



August 7, 2020

Honourable Prasad Panda
Minister of Infrastructure
infras.engagement@gov.ab.ca

Dear Minister Panda:

Re: Infrastructure Act and 20 Year Capital Plan

Thank you for the invitation to provide input to the Government of Alberta for the proposed Infrastructure Act and the legislated commitment to release and regularly review a 20 Year Capital Strategic Plan. ACA agrees that *“Infrastructure is a critical part of Alberta’s recovery plan as a key driver of our economy, public services and our government’s finances.”* in the immediate term. ACA appreciates that in addition to new builds *“Capital maintenance and renewal is a key element of government’s Capital Plan”*. We further applaud the Government’s recognition of *“the importance of strategic investment in Alberta’s buildings, roads, bridges, and more”* *“that will help build a prosperous future and benefit Albertans for years to come.”* In the spirit of your Government’s vision for Red Tape Reduction, we urge the Government develop the Infrastructure Act as a transformative means to ensure that Alberta plans, delivers, and maintains the most competitive infrastructure in North America.

The Government’s proposed Capital Planning Criteria as follows are a good first step:

- *“Health, safety, and compliance*
- *Strategic alignment*
- *Economic impacts*
- *Improved program and services delivery*
- *Life cycle costs and return on investment*
- *Resilient communities”*

Beyond these criteria, ACA urges that the Infrastructure Act explicitly align with the Government’s commitments to:

- foster and support private investment, including investing in provincial and municipal infrastructure, and
- support strategic resource development, utility, and trade corridors.

Keeping in mind the MacKinnon Report recommendations on the need to maximize the return on scarce capital, we urge the Government to further define these Criteria in a way that when all other Criteria are equal, higher priority will be afforded to projects that:

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- Leverage shared investment from multiple partners (eg. Municipal library or recreational facilities integrated with schools)
- Anticipate future needs with adaptability to repurpose buildings over their useful life
- Foster regional development, not singular projects, not individual communities, but whole community development where a community would be a single city or town, or a cluster of cities and towns in a region of the province, with favorable growth prospects and existing provincially-supported government facilities
- Encourage regional business investment partnership opportunities to diversify regional economies
- Broaden Municipal Development Plans to become a Regional Development Plan employing projected business planning and growth expectations

In addition to the 20 year Strategy, industry planning would be enhanced if the Infrastructure Act also mandated 10 year capital programs, updated annually, that included specific projects. The Act should mandate Asset Management Plans for all public sector entities fully or partly funded by the Province. Projects in the 10 year program should be determined from Asset Management Plans and application of the Capital Planning Criteria.

We urge the Government to legislate beyond the current focus of the Infrastructure Act to develop new models of capital funding and project procurement. Cuts to the Provincial Capital Budget to provide short term spending restraint ultimately cost taxpayers in the long run. Dramatic swings in the levels of infrastructure investment undermine contractor planning and investment in people and equipment, interrupt development of apprentices, and increase costs to taxpayers when industry capacity must rebuild to deliver increased project demand. We therefore urge the Government:

- embody in the Infrastructure Act principles for use of alternative financing including public-private partnerships,
- return to a dedicated Capital Account with flexibility of multiyear committed budgets, and/ or
- develop an independent public agency comparable to the Alberta Electric System Operator with a legislated mandate and contractual commitment from the Government to plan and oversee building and maintenance of the Province’s infrastructure.

Ontario and British Columbia have Crown Agencies that maintain the capacity to procure and deliver on decades long capital plans. These agencies have proven to deliver effectiveness and efficiency for taxpayers and provide a stable business climate for industry. We urge the Government to adopt a similar approach.

ACA would be pleased to meet to further explore these concepts. We look forward to continuing this dialogue.

Sincerely,

Ken Gibson, Executive Director

CC. Premier Jason Kenny

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