

GOVERNMENT OF ALBERTA



Infrastructure

Annual Report
2023-24

Alberta 

Alberta Infrastructure, Government of Alberta | Infrastructure 2023-2024 Annual Report

©2024 Government of Alberta | Published: June 2024

ISBN 978-1-4601-6016-9

ISSN 1924-0627

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

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Preface

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

The 2023-24 Annual Report reflects the 2023-26 Ministry Business Plans, the Government of Alberta Strategic Plan, as well as the ministry's activities and accomplishments during the 2023-24 fiscal year, which ended on March 31, 2024.

The Annual Report of the Government of Alberta contains Budget 2023 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 *Sustainable Fiscal Planning and Reporting 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, 2024, was prepared under my direction in accordance with the *Sustainable Fiscal Planning and Reporting Act*, and the government's accounting policies. All the government's policy decisions as of June 3, 2024, including 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



As Minister of Infrastructure, my job is to ensure the ministry provides the projects that Albertans need. In 2023-24 we continued to do just that, and I am proud of Infrastructure's many achievements and the significant role we played in furthering the growth of our province.

In collaboration with industry and other ministry partners, our work is instrumental to building communities, boosting local economies, and supporting jobs across the province. Ultimately, our work ensures Albertans have access to new, modernized, and well-maintained public facilities that house the programs and services they need.

This year, we completed the construction of 14 schools; four government facilities (including the Red Deer Justice Centre and the Agrivalve Processing Business Incubator in Leduc); and five health facilities, such as the new Emergency Department at Edmonton's Misericordia Hospital. In addition, we continued to make progress planning, designing, and constructing many other school, health, and government projects.

Providing infrastructure for Albertans does not always mean building new. It is critical we ensure our government-owned facilities, such as courthouses and provincial buildings, remain in good working condition. In 2023-2024, we completed or continued work on hundreds of projects in our existing facilities to maintain key components such as electrical, mechanical and security systems. By investing in our buildings today we are ensuring they will continue to serve Albertans for generations to come.

We also made headway on the Red Deer Regional Hospital Centre redevelopment project. The new patient tower is in the design stage and the ambulatory building is in the procurement stage. The complexity of this project cannot be overstated. As one of the largest health care projects Alberta's government has ever undertaken, I look forward to seeing the development continue on schedule.

Throughout 2023-24, the ministry moved forward on its mandate to modernize construction contracts and procurement documents for capital projects. This will help reduce red tape and costs for industry, as well as strengthen the project planning process ensuring infrastructure projects are delivered on time and on budget — as expected by Albertans.

In March 2024, we introduced Bill 13, the *Real Property Governance Act*, which received Royal Assent on May 16, 2024. The Act puts in place a centralized approach that ensures a simplified, consistent, and transparent way to manage public land and buildings. Streamlining property sales will create efficiencies, help support priority projects across the government, and maximize value for Albertans.

Introduction

In closing, I extend my appreciation to our industry and ministry partners, and to the Infrastructure department staff. Your ongoing dedication, professionalism, and expertise is invaluable. From border to border, we are making a significant impact in our communities and in the lives of Albertans.

[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 overall fiscal and strategic plans, annual report, quarterly reports, and other financial and performance reporting.

Responsibility for the integrity and objectivity of the accompanying ministry financial information and the 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 2023-26 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 2023.

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;

Introduction

- 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 *Sustainable Fiscal Planning and Reporting 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 3, 2024

Results Analysis

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Ministry Overview

The Ministry of Infrastructure provides innovative, adaptive, and responsible infrastructure solutions that meet the current and future needs of Albertans. Through leadership, expertise, and collaboration with partners, the ministry builds and maintains public infrastructure that contributes to the province's economy and Albertans' quality of life. Public infrastructure such as health, school and government-owned facilities enables the delivery of the effective and accessible services upon which Albertans rely.

Government's 20-Year Strategic Capital Plan (20YSCP) provides a long-term strategy for how the Government of Alberta should invest in planning, constructing, renewing, and maintaining public infrastructure. The *Infrastructure Accountability Act* legislates a review and update of the 20YSCP every four years to reflect Alberta's ongoing evolution and changing needs.

Working collaboratively with other ministries, the Ministry of Infrastructure plans, designs, builds, and maintains facilities to support the provision of Government of Alberta programs and services. This includes health facilities to ensure that community health needs continue to be met, school facilities to ensure Alberta's K-12 students and communities have access to modern learning spaces, museums such as the Royal Alberta Museum, courthouses, the Provincial Emergency Coordination Centre, and other necessary facilities throughout Alberta.

The ministry also works with federal and municipal governments and industry stakeholders such as the Alberta Construction Association, Alberta Association of Architects, Consulting Engineers of Alberta, and others representing the building and maintenance communities, to provide insight into best practices in the building industry.

The ministry is also committed to fostering a culture of continuous improvement across its operations. This involves streamlining project planning, improving project management and delivery, refining procurement protocols, leading alternative financing initiatives like public-private partnerships (P3s) and unsolicited proposals (USPs) and modernizing contract management.

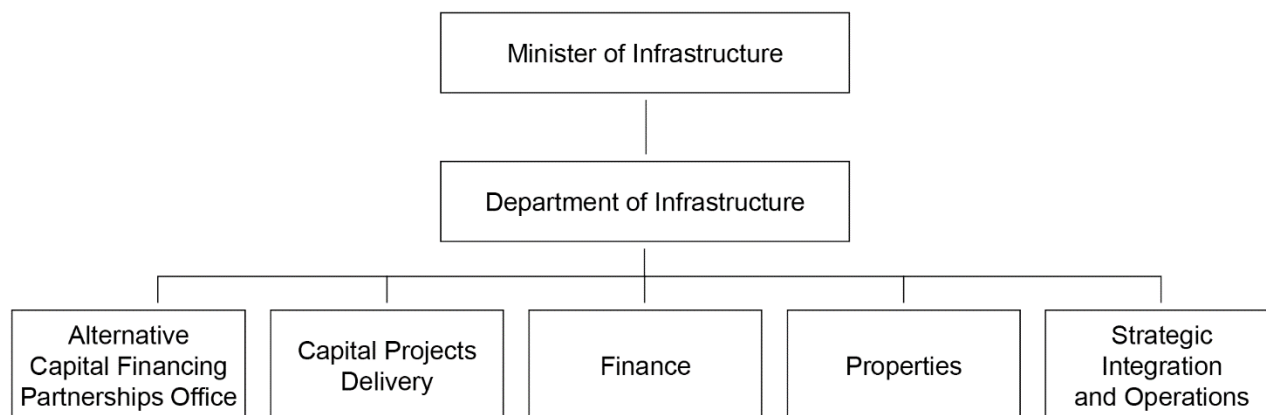
To maintain fiscal accountability in capital project delivery, Infrastructure leverages federal, private sector and industry partnerships to enhance collaboration and innovative solutions for public infrastructure projects. The ministry also leads the assessment and procurement processes for a wide range of infrastructure projects in education, housing, environment, health, mental health and addiction and transportation, via such alternative capital financing strategies as P3s, USPs, and Canada Infrastructure Bank (CIB) financing. Opportunities are first identified by either the Government of Alberta or private sector proponents, and then evaluated to access or create project solutions for government.

