

State of Alberta's Highway and Bridge Network

Presentation to Alberta MLAs



Alberta Roadbuilders and Heavy Construction Association (ARHCA) 2026

The Big Picture: 2010 - 2025

- Total Provincial Budget: 2010 -\$41.5 billion 2025 - \$84.5 billion +104%
 - Expenses + 121%
 - Capital + 20% (grants + investment)
- Adjusted for Inflation: \$84.5 billion = \$58.1 billion (2025 dollars) +45%
- Population growth 2010 – 2025 = 1.2 million +32%
 - (close to population + inflation formula)
 - Expenses growth +58%
 - Capital (grants + investment) -14%
 - Federal Transfers +85%

Alberta Budget 2026 – Royalty Revenue

Sensitivities to Fiscal Year Assumptions, 2026-27^a

(millions of dollars)

	Change	Net Impact
Oil price (WTI US\$/bbl)	-\$1	-680
Light-heavy oil price differential (US\$/bbl)	+\$1	-670
Natural gas price (Cdn\$/GJ)	-10c	-15
Exchange rate (US\$/Cdn\$)	+1c	-440
Interest rates	+1%	-442
Primary household income	-1%	-250

^a Sensitivities are based on current assumptions of prices and rates, displaying impacts over a 12 month period. They can vary significantly at different price and rate levels. Energy price sensitivities do not include potential impacts of price changes on land lease sales revenue.

With all other *Budget 2026* assumptions remaining equal the WTI price required to balance the budget ranges from \$74/bbl in 2026-27 to \$77/bbl in 2027-28.

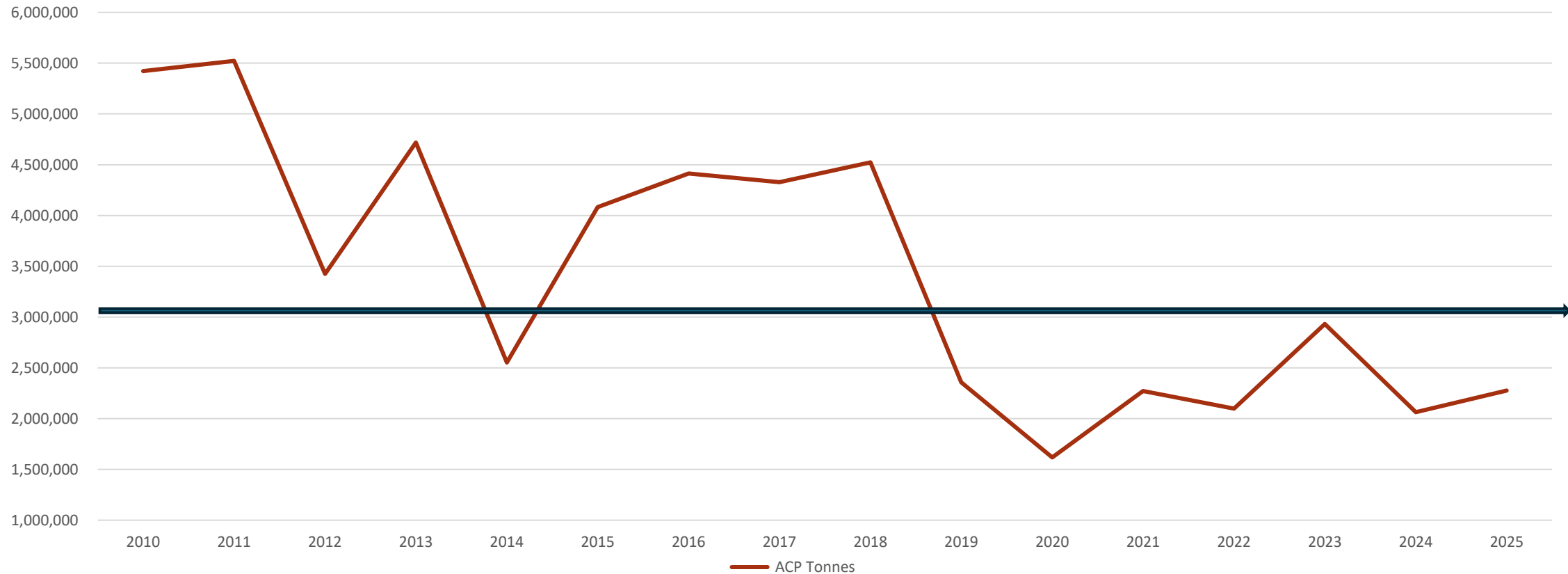
- Budget 2026 Assumptions
 - WTI Average \$60.50 (USD\$/bbl)
- Current Industry Analysts Est.
 - WTI Average \$84.00 (USD\$/bbl)
- At \$80 = Additional \$13 billion
- Deficit \$9.4 → Surplus \$4

