

Infrastructure

BUSINESS PLAN 2012-15

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of January 19, 2012.

original signed by

Jeff Johnson, Minister
January 20, 2012

THE MINISTRY

The ministry consists of the Department of Infrastructure. It works with partner ministries, boards, agencies and other stakeholders to build and upgrade government-supported infrastructure, including health facilities, schools and post-secondary institutions. The ministry also delivers major government-owned capital projects, provides accommodation services and manages a large portfolio of owned and leased facilities. In addition, the ministry manages land acquisition for the Edmonton and Calgary Transportation and Utility Corridors and coordinates the responsible growth and management of the oil sands regions.

Infrastructure's mission is to lead and provide expertise in collaboration with its partners to support the provision of public infrastructure and address the social, environmental and economic impacts of oil sands development. This contributes to the province's prosperity and quality of life, thereby preparing Alberta for future growth opportunities. The ministry balances new construction with opportunities to renovate, repurpose and revitalize existing facilities, providing buildings that work for users, the communities they serve and future generations of Albertans.

The ministry's core businesses are:

- efficient provision of quality public infrastructure;
- sustainable stewardship of Alberta's infrastructure;
- planning and providing accommodation to support government program facility requirements; and
- responsible management of oil sands regions.

A more detailed description of Infrastructure and its programs and initiatives can be found at www.infrastructure.alberta.ca.

This business plan is aligned with the government's goals and supports the government's core businesses as set out in the *Government of Alberta Strategic Plan*.

GOALS, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified.

Goal One: Safe, innovative and cost effective public infrastructure

Priority Initiatives:

- 1.1 Strengthen relationships with industry stakeholders and partner ministries to collaboratively incorporate best practices while implementing the 20-Year Strategic Capital Plan to meet the infrastructure needs of Albertans.
- 1.2 In partnership with Health and Wellness and Alberta Health Services, deliver major health capital projects to help ensure Albertans have access to health programs and services.
- 1.3 Integrate design excellence principles, value management, standard facility designs and procurement best practices, such as public-private partnerships where appropriate, to ensure that Albertans receive cost effective, innovative, sustainable and well-designed infrastructure.
- 1.4 Reduce government's carbon footprint by achieving, as a minimum, the Leadership in Energy and Environmental Design (LEED) Silver rating as an environmental standard for the design of new government-funded buildings.
- 1.5 Work with communities to plan and develop versatile multi-purpose public facilities that meet the present and future needs of the community.

Performance Measures	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
1.a Health facilities – physical condition: ¹				
• Percentage in good condition	77%	78%	78%	82%
• Percentage in fair condition	20%	19%	19%	16%
• Percentage in poor condition	3%	3%	3%	2%
1.b School facilities – physical condition: ¹				
• Percentage in good condition	61%	58%	56%	53%
• Percentage in fair condition	37%	40%	42%	44%
• Percentage in poor condition	2%	2%	2%	3%
1.c Post-secondary facilities – physical condition: ¹				
• Percentage in good condition	72%	70%	70%	70%
• Percentage in fair condition	23%	25%	25%	25%
• Percentage in poor condition	5%	5%	5%	5%

Note:

- 1 The methodology for this measure was revised in 2010-11; therefore, the 2010-11 Last Actuals were updated to reflect the new methodology.

Goal Two: Sustainable public infrastructure

Priority Initiatives:

- 2.1 Develop sustainable stewardship programming and policies for publicly-funded buildings to maximize the value of the ministry's owned and leased facilities over their full life-cycle, including value management and design excellence practices, processes and methodologies.
- 2.2 Pursue the Sustainable Stewardship Initiative, which will support timely, accurate and risk-informed decision-making in support of the preservation and maintenance of government-owned facilities.
- 2.3 Ensure that industry best practices for the operation of government owned and leased facilities are in place, implementing energy efficient technologies and achieving the Building Owners and Managers Association Building Environmental Standards (BOMA BESt) certification.
- 2.4 Implement the Greening Government Strategy to reduce the environmental impact of government's operations and procurement practices.

Performance Measures	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
2.a Government owned and operated facilities – physical condition: ¹				
• Percentage in good condition	73%	69%	68%	65%
• Percentage in fair condition	26%	30%	31%	33%
• Percentage in poor condition	1%	1%	1%	2%
2.b Energy consumption in megajoules per square metre in government owned and operated facilities	1,651	1,650	1,640	1,635

Note:

1 The methodology for this measure was revised in 2010-11; therefore, the 2010-11 Last Actuals were updated to reflect the new methodology.