Through its corporate operations services, Infrastructure provides cross-government accommodation services and manages a large portfolio of owned and leased facilities. In doing so, the ministry aims to optimize value for Albertans while maintaining fiscal accountability by strategically undertaking densification and modernization initiatives such as introducing legislation that will require departments and government agencies, boards, and commissions to offer surplus land and buildings back to government prior to sale.

For further detailed information on Infrastructure and its programs and initiatives, please visit www.infrastructure.alberta.ca.

Organizational Structure

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



Operational Overview

Department of Infrastructure

With direction from the Minister, the Deputy Minister is responsible for the daily operations of the Department of Infrastructure, which is structured as follows:

Alternative Capital Financing Partnerships Office (ACFPO)

Is the central authority within the Government of Alberta for public-private partnerships (P3s), unsolicited proposals (USPs), and other innovative infrastructure funding partnerships, including support from the Canada Infrastructure Bank (CIB). ACFPO oversees the development of P3s, provides expertise in alternative financing methods, explores alternative revenue generation options, and strengthens relationships with industry and provincial partners by engaging in strategic partnership opportunities. To enable the ministry to fulfill its mandates, the division helps determine financial delivery methodology for capital plan projects such as schools and hospitals, provides advisory services to guide submission of USPs from project proponents, and provides cross-ministry coordination for CIB projects to attract federal and private financing into the province.

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, and courthouses. The division plays a critical support role by providing guidance and support to external stakeholders in facility design, standards, procurement, and project management, establishing and maintaining consultative relationships with government ministries, boards and commissions, and other stakeholders to identify needs, resolve issues, and to develop innovative solutions that optimize project delivery. It also provides strategic options, comprehensive policy advice and recommendations on challenges affecting capital projects.

Finance Division

Develops and manages the ministry's budget and funds, monitors financial activities, and provides financial advice. This area prepares the annual financial statements, ensuring compliance with Government of Alberta financial legislation. The division plans for ministry spending needs, now and into the future, to support program areas in meeting their goals within approved spending targets. The division's financial expertise and support assists in enhanced decision-making, attaining business plan objectives, and maintaining financial integrity.

Properties Division

Is responsible for managing, operating, and maintaining properties owned and leased by the Government of Alberta. The division plans and implements government accommodation and capital construction projects; provides real estate, leasing and land planning services to ministries, boards, and agencies throughout the province; and coordinates requests to purchase or sell Crown land. Properties provides advice on contracts for ministry-owned buildings, land acquisition for Government of Alberta ministry needs, expropriation, and land development and sales. The division also manages the Swan Hills Treatment Centre.

Strategic Integration and Operations Division

Oversees the corporate services required to maintain effective ministry operations. This includes procurement and contract management, professional and technical support, legislative planning, policy development and coordination, corporate planning and reporting, and business continuity planning. The division provides project management training through the Project Management Centre of Excellence as well as other types of employee training, coordinates input into government's decision-making and legislative processes, facilitates federal funding for infrastructure projects, and supports facility emergency planning across government.

Key Highlights

The Ministry of Infrastructure focused on accomplishing the two outcomes identified in the 2023-26 Ministry Business Plan:

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

In a year where Alberta's construction industry faced high inflation, higher borrowing costs, labour shortages and supply disruptions, Infrastructure worked with partners in industry and government to achieve its key goals.

Key highlights and results achieved by the ministry in 2023-24 include:

Delivering Capital Projects with Partners	Completed 14 school capital projects, five health capital projects and four major government projects. (pages 18-26)
Maintaining Public Facilities	Invested \$363.5 million in Capital Maintenance and Renewal (CMR) projects for health facilities, as well as government-owned facilities such as courthouses and provincial buildings. (page 32)
Overseeing Prudent Fiscal Stewardship of Government Assets	Increased evaluations by the Vendor Performance Management Program by 233 contracts and \$745 million compared to March 31, 2023. (page 27)
Reducing Annual Lease Costs	Reduced government's leased space by approximately 17,000 square metres, which translates to almost \$6.4 million in annual savings. (page 31)
Assessing and evaluating capital projects for Public-Private Partnership (P3) delivery	Completed two P3 assessments and obtained approval to proceed with P3 procurements for the Red Deer Ambulatory Building and another bundle of seven schools. Provided training sessions on P3s for approximately 200 public sector participants. (page 18)
Evaluating Unsolicited Proposals (USPs)	Evaluated 11 USPs, initiated negotiations on a project development agreement with the proponent on one USP, and provided consultancy feedback on numerous potential USP submissions in the areas of affordable housing, energy-from-waste, public building retrofits, education, and continuing care. (page 18)
Administering the Investing in Canada Infrastructure Program (ICIP)	Received federal approval for 25 ICIP projects, allocating \$41 million in ICIP funds. All ICIP projects have now been approved, and all program funds have been committed. A total of \$3.66 billion in federal ICIP funding supports 236 projects across Alberta in both rural and urban communities. (page 18)

Reducing Red Tape

Exceeded the 33 per cent Red Tape Reduction target, achieving 37.3 per cent reduction in regulatory requirements as of March 31, 2024. (page 28)

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

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:

Securing Alberta's Future

Objective one: Connecting Albertans to jobs.

Infrastructure contributed to this action in the Government of Alberta 2023-26 Strategic Plan:

- Investing in Capital Maintenance and Renewal (CMR) projects in 2023-24, including vital repairs to government-owned facilities like courthouses, provincial buildings, health facilities, schools, and cultural facilities throughout Alberta. There are many projects underway across Alberta resulting in thousands of jobs related to planning, design, and construction in local communities.

Detailed reporting on Infrastructure's contribution found on page 32.

Government of Alberta Strategic Plan Key Priority Two:

Standing up for Albertans

Objective one: Providing value for each tax dollar spent.

Infrastructure contributed to this action in the Government of Alberta 2023-26 Strategic Plan:

- Centralizing work on public-private partnerships (P3s) and alternative funding models through the ACFPO. Government is providing the resources and expertise required to engage in strategic partnership opportunities, as well as exploring alternative revenue generation options, improving the quality of government's investment decisions, and the efficiency with which infrastructure projects are delivered. Alternative funding models ensure value for money and more predictable completion timelines.

Detailed reporting on Infrastructure's contribution found on page 18.

Objective four: Ensuring an accessible and modernized health care system.

Infrastructure contributed to this action in the Government of Alberta 2023-26 Strategic Plan:

- Investing in maintaining or expanding health care facilities across the province. This includes funding for the redevelopment and expansion of the Red Deer Regional Hospital, which will increase critical services and add capacity to one of the largest hospitals in the province.

Detailed reporting on Infrastructure's contribution found on page 19.

Government of Alberta Strategic Plan Key Priority Two:

Standing up for Albertans

Objective five: Providing quality education and skills development for Albertans.

Infrastructure contributed to this action in the Government of Alberta 2023-26 Strategic Plan:

- Allocating funding toward maintaining and enhancing existing school infrastructure and building new schools, maximizing the impact of investment in school infrastructure through robust planning to provide the best value, and addressing the need for more schools in Alberta’s growing communities.

