

BUDGET 2020

GOVERNMENT OF ALBERTA | 2020-23

Ministry Business Plan Infrastructure

Infrastructure

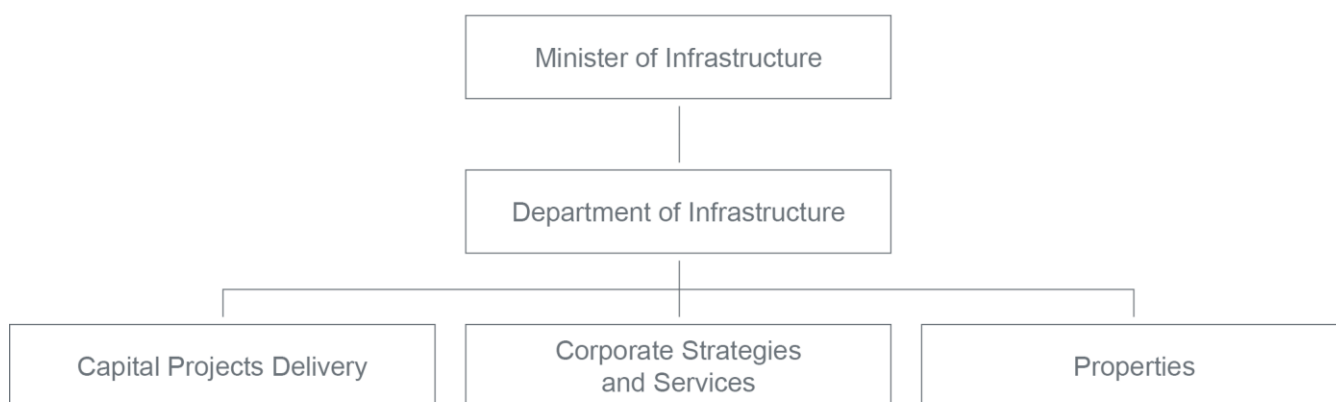
Business Plan 2020-23

Ministry Mandate and Structure

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 including industry, the ministry provides public infrastructure that contributes to the province’s economy and Albertans’ quality of life.

The ministry is accountable for the long-term planning of provincial public infrastructure to 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 health infrastructure meets the needs of all Albertans now and in the future. In addition, Infrastructure provides accommodation services and manages a large portfolio of owned and leased facilities while maintaining fiscal accountability and optimizing value for taxpayers.



A more detailed description of Infrastructure and its programs and initiatives can be found at:

www.infrastructure.alberta.ca

The Ministry of Infrastructure is committed to the ongoing review of programs and services to ensure that the best possible outcomes are being achieved for Albertans. As part of this ongoing review, the ministry is committed to reducing red tape to make life easier for hard-working Albertans and businesses. This includes reducing regulatory burden and unnecessary processes to encourage economic growth and job creation; and make Alberta one of the freest and fastest moving economies in the world. The ministry is committed to working towards achieving the one-third reduction in the number of regulatory requirements in its statutes, regulations, policies and forms by 2023.

Ministry Outcomes

- Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs
- Alberta’s public infrastructure is effectively managed and sustainable

Outcome 1

What We Want To Achieve

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

Infrastructure supports the services and programs that create and sustain a high quality of life for Albertans by effectively planning capital projects. Infrastructure also collaborates with partner ministries, boards, agencies, industry and other stakeholders, to plan, build and deliver government-owned and supported capital infrastructure, including through alternative procurement methods such as public-private partnerships. The ministry will undertake a review of the key pieces of legislation and regulation and program delivery to reduce regulatory burden and ensure it supports businesses and encourages economic growth.