Goal Three: Safe and cost effective accommodation

Priority Initiatives:

- 3.1 Pursue adoption of a Corporate Asset Management Program to integrate asset management strategies, sustainable stewardship concepts and best practices and tools in the planning, management and operation of the ministry's portfolio of infrastructure assets over their entire life-cycle.
- 3.2 Facilitate the effective use of the government inventory of space and land in order to increase functionality and decrease the overall cost of accommodation, including the restacking of facilities to provide effective space for government programs.
- 3.3 Ensure appropriate security standards are in place for high-risk government facilities.
- 3.4 Work with partners to coordinate and deliver the necessary services to meet the urgent facility requirements to help the community of Slave Lake recover from the impact of the wildfire.

Performance Measure	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
3.a Percentage difference between average operating cost per square metre of government owned and operated office space and leased space	+3%	±5%	±5%	±5%

Goal Four: Responsible growth and management in the oil sands

Priority Initiatives:

- 4.1 Continue to coordinate the implementation of *Responsible Actions: A Plan for Alberta's Oil Sands* to achieve government-wide desired outcomes by promoting strong cross-ministry, local government and stakeholder participation.
- 4.2 Address pressures related to growth in Alberta's oil sands regions through coordinated efforts to build community capacity and develop physical infrastructure.
- 4.3 Support proactive and coordinated advocacy related to sustainable growth in the Alberta oil sands regions.

Performance Measure	Last Actual 2010-11	Target 2012-13	Target 2013-14	Target 2014-15
4.a Annual progress reporting on <i>Responsible Actions</i> implementation:				
• Percentage of desired outcomes completed	35%	40%	45%	55%

STATEMENT OF OPERATIONS
Consolidated on a Fiscal Plan Basis

(thousands of dollars)	Comparable					
	2010-11 Actual	2011-12 Budget	2011-12 Forecast	2012-13 Estimate	2013-14 Target	2014-15 Target
REVENUE						
Transfers from Government of Canada	748	25,000	11,200	21,500	48,500	37,500
Investment Income	6,559	5,000	3,500	500	-	-
Premiums, Fees and Licences	3,194	2,700	2,700	3,000	3,000	3,000
Other Revenue	90,195	23,941	34,509	81,278	93,714	23,714
Consolidation Adjustments	(2,461)	(3,180)	(3,180)	(3,060)	(3,060)	(3,060)
Total Revenue	98,235	53,461	48,729	103,218	142,154	61,154
EXPENSE						
Program						
Ministry Support Services	14,345	15,669	15,669	17,641	18,206	19,317
Health Facilities Support	147,946	881,912	781,912	692,456	656,474	778,304
Capital Construction Program	88,220	98,457	117,977	100,903	108,215	102,278
Property Management	204,949	233,060	230,968	247,898	257,002	257,416
Property Development	30,462	27,041	31,363	30,355	26,444	25,148
Realty Services	191,633	203,016	197,477	246,597	239,098	216,348
Oil Sands Sustainable Development Secretariat	2,396	2,896	2,896	3,089	3,161	3,161
Capital for Emergent Projects	5,636	65,000	21,771	28,500	11,000	23,000
Consolidation Adjustments	(2,461)	(3,180)	(3,180)	(3,060)	(3,060)	(3,060)
Total Program Expense	683,126	1,523,871	1,396,853	1,364,379	1,316,540	1,421,912
Debt Servicing						
Capital Construction Program	-	-	-	86	333	303
Total Expense	683,126	1,523,871	1,396,853	1,364,465	1,316,873	1,422,215
Gain (Loss) on Disposal of Capital Assets	16,145	-	-	-	-	-
Net Operating Result	(568,746)	(1,470,410)	(1,348,124)	(1,261,247)	(1,174,719)	(1,361,061)
CAPITAL INVESTMENT BY PROGRAM						
Ministry Support Services	2,573	4,161	4,161	4,161	4,161	4,161
Capital Construction Program	238,938	359,896	246,546	341,469	180,472	144,035
Property Management	11,949	6,543	10,275	6,543	6,543	6,543
Property Development	24,926	-	9,519	2,634	-	-
Realty Services	50,729	78,420	81,367	43,300	8,300	8,300
Capital for Emergent Projects	6,338	-	13,621	-	-	-
Total	335,453	449,020	365,489	398,107	199,476	163,039