Detailed reporting on Infrastructure’s contribution found on page 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 Deliver new construction and major modernization projects for health, school and government-owned facilities, including the use of alternative financing and federal funding programs, to create jobs and strengthen the economy.

The *Infrastructure Accountability Act* and *Building Forward: Alberta's 20-Year Strategic Capital Plan* (20YSCP) continue to provide clarity on how government invests in planning, constructing, renewing, and maintaining public infrastructure, such as provincial buildings, recreation and cultural facilities, schools, post-secondary institutions, healthcare, and mental health and addiction facilities.

The *Infrastructure Accountability 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 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 20YSCP for the province.

The 20YSCP was released shortly after the *Infrastructure Accountability Act* was passed in late 2021. 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. Highlights within the 20YSCP include pursuing innovation and the digital shift and attracting private investment and maximizing partnerships, among other key guiding strategies. Infrastructure is working on the next update of the 20YSCP, due in December 2025.

In addition, in July 2023, the Premier's Mandate Letter to the Minister of Infrastructure included direction to "propose a formula that provides guidance on the amount of capital funding that should be budgeted each year to ensure long-term greater predictability for our industry partners while ensuring infrastructure resiliency and effective maintenance of the network. It will include assessing innovative financing and funding opportunities for infrastructure solutions, such as financing public-private partnerships and other government sources." Infrastructure, in consultation with Treasury Board and Finance and Transportation and Economic Corridors, is leading the work to evaluate and develop a funding formula proposal, to be released in 2024-25.

Partnerships

Infrastructure Canada delivers federal infrastructure funding programs such as the Investing in Canada Infrastructure Program (ICIP). The Ministry of Infrastructure continues to engage with the federal government to advocate for flexible and stable federal funding to meet Alberta's unique infrastructure needs, create jobs, and stimulate the economy in local communities. The ministry continues to emphasize the importance of infrastructure investment in accommodating Alberta's population growth and addressing associated infrastructure needs.

As leaders in the delivery of public facilities, the ministry works with government partners to move hundreds of infrastructure projects forward. This includes fully committing the \$3.66 billion ICIP funding allocation from the federal government to support 236 projects across Alberta.

In 2023-24, Infrastructure received federal approval for 25 ICIP projects, 15 of which are under the COVID-19 Resilience Stream.

In 2023-24, Infrastructure supported the Ministry of Transportation and Economic Corridors in the administration of the Clean Water Wastewater Fund and the Public Transit Infrastructure Fund. Both of these legacy federal infrastructure programs ended in 2023-24.

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 *2020 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.

The construction of five high schools being delivered via P3 supports approximately 1,700 jobs and saved taxpayers an estimated \$114.5 million.

P3 projects offer benefits to government that include optimizing risk allocation between public and private sectors, cost and time efficiencies, transparency, 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. Infrastructure applies its resources and expertise to engage in strategic partnership opportunities and explore alternative revenue generation options to improve the quality of government's investment decisions and the efficiency with which infrastructure projects are delivered. Under Budget 2024, all new projects over \$100 million will be assessed for P3 viability.

The ministry remains open to receiving Unsolicited Proposals (USPs) to tap into private-sector innovation while at the same time supporting public policy goals and maintaining transparency and accountability. It is a key priority for Infrastructure to explore avenues for utilizing private sector financing to bolster public infrastructure development. Through the ministry's *USP Framework and Guideline*, the private sector is invited to submit proposals for review and consideration by Infrastructure.

In 2023-24, the ministry received and coordinated the evaluation of 11 USPs, initiated negotiations on a project development agreement with the proponent on one USP, and provided consultancy feedback on numerous potential USP submissions in affordable housing, energy-from-waste, public

building retrofits, education, and continuing care. These proposals, when endorsed, are then forwarded through the capital planning process as outlined in the *Infrastructure Accountability Act*.

Through the USP Framework, a total of \$3.4 million was approved for the Central Alberta Child Advocacy Centre, a nonprofit organization in the Red Deer area, of which nearly \$2.5 million was spent in 2023-24. Infrastructure is further refining its internal process and documentation to ensure timely and effective USP evaluations.

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. Leveraging CIB financing where possible can reduce government's overall risk while ensuring Alberta's public infrastructure continues to be managed effectively and sustainably.

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 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 high-quality public services.

Health Facilities

Infrastructure works closely with the ministries of Health and Mental Health and Addiction to plan, design and build health and addiction recovery facilities that meet the needs of Albertans and their communities. Dozens of health and recovery facility projects are underway across Alberta resulting in hundreds of jobs related to planning, design, and construction in local communities.

In 2023-24, the ministry budgeted \$602.8 million and spent \$288.7 million on the construction of health facilities. The department, with its health partners, continues to develop business cases and planning documents for projects approved in Budget 2023. Examples of projects in this planning phase include the Cardston Health Centre replacement and the new, stand-alone Stollery Children's Hospital, with more beds, larger clinical spaces, more private rooms, and dedicated areas for children and their families.

As of March 31, 2024, 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 and reduce wait times by renovating, improving, and expanding operating rooms and support spaces. There are 16 active projects, including: 14 in the planning stage; Calgary location is in the design stage; and Lethbridge is in the construction stage. Two projects were completed during the year, in Edmonton and Rocky Mountain House.
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

Health Facility Project	Description and Status
	project will provide a combination of adult day programs and 198 long-term residential care units.
Arthur J.E. Child Comprehensive Cancer Centre (formerly 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 Arthur J.E. Child Comprehensive 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.
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 third cyclotron facility in the province means that more crucial medicines will be available for patients throughout Alberta.
Edmonton Hospital	The ministry is resetting the capital planning priorities for the Edmonton region, including building smaller, purpose-built facilities that can be developed quickly. Several planning projects are underway in Edmonton and surrounding areas, including the redevelopment of the Royal Alexandra Hospital and expansion of the Strathcona Community Hospital. Alberta's government is steadfast in its commitment to build a new, stand-alone Stollery Children's Hospital in Edmonton. A \$20 million investment over three years to advance plans for the Stollery was announced as part of Budget 2024. A new facility will provide more beds, larger clinical spaces, more private rooms, and dedicated areas for children and their families and ensure that as the province's population continues to grow, children in Edmonton and northern Alberta have access to the specialized care they need.
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 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 in the construction stage, with completion anticipated in summer 2025.

