

Infrastructure

Accountability Statement

This business plan was prepared under my direction, taking into consideration our government's policy decisions as of March 7, 2018.

original signed by

Sandra Jansen, Minister

Ministry Overview

The ministry consists of the Department of Infrastructure.

Infrastructure provides innovative, high quality and well-designed public infrastructure for Albertans. Through leadership, expertise and collaboration with partners, the ministry provides public infrastructure that contributes to the province's prosperity and quality of life.

The ministry is responsible for leading the development of the provincial Capital Plan, which addresses the provincial infrastructure needs of Alberta's population that support key social programs and services and economic development. Infrastructure designs, builds, manages and maintains government-owned and operated facilities, and collaborates with other ministries to ensure that school and hospital infrastructure meet the needs of Alberta's population. 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.

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

Strategic Context

The outcomes and key strategies identified in this business plan are aligned with the strategic direction of the Government of Alberta.

Infrastructure is committed to continuous improvement to uphold transparency, fairness and responsible fiscal management. The ministry's need to support an agile and innovative workforce and keep pace with rapidly changing technology is constant.

Advancing gender equality is a priority for the Government of Alberta. Infrastructure is integrating Gender-based Analysis Plus across the ministry to ensure its engagement processes, policies, programs and initiatives support gender equality, diversity and inclusion of Alberta's population, including Indigenous communities.

Infrastructure must balance the construction of new facilities with the maintenance of existing infrastructure. A life-cycle approach to managing provincial assets ensures value for money through all stages – from planning and building, to operation and ultimately to disposal or repurposing. Design of new infrastructure that considers climate resiliency and can adapt to social change supports Albertans' quality of life. Preservation of infrastructure assets through maintenance and rehabilitation can extend the useful life of facilities and reduce costs in the long-term.

Outcomes, Key Strategies and Performance Measures

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

Key Strategies:

- 1.1 Develop a responsible provincial Capital Plan to ensure provincial infrastructure supports key public services and contributes to the Alberta Jobs Plan.
- 1.2 Manage the delivery of new construction and major modernization projects for health, school and government-owned facilities and support the maintenance of existing infrastructure.
- 1.3 Continuously improve planning, project management and procurement to deliver capital projects on time, on budget and to specification.
- 1.4 Account for evolving needs of Albertans by incorporating adaptability into the design of future Infrastructure-delivered projects.

Performance Measures	Last Actual 2016-17	Target 2018-19	Target 2019-20	Target 2020-21
1.a Health facilities – physical condition:				
• Percentage in category 1 ¹	83%	83%	84%	79%
• Percentage in category 2 ²	16%	16%	15%	20%
• Percentage in category 3 ³	1%	1%	1%	1%
1.b School facilities – physical condition:				
• Percentage in category 1 ¹	57%	61%	57%	57%
• Percentage in category 2 ²	42%	38%	42%	42%
• Percentage in category 3 ³	1%	1%	1%	1%
1.c Post-secondary facilities – physical condition:				
• Percentage in category 1 ¹	72%	69%	68% ⁴	67%
• Percentage in category 2 ²	27%	30%	37%	32%
• Percentage in category 3 ³	1%	1%	2%	1%
1.d Government-owned and operated facilities – physical condition:				
• Percentage in category 1 ¹	74%	75%	75%	75%
• Percentage in category 2 ²	25%	24%	24%	24%
• Percentage in category 3 ³	1%	1%	1%	1%

Notes:

- ¹ Category 1: Adequate for intended use and expected to provide continued service life with average maintenance.
- ² Category 2: Aging components are nearing the end of their life-cycle and require additional expenditures for renewal or refurbishing.
- ³ Category 3: Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.
- ⁴ The targets for post-secondary facilities – physical condition have been adjusted to account for several major projects that are underway or completed.

Linking Performance Measures to Outcomes:

- 1.a, 1.b, 1.c, 1.d These measures indicate the physical condition of each facility type. This information enables the ministry to provide capital planning advice regarding the prioritization of investments in new facilities and capital maintenance and renewal funding for existing facilities.