Key Objectives

- 1.1 Ensure Alberta's long-term planning of public infrastructure supports key public services and contributes to the provincial economy.
 - Pass the Alberta Infrastructure Act to strengthen transparency and predictability for how government makes capital funding decisions.
 - Publicly release a 20-year Strategic Capital Plan to ensure Alberta has a long-term view to meeting the province's infrastructure needs.
- 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.
 - Use other procurement methods, such as public-private partnerships, for the completion of capital projects where value for money for taxpayers can be demonstrated.
- 1.3 Continuously improve, streamline and modernize planning, project management and procurement to deliver capital projects on time, on budget and to specification.
- 1.4 Account for the evolving needs of Albertans by designing future Infrastructure-delivered projects that are inclusive and adaptable.
- 1.5 Review and revise legislation, regulations, programs and processes, including internal policies, forms and guidelines, to ensure the effective and efficient delivery of services focusing on reducing red tape and regulatory burden for businesses and Albertans.

Initiatives Supporting Key Objectives

- The construction of health facilities, including \$265.4 million towards construction of the Calgary Cancer Centre, will cost \$596.2 million in 2020-21.
- The construction of school facilities, including \$28 million for the Modular Classroom Program, will cost \$616.1 million in 2020-21.
- The construction of government facilities, including \$33.3 million for the Red Deer Justice Centre, will cost \$75.7 million in 2020-21.
- The planning, design and implementation of capital infrastructure projects, including funding for procurement, cost modelling and facility evaluations, will cost \$23.3 million in 2020-21.

Performance Metrics

1.a Performance Measure: Government-owned and operated facilities – physical condition

In 2018-19, 73 per cent of government-owned and operated facilities are rated as category 1, with 26 per cent under category 2 and one per cent under category 3. *(Category 1: Adequate for intended use and expected to provide continued service life with average maintenance. Category 2: Aging components are nearing the end of their life-cycle and require additional expenditures for renewal or refurbishing. Category 3: Many major components have exceeded their useful life and significant repairs or replacement are necessary.)*

TARGETS

	Category 1	Category 2	Category 3
2020-21	77%	23%	0%
2021-22	77%	23%	0%
2022-23	77%	23%	0%

1.b Performance Indicator: Health facilities – physical condition

HISTORICAL RESULTS

	Category 1	Category 2	Category 3
2014-15	86%	13%	1%
2015-16	84%	15%	1%
2016-17	83%	16%	1%
2017-18	86%	13%	1%
2018-19	88%	11%	1%

1.c Performance Indicator: School facilities – physical condition

HISTORICAL RESULTS

	Category 1	Category 2	Category 3
2014-15	56%	43%	1%
2015-16	57%	42%	1%
2016-17	57%	42%	1%
2017-18	58%	41%	1%
2018-19	64%	35%	1%

1.d Performance Indicator: Post-secondary facilities – physical condition

HISTORICAL RESULTS

	Category 1	Category 2	Category 3
2014-15	73%	25%	2%
2015-16	72%	27%	1%
2016-17	72%	27%	1%
2017-18	72%	26%	2%
2018-19	72%	27%	1%

Outcome 2

What We Want To Achieve

Alberta's public infrastructure is effectively managed and sustainable

By optimizing the value of government-owned and operated facilities, Infrastructure ensures sound financial stewardship, quality and efficient use of government assets.

Key Objectives

- 2.1 Incorporate asset management principles to infrastructure projects throughout the design, construction, operation, maintenance and divestment phases to support effective decision-making related to facilities, land, leasing and accommodation services to deliver public services at lower costs.
- 2.2 Maximize the efficiency of government-owned and operated infrastructure to support vital public service delivery through effective long-term investments in core assets and the disposition of inefficient or obsolete assets.
- 2.3 Continue to implement innovative technologies to help reduce the environmental footprint and maximize cost efficiencies of provincial infrastructure.

Initiatives Supporting Key Objectives

- The management of owned and leased space, including property operations, utilities, leases and accommodation projects that contribute to the efficient use of government space, will cost \$528.3 million in 2020-21.
- The maintenance of government-owned facilities, including the preservation work on government-owned facilities and the capital maintenance and renewal of health and school facilities, will cost \$198.9 million in 2020-21.