Health Facility Project	Description and Status
La Crete Maternity and Community Health Centre, La Crete	The Government of Alberta is working to 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 response facility with ambulance bays. The project is proceeding into the design development phase.
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, such as a new MDR area at the Peter Lougheed Centre (Calgary), renovations at various facilities across the province at Foothills Medical Centre in Calgary, Northern Lights Regional Health Centre in Fort McMurray, Westlock Health Care Centre, and Sturgeon Hospital in St. Albert and planning at Royal Alexandra Hospital Health Centre in Edmonton.
Misericordia Community Hospital Modernization Program, Edmonton	The new Emergency Department (ED) can accommodate 60,000 visits per year, an increase of 35,000 over the number that the previous space could accommodate. The new ED includes emergency waiting and treatment areas designed to better support patient care, a diagnostic services area and three ambulance bays that hold two ambulances each. Construction was completed in summer 2023 and the new ED opened to patients on November 21, 2023. The project also increased emergency power capacity for the entire hospital.
Peter Lougheed Centre Emergency Department, Mental Health Intensive Care Unit and Laboratory Redevelopment, Calgary	This multi-phase project will provide renovations for the existing ED and fit-out of east tower shelled space for additional emergency space, a mental health short-stay unit, a psychiatric intensive care unit and rapid response lab development. Construction is underway, and the project should be completed in fall 2025.
Provincial Pharmacy Central Drug Production and Distribution Centre, Edmonton	This project includes 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 2025.
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. Alberta Mental Health and Addiction is opening three Recovery Communities as follows: Red Deer (75-bed facility), construction completed in November 2022; Lethbridge (50-bed facility), construction completed in

Health Facility Project	Description and Status
	<p>March 2023; and the Lakeview Recovery Community in Gunn (100-bed facility), construction completed February 2024.</p> <p>Recovery Communities in Edmonton (75-bed facility), and Grande Prairie (50-bed facility) are in the planning stage, a 75-bed facility in Calgary is under construction, and the Edmonton Young Offender Centre is in the design stage. Work is also underway to plan and establish therapeutic living units in correctional facilities throughout the province.</p>
<p>Red Deer Regional Hospital Centre Redevelopment, Red Deer</p>	<p>The Red Deer Regional Hospital Centre redevelopment is one of the largest health care projects ever undertaken in Alberta. Government is working to plan, design, and build the redevelopment to meet the needs of the community and region as quickly and safely as possible. The completed project will add up to 200 new beds for a total of 570. Several services will be upgraded throughout the Centre to improve the accessibility and quality of care for central Albertans. Construction will take place through a phased approach, with the ambulatory building and new inpatient tower expected to be complete in 2029.</p>
<p>Rockyview General Hospital ICU/CCU/GI Redevelopment, Calgary</p>	<p>Renovations to approximately 2,800 square metres for an expansion of the Intensive Care Unit (ICU) and Cardiac Care Unit (CCU) are underway. The redevelopment will increase the ICU and CCU to 25 single patient rooms (13 ICU and 12 CCU) from the current 17 and move the unit into a space that better supports patient and family centred 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. Redevelopment of the GI Clinic will expand the four current procedure rooms to five, and includes 21 preparation/recovery bays. In addition, the chilled water system to support redevelopment and capacity will be expanded to allow for the safe operation of the new health care spaces. Completion of the project is anticipated in summer 2024.</p>
<p>University of Alberta Hospital Brain Centre — Neurosciences Intensive Care Unit, Edmonton</p>	<p>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. The Brain Centre project consists of a NSICU and CT scanner with 24 new beds; Hematology Inpatient Unit Clinic with 18 beds; Renal Transplant Clinic, Renal Clinic and Kidney Care Support; and minor renovations and temporary decants to adult surgical physician offices and gastrointestinal mobility and pediatric medical outpatient units. The project is in the design stage.</p>

Learning Facilities

Working collaboratively with Alberta Education and school jurisdictions throughout the province, Infrastructure designs, builds, and modernizes school facilities to ensure Alberta's K-12 students and their communities have access to modern and well-designed learning spaces.

School capital projects are delivered through two streams:

- Infrastructure-Managed Projects, in which the ministry manages the projects from the design to construction and the warranty phase; and
- School Jurisdiction-Managed Projects, grant-funded projects for which jurisdictions do their own contracting and manage the building, design and construction work.

In 2023-24, government invested \$533.8 million in the construction of school facilities and school modulars. Fourteen school capital projects were completed in 2023-24, five of which still have some ongoing on-site demolition activities. Completion of these schools added 9,034 new student spaces in Alberta.

School Project	Location	Completion Date
Condor: Charlotte Small Elementary School, and Leslieville: David Thompson High School*	Various	February 2023
Prairie Sky School*	Calgary	March 2023
H.A. Kostash Replacement	Smoky Lake	June 2023
St. Patrick Catholic School	Grande Prairie	June 2023
North Trail High School	Calgary	July 2023
Westview School	Stony Plain	August 2023
École St. Anne Catholic School	Whitecourt	August 2023
St. Lorenzo Ruiz Middle School	Red Deer	August 2023
École des Quatre-Vents	Peace River	October 2023
Morrin School	Morrin	November 2023
École Quatre-Saisons	Beaumont	December 2023
H.W. Pickup Junior High School	Drayton Valley	December 2023
Mistassiniy School	Wabasca-Desmarais	January 2024
North High School	Calgary	March 2024

* These two projects were not reported in Infrastructure's 2022-23 Annual Report

As of March 31, 2024, an additional 57 school projects were underway. Upon completion, these projects will add 44,007 additional student spaces in Alberta. Of these,

- One is in the planning stage;
- 30 are in the design stage;
- Three are publicly posted for tender;
- Four are in the contract awarded stage; and
- 19 projects are in the construction stage.

In 2021-22, the ministry conducted a competitive procurement process for the construction of a bundle of five high schools to be funded through the P3 delivery method. Compared to government's traditional delivery methods, this approach has saved \$114.5 million. Those five schools, listed here, are on track to be opened to students in September 2024:

- Elder Dr. Francis Whiskeyjack School – Edmonton School Division
- Father Michael McCaffery Catholic High School – Edmonton Catholic Separate School Division
- Horseshoe Crossing High School in Langdon – Rocky View School Division
- Iron Ridge Secondary Campus in Blackfalds – Wolf Creek School Division
- Ohpaho Secondary School in Leduc – Black Gold School Division

In 2023-24, government funding allowed the next group of seven schools to be assessed for P3 delivery in parallel with the development of the technical requirements. They have been approved to proceed as a P3 after showing value for money and will move into the Request for Proposals stage in summer 2024.

As part of the Modular Classroom Program (MCP), in 2023-24, government approved \$42.7 million in support of modular unit delivery. As of March 31, 2024, Infrastructure had spent \$33.1 million of the total, with 182 new modular classrooms delivered to schools since 2021 (37 in 2021-22, 132 in 2022-23, and 13 in 2023-24). Infrastructure is reviewing the MCP specifications and delivery method to find efficiencies and improvements within the program. The 182 new modular classrooms added 4,550 student spaces in Alberta.

Many charter schools lease vacant school buildings from public or separate school divisions, but in cases where they need to purchase property, Infrastructure manages the acquisition or transfer. In 2023-24, Infrastructure was involved in the purchase of properties for two charter schools, including one in Edmonton and one in Calgary. The former St. Patrick School building was acquired in May 2023 from the Edmonton Catholic School Board. After acquisition of the school, it was leased to Aurora Academic Charter Secondary School, currently operating. The purchase of the SMART Building in Calgary was completed in April 2023, with some future year funding earmarked for land acquisition and gym construction efforts. Additionally, the Charter Hub facility in Calgary is being expanded to generate roughly 2,000 new student spaces that can be utilized by emerging or developing charter schools until they secure a permanent establishment.

