

Transportation

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

Wayne Drysdale, Minister

March 13, 2015

THE MINISTRY

The ministry consists of the Department of Transportation and the Alberta Transportation Safety Board.

Transportation provides a safe, innovative and sustainable transportation system that supports Alberta's economy and quality of life. The ministry undertakes the following key activities:

- preserving and developing the provincial highway system;
- managing transportation safety; and
- developing a multi-modal transportation network.

A more detailed description of Transportation and its programs and initiatives can be found at www.transportation.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's fiscal situation has changed drastically since June of 2014. Falling oil prices and the associated economic impacts have left a \$7 billion revenue gap for Alberta in 2015-16. The implications will reach well beyond this year.

These will be challenging times that require leadership and innovation. The Government of Alberta will find new, more efficient ways to serve a growing population while bringing per capita program spending in line with the national average over the next three to four years. Tough choices are required but the Government of Alberta will maintain and protect front-line services to meet the needs of Albertans.

Foundation for the Future

The Government of Alberta has given the ministry the mandate to develop a Transportation Strategy that will provide a vision for Alberta's transportation system over the next fifty years. The Strategy is being developed based on input from public consultations and engagement with key stakeholders, and will cover all forms of transportation, connections and ways to move people and products. It will also provide an overarching direction that will significantly change the ministry's focus and operations looking to the future and help guide decisions on transportation investment, policies and programs.

Supporting Economic Prosperity

The continued strengthening and building of Alberta's economy depends on a safe and reliable transportation system to make the most of economic opportunities. Smart investments in transportation infrastructure will contribute to a strong economy by improving the flow of people and goods throughout the province and expanding access to markets within Alberta, across Canada and globally. Support toward the development of effective connections between the various modes of transportation (road, rail, air, port, active and public transit) will enable a well-integrated transportation system that will be critical to Alberta's future economic prosperity. The ministry will work with its partners to make strategic investments in the transportation system to enhance Albertans' quality of life and foster our fiscal resilience in the economy of today and tomorrow.

Balancing System Transportation Maintenance and Expansion in an Affordable Manner

Alberta's transportation infrastructure is aging and will deteriorate without regular maintenance. Building new infrastructure to serve a growing province further fuels the need for operating and maintenance funding. In addition, the increasing number of larger and wider commercial vehicle loads brings the need to consider the associated impacts on highway network infrastructure and traffic operations. Alberta has a large highway network of more than 31,000 kilometres that is not sustainable in the current context. These challenges will be addressed by engaging in strategic approaches developed through transportation asset management processes that provide for well-informed decision-making and identify investment opportunities, taking into account key areas of the ministry's business, including safety, economic vitality, asset longevity, intermodal connectivity, community support, value for money and seamless delivery. Implementing innovative and cost effective options, including public-private partnerships and protecting the province's assets by investing wisely to extend the life, use and cost of transportation infrastructure, will make the best possible use of resources and ensure that Alberta's transportation system remains sustainable over the long-term.

Alberta's Changing Demographics

Alberta continues to attract new residents and new business. This robust population growth together with economic development will increase demand on transportation systems to meet the needs of the province and enhance users' access to transportation options. The ministry supports the government's capital planning process and will need to ensure our transportation system keeps pace, particularly in growth areas, while also facilitating connected and active communities to maintain Albertans' high quality of life.

Respect for the Environment

The ministry must continue working to balance the impact of its activities on the environment. In addition, new and innovative practices must be developed for the design, construction and maintenance of the province's transportation infrastructure to enhance the efficient use of resources and water management infrastructure to protect the safe supply of water for domestic, agricultural, industrial and recreational uses.

Relationships with Other Jurisdictions and Stakeholders

A coordinated approach across governments, industry and other transportation stakeholders is critical for addressing Alberta's transportation challenges. The ministry will continue working closely with all partners and stakeholders to promote and attract investment, encourage regulatory harmonization, promote safety, and investigate and integrate innovative delivery methods and technologies. This engagement supports work toward a safe, efficient, affordable and sustainable transportation system in the long-term. In addition, the ministry will work with other jurisdictions and Transport Canada to promote enhanced oversight of rail transport, particularly with respect to rail shipments of Alberta bitumen to export markets.

Safe Road Users, Vehicles and Infrastructure

In 2013, more than 141,000 motor vehicle collisions resulted in 358 fatalities and 18,650 injuries. The combined fatal and major injury collision rate per 100,000 population has been on a downward trend over the last several years; however, ongoing population growth and economic development in Alberta means that improving traffic safety will continue to be both a challenge and a priority for the ministry. In light of this, the ministry will continue to develop strategies under the Safer Systems approach to promote safer road users, vehicles and infrastructure, and better educate all Albertans about traffic safety.