Outcome Two: Alberta’s public infrastructure is effectively managed and sustainable

Key Strategies:

- 2.1 Incorporate asset management solutions throughout the design, construction, operation, maintenance and divestment phases to support effective decision-making related to facilities, land, leasing and accommodation services.
- 2.2 Maximize the value of government-owned and operated infrastructure while minimizing overall costs by supporting effective long-term investment in core assets and the disposition of inefficient or obsolete assets.
- 2.3 Examine opportunities to implement environmental efficiencies, green technologies and the reduction of the environmental footprint of provincial infrastructure.

Performance Measure	Last Actual 2016-17	Target 2018-19	Target 2019-20	Target 2020-21
2.a Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities	1,651	1,646	1,634	1,626

Linking Performance Measures to Outcomes:

- 2.a Indicates the success of the ministry in reducing energy consumption through efficiencies and green technologies. The information enables the ministry to identify and implement energy saving initiatives to achieve environmental benefits and cost savings.

Risks to Achieving Outcomes

Continuing to develop infrastructure that is resilient to weather and climate related changes will require additional assessment of technologies used, which may increase the time and cost associated with designing, planning and constructing provincial infrastructure.

As the demographics of Alberta shift, the ministry will need to enable adaptable provincial infrastructure to support multiple purposes over the facility’s lifespan. Infrastructure will need to have the capacity to anticipate future needs and the agility to adjust how projects are managed.

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2018-19 Estimate	2019-20 Target	2020-21 Target
	2016-17 Actual	2017-18 Budget	2017-18 Forecast			
REVENUE						
Internal Government Transfers	-	1,380	14,862	21,550	-	-
Transfers from Government of Canada	1,393	11,681	3,181	19,196	6,610	3,461
Premiums, Fees and Licences	1,862	1,660	1,660	1,954	2,386	2,446
Other Revenue	48,040	36,112	48,767	24,746	32,780	43,006
Ministry Total	51,295	50,833	68,470	67,446	41,776	48,913
Inter-Ministry Consolidations	(7,759)	(8,421)	(18,825)	(25,411)	(3,866)	(3,871)
Consolidated Total	43,536	42,412	49,645	42,035	37,910	45,042
EXPENSE						
Ministry Support Services	26,830	24,530	24,361	26,231	23,911	24,101
Capital Construction	1,556,178	1,795,927	1,503,521	1,321,677	1,379,352	1,680,626
Strategic Partnerships Office	1,028	-	-	-	-	-
Property Management	355,540	384,317	380,589	388,953	400,022	405,509
Asset Management	7,221	7,754	7,754	7,754	7,754	7,754
Realty Services	212,354	222,812	212,746	205,558	211,408	221,204
2013 Alberta Flooding	2,601	28,190	5,118	5,966	-	-
Climate Leadership Plan	156	11,738	6,168	11,086	12,484	-
Ministry Total	2,161,908	2,475,268	2,140,257	1,967,225	2,034,931	2,339,194
Inter-Ministry Consolidations	(1,540,700)	(1,752,193)	(1,468,905)	(1,291,597)	(1,358,133)	(1,651,309)
Consolidated Total	621,208	723,075	671,352	675,628	676,798	687,885
Net Operating Result	(577,672)	(680,663)	(621,707)	(633,593)	(638,888)	(642,843)
CAPITAL INVESTMENT						
Ministry Support Services	201	4,858	4,377	6,658	3,558	3,558
Capital Construction	76,588	132,487	84,817	95,530	129,098	142,872
Property Management	88,023	78,629	98,291	110,932	127,795	124,510
Realty Services	17,126	9,540	15,608	8,300	8,300	8,300
2013 Alberta Flooding	12,908	2,249	993	932	537	-
Climate Leadership Plan	155	-	-	-	-	-
Ministry Total	195,001	227,763	204,086	222,352	269,288	279,240
Inter-Ministry Consolidations	-	(1,380)	(14,862)	(12,205)	-	-
Consolidated Total	195,001	226,383	189,224	210,147	269,288	279,240