

Infrastructure

BUSINESS PLAN 2015–20

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of March 5, 2015.

original signed by

Manmeet Bhullar, Minister
March 16, 2015

THE MINISTRY

The ministry consists of the Department of Infrastructure.

Infrastructure is responsible for leading the development of the provincial Capital Plan to emphasize responsible fiscal management. The ministry also develops and delivers innovative capital projects, and operates and maintains building infrastructure for the public and government in a manner that emphasizes sustainability, safety and environmental responsibility. In addition, and in collaboration with boards, agencies and industry, the ministry aims to enhance the value of building infrastructure by leveraging collective technical expertise covering all areas, including planning, design, construction, acquisition and renovation.

The ministry works in collaboration with its partners to contribute to the province's prosperity and quality of life and prepare Alberta for future growth opportunities by optimizing infrastructure and asset management of public buildings, while maintaining fiscal accountability and providing value for Albertans.

Infrastructure focuses on the following key outcomes:

- transparent, efficient decision-making and operations that provide 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

Programs and services delivered by the ministry were reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

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

STRATEGIC CONTEXT

Alberta continues to be one of Canada's fastest growing provinces, with an average annual population growth rate of 2.95 per cent over the past three years. Between 2004 and 2014, Alberta's population increased by 27 per cent, the highest increase of any province or state in North America. At the same time, Alberta faces major fiscal challenges with the decline in oil prices. It is expected that the province will continue to grow but at a slower pace. Long-term strategic infrastructure planning is needed to ensure that public assets are developed and maintained to address demographic and regional trends across the province.

Over the next several years, the province faces shortages of workers in several occupations vital to Infrastructure, such as civil engineers, architects, construction managers and tradespeople. These shortages will have a direct effect on major construction projects. Infrastructure will continue to explore innovative ways to support the building and maintenance of public facilities and adopt the most efficient and cost-effective options, including public-private partnerships, to provide essential infrastructure for Albertans.

The Government of Alberta must design, build, manage and work in public facilities in a sustainable, fiscally responsible manner. This means looking at 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.

DESIRED OUTCOMES, PRIORITY INITIATIVES AND PERFORMANCE MEASURES

Desired Outcome One: Leadership in building infrastructure solutions to 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 Further refine the provincial capital planning process, in collaboration with partner ministries, to identify long-term strategic priorities for infrastructure investment while balancing government's commitment to fiscal sustainability.
- 1.2 Explore alternative and innovative project delivery mechanisms such as design-build, construction management, and partnership arrangements to deliver infrastructure projects on time, on budget and to specification.
- 1.3 Through research of promising practices and experience, advance the effective delivery of Alberta's procurement model.
- 1.4 Enhance local partnerships with ministries and industry to increase transparency and accountability while adhering to government's commitment to sound fiscal principles.
- 1.5 Continue to effectively deliver health, learning and other public infrastructure projects, while integrating affordability and age-friendly opportunities with current best practices.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
1.a Health facilities – physical condition:						
• Percentage in good condition	75%	85%	85%	85%	86%	86%
• Percentage in fair condition	21%	13%	13%	13%	12%	12%
• Percentage in poor condition	4%	2%	2%	2%	2%	2%
1.b School facilities – physical condition:						
• Percentage in good condition	57%	57%	60%	60%	61%	61%
• Percentage in fair condition	42%	42%	39%	39%	38%	38%
• Percentage in poor condition	1%	1%	1%	1%	1%	1%
1.c Post-secondary facilities – physical condition:						
• Percentage in good condition	72%	68%	66%	70%	69%	66%
• Percentage in fair condition	27%	29%	32%	29%	30%	33%
• Percentage in poor condition	1%	3%	2%	1%	1%	1%

Desired Outcome Two: Effectively managed and environmentally sustainable public infrastructure

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 ensuring that public infrastructure investments maximize the value of infrastructure dollars and minimize the long-term cost of maintaining infrastructure assets.
- 2.2 Build on government's commitment to service delivery excellence by aligning asset management and growth planning with environmental priorities and the needs of Albertans.
- 2.3 Examine opportunities to align provincial infrastructure operations with energy efficient technologies and best practices to reflect government values.
- 2.4 Facilitate the efficient provision of government accommodation services through optimal space utilization.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
2.a Energy consumption in mega joules per square metre in government owned and operated facilities	1,610	1,600	1,595	1,590	1,585	1,580
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%	±5%	±5%
2.c Government owned and operated facilities – physical condition:						
• Percentage in good condition	72%	67%	68%	68%	67%	67%
• Percentage in fair condition	27%	30%	29%	29%	30%	30%
• Percentage in poor condition	1%	3%	3%	3%	3%	3%

STATEMENT OF OPERATIONS

Consolidated Financial Statements Basis

(thousands of dollars)	Comparable					
	2014-15 Forecast	2015-16 Estimate	2016-17 Target	2017-18 Target	2018-19 Target	2019-20 Target
REVENUE						
Transfers from Government of Canada	328	403	1,668	3,181	3,069	3,069
Premiums, Fees and Licences	4,466	2,648	2,756	2,756	2,756	2,756
Other Revenue	139,789	193,792	175,462	164,122	64,453	98,523
Consolidation Adjustments	(3,060)	(3,180)	(3,180)	(3,180)	(3,180)	(3,180)
Total Revenue	141,523	193,663	176,706	166,879	67,098	101,168
EXPENSE						
Ministry Support Services	25,315	24,004	24,333	24,839	27,067	27,334
Health Facilities Support	480,224	674,014	627,609	534,186	794,751	650,162
Capital Construction Program	22,037	32,526	37,579	42,690	45,118	61,551
Strategic Partnerships Office	1,977	2,975	2,972	2,851	2,851	2,900
Property Management	358,006	361,295	377,962	392,155	401,796	414,144
Asset Management	6,570	8,527	7,561	7,561	7,561	7,655
Realty Services	236,040	294,761	277,800	240,921	215,194	223,835
2013 Alberta Flooding	56,147	56,826	-	-	-	-
Debt Servicing Costs	157	211	190	168	146	123
Consolidation Adjustments	(473,880)	(669,707)	(623,332)	(529,766)	(787,610)	(641,938)
Total Expense	712,593	785,432	732,674	715,605	706,874	745,766
Net Operating Result	(571,070)	(591,769)	(555,968)	(548,726)	(639,776)	(644,598)
CAPITAL INVESTMENT BY PROGRAM						
Ministry Support Services	4,741	3,953	3,558	3,558	3,558	3,558
Capital Construction Program	178,591	214,215	129,179	74,000	60,000	50,000
Strategic Partnerships Office	498	-	-	-	-	-
Property Management	38,767	61,725	65,325	77,549	105,997	150,367
Realty Services	35,064	35,638	24,793	38,637	37,047	13,800
Capital for Emergent Projects	183	-	-	-	-	-
2013 Alberta Flooding	5,200	14,700	5,000	-	-	-
Total	263,044	330,231	227,855	193,744	206,602	217,725