

GOVERNMENT OF ALBERTA

Annual Report

Infrastructure

2022-2023

Alberta Infrastructure, Government of Alberta | Infrastructure 2022–2023 Annual Report

©2023 Government of Alberta | Published: June 2023

ISBN 978-1-4601-5672-8

ISSN 1924-0627

Note to Readers: Copies of the annual report are available on the Alberta Open Government Portal website www.alberta.ca

Table of Contents

Preface	3
Minister's Accountability Statement	4
Message from the Minister	5
Management's Responsibility for Reporting	6
Results Analysis	8
Ministry Overview	9
Discussion and Analysis of Results	13
Performance Measure Methodology	37
Financial Information	42
Ministry Financial Highlights	43
Supplemental Financial Information	47
Other Financial Information	48
Annual Report Extracts and Other Statutory Reports	51

Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each ministry.

The 2022-23 Annual Report reflects the 2022-25 ministry business plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2022-23 fiscal year, which ended on March 31, 2023.

The Annual Report of the Government of Alberta contains Budget 2022 Key Results, the audited Consolidated Financial Statements and Performance Results, which compares actual performance results to desired results set out in the government's strategic plan.

This annual report of the Ministry of Infrastructure contains the Minister's Accountability Statement, the ministry's Financial Information and Results Analysis, and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:

- other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report

All Ministry Annual Reports should be considered along with the Government of Alberta Annual Report to provide a complete overview of government's commitment to openness, accountability and fiscal transparency.

Minister's Accountability Statement

The ministry's annual report for the year ended March 31, 2023, was prepared under my direction in accordance with the *Fiscal Planning and Transparency Act* and the government's accounting policies. All of the government's policy decisions as at June 2, 2023, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

[Original signed by]

Honourable Pete Guthrie

Minister of Infrastructure

Message from the Minister



It is an honour for me to have recently been appointed the position of Minister of Infrastructure. Looking at the accomplishments from this past year, I am impressed by the results that the ministry achieved.

Infrastructure's 2022-23 Annual Report shows how focused the ministry was on delivering and taking care of the public facilities that enable Albertans to access critical government programs and services. In fact, over the last year, 16 school projects and four health projects were completed while work continued to move forward hundreds of other projects in various stages of planning, design or construction.

Notably in 2022-23, construction of the world-class Calgary Cancer Centre was substantially completed. Infrastructure broke ground and made significant headway on the construction of five high school projects being delivered by public-private partnership (P3). This P3 project is saving taxpayers \$114.5 million over the cost of government doing the same work using traditional methods.

Part of Infrastructure's responsibilities is to lead our government's effort to further the use of alternative financing opportunities, such as P3s and unsolicited proposals (USPs), to provide public infrastructure. This includes working with the federal government to ensure our province gets its fair share of federal funding. For example, through the Investing in Canada Infrastructure Program (ICIP), Alberta has been allocated \$3.66 billion by the federal government to invest in infrastructure projects that strengthen the economy and build resilient communities. More than 200 projects and project bundles have been approved for ICIP funding in more than 30 Alberta constituencies, and all ICIP funding has been fully committed.

As part of Infrastructure's commitment to provide the best value for Albertans, I am pleased to note that in 2022-23, the ministry surpassed the government's goal of reducing red tape regulations by one-third and achieved a reduction of 37.2 per cent since June 2019. I would like to also acknowledge the industry partners with whom the ministry worked to identify changes that streamlined processes to help Infrastructure surpass its goal.

Looking forward, we will continue to focus on delivering the key infrastructure projects that will make life better for all Albertans and collaborating with government and industry partners. Our government knows that every infrastructure project matters, whether we're building a new school, modernizing a health facility or replacing a roof on a provincial building. When we invest in public infrastructure projects, we help secure Alberta's future by creating economic activity in local communities and supporting thousands of jobs with these projects.

[Original signed by]

Honourable Pete Guthrie

Minister of Infrastructure

Management's Responsibility for Reporting

The Ministry of Infrastructure includes the Department of Infrastructure.

The executives of the ministry have the primary responsibility and accountability for the ministry. Collectively, the executives ensure the ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and strategic plan, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Infrastructure. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, which includes the financial information, performance results on all objectives and initiatives identified in the Ministry business plan, and performance results for all ministry-supported commitments that were included in the 2022-25 Government of Alberta Strategic Plan. The financial information and performance results, out of necessity, include amounts that are based on estimates and judgments. The financial information is prepared using the government's stated accounting policies, which are based on Canadian public sector accounting standards. The performance measures are prepared in accordance with the following criteria:

- Reliable – information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.
- Understandable – the performance measure methodologies and results are presented clearly.
- Comparable – the methodologies for performance measure preparation are applied consistently for the current and prior years' results.
- Complete – outcomes, performance measures and related targets match those included in the ministry's Budget 2022.

As Deputy Minister, in addition to program responsibilities, I am responsible for the ministry's financial administration and reporting functions. The ministry maintains systems of financial management and internal control which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Infrastructure the information needed to fulfill their responsibilities; and

- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

In fulfilling my responsibilities for the ministry, I have relied, as necessary, on the executives within the ministry.

[Original signed by]

Mary Persson

Deputy Minister of Infrastructure

June 2, 2023

Results Analysis

Table of Contents

Ministry Overview.....	9
Organizational Structure	10
Operational Overview.....	10
Key Highlights	11
Discussion and Analysis of Results.....	13
Actions that support the priorities of the Government of Alberta Strategic Plan.....	13
Red Tape Reduction.....	15
COVID-19/Recovery Plan.....	16
Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.....	17
Outcome Two: Alberta’s public infrastructure is effectively and responsibly managed and sustainable	31
Performance Measure Methodology	37

Ministry Overview

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

The ministry is responsible for leading the development of, and updating, the government's 20-Year Strategic Capital Plan, which provides a blueprint for long-term infrastructure investment and development to support key social programs, services and economic growth. Infrastructure partners with other ministries, boards, industry and stakeholders to:

- deliver Kindergarten to Grade 12 education facilities;
- deliver health facilities;
- deliver other public infrastructure such as government office space, museums and courthouses;
- support post-secondary institutions to develop facilities to meet their needs; and
- lead alternative financing initiatives like public-private partnerships (P3s) and unsolicited proposals (USPs).

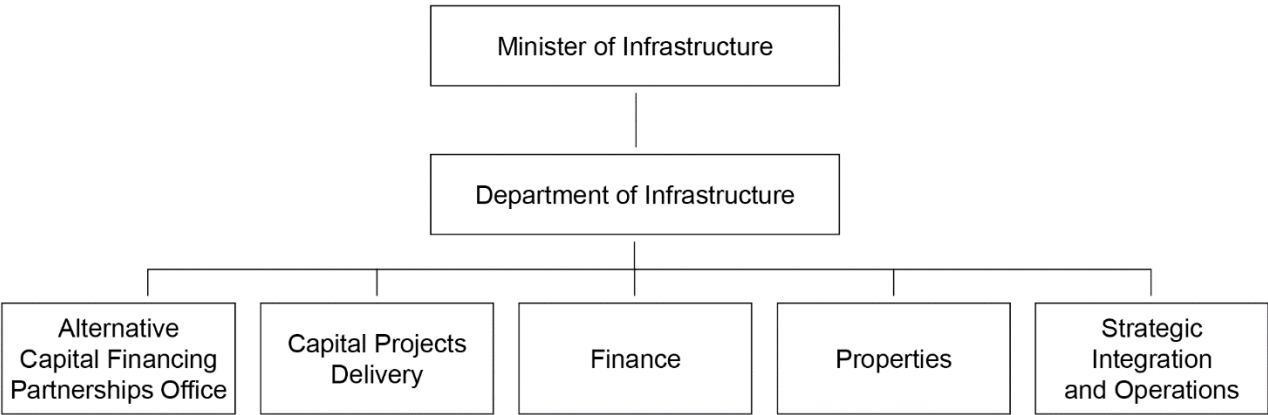
To maintain and improve existing government infrastructure, the ministry conducts densification, modernization and revitalization projects. In addition, it provides accommodation services and manages a large portfolio of government-owned and leased facilities, while maintaining fiscal accountability and optimizing value for taxpayers.

Infrastructure is also responsible for planning and managing Restricted Development Areas around Calgary, Edmonton and Sherwood Park West, comprising the Transportation Utility Corridors that have been instrumental in enabling major projects to progress, such as the construction of the Calgary Ring Road.

Infrastructure is committed to a culture of continuous improvement throughout all aspects of ministry operations, including project planning, management and delivery, procurement practices, and contract management.

Organizational Structure

The Ministry of Infrastructure consists of the Department of Infrastructure, which comprises five divisions.



Operational Overview

Alternative Capital Financing Partnerships Office

The Alternative Capital Financing Partnerships Office (ACFPO) is the central authority within the Government of Alberta for P3s, USPs and other innovative infrastructure partnerships, including support from the Canada Infrastructure Bank. The ACFPO oversees the centralized work of P3s, provides the expertise required to engage in strategic partnership opportunities and explores alternative revenue generation options.

Capital Projects Delivery

The Capital Projects Delivery division works with partner ministries, boards, agencies and other stakeholders to plan, build, preserve and upgrade government-owned and supported capital infrastructure, including health facilities, learning facilities, museums, courthouses and seniors lodges.

Finance

Finance provides a comprehensive set of financial services for the offices of the Minister and Deputy Minister, and the Department of Infrastructure. The division provides financial expertise and support to assist in enhancing decision-making, attaining business plan objectives and maintaining financial integrity.

Properties

The Properties division manages, operates and maintains government-owned and leased properties. This excludes the operation of properties owned by agencies, boards and commissions. The division plans and implements government accommodation and capital construction projects, and provides real estate, leasing and land planning services to ministries, boards and agencies throughout the province. The division also manages the Swan Hills Treatment Centre.

Strategic Integration and Operations

The Strategic Integration and Operations division oversees the functions required to enable effective operations, including procurement, legislative planning, policy development and coordination, strategic planning and reporting and professional and technical support.

Key Highlights

The Ministry of Infrastructure leads the delivery of vertical public infrastructure to ensure the government meets Albertans' needs in a cost-effective and efficient manner. The ministry's 2022-25 Business Plan identified two desired outcomes that align with its mandate and the key priorities in the Government of Alberta's Budget 2022 Strategic Plan:

- Outcome One: Innovative, adaptive and responsible infrastructure solutions that meet current and future provincial needs.
- Outcome Two: Alberta's public infrastructure is effectively and responsibly managed and sustainable.