Highway Maintenance (Expenses)

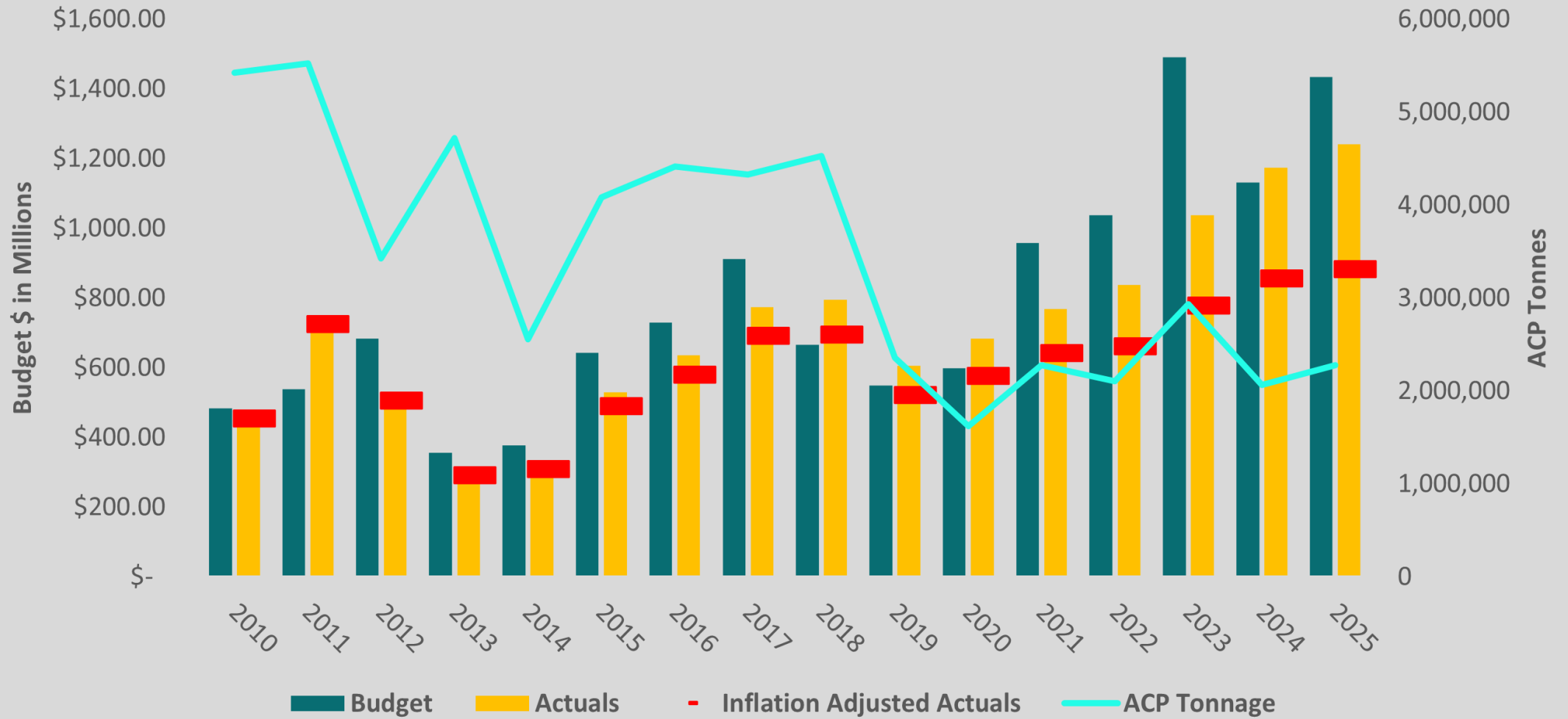
- Budget 2026 \$350.2 million (network excluding Ring Roads)
- April Revision \$309.0 million (in-year cut of \$41 million)
- P3 Maintenance \$105.7 million (additional)
- Budget 2010
 - Maintenance \$325.0 million
 - Preservation \$ 51.0 million
 - Total \$376.0 million = \$540 million inflation adjusted to 2026
- Ignoring inflation represents an annual \$164 million cut to maintenance

