

Infrastructure

BUSINESS PLAN 2015–18

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of October 15, 2015.

original signed by

Brian Mason, Minister

THE MINISTRY

The ministry consists of the Department of Infrastructure.

Infrastructure builds, maintains and manages public infrastructure across the province.

The ministry is responsible for leading the development of the provincial Capital Plan, ensuring predictable and sustainable funding is directed toward delivering on priority infrastructure commitments. The ministry works with stakeholders and industry to develop and deliver innovative capital projects, ensuring that new construction is balanced with opportunities to renovate, repurpose and revitalize existing facilities. In addition, Infrastructure provides accommodation services and manages a large portfolio of owned and leased facilities while maintaining fiscal accountability and optimizing value for Albertans.

The ministry works in collaboration with partners to deliver public infrastructure that matters most to Albertans and helps to support future growth opportunities by ensuring effective management of public assets over their entire lifecycle.

Infrastructure focuses on the following key outcomes:

- transparent, efficient decision-making and operations providing value to Albertans;
- quality public facilities and services that meet current and future provincial needs; and
- sustainable management of provincial infrastructure.

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

LINK TO GOVERNMENT OF ALBERTA STRATEGIC DIRECTION

The desired outcomes and priority initiatives identified in this business plan are aligned with the strategic direction of the Government of Alberta.

STRATEGIC CONTEXT

The decline in oil prices and the resulting economic downturn has created a major shift in Alberta's economy.

Renewed investment in infrastructure will help stimulate the economy, create jobs and ensure Albertans have necessary public infrastructure. The timing of investments in essential infrastructure can help maintain jobs in the short term, while building a more efficient and competitive economy in the longer term. Developing a strategic Capital Plan helps ensure public assets are developed and maintained, taking into consideration demographic, labour market and regional trends across the province.

Alberta's continued population growth and an underinvestment in infrastructure has resulted in an infrastructure backlog, requiring significant reinvestment to "catch-up" and meet the needs of Albertans, while also ensuring existing infrastructure is maintained in a sustainable manner.

The government takes into consideration the entire life-cycle of a project or property, from planning to operations and ultimately disposal, in order to support the efficient and cost-effective delivery of provincial services and programs. Preservation of infrastructure assets, including maintenance and rehabilitation, can extend their useful life and reduce costs in the long-term.

The way buildings are designed, built, managed and used can have a significant impact on the environment. Infrastructure recognizes the importance of sustainability and is committed to the responsible management of government assets. The ministry is committed to embracing environmental stewardship in all aspects of its business, from supporting renewable energy technologies and waste reduction, to aligning its business with environmental standards established by research-driven best practices.

DESIRED OUTCOMES, PRIORITY INITIATIVES, PERFORMANCE MEASURES, PERFORMANCE MEASURES UNDER DEVELOPMENT AND PERFORMANCE INDICATORS

Desired Outcome One: Innovative and responsible infrastructure solutions that meet current and future provincial needs

Timely provision of public infrastructure to meet community needs in a cost-effective and efficient manner, consistent with retention of the province's environmental, social and economic values.

Priority Initiatives:

- 1.1 Develop a responsible and sustainable provincial Capital Plan, focused on modern and efficient public infrastructure.
- 1.2 Improve and strengthen the provincial capital planning process, in collaboration with partner ministries, to identify long-term strategic priorities for infrastructure investment.
- 1.3 Explore innovative project delivery mechanisms to deliver infrastructure projects on time, on budget and to specification.
- 1.4 Advance the effective delivery of Alberta's procurement model.
- 1.5 Enhance local partnerships with partner ministries and industry to increase transparency and accountability regarding infrastructure decisions and priorities.
- 1.6 Effectively deliver health, learning and other public infrastructure projects while addressing Alberta's infrastructure shortage.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18
1.a Health facilities – physical condition:				
• Percentage in good condition	75%	85%	85%	85%
• Percentage in fair condition	21%	13%	13%	13%
• Percentage in poor condition	4%	2%	2%	2%
1.b School facilities – physical condition:				
• Percentage in good condition	57%	57%	60%	60%
• Percentage in fair condition	42%	42%	39%	39%
• Percentage in poor condition	1%	1%	1%	1%
1.c Post-secondary facilities – physical condition:				
• Percentage in good condition	72%	68%	66%	70%
• Percentage in fair condition	27%	29%	32%	29%
• Percentage in poor condition	1%	3%	2%	1%

Desired Outcome Two: Alberta's public infrastructure is effectively managed and environmentally sustainable

Provincial infrastructure supports are provided to work in parallel with government, to maximize service delivery and enhance quality of life.

Priority Initiatives:

- 2.1 Embrace opportunities to maximize the value of public infrastructure investments, help set the stage for economic stimulus in the medium and long-term and minimize the cost of maintaining infrastructure assets.
- 2.2 Manage assets using an integrated, life-cycle approach, ensuring public infrastructure is operated in a sustainable and environmentally responsible manner.
- 2.3 Examine opportunities to align provincial infrastructure operations with energy efficient technologies and best practices that reflect government values.
- 2.4 Facilitate efficient government accommodation services through optimal space utilization.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18
2.a Energy consumption in mega joules per square metre in government-owned and operated facilities	1,610	1,600	1,595	1,590
2.b Percentage difference between average operating costs per rentable square metre of government-owned and operated office space and privately operated leased space	11%	±5%	±5%	±5%
2.c Government-owned and operated facilities – physical condition:				
• Percentage in good condition	72%	67%	68%	68%
• Percentage in fair condition	27%	30%	29%	29%
• Percentage in poor condition	1%	3%	3%	3%

STATEMENT OF OPERATIONS

Consolidated Financial Statements Basis

(thousands of dollars)

	Comparable			
	2014-15 Actual	2015-16 Estimate	2016-17 Target	2017-18 Target
REVENUE				
Transfers from Government of Canada	295	403	1,668	3,181
Investment Income	333	-	-	-
Premiums, Fees and Licences	4,172	2,648	2,756	2,756
Other Revenue	144,480	27,917	84,921	109,586
Inter-Ministry Consolidation Adjustment	(4,457)	(6,520)	(10,450)	(3,485)
Total	144,823	24,448	78,895	112,038
EXPENSE				
Ministry Support Services	24,312	24,870	25,275	25,688
Health Facilities Support	450,463	585,691	587,678	542,159
Capital Construction Program	18,778	18,234	17,091	17,202
Strategic Partnerships Office	1,858	2,975	2,972	2,851
Property Management	351,544	358,237	375,030	380,516
Asset Management	3,613	7,527	7,561	7,561
Realty Services	227,591	201,852	237,120	246,465
2013 Alberta Flooding	54,287	43,938	14,330	1,523
Debt Servicing	144	211	190	168
Inter-Ministry Consolidation Adjustment	(450,216)	(587,534)	(589,551)	(543,889)
Total	682,374	656,001	677,696	680,244
Net Operating Result	(537,551)	(631,553)	(598,801)	(568,206)
CAPITAL INVESTMENT				
Ministry Support Services	3,206	3,953	3,558	3,558
Capital Construction Program	169,907	319,321	929,259	1,538,021
Strategic Partnerships Office	498	-	-	-
Property Management	25,713	66,158	74,129	77,549
Realty Services	18,554	45,579	8,300	8,300
2013 Alberta Flooding	751	10,515	11,000	2,249
Total	218,629	445,526	1,026,246	1,629,677