In a year when market volatility and supply chain issues raised challenges for the construction industry, Infrastructure worked with partners in industry and government to achieve its key goals. Highlights from 2022-23 appear in the table below:

Delivering Capital Projects with Partners	Completed 16 school capital projects, four health capital projects, one major government project and two major post-secondary institution projects (pages 19-27)
Maintaining Public Facilities	Invested \$122.7 million in government-owned facilities capital maintenance and renewal (CMR) projects. As of March 31, 2023, 92 CMR projects were completed since April 1, 2022; 350 CMR projects are currently underway (page 32)
Overseeing Prudent Fiscal Stewardship of Government Assets	Increased the number of contracts evaluated by the Vendor Performance Management Program by 160, compared to March 31, 2022 (page 27)
Reducing Annual Lease Costs	Reduced leased space by nearly 12,000 square metres, which translates to approximately \$3.5 million in annual savings (page 31)
Evaluating Unsolicited Proposals	Updated the Unsolicited Proposal Framework and Guideline, evaluated nine USPs, initiated negotiations on Project Development Agreements with proponents on three USPs and provided consultancy feedback on five potential USP submissions in the areas of affordable housing, energy-from-waste, public building retrofits, education and continuing care (pages 18-19)
Administering the Investing in Canada Infrastructure Program	Received federal approval for eight COVID-19 Resilience stream projects, two Public Transit projects, and one Investing in Canada Infrastructure Program (ICIP) Public Transit/Green stream Light Rail Transit (LRT)

	project, with \$418.2 million approved towards the Edmonton Capital Line South LRT Extension. Allocated the remaining \$56 million in ICIP funding and submitted the remaining project applications for federal approval (pages 17-18)
Reducing Red Tape	Exceeded the 33 per cent Red Tape Reduction target, achieving 37.2 per cent reduction in regulatory requirements (page 28)

Discussion and Analysis of Results

Actions that support the priorities of the Government of Alberta Strategic Plan

Government of Alberta Strategic Plan Key Priority One:

Enhancing government services now and for the future

Objective one: Ensuring a resilient and modernized health care system that provides cost-effective, accessible and high quality health care for Albertans

Infrastructure Actions:

- Investing to complete the Calgary Cancer Centre, creating 160 new inpatient cancer beds
- Investing in the redevelopment and expansion of the Red Deer Regional Hospital

Detailed reporting on these actions can be found on pages 20 and 22, respectively.

Objective two: Providing quality education and skills development to Albertans

Infrastructure Action:

- Investing in new schools and modernization projects across Alberta. Government will also develop and implement strategies and plans for maintaining and assessing the need for school capital projects

Detailed reporting on this action can be found on pages 23-25.

Government of Alberta Strategic Plan Key Priority Two:

Growing Alberta's economy

Objective two: Connecting Albertans with family-supporting jobs

Infrastructure Action:

- Investing in capital maintenance and renewal projects (CMR), which help maintain the facilities where government programs and supports are administered and delivered

Detailed reporting on this action can be found on page 32.

Government of Alberta Strategic Plan Key Priority Three:

Fiscal sustainability

Objective one: Providing value for each tax dollar spent

Infrastructure Action:

- Establishing the new Alternative Capital Financing Partnerships Office to provide oversight of centralized work on public-private partnerships (P3s), and provide the resources and expertise required to engage in strategic partnership opportunities and explore alternative revenue generation options

Detailed reporting on this action can be found on page 18-19.

Red Tape Reduction

The Ministry of Infrastructure remains committed to regulatory approaches and program delivery that reduces unnecessary government oversight and emphasizes outcomes, in order to improve access to government services, attract investment, support innovation and competitiveness, and grow Alberta businesses.

As part of the government's goal of reducing red tape by one-third by 2023, Infrastructure has surpassed the goal of reducing red tape regulations by one-third, having achieved a reduction of 37.2 per cent between June 2019 and March 2023. Infrastructure continues to review programs and services to optimize processes and reduce the volume and complexity of regulatory requirements to ensure the best outcomes are achieved for Albertans.

Highlights from 2022-23 include:

- Reviewing and updating documents on the Infrastructure Technical Resource website;
- Updating the procurement master specification documents;
- Updating Investing in Canada Infrastructure Program (ICIP) documents; and
- Amending the *Public Works Act* to allow for quicker responses to emerging issues.

Additionally, the updated Public-Private Partnership (P3) Framework and Guideline builds on the significant experience that the Government of Alberta has in P3 procurement, while streamlining internal procedures and processes to reduce red tape.

COVID-19/Recovery Plan

In response to the COVID-19 pandemic, the Government of Alberta made significant investments in programs and strategies to support Albertans and job creators. A key strategy as part of Alberta's Recovery Plan included the accelerated investment in infrastructure. This means building core infrastructure that created jobs for Albertans and directly benefitted communities to boost the economy and continue building a prosperous future for the province.

Infrastructure continued to deliver priority projects, like schools and hospitals, to maintain government programs and services. The ministry collaborated with stakeholders and project teams on mitigation plans to ensure safety protocols were in place, on and off project sites. Throughout 2022-23, work continued on a total of 231 capital projects, providing approximately 57,800 construction and construction-related jobs.

Infrastructure continued its administration of ICIP and maximized use of additional funding that became available in response to the COVID-19 pandemic. In 2020, the federal government announced the COVID-19 Resilience funding stream, which provided flexibility on how provinces could use their remaining ICIP funding. Under this funding stream, Alberta received approval for an additional \$5.5 million for ventilation projects to support provincial infrastructure, and extended program timelines. As of March 31, 2023, ICIP approvals totalled \$242.2 million for 134 COVID-19 stream projects. Of these, 25 invested in capital maintenance and renewal for improvements to health and seniors care facilities as well as other provincial assets.

The ministry continued to implement digital innovation initiatives, including adjusting certain procurement processes to support greater efficiency and to accommodate a contact-free environment. Vendors have the option to sign non-disclosure agreements over video conferencing platforms. The ministry also continued with electronic receipt of construction bids and bid bonds, rather than in person and through hard copy.

In consultation with the Public Service Commission, Infrastructure continued to work collaboratively with in-house and contracted staff to implement all COVID-19 measures in properties occupied by Government of Alberta staff. Property management landlords and contractors were required to provide plans to mitigate the spread of COVID-19 and demonstrate their ability to meet the necessary requirements. Infrastructure spent approximately \$4.7 million on pandemic-related costs in 2022-23.

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

Infrastructure collaborates with partner ministries, boards, agencies, industry and other stakeholders to plan, build and deliver government-owned and supported capital infrastructure that will support the enhancement of government services now and for the future, grow Alberta's economy and strengthen government's fiscal sustainability.

Key Objectives

1.1 Manage new construction and major modernization projects for health, school and government-owned facilities, including the use of public-private partnerships and federal funding programs, to create jobs and grow the economy.

Infrastructure collaborated with Treasury Board and Finance to develop the *Infrastructure Accountability Act*, which passed in December 2021. The Act legislates a governance framework, including criteria to guide how capital project decisions and spending are evaluated as part of the province's annual capital planning process. The *Infrastructure Accountability Act* continues to increase transparency and accountability and removes politics from the process of building public infrastructure. It also puts more rigour around capital funding decisions and provides taxpayers with greater transparency around government priorities. The Act positions Alberta as only the second province, following Ontario, to legislate prioritization criteria for its capital plan decision-making. This legislation also ensures Alberta's government prioritizes a long-term outlook for capital planning by legislating the development and regular review of a 20-year strategic capital plan for the province.

Building Forward: Alberta's 20-Year Strategic Capital Plan (20YSCP) was released in December 2021 following the passing of the *Infrastructure Accountability Act*. While the Act legislates aspects of how the annual Capital Plan is developed, *Building Forward* offers a look into how infrastructure may be built in the future, and how programs and services may impact how we plan, design and deliver capital projects. It takes an Alberta-wide lens to help government navigate through challenges and opportunities over the next two decades. This will ensure the right infrastructure is in place to support Alberta's future. Some key trends include an aging and more diverse population, continued urbanization, the shift to the virtual realm and people-centred services. Within this plan, the Government of Alberta highlights pursuing innovation and the digital shift, attracting private investment and maximizing partnerships, among other key guiding strategies. Infrastructure will review the 20YSCP every four years to ensure ongoing relevance.

In 2022-23, Alberta Infrastructure and Infrastructure Canada (INFC) amended the ICIP Integrated Bilateral Agreement. The amendments provided an increase of \$5.5 million in federal ICIP COVID-19 stream funding to be used for ventilation improvements, which increased Alberta's allocation from \$11.1 million to \$16.6 million. As well, the amendments required Alberta to allocate all remaining funding under the program prior to the March 31, 2023, deadline. This work allowed innovative, adaptive, and responsible infrastructure solutions that meet current and future provincial needs.

This fiscal year, Infrastructure received federal approval for eight COVID-19 Resilience stream projects, two Public Transit projects, and one ICIP Public Transit/Green stream Light Rail Transit (LRT) project – \$418.2 million approved towards the Edmonton Capital Line South LRT Extension. As well, Infrastructure successfully allocated the remaining \$56 million in ICIP funding and submitted the remaining project applications for INFC approval by the March 31, 2023, deadline.

As leaders in the delivery of public facilities, the ministry works with government partners to move hundreds of infrastructure projects forward. This includes projects endorsed by Infrastructure that received funding through ICIP. The ministry has allocated over \$3.6 billion in ICIP funds.

In 2022-23, Infrastructure continued its efforts to close out legacy federal infrastructure programs by supporting Transportation and Economic Corridors in the administration of the Clean Water Wastewater Fund and the Public Transit Infrastructure Fund.

In 2022-23, Infrastructure advocated for Alberta's interests through the Federal-Provincial-Territorial and Provincial-Territorial meetings to ensure Provinces and Territories are engaged as partners in the development of federal infrastructure policy, programs and funding. Infrastructure made recommendations to the federal government regarding the next generation of infrastructure funding, which included that Alberta should be meaningfully engaged in developing the strategy and the framework; an unconditional block transfer for infrastructure, instead of delivery through national, merit-based programs; a broader range of eligible infrastructure assets, including economic development projects; and that the next generation of funding should be separate from other federal initiatives.

Partnerships

Infrastructure continues to support the Government of Alberta's commitment to partner with private sector entities in providing public infrastructure, ensuring the projects Albertans need are delivered on time and on budget. Leveraging public-private partnerships (P3s) and utilizing unsolicited proposals (USPs) are creative approaches to financing projects that deliver value for money, create new job opportunities, stimulate Alberta's economy and strengthen government's fiscal sustainability. These approaches are key to ensuring that the province continues to support the enhancement of public services now and for the future, particularly during a time of high infrastructure spending and an increased investment in capital maintenance and renewal. The ministry oversees the Public-Private Partnership Framework and Guideline (P3 Framework), as well as the Unsolicited Proposal Framework and Guideline (USP Framework), to enhance private sector involvement in the delivery of capital projects.

P3 projects offer benefits to government that include optimizing risk allocation between public and private sectors, cost and time efficiencies, innovation, integration, and price and schedule certainty. A significant characteristic of P3 implementation is the complexity of due diligence practices, which require resources and expertise. While the Government of Alberta has considerable experience in P3s, the ministry is currently undertaking an independent review to further streamline internal P3 processes and best practices.

The construction of five high schools being delivered by P3 is supporting approximately 1,678 jobs and saving taxpayers an estimated \$114.5 million.

The ministry continues to receive USPs, with the intent to harness private-sector innovation, while also protecting public policy objectives and ensuring transparency and accountability. In 2022-23, Infrastructure completed amendments to the USP Framework to provide proponents with clarity on USP scope and evaluation processes, thereby helping to encourage the submission of high-quality USPs. The ministry also enhanced advisory services to guide proponents seeking to submit USPs. Over the past fiscal year, the ministry received and coordinated the evaluation of nine proposals with a combined project value of over \$1 billion, initiated approval to negotiate Project Development Agreements with three USP proponents, and provided feedback on five potential USP submissions. Through the USP Framework, a total of \$3.4 million was approved for the Central Alberta Child Advocacy Centre, of which nearly \$1 million was spent in 2022-23. Infrastructure is further refining its internal USP process and documentation to ensure timely and effective evaluation of all USPs.

Infrastructure leads government's engagement with the Canada Infrastructure Bank (CIB) to coordinate, negotiate and champion projects that create jobs and diversify the province's economy. By leveraging CIB financing, where possible, the ministry helps ensure that Alberta's public infrastructure is managed effectively and sustainably, while reducing overall risk to the Government of Alberta. In 2022-23, Infrastructure led the coordination of several projects with the CIB and relevant stakeholders, including projects assessing capital maintenance and renewal, energy retrofits for government facilities and encouraging USP proponents to explore CIB financing.

