



For Immediate Release

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New Research Shows Infrastructure Spending is Not Out of Control

EDMONTON – In advance of the release of the 2011 Alberta Budget, one which will certainly include a significant amount of infrastructure spending, the Parkland Institute has released a new fact sheet demonstrating that infrastructure spending in Alberta is not out of control, and that in fact more is needed.

The fact sheet takes the Government of Alberta’s own figures for infrastructure spending since 1993, and adjusts them for inflation, population growth, and boom time cost escalation. The results are surprising.

“Despite the fact that we appear to be spending significantly more on infrastructure, the reality is that increases, at least in real terms, have been moderate,” says Parkland’s research director Diana Gibson.

So moderate that, even according to the Auditor General in 2010, very little progress has been made in addressing the \$7 billion infrastructure deficit that existed at the end of Ralph Klein’s tenure as Premier.

The Institute is also careful to point out, however, that increased infrastructure spending on its own will accomplish very little.

“Every new infrastructure dollar must bring with it increased spending in training, education, staffing and operations to actually run new facilities,” says Gibson. “These expenses necessitate spending increases in those areas beyond inflation and population growth.”

The fact sheet concludes by highlighting the need for the provincial government to increase its spending on infrastructure, maximize the impact of its infrastructure dollars by making those investments during economic downturns rather than boom periods, and increase funding to services to ensure that new facilities do not sit empty.

The Parkland Institute is a non-partisan public policy research institute in the Faculty of Arts at the University of Alberta. The fact sheet “Unpacking Alberta’s Infrastructure Spending” is available for download on its website at <http://parklandinstitute.ca>.

Parkland Institute researchers Diana Gibson and Regan Boychuk will be at the 2011 Budget speech at the Alberta Legislature, and will be available for comment and analysis in the rotunda or by phone immediately following.

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