Post-Secondary Facilities

Infrastructure supports post-secondary institutions in developing facilities to meet their needs and collaborates with the Ministry of Advanced Education in reviewing and establishing project priorities during capital planning. Post-secondary institutions are then responsible to deliver their capital projects with grant funding from Advanced Education. The Ministry of Infrastructure provides project oversight for these capital projects through project planning, monitoring, and

reporting. Monitoring includes site visits and regular communications of project issues and milestones with post-secondary institutions. Thirteen major post-secondary capital projects have been approved and are in various stages of development.

Government-owned and Operated Facilities

In collaboration with other ministries, Infrastructure plans, designs, builds, and maintains facilities to support the delivery of government programs and services. In 2023-24, \$50.5 million was spent on constructing government facilities, including \$34.1 million for the Red Deer Justice Centre. Four government capital projects were completed in 2023-24, and 12 others are presently underway.

As of March 31, 2024, the key projects in progress or recently completed include:

Government Capital Project	Description and Status
Agrivalue Processing Business Incubator, Leduc (In collaboration with Agriculture and Irrigation)	The facility was expanded with additional incubator suites to support the establishment and growth of new food companies or products and business ventures in Alberta. Construction was completed in September 2023.
Calgary Court of Appeal, Calgary (In collaboration with Justice)	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 regarding the project's scope.
Canmore Nordic Centre, Canmore (In collaboration with Forestry and Parks)	The project provides upgrades to the Canmore Nordic Centre including a new Biathlon Building and modifies surrounding trails/infrastructure to meet the criteria of the International Biathlon Union. Work on this world class facility enabled the province to successfully host two world cup events, the World Cup Cross Country event in February 2024 and World Cup Biathlon in March 2024. The project will enable the Nordic Centre to continue hosting international events. Completion of the remaining construction is expected in 2024.
Complex Needs Residential Build, Calgary (In collaboration with Seniors, Community and Social Services)	This project will construct a new housing complex with integrated health and social supports. This build is targeted to Persons with Developmental Disabilities program clients with complex mental health, addiction, psychiatric, behavioral and/or medical needs. The project is in the design phase.
Courthouse Renewal Initiative, multiple sites (In collaboration with Justice)	This initiative includes required upgrades and renovations to various courthouses to maintain and improve court services for Albertans. Thirteen of the 14 projects are complete, with the last one, the Strathmore Courthouse, in the design stage.

Government Capital Project	Description and Status
Red Deer Justice Centre (In collaboration with Justice)	A new justice centre in downtown Red Deer will help relieve the backlogs caused by the lack of space at the previous courthouse. The new facility features 12 courtrooms, with the ability to add four more for future expansion to accommodate up to 16 courtrooms. Construction achieved Interim Acceptance in March 2024. This is being followed by final commissioning, equipment fit-up, minor works, and contractor completion of outstanding minor deficiencies.
Yellowhead Youth Centre, Edmonton (In collaboration with Seniors, Community and Social Services)	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 campus to align with current programming requirements, treatment processes, and building codes. In April 2024, following a tender process, the contract was awarded, and construction activities commenced.

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 action to improve, modernize and streamline its approaches to project delivery, in alignment with its mandate to accelerate construction timelines and reduce costs. The opportunities that Infrastructure is exploring to improve project delivery include the following.

Implementing standardization initiatives:

- **Health Facilities Projects:** Standardization in health facility design is achieved through establishing spatial and program criteria as well as setting standards. Work is ongoing to explore additional methods for standardizing the design of health facilities.
- **Learning Facilities Projects:** Standardization is achieved through the re-use of successful school designs, revision of core school designs, and application of lessons learned in future designs. Efforts are also focused on modernizing the standards of the modular classroom program to lower costs and mitigate manufacturing delays.
- **Government Facilities Projects:** Opportunities for standardization exist for facilities with repetitive program requirements like Recovery Communities, Compassionate Intervention Centres, and the Courthouse program.

Reducing the time required in the planning stages of a project:

- **Health Facility Planning:** The traditional linear approach to health facility planning, which involved developing a functional program and obtaining approvals before beginning design work, is evolving towards a more concurrent model. This shift allows for multiple activities to be carried out at the same time, rather than sequentially. An example of this approach is being implemented in the Red Deer Hospital redevelopment project.

- **School Planning Processes:** Efforts are in place to streamline school construction planning processes, focusing on improving site readiness. Initiatives to expedite construction include bulk procurements and the adoption of revised core school designs. In 2023-24, 22 design contracts were awarded through a single public RFP for 22 school projects.
- **Contract Efficiencies:** Pre-Qualification Requests are utilized to pre-qualify vendors for specific work, streamlining the project award process and bypassing lengthy technical evaluations. This program is being expanded to enhance efficiency. Additionally, Project Delivery Consulting was implemented in 2023-24, leveraging the private sector to streamline capital project delivery by providing specialized services.
- **Delivery Models:** For each project, different construction delivery models like Design-Build, P3s, and Construction Management are evaluated for their effectiveness in expediting the project's timelines. These models allow for concurrent design and construction phases, leading to quicker project completion. Selection of the appropriate delivery model considers factors such as risks, funding requirements, and project-specific circumstances.

Infrastructure is moving forward on its mandate to modernize its building contracts and procurement documents used for capital projects delivery to reduce red tape and costs to vendors. Infrastructure is working collaboratively with Justice to modernize the suite of contracts, along with partner ministries Transportation and Economic Corridors, and Treasury Board and Finance to ensure understanding and alignment on issues related to cost escalation, arbitration, risk management and insurance.

In 2023-24, Infrastructure conducted 603 procurements for a total of \$851.4 million.

Beginning with the Red Deer Regional Hospital Centre, Infrastructure launched its construction management modernized contracts in late spring 2024. The modernized contracts clearly define the responsibilities of all parties involved in the process. It is expected that these updated contracts will improve project delivery efficiency, encourage vendors to complete work on time and within budget, and enhance risk allocation by assigning risks to the most appropriate parties.

In addition, 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, analyse, and manage the performance of a vendor. This allows the ministry to better control costs, mitigate risks, and create improvements throughout the contract lifecycle. As of March 31, 2024, there have been 773 executed contracts valued at \$2.5 billion that include VPM Program clauses. This is an increase of 233 contracts and \$745 million since March 31, 2023.

Vendor feedback surveys administered by the ministry since April 2021 indicate that 86 per cent of vendors feel the VPM Program follows the principles of integrity, fairness, transparency, and openness. Infrastructure is committed to performing ongoing continuous improvement related to the VPM Program. In 2023-24, Infrastructure conducted 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. Infrastructure will work over the next year on the introduction of new training and supporting materials to provide additional support for stakeholders involved in the program.

Prospective vendors can now access a new Vendor Submission Requirements webpage. This new webpage is helping vendors improve their ability to successfully compete in Alberta Infrastructure procurements by limiting the risk that their bid will be found to be non-compliant. The webpage contains information to increase awareness of mandatory submission requirements and procurement best practices.

1.3 Reduce red tape by streamlining, simplifying and standardizing legislation, regulations, contracts, policies and processes and by evaluating recommendations submitted by priority stakeholders and Albertans, including prompt pay.