Negotiations between the ministry and the CIB ensure Alberta's private and public organizations can access expertise, financing and investments. Infrastructure works closely with partner ministries to align strategic interests, while engaging the CIB's expertise and potential financial support for local investment needs. This includes projects or private sector infrastructure investments that have public benefits in sectors like transportation, broadband and value-added agriculture.

1.2 Deliver capital projects on time, on budget and to scope to ensure Albertans have access to the infrastructure that provides the high-quality public services on which they rely.

Health Facilities

Infrastructure works closely with Health and Alberta Health Services to plan, design and build health facilities that meet the needs of Albertans and their communities. In 2022-23, the ministry budgeted \$661.1 million and spent \$418.9 million on the construction of health facilities. The department, with its health partners, are developing business cases and planning documents for projects approved in Budget 2022. Examples of projects in this planning phase include the Cardston Health Centre Replacement, the Stollery Children's Hospital, the Strathcona Community Hospital Expansion and the North Calgary/Airdrie Regional Health Centre. As of March 31, 2023, key projects in progress or recently completed include:

Health Facility Project	Description and Status
Alberta Surgical Initiative Capital Program, various locations	This program will increase provincial surgical capacity in five locations to reduce wait times by renovating, improving and expanding operating rooms and support spaces. The location in Calgary is in the design stage; Edmonton, Lethbridge, and Rocky Mountain House are in the construction stage; and work at Grande Prairie was completed in July 2021.
Bridgeland Riverside Continuing Care Centre, Calgary	This project will help meet an urgent need in the community to increase access to residential continuing and complex care. The project will provide an additional 198 private long-term care beds for Calgary.

Health Facility Project	Description and Status
Calgary Cancer Centre, Calgary	The facility will increase comprehensive cancer care services for southern Alberta, including inpatient units, outpatient clinics, research laboratories, radiation treatments and related support services. The Calgary Cancer Centre is a government priority, and this world-class facility was substantially completed in November 2022. Work continues to operationalize the facility, which includes the delivery and commissioning of clinical equipment and systems and construction of the McCaig Link.
Cyclotron Facility, Calgary	The facility is designed to ensure the highest levels of safety for patients, staff and the local community. The cyclotron facility will help save lives by creating medical radioisotopes that are crucial in the treatment of patients with cancer or cardiac conditions. Building a second cyclotron facility in the province means that more crucial medicines will be available for patients throughout Alberta. This project is in the planning stage.
Edmonton Hospital, Edmonton	The Government of Alberta is working to ensure that Albertans have access to the care they need, when and where they need it. When complete, the new hospital will increase access and capacity to necessary health services and programs in Edmonton and surrounding communities. The project was impacted by the COVID-19 pandemic, as physicians, health care workers and health advisory committees who participate in the planning activities had to shift their focus to the pandemic response. Project activities are ongoing and include site work-related material deliveries, pipeline integrity testing and pipeline surveys for crossing agreements. This project is in the planning stage.
Foothills Medical Centre (FMC) – Neonatal Intensive Care Unit, Calgary	The project will provide sufficient and appropriate space to accommodate the current and growing demands for neonatal intensive care patients and their families by creating 60 patient care spaces. The redevelopment of Levels 5 and 6 of the FMC Main Building West Wing will increase space for a total of 2,935 square metres. The project is in the design stage and project completion will be determined when the general contractor is retained.
Gene Zwozdesky Centre at Norwood, Edmonton	The project will accommodate 350 enhanced long-term care beds, with a broad range of support programs and services, in more than 38,000 square metres of new and renovated space to support the growing need for these services in Edmonton. The project is currently in the construction stage with completion anticipated in summer 2025.

Health Facility Project	Description and Status
High Prairie Health Complex Demolition, High Prairie	The project included demolishing the old and vacant High Prairie Health Complex, including hazardous material abatement. The project was completed in September 2022.
La Crete Maternity and Community Health Centre, La Crete	The Government of Alberta is working to plan, design and build a new, expanded health facility that provides residents of La Crete access to the health care they need. The facility will improve access to primary care, mental health services and physiotherapy, and will include an Emergency Medical Services (EMS) response facility with ambulance bays and residences for visiting medical specialists. The project is in the design stage and project completion will be determined when the general contractor is retained.
Medical Device Reprocessing (MDR) Upgrades Program, multiple sites	Medical device reprocessing is an essential service, supporting patient safety by preventing the transmission of infections from reusable medical devices used in the delivery of health care. The program supports MDR remediation at high priority sites.
Misericordia Community Hospital Modernization Program, Edmonton	The new Emergency Department will accommodate 60,000 visits per year, which is 35,000 more than the existing space was built to handle, at 25,000 visits per year. The new ED will include emergency waiting and treatment areas designed to better support patient care, a diagnostic services area and three ambulance bays (with two ambulances per bay). The project will also increase emergency power capacity for the entire hospital. The project is currently in the construction stage, with anticipated completion in summer 2023.
Peter Lougheed Centre Emergency Department, Mental Health Intensive Care Unit and Laboratory Redevelopment, Calgary	The project will provide renovations to the existing Emergency Department and fit-out of east tower shelled space for additional emergency space (in two phases), a mental health short stay unit, a psychiatric intensive care unit and rapid response lab development. The multi-phase project is in the construction stage and on track to be completed in fall 2025.
Provincial Pharmacy Central Drug Production and Distribution Centre, Edmonton	This project comprises construction of a stand-alone facility in Edmonton for the centralization of pharmaceutical production and distribution to supply health care facilities in northern Alberta. This project is in the construction stage and anticipated to be completed in winter 2024-25.

Health Facility Project	Description and Status
Recovery Communities, multiple sites	The Government of Alberta is committed to making more care available to people experiencing addiction and mental health-related challenges. Infrastructure plays a key role in delivering facilities to help provide this care, which will help many people in communities across the province. Mental Health and Addiction will be opening four Recovery Communities that are currently in various stages of construction or planning, as follows: Red Deer (75-bed facility), construction completed in November 2022; Lethbridge (50-bed facility), construction completed in March 2023; Gunn (75-bed facility), construction scheduled for completion in January 2024; and Blood Tribe (75-bed facility) is in the design stage. Recovery Communities at the following locations are in the planning stage: Calgary (75-bed facility) and Edmonton (75-bed facility), located at Maskekosihk (Enoch Cree Nation).
Red Deer Regional Hospital Centre Redevelopment, Red Deer	The Government of Alberta is working to plan, design and build the Red Deer Regional Hospital Centre Redevelopment, which meets the needs of the community and region, as quickly and safely as possible. Planning is on schedule, and the design stage started in spring 2023.
Rockyview General Hospital ICU/CCU/GI Redevelopment, Calgary	The project includes renovations to approximately 2,800 square metres for an expansion of the Intensive Care Unit (ICU) and Cardiac Care Unit (CCU). The redevelopment will increase the ICU and CCU to 25 single patient rooms (13 ICU and 12 CCU), an increase from the current 17, and move the unit into a space that better supports patient and family centre care. The project will also develop space at the existing Rockyview General Hospital to expand the Gastrointestinal (GI) Clinic with a \$10 million contribution from the Calgary Health Foundation. The GI Clinic redevelopment will expand the four current procedure rooms to five and includes 22 preparation/recovery bays. In addition, the chilled water system to support the redevelopment and capacity will be expanded to allow for the safe operation of the new health care spaces. The project is in the construction stage and is anticipated to be completed in spring 2024.

Health Facility Project	Description and Status
University of Alberta Hospital Brain Centre-Neurosciences Intensive Care Unit, Edmonton	This project will relocate and expand the Neurosciences Intensive Care Unit (NSICU) at the University of Alberta in the Walter C. Mackenzie Health Sciences Centre (WCM). The Brain Centre project consists of: NSICU and CT scanner with 24 new beds at the WCM, Level 5; Hematology Inpatient Unit Clinic with 18 beds at the WCM, Level 2; Renal Transplant Clinic at Kaye Edmonton Clinic, Level 4; Renal Clinic and Kidney Care Support at Kaye Edmonton Clinic, Level 4; and minor renovations and temporary decants to adult surgical physician offices, gastrointestinal mobility and pediatric medical outpatient units. The project is in the design stage and project completion will be determined when the general contractor is retained.

Learning Facilities

In collaboration with Education and school jurisdictions, Infrastructure designs, builds and modernizes school facilities to ensure Alberta's Kindergarten to Grade 12 students and communities have access to modern and well-designed learning spaces. In 2022-23, the ministry budgeted \$710.4 million and spent \$488.0 million on the construction of school facilities, as well as the Modular Classroom Program (MCP).

School capital projects are delivered through two streams:

- Infrastructure-Managed Projects: the ministry manages the projects from the design to construction and warranty phase.
- School Jurisdiction-Managed Projects: grant-funded projects for jurisdictions to contract and manage building, design and construction work.

Sixteen school capital projects were completed in 2022-23. As of March 31, 2023, 44 school projects were underway:

- Five of the 16 completed school projects have work such as demolition of the old facility and site restoration remaining;
- 24 school projects are in the construction stage;
- two are in the contract awarded stage;
- four are publicly posted for tender;
- four are in the design stage; and
- 10 are in the in the planning stage.

The 16 key projects completed in 2022-23 appear in the table below:

School Project	Completion Date
Bayside School, Calgary	August 2022
Ben Calf Robe – St. Clare Catholic Elementary/Junior High School (formerly Ben Calf Robe School), Edmonton	August 2022
Blue Hills Community School, Mackenzie County	September 2022
École à la Découverte, Edmonton	August 2022
École Catholique Louis Riel, Grande Prairie	July 2022
École Citadelle, Legal	June 2022
École Le Ruisseau, Brooks	July 2022
Father Lacombe Catholic School, Lacombe	November 2022
Holy Spirit School (formerly Cochrane Elementary/Junior High School), Cochrane	August 2022
Joan Carr Catholic Elementary/Junior High School, Edmonton	July 2022
Joey Moss School, Edmonton	July 2022
Lakeshore School, Calgary	September 2022
Mahogany Elementary School, Calgary	June 2022
Morinville Community High School, Morinville	November 2022
Paul Kane High School, St. Albert	December 2022
St. Francis of Assisi Catholic Academy, Slave Lake	June 2022

In 2021-22, the ministry conducted a competitive procurement process for the construction of a bundle of five high schools to be delivered through the P3 delivery method. This approach to project delivery saved \$114.5 million compared to government's traditional delivery methods. The five schools, listed below, are on track for completion in 2024:

- New High School (Grades 9-12) in Blackfalds for The Wolf Creek School Division;
- South East High School (Grades 10-12) in Edmonton for The Edmonton Public Schools Division;

- New Senior High School (Grades 10-12) in Heritage Valley Town Centre in Edmonton for The Edmonton Catholic Separate School Division;
- New School (Grades 7-12) in Langdon for The Rocky View School Division; and
- New High School (Grades 10-12) in Leduc for The Black Gold School Division.

In 2022-23, the Government of Alberta approved \$47.6 million in support of modular unit delivery as part of the MCP. The MCP was originally announced in 2021-22 to manage capacities for identified schools and included approval for \$89.5 million to support 181 units. Due to global supply chain issues, the ministry faced manufacturing delays for modular units, resulting in \$36.7 million spent in 2021-22. Consequently, many projects were deferred.