Flood Recovery and Emergency Preparedness

In June 2013, devastating floods took place in southern Alberta and the Regional Municipality of Wood Buffalo. Full recovery from the disaster will take years. The ministry continues to support mitigation efforts by restoring damaged roadways, bridges and other related structures to a pre-flood condition and will commence mitigation activities to reduce impacts of future floods on the provincial highway network. These recent large-scale disasters provided an opportunity for the ministry to update and improve its emergency response capacity.

DESIRED OUTCOMES, PRIORITY INITIATIVES, AND PERFORMANCE MEASURES AND INDICATOR

Desired Outcome One: A well-integrated, multi-modal transportation system that supports economic prosperity and connects communities

Alberta's economic growth and increasing population call for a transportation network that connects people, places and products both in and beyond Alberta. The network must facilitate competitiveness and enable connected communities, enhancing Albertans' quality of life.

Priority Initiatives:

- 1.1 Create and implement a Transportation Strategy to develop a multi-modal system that will support a strong economy, a high quality of life and a healthy environment for all Albertans to meet growing urban and regional transportation needs.
- 1.2 Complete the twinning of Highway 63 between Grassland and Fort McMurray to improve safety and accommodate economic activity.
- 1.3 Continue construction on the Edmonton and Calgary ring roads.
- 1.4 Develop a long-term infrastructure plan with other governments and industry that supports the outcomes of the Transportation Strategy.
- 1.5 Promote harmonized standards and regulations with partner jurisdictions and clearly communicate objectives to industry.
- 1.6 Collaborate with partners to develop transit policy options and an implementation plan focusing on enabling urban and regional transit services, supporting rural transit strategies, and promoting accessible, affordable and inclusive transit for seniors and people with disabilities.

Performance Measures	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
1.a Highway 63 twinning between Grassland and Fort McMurray: • Percentage of twinned highway kilometres open to travel	22%	67%	100%	100%	100%	100%
1.b Ring roads in Edmonton and Calgary: • Percentage of combined ring road kilometres open to travel	80.6%	80.6%	84.0%	84.0%	84.0%	84.0%

Performance Indicator	Actual 2009	Actual 2010	Actual 2011	Actual 2012	Actual 2013
1.a Alberta's exports by mode of transportation (\$ millions):					
• Intermodal (rail and marine)	16,457	18,232	21,467	22,907	25,138
• Road	7,333	7,264	8,280	9,573	7,634
• Air	1,553	1,506	1,487	1,651	1,793

Desired Outcome Two: Long-term affordability of Alberta's transportation system

For the transportation system to serve Albertans both now and in the future, it requires smart investment and a detailed understanding of its assets. The provincial transportation network is a vital component that enhances the economic prosperity and social growth of the province. Preservation of transportation infrastructure, including maintenance and rehabilitation, extends its useful life and reduces long-term costs. Strategic decision-making in operating, maintaining and upgrading essential highway network capacity will help ensure optimal use and long-term sustainability of the province's transportation assets.

Priority Initiatives:

- 2.1 Create and implement a plan to sustain a sufficient road network in Alberta.
- 2.2 Enhance transportation asset management planning to support strategic decision-making, taking into account life cycle costs, economic, environmental and social impacts.
- 2.3 Investigate and implement innovative technology, standards and approaches to reduce costs and promote the long-term affordability of the transportation system.
- 2.4 Implement approaches to ensure highway operations and maintenance achieve the results Albertans need.
- 2.5 Continue expansion of the automated permitting Transportation Routing and Vehicle Information Multi-Jurisdictional system across municipalities throughout Alberta.

Performance Measure	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
2.a Physical condition of provincial highway surfaces:						
• Percentage in good condition	57.8%	55.5%	54.5%	53.5%	53.0%	54.0%
• Percentage in fair condition	27.1%	28.0%	28.5%	29.0%	29.5%	29.0%
• Percentage in poor condition	15.1%	16.5%	17.0%	17.5%	17.5%	17.0%

Desired Outcome Three: A transportation system that supports environmental stewardship and the quality of life for all communities

Initiatives, such as Green Transit Incentives Program (GreenTRIP), promote greening of the transportation system and support a high quality of life for Albertans by aiming to reduce carbon emissions and contribute to environmental stewardship objectives.

Priority Initiatives:

- 3.1 Develop and implement standards, design and planning of the transportation system that supports environmental stewardship objectives and enhance the efficient use of resources.
- 3.2 Investigate opportunities and partnerships to reduce carbon emissions from transportation sources.
- 3.3 Promote the development of public transit systems through grant funding programs, including GreenTRIP, to support municipal transportation.
- 3.4 Identify transportation initiatives to advance energy efficiencies as a component of the government's *Climate Change Strategy*.
- 3.5 Enable water quality by providing funding, through the Alberta Municipal Water/Wastewater Partnership program and the Water for Life program, to assist municipalities with the provision of water supply, water treatment, and wastewater treatment and disposal facilities.