TEC minimum target: 3 MT ACP

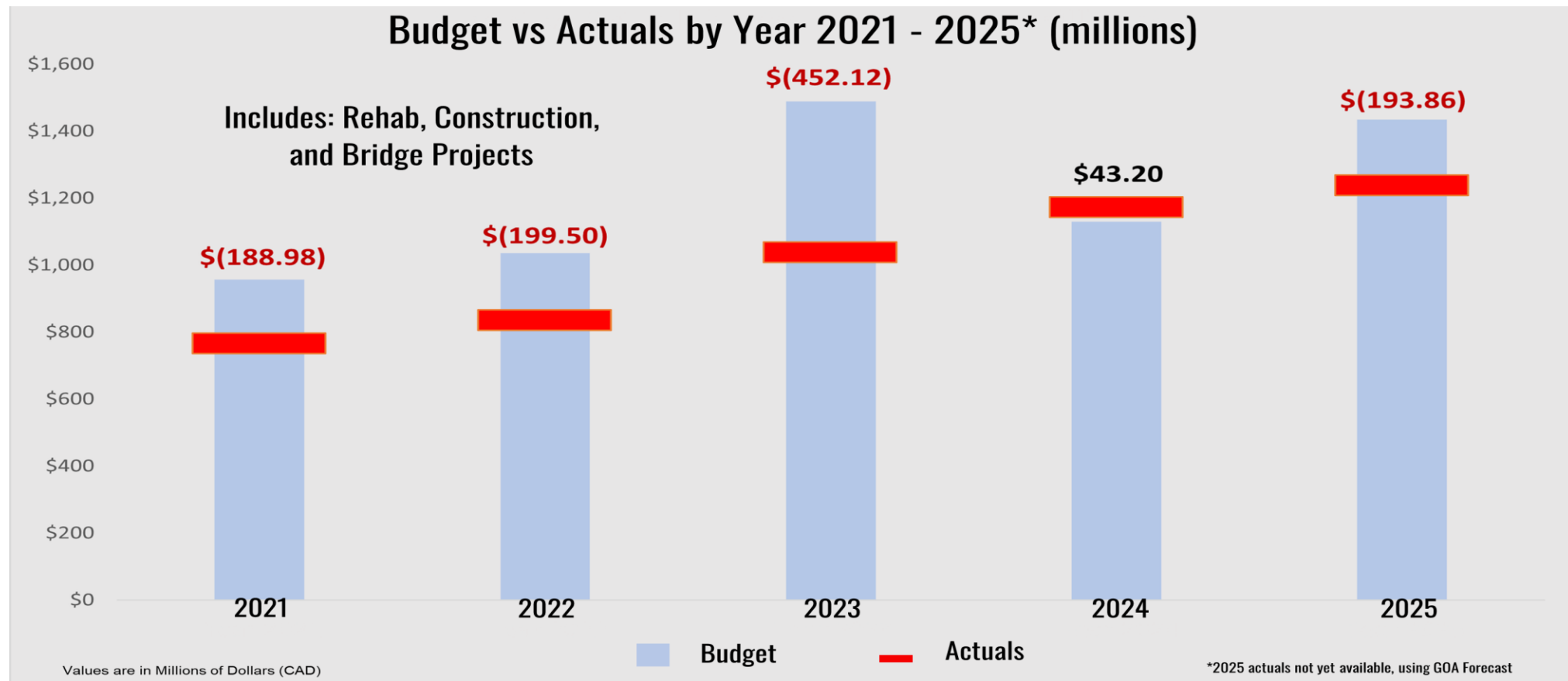
ACP Tonnes Tendered Excluding P3 Ring Roads