To date, Infrastructure has spent \$44.8 million of the approved \$47.6 million for 2022-23. The ministry has delivered 169 new modular classrooms since 2021; 132 of these were delivered in the 2022-23 fiscal year, with 37 having been delivered in 2021-22. Due to requests from schools for the deferral of unit delivery, the ministry delayed ordering 12 modular classrooms in 2022-23. The remaining 12 new modular classrooms are expected to be manufactured for the 2023-24 school year. Infrastructure is also undertaking a review of the MCP specifications and delivery method to find efficiencies and improvements within the program.

Post-Secondary Facilities

Infrastructure provides support to post-secondary institutions to develop facilities to meet their needs and collaborates with the Ministry of Advanced Education in reviewing and establishing project priorities during capital planning.

In 2022-23, construction finished on two major capital projects. The \$300 million MacKimmie Complex Redevelopment project at the University of Calgary completed the full renewal of the MacKimmie Tower and the replacement of the MacKimmie Block and Professional Faculties Building. The project is expected to achieve Leadership in Energy and Environmental Design (LEED) Platinum certification and is expected to be the University's first Net Zero building. Construction on Medicine Hat College's Health, Wellness and Athletics Expansion was also completed; its expanded fitness centre and additional learning spaces were opened for use in October 2022.

Government-Owned and Operated Facilities

In collaboration with other ministries, Infrastructure plans, designs, builds and maintains facilities to support delivery of government programs and services. In 2022-23, the ministry budgeted \$114.0 million and spent \$96.7 million on the construction of government facilities, as funding moved to the following year to align with construction schedules. The past year saw one government capital project completed with nine projects underway.

As of March 31, 2023, key projects in progress or recently completed include:

Government Capital Project	Description and Status
Agrivalue Processing Business Incubator, Leduc	The facility is being expanded with additional incubator suites to support the establishment and growth of new food companies or products and business ventures in

Government Capital Project	Description and Status
	Alberta. Construction commenced in February 2021, with completion anticipated in summer 2023.
Calgary Court of Appeal, Calgary	The project includes a purpose-built facility on a government-owned site directly north of the historic Court of Appeal Building in Calgary. The historic building will be renovated, and the existing and new buildings integrated into one facility to accommodate the unique functional and long-term space requirements of the Calgary Court of Appeal. Infrastructure continues to collaborate with the Ministry of Justice and the Court of Appeal to ensure the project's scope captures the current and future needs of the court.
Canmore Nordic Centre, Canmore	The project will provide upgrades to the Canmore Nordic Centre including a new replacement Biathlon Building and modification of surrounding trails/infrastructure to meet the criteria of the International Biathlon Union. This will enable the Nordic Centre to continue hosting international events. The project is in the construction stage, with completion expected in summer 2024.
Complex Needs Residential Build, Calgary	This project will construct a new housing complex with integrated health and social supports. This build is targeted to clients of the Persons with Developmental Disabilities program who have complex mental health, addiction, psychiatric, behavioral and/or medical needs. The project is in the design phase. The completion date will be determined when the general contractor for construction is retained.
Courthouse Renewal Initiative, multiple sites	This initiative includes required upgrades and renovations to various courthouses to maintain and improve court services for Albertans. Twelve of the 14 projects are complete; construction is underway at the Brooks Provincial Building, with completion anticipated in summer 2023, and Strathmore Courthouse is in the planning stage.
Red Deer Justice Centre, Red Deer	A new justice centre in downtown Red Deer will help relieve the backlogs caused by the lack of space at the current courthouse. The new justice centre will feature 12 courtrooms, with space for future expansion that would accommodate up to 16 courtrooms. Construction is underway, with completion anticipated in September 2023.
Yellowhead Youth Centre, Edmonton	The existing campus, which serves at-risk youth, includes facilities that are approximately 50 years old, functionally obsolete and in need of renewal. The project consists of facility redesign and new construction to upgrade the

Government Capital Project	Description and Status
	campus to align with current programming requirements, treatment processes and building codes. The project is in the design stage and the project completion date will be determined when the general contractor is retained.

Project Delivery

Infrastructure manages many construction projects on a variety of scales. As such, robust project management processes and tools are required. Infrastructure is taking measures to improve, modernize and streamline its approaches to project delivery. Infrastructure's Project Delivery Standardization Initiative targets continuous enhancement and alignment of key project management processes, governance and tools.

In 2022-23, Infrastructure implemented a Project Management Plan in response to the Office of the Auditor General's (OAG's) Report on the Willow Square Continuing Care Centre project in Fort McMurray. Since the approval of the Implementation Plan in July 2020, Infrastructure advanced the approved initiatives. The result of the audit is that Infrastructure incorporated, and will continue to explore and develop, changes to its project management systems with a focus on continuous improvement. The OAG completed its Assessment of Implementation in January 2023. Infrastructure has undertaken a Project Delivery Standardization Initiative that targets enhancement and alignment of key project management processes, governance and tools.

An enhanced Project Management Training Framework was approved in December 2022 to support the skill and competency maturity of project delivery staff. Topics included contract management, risk mitigation, allocation and analysis, construction contract law, contract claims mitigation and project controls.

As part of its efforts to improve the delivery of capital projects, Infrastructure continues to implement the Vendor Performance Management (VPM) Program to ensure contractors and consultants do their best work on government infrastructure projects. VPM is a contract management best practice and is used to track, analyze and manage the performance of a vendor. This allows the ministry to better control costs, mitigate risks and create improvements throughout the contract lifecycle. Since program introduction, as of March 31, 2023, 540 executed contracts valued at \$1.7 billion include VPM Program clauses. This is an increase of 160 contracts and \$443 million since March 31, 2022.

Consistent communication ensures vendors clearly understand expectations related to performance, leading to better project outcomes that support fiscal accountability. Vendor feedback surveys, which the ministry has administered since April 2021, indicate that 86% of vendors feel that the VPM Program follows the principles of integrity, fairness, transparency and openness.

Infrastructure has committed to performing ongoing continuous improvement and stakeholder engagement related to the VPM Program. In 2023-24 Infrastructure will be conducting internal and industry engagement to identify opportunities to ensure that the program follows industry best practices, incorporates lessons learned and remains relevant to all stakeholders.

In 2022-23, Infrastructure conducted 574 procurements for a total of \$452 million.

In 2021-22, the Government-wide Procurement and Project Delivery (GPPD) Review was completed resulting in a number of key opportunities for improvement outlined in the GPPD Review Report. Infrastructure, in collaboration with the Ministry of Service Alberta and Red Tape Reduction, has reviewed the recommended opportunities outlined in the report and is exploring options for their implementation. Infrastructure will collaborate with industry and other key stakeholders, as this work progresses.

1.3 Reduce red tape to achieve a 33 per cent reduction by March 2023 by streamlining, simplifying and standardizing legislation, regulations, policies and processes and by evaluating recommendations submitted by priority stakeholders and industry panels.

Infrastructure exceeded the 33 per cent Red Tape Reduction (RTR) target, achieving a 37.2 per cent reduction in regulatory requirements between June 2019 and March 2023. Along with regulatory reductions, Infrastructure has completed RTR initiatives that have reduced administrative burden and created efficiencies. Among other RTR achievements in 2022-23, Infrastructure reviewed and updated documents on the Infrastructure Technical Resource website, updating the procurement master specification documents and updating ICIP documents.

Going forward, Infrastructure will continue to support a culture change to drive RTR initiatives and better serve Albertans. Economic growth, innovation and competitiveness can be encouraged by planned activities such as simplifying the Transportation Utility Corridor (TUC) Policy, which will streamline and clarify the process for Albertans to obtain permission to create a surface disturbance, related to a specific project, within a TUC.

Infrastructure holds the responsibility for the *Public Works Act* (PWA), which governs the persons that provide labour, equipment, materials and services for public works. The PWA applies specifically to work done on behalf of the Crown. In the past fiscal year, under Bill 9, the *Red Tape Reduction Implementation Act, 2023*, government amended the PWA level of regulation-making authority from the Lieutenant-Governor to the Minister. The amendment allows for more flexibility in responding to emerging changes and has the potential to support implementation of a mandate of the Government of Alberta to extend prompt payment rules, which are already in place for private contracts, to public works projects. Infrastructure is exploring ways to bring further clarity to the PWA, which will include investigating legislative and regulatory opportunities to bind the Crown and public works projects to prompt payment. The first step will be meeting with key industry stakeholders to better understand industry concerns.

Infrastructure is committed to supporting ministry operations through continuous improvement projects. One example of these projects is the implementation of Phase 1 of the electronic signature initiative, which was completed in February 2023. In the 2022-23 fiscal year, the ministry trained staff and implemented an electronic signature platform. Additional continuous improvement projects initiated in the past year include Project Prioritization for Asset Management and the Procurement OAG Audit Response.

Outcome One Performance Metrics

Performance Measure 1.a: Average number of calendar days required to complete Infrastructure-managed over threshold projects

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
29.1	23.3	22.5	22.5	26	20.8

- Over threshold procurements include service procurements with a dollar value of \$75,000 or greater. For construction procurements, over threshold procurements are those with a dollar value of \$100,000 or greater.
- The measure provides transparency about the ministry's management of procurement processes and helps vendors determine whether or not to pursue a procurement, based on anticipated evaluation times. The measure ensures the ministry addresses bottlenecks in the procurement process and completes procurements in a timely fashion.
- The target of 26 calendar days is based on average historical performance and in anticipation that the ministry will maintain best practices and incorporate further efficiencies during the procurement phase of a project.
- For the 2022-23 fiscal year, the most significant contributor to the decline in this metric are efficiencies gained in the award phase, specifically the time required to obtain approval through Infrastructure's Integrated Contracting and Procurement System (ICAPS). The majority of the efficiency gain occurred in the last two quarters of 2022-23. This coincided with the update to the departmental Expenditure Officer (EO) Guideline in September 2022. The EO Guideline update, the first in five years, permitted expenditure officers with certain levels of authority to approve larger award amounts.
- In 2022-23, the average number of calendar days required to complete Infrastructure managed- over threshold procurements was 20.8 days, which met the target of 26 days. Historical data indicates there was a 1.7 day reduction in the time required to obtain approval in ICAPS for contract award, as compared to the 2021-22 fiscal year (i.e., 22.5 days in 2021-22).

Performance Measure 1.b: Percentage of Infrastructure-managed and delivered capital projects that are on budget

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
Not Available	90%	97%	95%	95%	96%

- This performance metric demonstrates how effectively Infrastructure manages and delivers capital projects on budget. The targets are based on jurisdictional best practices.
- There was an improvement in the 2020-21 results from 2019-20 as a result of the significant work that was started and that continues in response to the Willow Square Project Management audit. Also, in 2021-22, the construction industry experienced significant cost escalation. Results from the 2022-23 fiscal year indicate an improvement from the previous year, with Infrastructure exceeding its target of managing and delivering 95% of capital projects on budget.

Performance Measure 1.c: Percentage of Infrastructure-managed and delivered capital projects that are on schedule

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
Not Available	86%	96%	91%	95%	87%

- This performance metric demonstrates how effectively Infrastructure manages and delivers capital projects on schedule. The targets are based on jurisdictional best practices.
- The contributing factors for the variance are delays that occurred in the planning, design and construction phases. Reasons include scheduling delays, construction material delays (supply chain issues), contractor performance and additional time required for stakeholder responses.

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

Infrastructure optimizes the value of government-owned and operated facilities through sound financial stewardship, quality and efficient use of government assets.

Key Objectives

2.1 Manage government assets through effective decision-making related to facilities, land and leasing to aid in cost-effective delivery of public services.