Performance Measure	Last Actual 2012-13	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
3.a Percentage of municipal clients satisfied with overall quality of service (biennial survey)	93%	n/a	95%	n/a	95%	n/a

Desired Outcome Four: A safe and secure transportation system that protects Albertans

Eliminating high risk vehicle operation and improving driver behaviors saves lives. The safe and secure movement of Albertans and goods across the transportation system is enhanced by education, innovative technologies, safety regulations and safer infrastructure, increasing Albertans' quality of life and resulting in lower death and casualty rates.

Priority Initiatives:

- 4.1 Plan and implement transportation safety strategies to protect Albertans when moving throughout the province.
- 4.2 Complete new traffic safety strategies in support of the Traffic Safety Plan 2015 to reduce collisions, injuries and fatalities on Alberta roadways, and develop the Traffic Safety Plan 2020 to build upon these improvements.
- 4.3 Promote and enhance the Traveler Information Portal (511 Alberta) to provide drivers with reliable and timely travel condition information.
- 4.4 Continue to develop phased amendments to the *Traffic Safety Act* and regulations to enhance the safety of transportation system users.
- 4.5 Investigate and implement appropriate innovative technologies and approaches that promote a safe and intelligent transportation system.
- 4.6 Work with law enforcement, other levels of government, emergency responders and other partners to enhance early response systems and ensure the safe and secure transportation of dangerous goods through communities and identify and strengthen critical highway infrastructure to keep communities connected, reduce the impact of future disasters, and decrease associated recovery times and costs.

Performance Measure	Last Actual 2013-14	Target 2015-16	Target 2016-17	Target 2017-18	Target 2018-19	Target 2019-20
4.a Combined fatal and major injury collision rate per 100,000 population ¹	66.6	63.0	60.8	58.5	56.3	54.1

Note:

- 1 Actual rate is calculated as a three year rolling average.

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						
Other Transfers from Government of Canada	6,006	6,745	7,868	8,236	8,236	8,236
Building Canada - Base Component	7,397	7,397	7,397	7,397	7,397	7,397
Building Canada - Major Infrastructure Component	4,768	4,868	4,868	4,868	4,868	4,868
Infrastructure Stimulus Fund	4,221	4,221	4,221	4,221	4,221	4,221
Premiums, Fees and Licences	29,400	29,400	29,400	29,400	29,400	29,400
Refunds of Expense	1,475	1,475	1,475	1,475	1,475	1,475
Other Revenue	13,601	34,056	16,531	14,539	14,539	14,539
Total Revenue	66,868	88,162	71,760	70,136	70,136	70,136
EXPENSE						
Ministry Support Services	32,249	32,291	32,299	32,299	32,299	32,299
Program Services and Support	30,017	31,896	31,896	31,896	31,896	31,896
Traffic Safety Services	30,084	31,004	31,004	31,004	31,004	31,004
Alberta Transportation Safety Board	2,472	2,360	2,360	2,360	2,360	2,360
Provincial Highway Maintenance and Preservation	958,918	923,648	954,431	972,714	987,889	1,002,966
Municipal Transportation Grant Programs	214,405	185,000	175,000	205,000	200,000	200,000
Municipal Water Infrastructure Grant Programs	81,869	55,000	55,000	55,000	105,000	105,000
Northeast Alberta Strategic Projects	44,460	13,340	-	-	-	-
2013 Alberta Flooding	6,489	5,800	-	-	-	-
Debt Servicing Costs	71,922	70,741	82,527	94,258	92,131	90,149
Total Expense	1,472,885	1,351,080	1,364,517	1,424,531	1,482,579	1,495,674
Net Operating Result	(1,406,017)	(1,262,918)	(1,292,757)	(1,354,395)	(1,412,443)	(1,425,538)
CAPITAL INVESTMENT BY PROGRAM						
Ministry Support Services	5,386	4,858	4,382	4,382	4,382	4,382
Capital for Emergent Projects	14,899	-	-	-	-	-
Ring Roads	556,462	666,852	509,464	587,212	569,085	576,115
Northeast Alberta Strategic Projects	430,994	288,299	95,005	15,000	-	-
Provincial Highway Construction Projects	227,710	287,590	136,297	249,296	152,296	205,654
Bridge Construction Projects	37,623	32,200	50,950	68,150	85,550	103,000
Provincial Highway Rehabilitation	169,908	277,704	270,571	271,888	360,590	611,540
Water Management Infrastructure	20,088	10,243	10,180	10,000	10,000	10,000
2013 Alberta Flooding	52,326	56,000	33,000	-	-	-
Total	1,515,396	1,623,746	1,109,849	1,205,928	1,181,903	1,510,691