Historic Budget vs Actuals Against Tendered ACP Tonnage



\$991 million not tendered out 2021-2025



Impact of ACP Tendered on Mobile Plant Capacity

AT Paving Tonnage by Year Excludes P3's & Maintenance

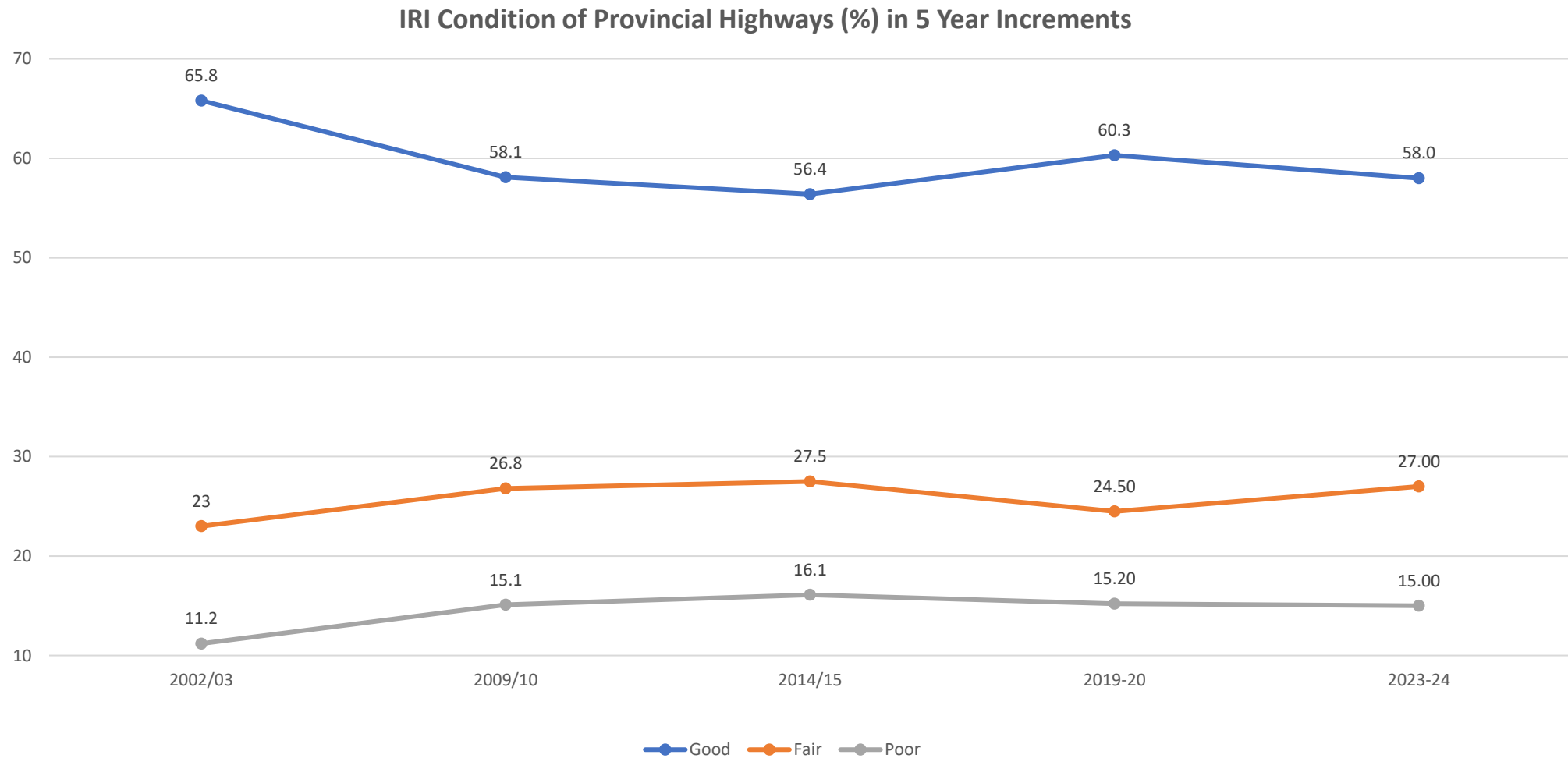
Year	ACP Tonnes
2010	5,421,392
2011	5,522,293
2012	3,425,613
2013	4,717,355
2014	2,552,930
2015	4,082,445
2016	4,414,475
2017	4,328,426
2018	4,524,220
2019	2,356,954
2020	1,618,121
2021	2,272,413
2022	2,099,529
2023	2,931,722
2024	2,063,000
2025	2,275,845
Average 2010-13	4,771,663
Average 2021-24	2,341,666

Mobile Plant Capacity

2010	6 million	
2022	5 million	-16.7%
2025	4 million	-33%
2026	3.7 Million	-38%
2028**	3 million	-50%

** Projected

Impact on Rural Highways - General Condition Deterioration



Key Messages: Primary

- Good Roads Cost Less – timely repair avoids expensive reconstruction
- Alberta is spending less and spending less efficiently. Systemic problems need comprehensive reforms to create transparency, accountability and certainty.
- Productivity in procurement and delivery is dropping.
- Industry needs certainty to justify investing in people and equipment.
- Contractors need a reliable multi-year pipeline with reliable funding commitments.
- Alberta needs to use a business approach to run an asset management business.
- Industry is ready to work with Government on solutions.

Key Messages: Secondary

- Employment Benefits:
 - High paying jobs
 - Youth unemployment - good experience and long-term, interesting career prospects
- Economic Benefits:
 - Reliable infrastructure provides access to resources and to markets
 - Investment stays primarily in Alberta
 - Local labour
 - Local gravel
 - Local asphalt oil
 - Local fuel

Key Messages (2) Why change is imperative.

- Alberta's Highway system is aging and with a million more people living here more is being demanded from it to access resources and move commercial traffic.
- History is going to be repeated: after 6 years of maintenance and deferral, it will take years to catch up before the decline is reversed.
- TEC inventory of bridge structure is over 4600
 - 33% are beyond 50 year Design Life
 - 20% are over 60 years
- Managing a \$70 billion asset system on an annual budget basis is inefficient and costly.
- Department does not have the tools to deliver an effective program and get best value for taxpayers – default option is to uprisk major projects and pay unnecessary risk premiums.

MLA Reception

ARHCA will host a reception and dinner for MLAs in conjunction with our annual AGM and Convention.

Wednesday, November 18, 2026.

Please accept our invitation.