In 2019, the Government of Alberta approved a reduced operating model for the Swan Hills Treatment Centre to align with federal requirements for the end of use or destruction of high concentration polychlorinated biphenyls by December 31, 2025. The decision also directed Infrastructure to develop a longer-term plan for the orderly closure of the Centre by 2026. Infrastructure contracts out the day-to-day operations of the Centre to Suez Canada Waste Services Inc. This contract has been in place since January 1, 2021, and the net costs are approximately \$30 million per year. The Centre generated \$14.7 million in revenue in 2022-23, a significant portion of which was due to a new policy that has Infrastructure recovering costs from Alberta Health Services for the disposal of biomedical waste.

In 2022-23, \$499.2 million was allocated and \$460.4 million was spent on the management of owned and leased space, including property operations, utilities, leases and accommodation services to deliver public services at lower costs. Infrastructure owns and leases 1,512 buildings totalling over two million square metres of space, with an estimated \$12.3 billion replacement value. Given the size of this portfolio, it is critical the ministry engages in initiatives that support optimal management and cost-savings for provincially owned buildings, land and leased facilities.

In 2022-23, Infrastructure prepared the eleventh iteration of its annual Asset Management Plan (Plan). The Plan outlines strategies and initiatives for Infrastructure's real estate portfolio and actively reviews opportunities to better utilize government space, support ministry consolidations, densify to government standards, and facilitate reduction of government's leased office space footprint. In 2022-23, Infrastructure reduced leased space by nearly 12,000 square metres, which translates to approximately \$3.5 million in annual lease cost savings.

The Plan was significantly refined this year with the inclusion of a 10-Year Strategic Outlook (Strategic Outlook) for all leased/owned property within Infrastructure's real estate portfolio. The Strategic Outlook provides key decisions on assets, the projects as a result of those strategic decisions, and guides future decisions for government assets. The creation of the Strategic Outlook places Alberta as a leading jurisdiction with respect to an Asset Management program.

Infrastructure is committed to ensuring Alberta taxpayers get a fair deal by managing leased government space effectively, equitably and consistently. Implementation of the first phase of the Non-Government User (NGU) Policy continued throughout the 2022-23 fiscal year, with Infrastructure completing approximately 75 of 165 NGU leases to date. Completion of this phase is expected in fall 2023.

The ministry continues to look for ways to enhance asset management by exploring opportunities around asset retirement planning, asset decommissioning, TUC leases and licenses, realty development, and advertising. Infrastructure has engaged in lease agreement negotiations with a private firm to provide outdoor signage in Calgary. Exploration into other forms of revenue generation is ongoing, including potential options for land development, equity investments in infrastructure and fee for service models.

2.2 Maximize the efficiency of government-owned and operated infrastructure to support vital public services through effective long-term investments in core assets that stimulate the economy and through the disposition of inefficient or obsolete assets.

Capital maintenance and renewal (CMR) projects are critical to repairing government owned -infrastructure such as courthouses, provincial buildings, health facilities, schools and cultural facilities throughout Alberta. In 2022-23, the ministry budgeted \$375.5 million and spent \$307.3 million on CMR projects. To address internal labour challenges, Infrastructure entered into contracts with external project management firms, providing Infrastructure with more flexibility as project volumes fluctuate. External supply chain challenges have continued to affect several industries in 2022-23. To address these issues, the ministry has improved its project-planning pipeline.

Infrastructure worked with Treasury Board and Finance to advance a new approach to prioritizing CMR projects for Budget 2022. Having a standardized consolidation methodology for the prioritization of CMR improves the Government of Alberta's ability to ensure that the programs housed within government buildings continue to operate safely and without interruption, and places higher emphasis on buildings that the government sees as part of long-term asset inventory. This approach saw every vertical infrastructure ministry (Advanced Education; Education; Environment and Protected Areas; Forestry, Parks, and Tourism; Health; Infrastructure; Mental Health and Addictions; and Seniors, Community and Social Services) identify and prioritize CMR projects using a standard methodology in their budget submission documents.

Infrastructure is responsible for disposing of surplus properties for the Government of Alberta, with proceeds from surplus sales returned to the government's General Revenue Fund. Allowing government and the broader public sector to dispose of surplus assets acts as an offset to the capital cost of new investments for the province.

In 2022-23, as the real estate market improved and the economy rebounded, Infrastructure disposed of 37 surplus properties for approximately \$30 million in proceeds.

On April 1, 2022, Infrastructure implemented the Acquisition, Surplus and Disposal Policy, which received approval in December 2021. The Policy provides ministries with direction for dealing with surplus properties and acquisitions and centralizes real estate transactions within Infrastructure. This centralization uses Infrastructure's dedicated team of professionals, land planning, property management, and construction expertise and environmental engineering support to leverage existing and future savings. For example, properties can be bundled for surplus approval and standing offers accessed for environmental testing and remediation. In 2022-23, Infrastructure completed Environmental Site Assessments on 68 sites, some of which involved multiple phases of assessment.

Infrastructure oversees the strategic acquisition and disposal of land in the Transportation Utility Corridor (TUC). As owner and operator of the TUC around Edmonton and Calgary, Infrastructure purchases regulated lands, sells TUC lands when declared surplus to program needs, manages the land, and issues authorizations to applicants who wish to undertake development in the TUC.

In 2022-23, Infrastructure acquired the last outstanding major purchase in the Edmonton TUC. The purchase, which cost \$17.3 million, included a large former industrial facility that is planned to be demolished. This purchase will unlock significant pipeline capacity in a bottlenecked corridor; any future pipelines in the TUC will result in revenues to government through the issuance of pipeline rights of way. Sales of former TUC lands were robust, with four properties sold making up \$22 million of total proceeds, and an additional five properties remain listed totalling over \$26 million in anticipated sales in fiscal 2023-24.

Infrastructure issued over 100 Ministerial Consents (approvals), many of which enabled the Ministry of Transportation and Economic Corridors and their contractors continued progress towards completing the Calgary Ring Road and widening of the southwest Edmonton Ring Road. These approvals included permitting relocation of existing utilities which would otherwise prevent highway construction. New and expanded freeway facilities around the Calgary and Edmonton TUCs enable safe and efficient movement of people and goods.

Operating across a diverse range of climates, the ministry consistently addresses building design considerations that address the health of the users, the environmental impacts and the energy use in our facilities. The Technical Design Requirements for Alberta Infrastructure Facilities includes the sustainability requirements for all Infrastructure projects, including LEED Silver certification for all new building projects and major renovations. LEED is a third-party certification system used in over 160 countries for measuring sustainable design. Additionally, LEED certification promotes design strategies that are adaptable and resilient to increasingly intense weather events. As of March 31, 2023, Infrastructure had received LEED certification for 270 projects.

Of this total, eleven LEED certifications were received in 2022-23, including five Gold certifications and six Silver certifications for facilities delivered by the ministry.

Project Name	Project City	Certification Level
Morningside Elementary School (K-6)	Airdrie	Silver
Michael Phair School	Edmonton	Silver
Whispering Ridge Community School	Grande Prairie	Silver
Joseph M. Demko K-9 School	St. Albert	Silver
Sister Alphonse Academy K-9 Catholic School	St. Albert	Silver
Two Hills Mennonite School	Two Hills	Silver
Dr. Freda Miller School	Calgary	Gold
Northern Lights School	Calgary	Gold
Sibylla Kiddle School	Calgary	Gold
St. Kateri School	Morinville	Gold
Tilley School	Tilley	Gold

Outcome Two Performance Metrics

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

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
\$8,441*	\$8,855	\$8,613	\$8,520	\$8,435	\$8,576

* The 2021-22 Annual Report reported the total cost per occupant as \$8,855, \$8,613 and \$8,520 for 2018-19, 2019-20 and 2020-21, respectively. The figures have been adjusted in this report to align with the one-year lag associated with reporting on the data for this measure.

- This performance measure demonstrates the per occupant expenditure on office facilities. The target is based on the intent to reduce operating costs on an annual basis.
- While the total number of government occupants is outside ministry influence, the cost of operating government-owned and operated office facilities can be lowered by improving density, reducing reliance on costlier leased office facilities, consolidating offices and prioritizing telecommuting areas in alignment with asset management principles.
- This measure is reported on a one-year lag, which means the 2022-23 result reflects 2021-22 data. This lag is due to the timing and complexity of the data collection and analysis process.
- In 2022-23 (reporting on the 2021-22 operating costs), the total cost per occupant in government-owned and operated office space facilities was \$8,576.
- The total occupants decreased due to a downsize in the Government of Alberta workforce from the COVID-19 pandemic. Although costs decreased as well, they were at a slower rate, resulting in a year-over-year increase in cost per occupant of \$56. As a result, the ministry did not achieve its target of \$8,435 per occupant, exceeding it by \$141. Operating costs were reduced as they were offset in part by tenant allowances.

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

Prior Years' Results				2022-23 Target	2022-23 Actual
2018-19	2019-20	2020-21	2021-22		
1,608	1,547	1,503*	1,485	1,508	1,457

* The 2021-22 Annual Report reported an actual energy consumption intensity of 1,523 megajoules per square metre, with a target of 1,592 for the 2020-2021 fiscal year. A data entry error was discovered after the annual report was published, and the figure has been adjusted to 1,503 megajoules per square metre, a difference of 20 megajoules per square metre.

- This performance measure is used to evaluate how effectively Infrastructure is managing energy and associated cost in government-owned and operated facilities. This measure represents energy consumption intensity, which is energy consumed by a facility relative to its size. The measure assists the ministry in identifying and implementing energy saving initiatives to achieve environmental and cost benefits. It also indicates success in reducing energy consumption through efficiencies and green technologies.
- The 2022-23 result for energy consumption intensity is 1,457 megajoules per square metre, which met the target of 1,508 megajoules per square metre. This result confirms the positive impacts of measures taken in the recent years to reduce energy consumption. The current downward trend is expected to continue in coming years due to Infrastructure's commitment, continuous efforts and investment in energy-saving retrofit projects, mostly as a part of Capital Maintenance and Renewal.
- In recent years, the ministry successfully completed several lighting and building envelope upgrades, building management and control system upgrades and lifecycle replacements of major building heating, ventilation and air conditioning (HVAC) systems with energy efficient boilers, chillers, and air handlers.
- The following buildings showed approximately 10 to 24 per cent reductions in weather normalized energy use from 2019 to 2022:

Building	Description
Calgary Medical Examiner Building, Calgary	Approximately 513 megajoules per gross square metre in overall energy savings. In recent years, air handlers, humidifiers, unit heaters, fan coil units and the Building Management and Control System (BMCS) have been replaced. Also, two existing boilers have been replaced by two new energy efficient boilers as well as pumps and associated equipment.
Provincial Building, Claresholm	Approximately 301 megajoules per gross square metre in overall energy savings. After completion of a duct cleaning project, this building not only achieved noteworthy energy savings but also improved the air quality for occupants.