In 2019, the Government of Alberta set a goal of reducing red tape by one-third by 2023. Infrastructure has exceeded that target, instead achieving a 37.3 per cent reduction in regulatory requirements in early 2023. All reviews of legislation and policies are now completed using a red tape reduction lens. The ministry will continue to support a culture change to drive Red Tape Reduction initiatives and better serve Albertans.

Infrastructure is also exploring ways to bring further clarity to the *Public Works Act*. This will include investigating legislative and regulatory opportunities to ensure prompt payment principles are applied to public works projects. Infrastructure and the Ministry of Service Alberta and Red Tape Reduction are collaborating with impacted stakeholders to advance this mandate.

Outcome One Performance Metrics

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

Prior Years' Results				2023-24 Target	2023-24 Actual
2019-20	2020-21	2021-22	2022-23		
23.3	22.5	22.5	20.8	24	19.8

Source: Infrastructure; Technical Services and Procurement Branch's Work Load System

- The ministry leads the procurement processes for a wide range of infrastructure projects, including builds for education, housing, environment, health, mental health and addiction, and transportation. This supports effective operations and the delivery of capital projects on time, on budget, and to specification. This measure tracks how effectively the ministry is managing over threshold procurements (i.e., number of calendar days from the closing date of the procurement to the date when the contract is sent to the vendor for signing).
- Efficiencies gained in the procurement phase contribute to efficiencies in the overall project schedule. This measure enables the ministry to allocate appropriate resources, assess performance of procurement processes, and identify and implement continuous improvement opportunities which support the ministry to deliver innovative infrastructure solutions.
- This measure increases transparency for ministry procurement processes, resulting in higher-quality outcomes, and helps vendors determine whether to pursue a procurement, based on anticipated evaluation times.
- In 2023-24, Infrastructure conducted 219 over threshold procurements for a total contract value of \$809.8 million. The average number of calendar days to complete Infrastructure managed-over threshold procurements was 19.8 days, meeting the target of 24 days.

- The average procurement time declined in the 2023-24 fiscal year when compared to 2022-23. This is due to efficiencies gained from increased usage of the Pre-Qualification Request (PQR). PQR is a solicitation method where vendors are initially pre-qualified for a specific discipline of work, and work is subsequently awarded using a Statement of Work (SOW).
- Pre-qualified vendors can be awarded multiple SOWs for each discipline of work.
- Evaluations of SOWs are more efficient because they are price only-procurements, so evaluations can be completed more quickly.
- The effects of increased SOW usage account for the one-day reduction in the performance measure when compared to the results from the previous fiscal year (from 20.8 days in 2022-23 to 19.8 days in 2023-24).
- Since 2017, the time for service procurements has decreased by three days, and the procurement time for construction procurements has decreased by nine days. The decrease can be attributed to increased use of a more efficient solicitation method, namely a SOW arising from PQRs.
- The target of 24 calendar days is based on a rolling five-year average of historical performance, and in anticipation that the ministry will maintain best practices and incorporate further efficiencies during the procurement phase of a project.

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

Prior Years' Results				2023-24 Target	2023-24 Actual
2019-20	2020-21	2021-22	2022-23		
90%	97%	95%	96%	95%	96%

Source: Infrastructure; Capital Projects Delivery Division — Project Reporting System; and Properties Division Project Delivery Site — Microsoft Project Server

- This measure demonstrates how effectively the ministry manages and delivers capital projects on budget. The targets are based on jurisdictional best practices.
- The tracking and reporting of Infrastructure capital projects' budget status is important to ensuring critical public infrastructure is effectively managed and delivered, and reflects transparency and accountability from the government.
- In 2023-24, 96 per cent of Infrastructure capital projects were on budget (121 projects out of 126). The results for 2023-24 are unchanged from 2022-23 as the construction industry is still experiencing cost escalation. Infrastructure has exceeded its target of managing and delivering 95 per cent of capital projects on budget since 2020-21.

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

Prior Years' Results				2023-24 Target	2023-24 Actual
2019-20	2020-21	2021-22	2022-23		
86%	96%	91%	87%	95%	93%

Source: Infrastructure; Capital Projects Delivery Division — Project Reporting System; Properties Division Project Delivery Site — Microsoft Project Server

- The ministry continues to find ways to improve Albertans' access to infrastructure that provides quality public services. Delivering capital projects on time, like schools and hospitals, is fundamental to improving efficiency and maintaining government programs and services to meet the needs of Albertans.
- This performance metric demonstrates how a project is progressing in regard to its approved schedule. Projects are deemed "On Schedule" if they are forecasting to be completed within their current approved schedule.
- In 2023-24, 93 per cent of Infrastructure capital projects were delivered on schedule, which was an increase of six per cent from 2022-23 (117 projects out of 126). The contributing factors for the two per cent variance from the target were 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. In Budget 2024, Treasury Board approved a request to delay closure of the Centre for at least one year to accommodate a further review of operations, including of other potential revenue generation opportunities.

Infrastructure has contracted out the day-to-day operations of the Centre to Suez Canada Waste Services Inc. since January 2021. The net costs are approximately \$30 million per year. The Centre generated \$12.8 million in revenue in 2023-24, a significant portion of which is from costs recovered from Alberta Health Services for the disposal of biomedical waste.

In 2023-24, out of an allocated \$521.4 million, \$506.9 million was spent on the management of government-owned and leased space, including property operations, utilities, leases, and accommodations to deliver public services at lower costs. Infrastructure owns and leases over 1,500 buildings, totalling over 1.9 million square metres of space, with an estimated \$13 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 April 2023, a business case to create the ministry’s new Facility Evaluation Program was approved. Evaluation reports for three large post-secondary institution facilities are being finalized. Contracts for 12 more post-secondary institutions and 18 government facilities were awarded in February 2024. Infrastructure is developing a program Terms of Reference, a methodology, and project prioritization guidelines for all facilities including schools and health care facilities.

Multiple government areas are using an existing software program to capture data, including the Facility Evaluation Program; ministry staff working on Capital Maintenance and Renewal prioritization and replacement values tracking; client ministries tracking end user maintenance activities; and end users tracking facility assets. However, as the software is nearing the end of its lifespan, Infrastructure is working with the Ministry of Technology and Innovation on the Building Maintenance Modernization Initiative to replace it.

Effective Use of Government Properties

Infrastructure prepared the twelfth iteration of its annual Asset Management Plan in 2023. 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 2023-24, Infrastructure reduced its leased space by approximately 17,000 square metres, which translates to almost \$6.4 million in annual lease cost savings.

The Asset Management Plan was significantly refined with the inclusion of a *10-Year Strategic Outlook* for all owned or leased property within Infrastructure's real estate portfolio. In fiscal 2023-24, Infrastructure continued to review and refine its approach to managing its real estate portfolio. Development of long-term strategies for government-owned and leased real property in a 10-Year Strategic Outlook, reduction of leased space, and sale of surplus lands in alignment with Infrastructure's Asset Management Plan help to ensure best value for Albertans. The Strategic Outlook positions Alberta as a leading jurisdiction by informing key decisions on assets and guiding future decisions for government assets, prioritizing short and long-term accommodation, capital maintenance, and future repurpose/disposal considerations.