Performance Metrics

2.a Performance Measure: Office space density in usable square metres per occupant in government-owned and operated facilities

In 2018-19, the office space density in government-owned and operated facilities is 29.7 usable square metres per occupant. *(This is a new performance metric that measures office space density and is intended to demonstrate how much space per occupant the government is currently occupying. The measure focuses on cost effective use of government-owned and operated office space, where a reduction in the space footprint will lead to savings from an operating, maintenance and energy consumption standpoint. The targets over the next three years reflect ongoing projects in Edmonton and Calgary, where the majority of office space is located, and will see steady improvements. The ministry's long-term goal is to achieve a density of 18 usable square metres per occupant, which is based on jurisdictional comparisons as well as functionality, consistency and equity considerations. Reporting of this measure incorporates a one-year lag (e.g., 2020-21 results will actually use results from 2019-20) due to the complexity of data collection, cleansing and analysis.)*

TARGETS

2020-21	29.55
2021-22	29.40
2022-23	29.25

2.b Performance Measure: Total cost per occupant in government-owned and operated office space facilities

In 2018-19, the total cost in government-owned and operated office space facilities is \$8,855 per occupant. *(This is a new performance metric that measures total cost and is intended to showcase how much the government is spending per occupant on office space. While the total number of occupants is outside ministry influence, the cost of operating government-owned and operated office space can be lowered by improving density, reducing reliance on costlier leased office space, consolidating offices and telecommuting. Reporting of this measure incorporates a one-year lag (e.g., 2020-21 results will actually use results from 2019-20) due to the complexity of data collection, cleansing and analysis.)*

TARGETS

2020-21	\$8,766
2021-22	\$8,679
2022-23	\$8,592

2.c Performance Measure: Energy consumption intensity in megajoules per gross square metre in government-owned and operated facilities

In 2018-19, the energy consumption intensity in government-owned and operated facilities is 1,608 megajoules per gross square metre.

TARGETS

2020-21	1,592
2021-22	1,584
2022-23	1,576

STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable			2020-21 Estimate	2021-22 Target	2022-23 Target
	2018-19 Actual	2019-20 Budget	2019-20 Forecast			
REVENUE						
Transfers from Government of Canada	17,222	8,598	8,728	3,666	3,666	3,666
Premiums, Fees and Licences	2,190	1,870	1,870	2,070	2,070	2,070
Other Revenue	53,051	23,896	46,116	23,896	23,348	13,453
Ministry Total	72,463	34,364	56,714	29,632	29,084	19,189
Inter-Ministry Consolidations	(2,959)	(3,866)	(3,866)	(3,871)	(3,876)	(3,401)
Consolidated Total	69,504	30,498	52,848	25,761	25,208	15,788
EXPENSE						
Ministry Support Services	11,111	11,634	11,634	10,920	10,920	10,826
Capital Construction	1,005,893	1,162,929	1,178,095	1,371,569	1,339,343	1,205,515
Property Management	398,411	389,887	389,791	381,235	386,400	368,882
Asset Management	5,262	6,331	6,331	7,255	7,255	7,223
Realty Services	206,577	181,685	180,107	193,165	194,382	190,253
2013 Alberta Flooding	1,523	1,651	-	-	-	-
Ministry Total	1,628,777	1,754,117	1,765,958	1,964,144	1,938,300	1,782,699
Inter-Ministry Consolidations	(990,083)	(1,140,707)	(1,150,206)	(1,340,966)	(1,328,202)	(1,194,465)
Consolidated Total	638,694	613,410	615,752	623,178	610,098	588,234
Net Operating Result	(569,190)	(582,912)	(562,904)	(597,417)	(584,890)	(572,446)
CAPITAL INVESTMENT						
Ministry Support Services	358	-	-	-	-	-
Capital Construction	988,698	1,169,021	1,173,208	1,409,887	1,449,020	1,279,496
Property Management	165,049	135,865	94,802	173,126	131,408	131,100
Realty Services	7,321	20,713	20,713	8,300	8,300	8,300
2013 Alberta Flooding	581	1,669	18	-	-	-
Ministry Total	1,162,007	1,327,268	1,288,741	1,591,313	1,588,728	1,418,896
Inter-Ministry Consolidations	(921,069)	(1,120,769)	(1,130,268)	(1,334,165)	(1,321,383)	(1,161,087)
Consolidated Total	240,938	206,499	158,473	257,148	267,345	257,809