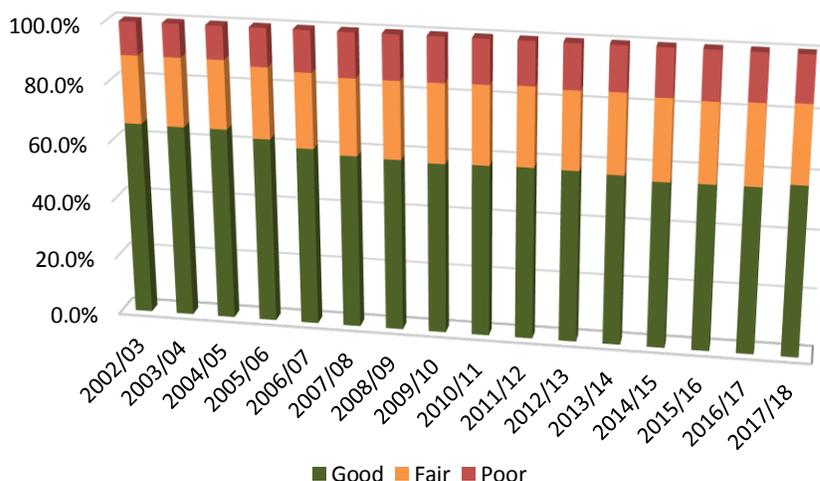
- 6.1 Carve out the Corporate Strategies and Delivery Services Division of Alberta Transportation to create an independent agency to oversee transportation infrastructure management, procurement and project contract delivery.
- 6.2 Establish performance and/or service standards for Alberta's road transportation network and contract with the new management agency to deliver.
- 6.3 Develop a transparent and strategic approach for the prioritization and selection of road infrastructure projects to form the delivery agency's accountability contract.
- 6.4 Create a more integrated and coordinated approach to transportation policy and planning within and across all levels of government.
- 6.5 Ensure appropriate transfer of risk between public and private entities.

## Making the right decisions for better roads

Good governance, or its absence, has concerned the transport sector policy-makers and stakeholders for decades. Considerable investment and effort have been made to build supportive technical, financial and management capability; yet performance has diminished despite better data. This is a failure of governance.

An efficient and effective road transportation system is fundamental to Alberta's growth and prosperity, from transporting goods to markets, to creating communities with a high quality of life. The consequences of a poorly managed road network include increased congestion, unsafe conditions created by failing infrastructure, and a diminished ability to remain economically competitive in the global economy.

Physical Condition of AB Provincial Highways



Source: Government of Albert, Alberta Official Statistics, Physical Condition of Provincial Highway Surfaces.

The undeniable truth is that the current approach to managing our public roads infrastructure is failing Albertans. Today, 43% - that is over 13,500 kilometers of Alberta highways are in fair or poor condition. Yet provincial investment in the maintenance and rehabilitation of our road infrastructure is declining when it is desperately needed. Unfortunately, when we should be investing in our roads the province has reduced its commitment to planned road and bridge maintenance and renewal by 29% or \$484 million over the next 3 years.

At the same time, disruptive innovation is driving the need to redefine existing structures and models to deliver safe, reliable and integrated transportation infrastructure. Canada and Alberta have been idle on transportation policy issues for too long and we have clearly fallen behind. We have a big problem and we need to act now, let's not be the last to solve it. We need to transform the governance of our public road infrastructure so we can address current and future transportation needs in an impartial, strategic and sustainable manner. Maintaining airplanes depending on economic cycles is not tolerated by airlines, it should neither be an acceptable strategy for \$70 billion government-owned assets.

The Department of Transportation has traditionally been responsible for long-term planning and has managed its best through political demands and budget constraints. The execution of these plans can no longer be so conditional on political pressures and budgetary fluctuations. Separating and defining responsibilities to align with capabilities and competence will help clarify roles and facilitate improved governance.

The politicians need to set the long-term strategic vision for

Alberta's road infrastructure and determine the funding model to support its implementation. The bureaucrats need to be responsible for the policy, planning and management of road infrastructure and the private sector responsible for project management, construction and maintenance delivery.

To achieve this approach, an independent agency should be created to oversee transportation infrastructure management, procurement and project contract delivery. Similar to other sectors, this arm's length entity would be accountable to manage public assets on behalf of Albertans by delivering on a multi-year transportation infrastructure plan set by government, utilizing a predictable cash flow model and procuring services from the private sector with a multi-year strategy free from annual political interference. The subsequent service agreement between the Government and the agency must clearly state achievement targets and expected outcomes for the agreed upon funding.