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 2023-24, with Infrastructure completing 113 of 165 NGU lease renewals to date. The remaining phase one leases are expected to be established by September 2024, and phase two will be initiated, which includes over 200 lease and license agreements.

Bill 13, *the Real Property Governance Act*, was introduced in the Legislative Assembly on March 21, 2024, and received Royal Assent on May 16, 2024. The Act modernizes how government manages public property to improve accountability and transparency. Under the existing decentralized model, policies for the disposal of land and buildings vary across government, making it challenging to resource its priority projects. Government agencies, boards, and commissions currently own real property with an approximate total replacement value of \$83 billion. The Act will support a process where sales of public property are handled consistently, and require departments, agencies, boards, and commissions to offer the transfer of public property to Infrastructure prior to sale.

The ministry continues to look for ways to enhance asset management by exploring opportunities around asset retirement planning, asset decommissioning, leases and licenses and realty development. Other forms of revenue generation continue to be explored, 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) is work completed on government assets to replace or upgrade components or systems and extend their useful life. CMR projects include vital repairs to government-owned facilities like courthouses, provincial buildings, health facilities, schools, and cultural facilities throughout Alberta. In 2023-24, the ministry budgeted \$399.7 million and spent \$363.5 million on CMR projects to support projects and jobs in communities across the province.

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 government's ability to ensure that the programs housed within government buildings operate safely and without interruption, and places higher emphasis on buildings viewed as part of the long-term asset inventory. This approach saw every vertical infrastructure ministry (Education; Advanced Education; Environment and Protected Areas; Forestry, Parks and Tourism; Health; Infrastructure; Mental Health and Addiction; and Seniors, Community and Social Services) identify and prioritize CMR projects using a standard methodology in their budget submission documents.

Since April 2022, the Acquisitions, Disposal and Surplus Property Policy has provided ministries with direction for dealing with surplus properties and acquisitions and centralizes real estate transactions within Infrastructure. This allows Infrastructure's 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 2023–24, Infrastructure completed Environmental Site Assessments for 79 sites, some of which involved multiple phases of assessment. In 2024-25, the *Real Property Governance Act* will expand on this policy to provide a single, holistic view of the provincially-owned real property portfolio, ensuring informed and effective decision-making.

In 2023-24, as the real estate market improved and the economy rebounded, Infrastructure disposed of 43 surplus properties for approximately \$49.1 million in proceeds.

Infrastructure oversees the strategic acquisition and disposal of land in Transportation Utility Corridors (TUCs). As owner and operator of the TUCs 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 2023, one approved Order-in-Council to revise the Edmonton Restricted Development Area Regulations added two needed properties and removed two surplus properties. Sales of former TUC lands were robust, with seven properties sold and \$8.4 million in proceeds. In the Edmonton TUC, a large former industrial facility was demolished removing a significant bottleneck for medium and long-term pipeline construction.

Infrastructure issued over 70 Ministerial Consents (approvals) in 2023-24, many of which enabled the Ministry of Transportation and Economic Corridors and its contractors to complete the Calgary Ring Road and widen 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 impact the health of users, environmental impacts, and energy use in government 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, 2024, Infrastructure had received LEED certification for 278 projects. In 2023-24, facilities delivered by the ministry received nine LEED certifications, including four Gold, four Silver, and one Base Certified.

Project Name	Project City	Certification Level
Arthur J.E. Child Comprehensive Cancer Centre	Calgary	Gold
Copperhaven School (K-9)	Spruce Grove	Gold
Mahogany K- School	Calgary	Gold
Woodhaven Middle School Addition	Spruce Grove	Gold
Autumn Grove Lodge	Innisfail	Silver
École Joseph — Moreau	Edmonton	Silver
Gene Zwozdesky Centre at Norwood	Edmonton	Silver
Peaks to Pines Seniors Lodge	Coleman	Silver
Agrivalue Processing Business Incubator Facility Expansion	Leduc	Certified

Outcome Two Performance Metrics

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

Prior Years' Results				2023-24 Target	2023-24 Actual
2019-20	2020-21	2021-22	2022-23		
\$8,855	\$8,613	\$8,520	\$8,576	\$8,490	\$8,542

Source: Government of Alberta's One Government eXperience (1GX), Infrastructure's Facility and Asset Management Information System (FAMIS), Building and Land Information Management System (BLIMS) and Alberta Infrastructure Data Warehouse (AIDW).

- This performance metric measures the total cost per occupant of general-purpose office space, focusing on the cost-effective use of government-owned and operated office space. A reduction in cost per occupant will result in more occupants in less costly space. This will reduce government's space footprint and achieve savings from an operating and maintenance standpoint. The Government of Alberta target for office space cost per occupant is a reduction of one per cent annually.
- While the total number of government occupants is outside of 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, and consolidating offices in alignment with asset management principles.
- There is a one-year lag in reporting this measure due to the timing and complexity of the data collection and analysis process. This means that the 2023-24 result reflects 2022-23 data.

- In the 2022-23 operating costs, reported on in 2023-24, the total cost per occupant in government-owned and operated office space facilities was \$8,542. This was a decrease of \$34 compared to the prior year, as the number of occupants grew at a faster rate than the operating costs. This shows an overall downward trend with minor fluctuations. This gradual decrease indicates that over time, the GOA is becoming increasingly cost-efficient.

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

Prior Years' Results				2023-24 Target	2023-24 Actual
2019-20	2020-21	2021-22	2022-23		
1,547	1,503	1,485	1,457	1,470	1,392

Source: EnergyCAP, Infrastructure's Energy Management Information System

- This performance metric evaluates how effectively Infrastructure is managing energy and associated costs in government-owned and operated buildings in a fluctuating market. It represents energy consumption intensity, which is energy consumed by a building relative to its size. Generally, lower energy consumption intensity indicates better performance.
- This measure assists the ministry in identifying and implementing energy-saving initiatives to achieve cost and environmental benefits. It is also an indicator of success in reducing energy consumption through efficiencies and green technologies.
- This measure's annual results are for the preceding calendar year, January 1 to December 31.
- Energy consumption intensity is commonly referred to as Energy Use Intensity (EUI). In 2023-24, the EUI for the government-owned infrastructure portfolio was 1,392 megajoules per square metre, five per cent lower than the target of 1,470 megajoules per square metre. This outcome demonstrates the positive impacts of the actions to reduce energy consumption taken in recent years, which include ensuring compliance, benchmarking buildings for performance assessment, monitoring consumption patterns, identifying potential areas of improvement, incorporating energy efficient equipment during life cycle replacements, exploring green technologies, and regular maintenance.
- Infrastructure conducts in-house energy audits, performs scheduled maintenance work orders, integrates high energy efficiency standards into the scope of capital and maintenance projects, and determines the feasibility and rationality of energy savings measures or renewable energy projects by conducting experimental research projects. These interconnected elements play a big role in reducing energy consumption in the portfolio of government-owned facilities.
- Over the last five years, a consistent trend of decreasing energy consumption in these facilities has been observed. This is anticipated to continue moving forward, as Infrastructure seeks other methods for attaining energy conservation and sustainability prospects throughout the owned building portfolio.