Building	Description
Royal Tyrrell Museum, Drumheller	Replacement of the boiler stack and pump upgrades resulted in overall energy savings of approximately 291 megajoules per gross square metre.
Provincial Building, High Prairie	Approximately 261 megajoules per gross square metre in overall energy savings, mostly due to roof replacement. Data showed that after project completion, this building now requires less cooling during summer months and less heating during winter months.
Courthouse, Hinton	Approximately 178 megajoules per gross square metre in overall energy savings, mostly due to replacement of boilers, chillers, air distribution systems, ductwork, the HVAC distribution system, the BMCS and associated controls.
Provincial Building, Pincher Creek	Approximately 227 megajoules per gross square metre in overall energy savings, mostly due to HVAC replacement.
Red Deer Remand Centre, Red Deer	Exterior and interior window upgrades and the replacement of existing groove lock coupling and pipe insulation reduced energy cost and resulted in overall energy savings of approximately 186 megajoules per gross square metre.
Provincial Building, Peace River	Repaired air leakage at the exterior wall/window frame, roofing system; sealed concrete precast panel joints to prevent air infiltration and replaced original windows with energy efficient ones. Prior to project approval, a building envelope upgrade feasibility study was also completed. Data showed that by upgrading the building envelope, the heating and cooling load reduced significantly, and overall energy savings were approximately 194 megajoules per gross square metre.
Courthouse, St. Paul	Upgrade of existing lights with LED, replacement of tar and gravel-roofing system with an SBS modified bituminous membrane system, replacement of existing pneumatic controls with new digital controls, and upgrade of variable air volume system throughout the building resulted in overall energy savings of approximately 287 megajoules per gross square metre.
Provincial Building, St. Paul	Approximately 115 megajoules per gross square metre in overall energy savings, mostly due to upgrades of existing lights with LED and roof replacement.
Courthouse, Wainwright	Approximately 619 megajoules per gross square metre in overall energy savings, mostly due to a reduced heating and cooling load achieved through a roof replacement.

Performance Measure Methodology

Performance Measure 1.a: Average number of calendar days required to complete Infrastructure-managed over threshold projects

Average procurement time data used for this performance measure is collected and reported only for over threshold procurements led by Infrastructure. Over threshold procurements are those with a high enough dollar value to be subject to trade agreement rules. This includes construction procurements \$100,000 or greater and services procurements \$75,000 or greater.

Data does not include any procurements that do not involve the ministry. As such, any Public-Private Partnership (P3) procurements or procurements conducted by a third party are out of scope for this measure. Infrastructure-managed procurements are procurements where Infrastructure is the signing authority.

The measure is calculated by measuring the number of calendar days from the date the procurement closed to the date the contract is sent to the vendor. The measure averages all procurements that were executed during a reporting period.

Source

Infrastructure staff manage the input and analysis of data through a workload system, which is populated by operational staff as each stage of a procurement is complete.

Performance Measure 1.b: Percentage of Infrastructure-managed and delivered capital projects that are on budget

The data used for this performance measure is collected directly from Project Delivery teams and entered into reporting systems used by the ministry. This data is reviewed and approved by Executive Management.

The Budget is defined as the total approved funding for a project. This could include funding amounts attributed to various cost categories and phases (i.e., Construction, Design, Contingency, etc.) and funds from other sources (i.e., foundation funding or community grants). The following definitions are used to determine if a project is On Budget:

- Optimal Budget Performance. The project's current expenditures and forecasted expenditures are within the approved Expenditure Officer Authority Guidelines.
- The project budget is at risk of requiring new approvals. Not within approved parameters. The project's current expenditures are forecasted to exceed the Expenditure Officer Authority Guidelines. An action plan must accompany this measure.

Through this reporting process, Project Delivery teams assess their project and determine if the On Budget indicator should be "Yes" or "No". Projects are considered to be On Budget if they are forecasting to be completed within their current approved budget, or Total Project Cost. The Per Cent of Projects on Budget is calculated using data from March of each year.

To calculate the percentage of projects on budget, the following formula is used:

$$\text{(Number of projects On Budget / Total number of projects)} \times 100 = \text{Percent of Projects on Budget}$$

The following criteria were used to set the baselines:

- Performance metric results will be calculated and reported on annually at the end of each fiscal year for ongoing projects and projects completed within the current fiscal year;
- Budget variances reported throughout the year will not be captured in the year-end reporting unless the variance was still in place at the end of the fiscal year; and
- Projects will be measured against and reported on approved baselines, including measurement against changes approved by Treasury Board and Finance.

Source

The following reporting systems are used to collect and control project data:

Capital Projects Delivery Division:

- Capital Infrastructure Dynamics (Learning Facilities)
- Project Reporting System (Health and Government Facilities)
- School Capital Planning Manual
- Health Capital Planning Manual

Properties Division:

- Project Delivery Site – Microsoft Project Server

Performance Measure 1.c: Percentage of Infrastructure-managed and delivered capital projects that are on schedule

The data used for this performance measure is collected directly from Project Delivery teams and entered into reporting systems used by the ministry. This data is reviewed and approved by Executive Management.

The Schedule is defined as the roadmap for how the project will be executed. This could include the listing of milestones, activities and deliverables with definite start and end dates. The following definitions are used to determine if a project is On Schedule:

- Optimal Performance - The project milestones are currently in line with the approved construction schedule. The overall project completion date will be achieved.
- The project is at risk of requiring new approvals. Not within approved parameters. The project milestones are not currently in line with the approved schedule, nor will the overall approved timeline be achieved. An action plan must accompany this measure.

Through this reporting process, Project Delivery Teams assess each project and determine if the On Schedule indicator should be “Yes” or “No”. Projects are considered to be On Schedule if they are forecasting to be completed within their current approved schedule. The Percent of Projects on Schedule is calculated using data from March of each year.

To calculate the percentage of projects On Schedule, the following formula is used:

$$\text{(Number of projects On Schedule / Total number of projects)} \times 100 = \text{Percent of Projects on Schedule}$$

The following criteria were used to set the baselines:

- Performance metric results will be calculated and reported on annually at the end of each fiscal year for ongoing projects and projects completed within the current fiscal year;
- Schedule variances reported throughout the year will not be captured in the year-end reporting unless the variance was still in place at the end of the fiscal year;
- Projects will be measured against and reported on approved baselines, including measurement against changes approved by Treasury Board and Finance.

Source

The following reporting systems are used to collect and control project data:

Capital Projects Delivery Division:

- Capital Infrastructure Dynamics (Learning Facilities)
- Project Reporting Site (Health and Government Facilities)
- School Capital Planning Manual
- Health Capital Planning Manual

Properties Division:

- Project Delivery Site – Microsoft Project Server

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

This performance measure evaluates the total cost of general purpose office space per occupant.

Total cost includes annual operating costs and Grants in Place of Taxes (GIPOT). Annual operating costs for owned buildings are all costs incurred in the operation and maintenance of a building inclusive of utilities, administration and routine maintenance. GIPOT is defined as any grants paid by the Ministry of Municipal Affairs to municipalities in place of property taxes and local improvements for government-owned properties.

Occupants include Government of Alberta staff, contractors and non-government users (NGUs). The number of staff cannot be influenced by Infrastructure, as they are defined by each ministry's

program and staffing needs. Temporary and seasonal employees are excluded from the calculation to ensure they do not skew results.

The results are calculated as follows:

- The total costs are calculated using annual operating costs and GIPOT.
- Total occupants is calculated using staffing information, NGUs and contractors.
- Once the total annual cost and total occupants data have been collected, cleansed and confirmed, the formula for calculating office cost per occupant is as follows:

$$\text{Office Cost per Occupant} = (\text{Total Annual Cost})/(\text{Total Occupants})$$

This process is conducted on an annual basis, with a one-year lag on data collection:

- Data is collected for the previous year at fiscal year-end (March 31).
- Data is cleansed and validated over the next four months.
- Calculations are completed and results finalized in August.
- Results and analysis are provided in the ministry's upcoming annual report.

Source

Data is collected from a number of internal government data sources including the Facility and Asset Management Information System, the Government of Alberta's One Government eXperience (1GX), the Building and Land Information Management System (BLIMS) and the Alberta Infrastructure Data Warehouse (AIDW).

Total cost includes annual operating costs and GIPOT. Annual operating costs are collected from facility managers and entered into the Facilities and Business Information System; GIPOT is obtained from Municipal Affairs.

The Total Occupants data is calculated using staffing information from 1GX, as well as the NGU and Contractor information from Asset Analytics and Facility Managers. The staffing information is generated automatically and then the data is cleaned by Asset Analytics.

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

This performance measure is used to evaluate how effectively Infrastructure is managing energy usage/consumption in government-owned and operated facilities. Energy consumption intensity is the amount of energy consumed by a facility relative to its size.

The EnergyCAP software automatically populates the energy consumption data into Natural Resources Canada's ENERGY STAR Portfolio Manager (ESPM) tool. ESPM provides a common industry standard for calculating energy consumption intensity. Through ESPM, energy consumption data is:

- Calendarized to ensure energy data is allotted on a calendar year basis (January 1 to December 31) even when utility bills do not coincide with calendar months.

- Converted to a single common unit, megajoules (MJ), from:
- gigajoules (natural gas);
- kilowatt-hours (electricity);
- pounds (steam); and
- tonne hours (chilled water).
- Weather-normalized by using temperature information taken from nearby weather stations. This ensures that the influence of varying weather is accounted for so that year-to-year comparisons are based on the energy that facilities would have used under average climatic conditions.

Energy consumption intensity is then calculated by:

- Determining the total floor space in square metres (m²) of the facility by accessing the Building and Land Information Management System.
- The energy consumption in megajoules processed through ESPM is divided by the applicable floor space to determine the energy consumption intensity (MJ/m²).

The gross energy consumption intensity (MJ/m²) of all government-owned and operated facilities is then totalled to account for the current inventory.

Source

Energy consumption data is collected by various retailers throughout the year in the form of individual utility bills. This data is recorded in Infrastructure's Energy Consumption Reporting System and transferred into EnergyCAP, the ministry's Energy Management Information System.

Facilities that have incomplete data or show zero energy consumption (i.e., unoccupied facilities or seasonal structures) are excluded from this measure. Government facilities such as schools, hospitals and facilities that are not managed by Infrastructure are not included in this message.

Financial Information

Table of Contents

Ministry Financial Highlights.....	43
Statement of Revenues and Expenses (unaudited)	43
Revenue and Expense Highlights	44
Breakdown of Revenues (unaudited)	45
Expenses – Directly Incurred Detailed by Object (unaudited)	46
Supplemental Financial Information.....	47
Tangible Capital Assets (unaudited).....	47
Other Financial Information	48
Annual Report Extracts and Other Statutory Reports.....	51
Public Interest Disclosure (Whistleblower Protection) Act.....	51

Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

End of the year March 31, 2023 (in thousands)

	2023		2022		Change from	
	Budget	Actual	Actual (Restated)		Budget	2022 Actual
	<i>(in thousands)</i>					
Revenues						
Government Transfers	\$ 6,857	\$ 4,933	\$ 3,470	\$ (1,924)	\$ 1,463	
Premiums, Fees and Licences	2,070	1,263	919	(807)	344	
Other Revenue				-	-	
Swan Hills Treatment Centre	13,900	14,725	3,648	825	11,077	
Leases (Land and Buildings)	12,430	12,057	11,220	(373)	837	
Transfer of Assets and Liabilities	-	58,451	15,358	58,451	43,093	
Other	2,414	35,318	19,314	32,904	16,004	
Ministry Total	37,671	126,747	53,929	89,076	72,818	
Inter-ministry consolidation adjustments	(15,301)	(74,448)	(19,830)	(59,147)	(54,618)	
Adjusted ministry total	22,370	52,299	34,099	29,929	18,200	
Expenses - directly incurred						
Programs						
Ministry Support Services	10,286	8,887	9,084	(1,399)	(197)	
Capital Construction	1,588,480	1,060,073	1,154,717	(528,407)	(94,644)	
Property Management	387,504	412,508	370,914	25,004	41,594	
Asset Management	6,454	5,889	6,584	(565)	(695)	
Realty Services	180,046	182,147	177,249	2,101	4,898	
Alternative Capital Partnership	1,839	1,083	-	(756)	1,083	
Ministry Total	2,174,609	1,670,587	1,718,548	(504,022)	(47,961)	
Inter-ministry consolidation adjustments	(1,592,881)	(1,072,607)	(1,146,627)	520,274	74,020	
Adjusted ministry total	581,728	597,980	571,921	16,252	26,059	
Annual Deficit	\$ (559,358)	\$ (545,681)	\$ (537,822)	\$ 13,677	\$ (7,859)	

