

Roads Drive our Economy

Roads are the arteries through which the economy pulses. By linking workers to jobs, students to school, and consumers to services, quality roads are vital to any economy. Without road transport and a safe, seamless, secure way to transport goods around the world, our economy would soon collapse. Historically, investment in transportation networks has played a great role in the development of cities, regions, and nations. However, a declining investment in road maintenance and construction puts our economy at risk.

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.

Building and maintaining roads for productivity and growth

Building and maintaining effective road networks is critical for the functioning of Alberta's economy. Transportation infrastructure, such as roads enable economic activity connecting people, businesses and resources. The economy needs reliable road infrastructure to connect supply chains and efficiently move goods and services to domestic and international markets. Roads and highways connect households to higher quality opportunities for employment, access to healthcare and education.

Road infrastructure can affect the economy in a number of ways, nearly all of them related to increasing mobility. It can enable producers to reach markets more cheaply, to increase the size of their market area, and can increase the speed with which producers can reach markets or inputs, allowing them to hold lower inventories and carry out just-in-time production.

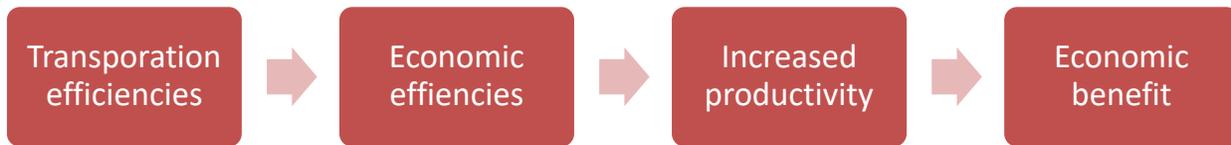
\$8 BILLION worth of Alberta non-pipeline exports travel on provincial highways towards their final destination each year.

Road infrastructure can enable workers to choose among a wider array of employment opportunities and to live farther from their workplaces. It can enable consumers to have a more varied choice of goods, services, and prices. Efficient road networks move people and good in such as way to increasing overall productivity that filters through the economy. Improving productivity reduces the cost of doing business enabling greater output. These productivity gains filter through the economy into increased business profits, reduced prices to consumers, improved access and service quality.

Transportation system efficiencies also increase productivity through increased education and employment opportunities, improving the match between workers and jobs creating increased income and wealth. Sustainable economic indicators such as health and longevity, education attainment, social

DRIVING IMPROVEMENT FOR ALBERTA'S ROADS

equity, employment opportunity, community livability and environmental quality, in addition to productivity and wealth can also be attributed to transportation systems.



With a population that has doubled in the past 30 years, declining investment in highway maintenance and an economy based on export of goods and natural resources Alberta's transportation system is being put to the test and the impacts are being felt by all of us. Today, over 13,500 kilometers or 43% of Alberta highways are in fair or poor condition. We must take action today to improve the policies that will guide a growing province.

Highway infrastructure can boost economic activity through immediate construction activity that results from new highway infrastructure. McKinsey Global Institute estimates that infrastructure typically has a socioeconomic rate of return of 20 percent over time—that is, each invested dollar delivers a 20-cent increase in annual GDP in the long run. This means, provided sustainability is considered in the project, infrastructure investments can be a rare win-win, combining short-term job creation with long-term economic development.¹⁸ The future of transportation is right

Recommendations:

The ARHCA is advocating the following recommendations for the Alberta government.

1. Develop a long-term strategy to guide Alberta's road infrastructure investments.
2. Establish a prioritization framework that provides a holistic assessment of infrastructure investment opportunities while considering economic, environmental and social benefits.
3. Integrate transportation policies with planning, economic development and other provincial priorities.