

Beneath Alberta's shiny exterior, our infrastructure is crumbling



It is not the most exciting of topics. The mere mention of the words “municipal infrastructure” is enough to produce heavy eyelids

and rampant yawning. But that does not make it any less important. Every time we turn on the tap or drive down the street, we use a myriad of municipal services without giving them much thought.

Beneath the shiny exterior of new office buildings and homes, our cities and towns are crumbling. If our roads seem to have more potholes and our sidewalks more cracks, it is not just our imaginations. Our municipal infrastructure—everything from sewers to stop signs, lamp posts to libraries—is deteriorating at a disturbing rate and little is being done to replace it.

While many of us are blissfully unaware of the precarious state of our public works, one person is trying to jolt us out of our slumber. As a policy analyst with the Canada West Foundation, Casey Vander Ploeg is sounding the alarm over the neglect infecting core services so vital to our communities. In the latest in a number of reports on the subject, he proposes a range of solutions, including toll roads and public/private partnerships—so-called P3s—to pay for costly capital projects. It is a provocative proposition calculated to get people talking. It seems to be working.

Our decaying infrastructure—there's that wretched word again—has broader implications than rough streets and unmanicured public parks. It threatens our future prosperity. As towns and cities become engines of growth in our new information-driven economy, their ability to attract and keep industry will depend on the state of their services.

Vander Ploeg, who doesn't like the word “infrastructure” either, prefers to think of it as the “hardware” on which our society runs. He reasons that if businesses can choose any location, they're going to pick the place that offers the best municipal support. “We need good hardware to run the software, which in our case is to be modern, thinking, smart cities,” he says.

Unfortunately, senior levels of government haven't been so smart. With federal and provincial gov-



ernments obsessed with debt and deficits, their yearly investment in our municipal hardware has dropped from more than 20 per cent of total spending in the 1960s to less than 10 per cent today. The first things cut were capital projects—new sewage treatment plants, transit lines to sprawling suburbs—creating a shortage in public works estimated at \$125-billion nationally and \$7-billion in Alberta alone.

Senior governments are slowly waking up to the problem. Prime Minister Paul Martin is promising a new deal with municipalities that includes a \$2.5-billion share of the gasoline tax. The Alberta government already shares some of its fuel taxes

with its municipalities.

But if Ralph Klein's Conservatives were as serious about our deficit in municipal capital as they are about our budgetary debt, they would celebrate Alberta's centennial in 2005 by plowing surpluses into new public works rather than paying off the remaining debt. Klein, expected to retire shortly after the birthday party, could leave a legacy built on needs for the future rather than bragging rights over battles from the past. This year's \$3.5-billion surplus would be a good place to start.

As long as we rely on cumbersome property taxes, rapidly growing municipalities will always be short of cash. A case in point is the double-digit growth in the Edmonton/Calgary corridor, a powerhouse rivaling Ontario's fabled “golden horseshoe.” An economic analysis by TD Bank estimated the region requires \$1-billion in upgrades just to keep up.

Along with toll roads and P3s, the CWF is calling for local income tax and municipal sales taxes to replace property taxes. Vander Ploeg acknowledges not all will go over well. Some critics will wonder what advantage there is in privately financing an interchange when traditionally governments can borrow money more cheaply. Others will question the fairness of charging a single mom the same highway toll for driving her kids to school in a Honda Civic as a business executive driving his Mercedes to a golf course.

“I'm putting out a buffet of different options,” Vander Ploeg explains. “You can pick the ones you like and reject the ones you don't.”

Not everyone has to agree with him. But Vander Ploeg is creating interest in a topic that until now has been confined to policy analysts and insomniacs.

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