Revenue and Expense Highlights

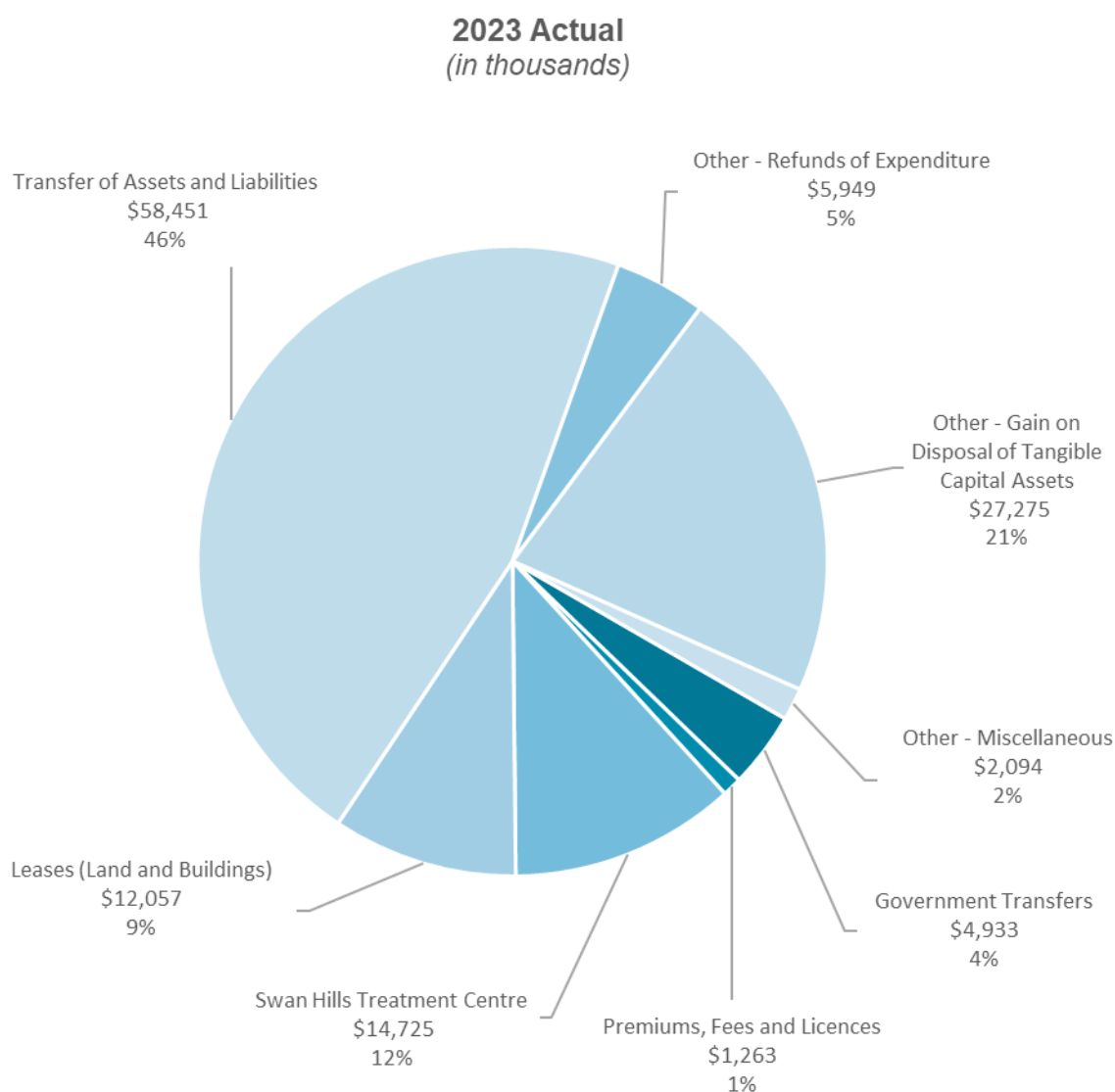
Revenues

- Revenues totaled \$126.7 million in 2022-23, an increase of \$72.8 million from 2021-22.
- Revenues were \$89.1 million higher than budget. This was primarily due to internal government asset and liability transfers and gains on sales of surplus government properties. Due to uncertainty around the timing for these transactions, they are not included in the budget.
- Government transfers of \$4.9 million includes approximately \$3.5 million in federal funding received in previous years for capital projects that are recognized over the life of the capital assets acquired with the funding.
- Swan Hills Treatment Centre earned \$14.7 million in 2022-23, an increase of \$11.1 million from 2021-22 primarily due to a policy change for the Centre. Starting in 2022-23, Infrastructure recovers costs by charging Alberta Health Services for disposal of biomedical waste.
- Revenue generated through the leasing of land and buildings is a fairly stable and predictable source of revenue for the ministry. Other sources are more prone to fluctuation, such as gains on asset sales or internal government transfers.

Expenses

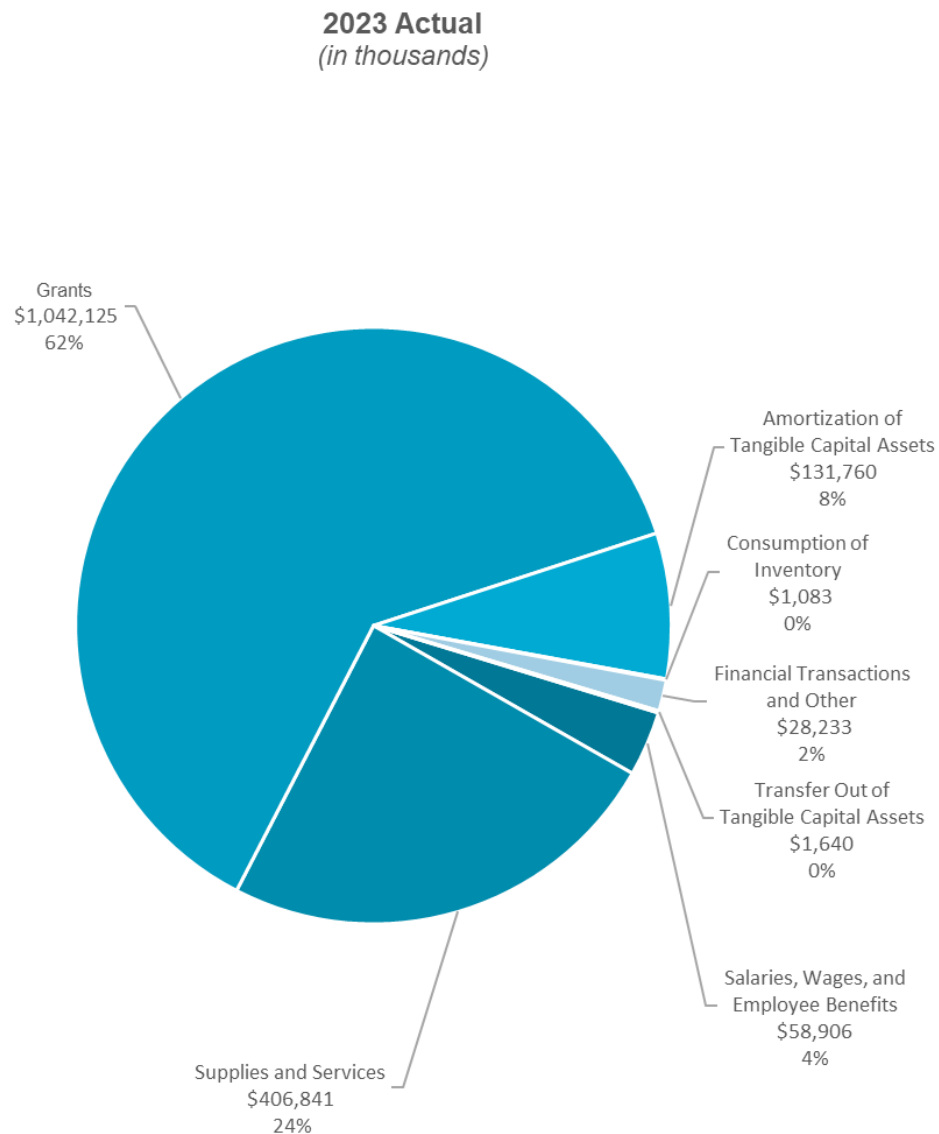
- Expenses totaled \$1.7 billion in 2022-23, a decrease of \$48.0 million from 2021-22.
- Budget 2022 allocated nearly \$2.2 billion in funding for expenses, over two thirds of which was allocated for capital construction and maintenance of health and school facilities, which are recorded as grants expense. The remaining one-third is mainly for the management and operation of government-owned and leased properties.
- Actual expenses were \$504.0 million lower than the budget. This variance mainly relates to changes in project scheduling and cash flow requirements based on the progress of health and school capital projects. Lapsed capital funding will be requested to be re-profiled for use in future years.
- The number and stage of delivery of health and school capital projects has the greatest impact on changes to expense for the ministry from year to year. Factors that could impact project progress include supply chain issues, unexpected construction delays due to conditions like weather, and changes to project scope.

Breakdown of Revenues (unaudited)



- The largest component of revenue in 2022-23, totaling over \$58 million (46 per cent), relates to internal government asset and liability transfers. These related party transactions are removed upon consolidation in the Government of Alberta financial statements.
- Funds generated through the leasing of land and buildings of over \$12 million represents nine per cent of Infrastructure's total revenue. This remains a stable source of revenue for the ministry.
- Other revenue is mainly related to gains on the sale of surplus assets and this component amounts to over \$27 million (21%).

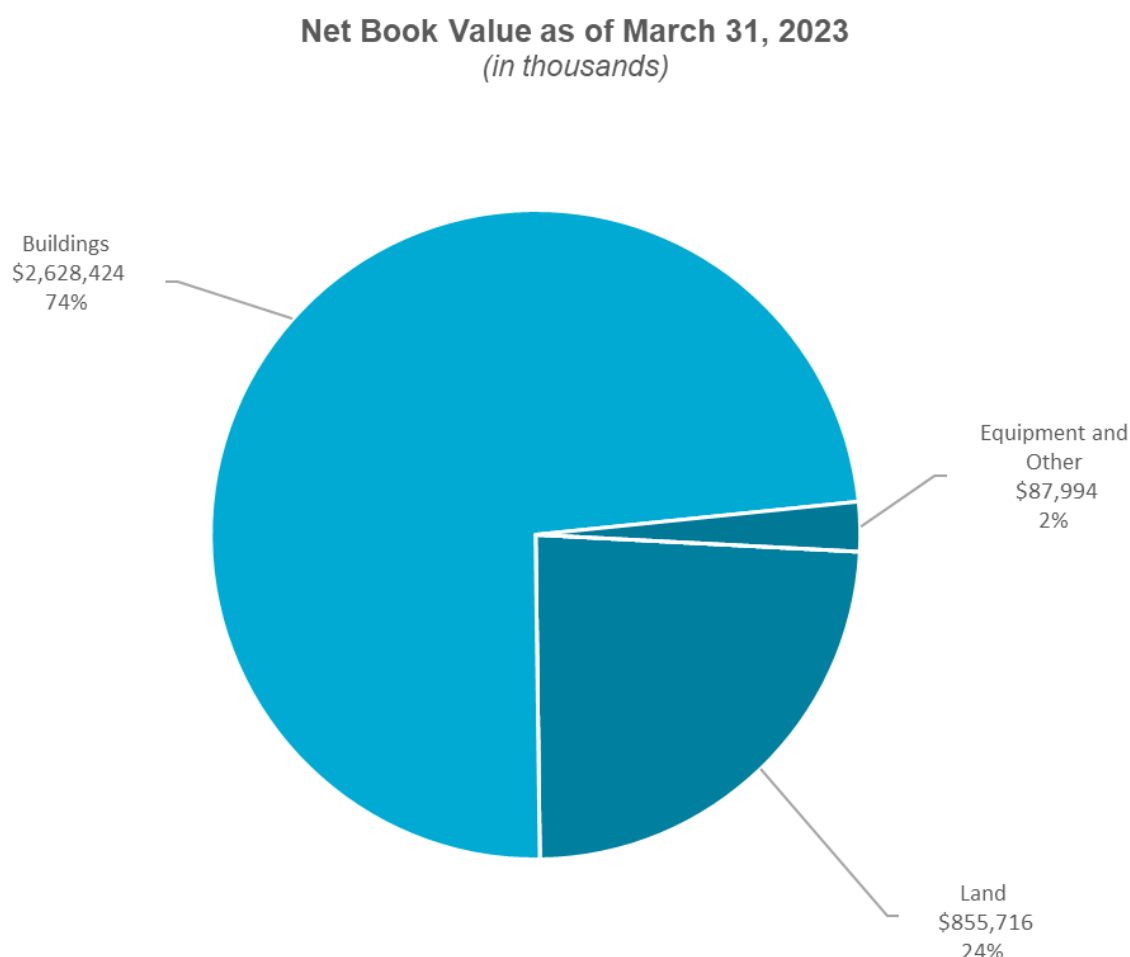
Expenses – Directly Incurred Detailed by Object (unaudited)



- The ministry's largest operating expense was grants, which mainly reflects the value of health and school projects being supported through grants or delivered on behalf of others and recorded as 'grants in kind'. These make up 62 per cent of total operating expense. In 2022-23, over \$1 billion was provided to support the construction and maintenance of health (\$547.3 million) and school facilities (\$488 million).
- Supplies and services of \$406.8 million (24 per cent) primarily relates to payments for leased space, property management and utility costs, and ongoing materials and supplies requirements for the ministry.
- Remaining ministry expenses mainly relate to the amortization of tangible capital assets (eight per cent), salaries and employee benefits to administer programs (four per cent), and expenses related to financial transactions (two per cent).

Supplemental Financial Information

Tangible Capital Assets (unaudited)



- Buildings and land make up 98 per cent of the total net book value of \$3.6 billion for all assets owned by the ministry.
- Buildings are the largest asset group. These include government-owned structures only. School and health facilities are excluded as they are not owned by Infrastructure. Of all the properties owned, five make up 47 per cent (\$1.2 billion) of the total net book value. These include the Edmonton Remand Centre, the Edmonton Queen Elizabeth II Building, the Royal Alberta Museum in Edmonton, the Calgary Courts Centre and the Swan Hills Treatment Centre.
- Much of the Infrastructure owned land is within the transportation utility corridors in Edmonton and Calgary, used for ring roads, pipelines, power lines and other municipal services.

Other Financial Information

Lapse/Encumbrance (unaudited)

End of the year March 31, 2023 (in thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
EXPENSE VOTE BY PROGRAM						
OPERATING EXPENSE						
1 Ministry Support Services						
1.1 Minister's Office	\$ 780	\$ -	\$ -	\$ 780	\$ 641	\$ (139)
1.2 Deputy Minister's Office	780	-	-	780	823	43
1.3 Strategic Integration and Operations	8,726	-	-	8,726	7,292	(1,434)
	10,286	-	-	10,286	8,756	(1,530)
2 Capital Construction						
2.1 Government Facilities Infrastructure	1,661	-	-	1,661	2,095	434
2.2 Health Facilities Infrastructure	1,426	-	-	1,426	1,349	(77)
2.3 School Facilities Infrastructure	1,555	-	-	1,555	823	(732)
2.7 Project Procurement, Standards and Technical Services	6,078	-	-	6,078	5,670	(408)
	10,720	-	-	10,720	9,937	(783)
3 Property Management						
3.1 Property Operations	192,788	11,230	-	204,018	215,128	11,110
3.2 Swan Hills Treatment Centre	23,100	-	-	23,100	20,116	(2,984)
	215,888	11,230	-	227,118	235,244	8,126
4 Asset Management	6,454	-	-	6,454	5,864	(590)
5 Realty Services						
5.1 Leases	176,386	-	-	176,386	175,905	(481)
5.2 Land Acquisition and Services	2,288	-	-	2,288	2,287	(1)
5.3 Land Development and Disposal	1,372	-	-	1,372	1,006	(366)
	180,046	-	-	180,046	179,198	(848)
6 Alternative Capital Financing Partnerships Office	1,839	-	-	1,839	1,075	(764)
CAPITAL GRANTS						
2 Capital Construction						
2.4 Capital Planning	3,157	-	-	3,157	802	(2,355)
3 Property Management						
3.3 Government Owned Facilities Preservation	9,822	-	-	9,822	9,024	(798)
3.4 Accommodation Projects	3,180	-	-	3,180	2,560	(620)
	13,002	-	-	13,002	11,584	(1,418)
DEBT SERVICING						
3 Property Management						
3.5 Debt Servicing	50	-	-	50	50	-
Total before Adjustment	441,442	11,230	-	452,672	452,510	(162)
Transfer of vote ⁽²⁾	-	-	410,000	410,000	415,642	5,642
Revised Total	441,442	11,230	410,000	862,672	868,152	5,480
(Lapse)/Encumbrance					\$	5,480

Lapse/Encumbrance (unaudited)

End of the year March 31, 2023 (in thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
CAPITAL INVESTMENT VOTE BY PROGRAM						
DEPARTMENT CAPITAL ACQUISITIONS						
2 Capital Construction						
2.1 Government Facilities Infrastructure	\$ 113,997	\$ -	\$ -	\$ 113,997	\$ 214,793	\$ 100,796
3 Property Management						
3.1 Property Operations	100	-	-	100	155	55
3.2 Swan Hills Treatment Centre	6,828	-	-	6,828	1,847	(4,981)
3.3 Government Owned Facilities Preservation	162,692	-	-	162,692	113,720	(48,972)
3.4 Accommodation Projects	93,598	-	-	93,598	37,574	(56,024)
	263,218	-	-	263,218	153,296	(109,922)
5 Realty Services						
5.2 Land Acquisition and Services	8,300	-	-	8,300	2,558	(5,742)
CAPITAL FOR RELATED PARTIES						
2 Capital Construction						
2.2 Health Facilities Infrastructure	661,148	-	-	661,148	376,555	(284,593)
2.3 School Facilities Infrastructure	629,725	-	-	629,725	436,368	(193,357)
2.5 Health Capital Maintenance and Renewal	188,940	-	-	188,940	170,701	(18,239)
2.6 School Capital Maintenance and Renewal	14,069	-	-	14,069	13,873	(196)
	1,493,882	-	-	1,493,882	997,497	(496,385)
Total before Adjustment	1,879,397	-	-	1,879,397	1,368,144	(511,253)
Transfer of vote ⁽²⁾	-	-	(410,000)	(410,000)	(415,642)	(5,642)
Revised Total	\$ 1,879,397	\$ -	\$ (410,000)	\$ 1,469,397	\$ 952,502	\$ (516,895)
(Lapse)/Encumbrance						\$ (516,895)

Lapse/Encumbrance (unaudited)

End of the year March 31, 2023 (in thousands)

	Voted Estimate ⁽¹⁾	Supplementary Estimate	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
FINANCIAL TRANSACTIONS VOTE BY PROGRAM						
INVENTORY ACQUISITION						
3 Property Management						
3.2 Swan Hills Treatment Centre	\$ 1,500	\$ -	\$ -	\$ 1,500	\$ 920	\$ (580)
LAND DEVELOPMENT LIABILITY RETIREMENT						
5 Realty Services						
5.3 Land Development and Disposal	12,835	-	-	12,835	2,362	(10,473)
ASSET RETIREMENT OBLIGATIONS AND ENVIRONMENTAL LIABILITIES						
3 Property Management						
3.1 Property Operations	2,774	-	-	2,774	8,543	5,769
3.2 Swan Hills Treatment Centre	1,896	-	-	1,896	197	(1,699)
	4,670	-	-	4,670	8,740	4,070
LEGAL LIABILITY RETIREMENT						
2 Capital Construction						
2.3 School Facilities Infrastructure	5,066	-	-	5,066	391	(4,675)
LEASE LIABILITY RETIREMENT						
5 Realty Services						
5.1 Leases	500	-	-	500	500	-
DEBT REPAYMENT FOR PUBLIC PRIVATE PARTNERSHIPS						
3 Property Management						
3.6 Debt Repayment	902	-	-	902	902	-
Total	25,473	-	-	25,473	13,815	(11,658)
(Lapse)/Encumbrance						(11,658)

⁽¹⁾ As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2022-23 Government Estimates. The Voted Estimates and Actuals columns will not agree to the Statement of Revenues and Expenses, because it contains only voted amounts, whereas the Statement of Revenues and Expenses contains voted and non-voted amounts.

⁽²⁾ Adjustments include encumbrances, capital carry over amounts, transfers between votes, Government Reorganizations, and credit or recovery increases approved by Treasury Board, and credit or recovery shortfalls. An encumbrance is incurred when, on a vote by vote basis, the total of actual disbursements in the prior year exceed the total adjusted estimate. All calculated encumbrances from the prior year are reflected as an adjustment to reduce the corresponding Voted Estimate in the current year.

On March 28, 2023 Treasury Board approved the transfer of \$410,000,000 from the Capital Investment Vote to the Expense Vote for Program 2, Capital Construction to reflect grant funding to support the construction or acquisition of schools or health facilities for related parties, pursuant to Section 6(3) of the Appropriation Act, 2022. The 2022-23 actual incurred pertaining to this transfer was \$415,642,328. To provide information on program spending, the entirety of Program 2, Capital Construction is reflected under the Capital Investment Vote on the same basis in which the Estimates were presented in the Legislature. The impact of the transfer on the surplus by vote is that Expense would show an encumbrance of \$5,480,328 and Capital Investment would show a lapse of \$516,895,328.

⁽³⁾ Actuals exclude non-voted amounts such as amortization and valuation adjustments.

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure (Whistleblower Protection) Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* requires the ministry to report annually on the following parts of the Act:

- 32(1) Every chief officer must prepare a report annually on all disclosures that have been made to the designated officer of the department, public entity or office of the Legislature for which the chief officer is responsible.
- (2) The report under subsection (1) must include the following information:
 - (a) the number of disclosures received by the designated officer, the number of disclosures acted on and the number of disclosures not acted on by the designated officer;
 - (b) the number of investigations commenced by the designated officer as a result of disclosures;
 - (c) in the case of an investigation that results in a finding of wrongdoing, a description of the wrongdoing and any recommendations made or corrective measures taken in relation to the wrongdoing or the reasons why no corrective measure was taken.
- (3) The report under subsection (1) must be included in the annual report of the department, public entity or office of the Legislature if the annual report is made publicly available.

There was one disclosure of wrongdoing filed with the Public Interest Disclosure Office between April 1, 2022, and March 31, 2023. After reviewing the disclosure, no wrongdoings were identified, and no further action was deemed necessary.