- The ministry continues to work cooperatively with facility personnel to achieve greater energy efficiency through:
 - in-house energy audits (i.e., identifying energy conservation opportunities by performing site visits, analyzing energy interval data, and conducting detailed reviews of building management control systems) to verify if the building is operating as per the design intent;
 - investigating performance issues such as faults or spikes in energy use;
 - implementing industry best practices;
 - encouraging occupant behaviour changes; and
 - recommending energy efficient retrofits by evaluating pre-retrofit and post-retrofit energy savings.

- Over the last two years, the ministry successfully completed close to 80 energy efficiency retrofit projects, with approximately 130 additional projects currently underway.

Performance Measure and Indicator Methodology

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

This performance metric includes only data collected and reported 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 thousand or greater and services procurements \$75 thousand or greater. Procurements that do not involve Infrastructure are out of scope. As such, any P3 procurements or those 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.

All procurements with a contract execution date prior to March 31 for each fiscal year will be reported in the measure. The time reported may extend beyond the April 1 to March 31 fiscal year, insofar as the procurement may have started in a previous fiscal year and completed in the fiscal year when the measure is being reported.

Calculation

The measure is calculated by measuring the number of calendar days from the date the procurement closed (Closing Date) to the date the contract is sent to the Vendor (Contract Award).

The weighted average of all service and construction procurements that were executed during the previous fiscal year will be reported in the annual report.

This process is conducted annually, to conform to Infrastructure business and annual reporting cycles. Results for this measure are reported in the ministry Annual Report each June to reflect the fiscal year. The measure can be calculated within four weeks of the end of the fiscal year.

Formula

Average Number of calendar days = Contract Award – Closing Date

Source

Infrastructure; Technical Services and Procurement Branch's Workload System.

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 (e.g., Construction, Design, Contingency, etc.) and funds from other sources (e.g., foundation funding, community grants, etc.). These definitions determine if a project is On Budget:

- Optimal Budget Performance – the project’s current expenditures and forecasted expenditures are within the approved Expenditure and Project Authorities.
- 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 and Project Authorities. 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. Percentage of Projects On Budget is calculated using data from March of each year.

In 2020, Infrastructure conducted a jurisdictional scan of infrastructure-related performance metrics from the federal government, provinces, municipalities, other countries, and previous Office of the Auditor General of Alberta reports and recommendations. The scan found that while there is no single standard or correct set of metrics suited for public reporting, time and budget are common metrics used in other jurisdictions. Reporting this performance metric also brings Alberta in-line with other jurisdictions across Canada who are already reporting on similar standardized metrics. Alberta’s targets for budget are in-line with other federal, provincial, and municipal targets (e.g., Government of Canada, British Columbia, and City of Edmonton).

Calculation

The following criteria were used to set the baselines:

- Performance metric results are calculated and reported on annually at fiscal year-end 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.

Formula

Percentage of Projects On Budget = (Number of projects On Budget/Total number of projects) x 100

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 their 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.

Calculation

The following criteria was used to set the baselines:

- Performance metrics 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; and
- Projects will be measured against and reported on approved baselines, including measurement against changes approved by Treasury Board and Finance.

Formula

Percentage of Projects On Schedule = (Number of projects On Schedule/Total number of projects) x 100

Source

Two reporting systems are used to collect and control project data:

- Capital Projects Delivery Division’s Project Reporting System; and
- 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 Results Analysis program and staffing needs. Temporary and seasonal employees are excluded from the calculation to ensure they do not skew results.

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 validated over the next four months,
- Calculations are completed and results finalized in August, and
- Results and analysis are provided in the ministry's upcoming annual report.

Calculation

The results are calculated as follows:

The total costs calculation is annual operating costs + GIPOT (Grants in Place of Taxes). The GIPOT number is provided by the Ministry of Municipal Affairs, and the annual operating costs are provided by the Property Management area in Infrastructure. Property Management retrieves the data annually from the 1GX system and prorates the costs to the building level based on area. Property Management sends the prorated data to be uploaded to Alberta Infrastructure Data Warehouse (AIDW). Prior to uploading, the data is analyzed and confirmed.

The Total Occupants data is calculated using government staffing information from 1GX, as well as the NGU and Contractor information from AIDW. The government staffing information is generated automatically and then the data is reviewed.

Formula

Once the total Annual Cost and Total Occupants data has been collected, cleansed and confirmed, the formula for calculating office cost per occupant is:

Office Cost per Occupant = Total annual cost/Total Occupants

Source

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

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.

EnergyCAP, the ministry's Energy Management Information System, 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.

Calculation

Energy consumption intensity is calculated by:

- Determining the total floor space in square metres (m²) of the facility from the Building and Land Information Management System (BLIMS).
- 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.

Formula

$$(\text{MJ}/\text{m}^2) = \text{Weather Normalized Energy Consumption (MJ)} / \text{Gross Floor Area (m}^2\text{)}$$

Source

Energy consumption data is collected by various retailers throughout the year in the form of individual utility bills. This data is recorded by EnergyCAP. Data processing and analysis are done mainly through automated processes, reducing the possibility of human errors or biases.

Financial Information

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Ministry Financial Highlights

Statement of Revenues and Expenses (unaudited)

End of the year March 31, 2024

	2024		2023	Change from	
	Budget	Actual	Actual	Budget	2023 Actual
	<i>(in thousands)</i>				
Revenues					
Government Transfers	\$ 8,755	\$ 8,866	\$ 4,933	\$ 111	\$ 3,933
Premiums, Fees and Licences	2,070	1,554	1,263	(516)	291
Investment Income	-	231	-	231	231
Other Revenue					
Swan Hills Treatment Centre	13,900	12,782	14,725	(1,118)	(1,943)
Leases (Land and Buildings)	13,930	29,047	12,057	15,117	16,990
Transfer of Assets and Liabilities	64,255	55,124	58,451	(9,131)	(3,327)
Other	6,414	55,877	35,318	49,463	20,559
Ministry Total	109,324	163,481	126,747	54,157	36,734
Inter-ministry consolidation adjustments	(83,556)	(68,990)	(74,448)	14,566	5,458
Adjusted ministry total	25,768	94,491	52,299	68,723	42,192
Expenses - directly incurred					
Programs					
Ministry Support Services	10,492	9,455	8,887	(1,037)	568
Capital Construction	1,351,839	960,596	1,060,073	(391,243)	(99,477)
Property Management	413,354	427,417	412,508	14,063	14,909
Asset Management	6,580	5,861	5,889	(719)	(28)
Realty Services	184,238	188,597	182,147	4,359	6,450
Alternative Capital Financing Partnerships Office	1,874	2,087	1,083	213	1,004
Ministry Total	1,968,377	1,594,013	1,670,587	(374,364)	(76,574)
Inter-ministry consolidation adjustments	(1,355,485)	(967,232)	(1,072,607)	388,253	105,375
Adjusted ministry total	612,892	626,781	597,980	13,889	28,801
Annual Deficit	\$ (587,124)	\$ (532,290)	\$ (545,681)	\$ 54,834	\$ 13,391

Revenue and Expense Highlights

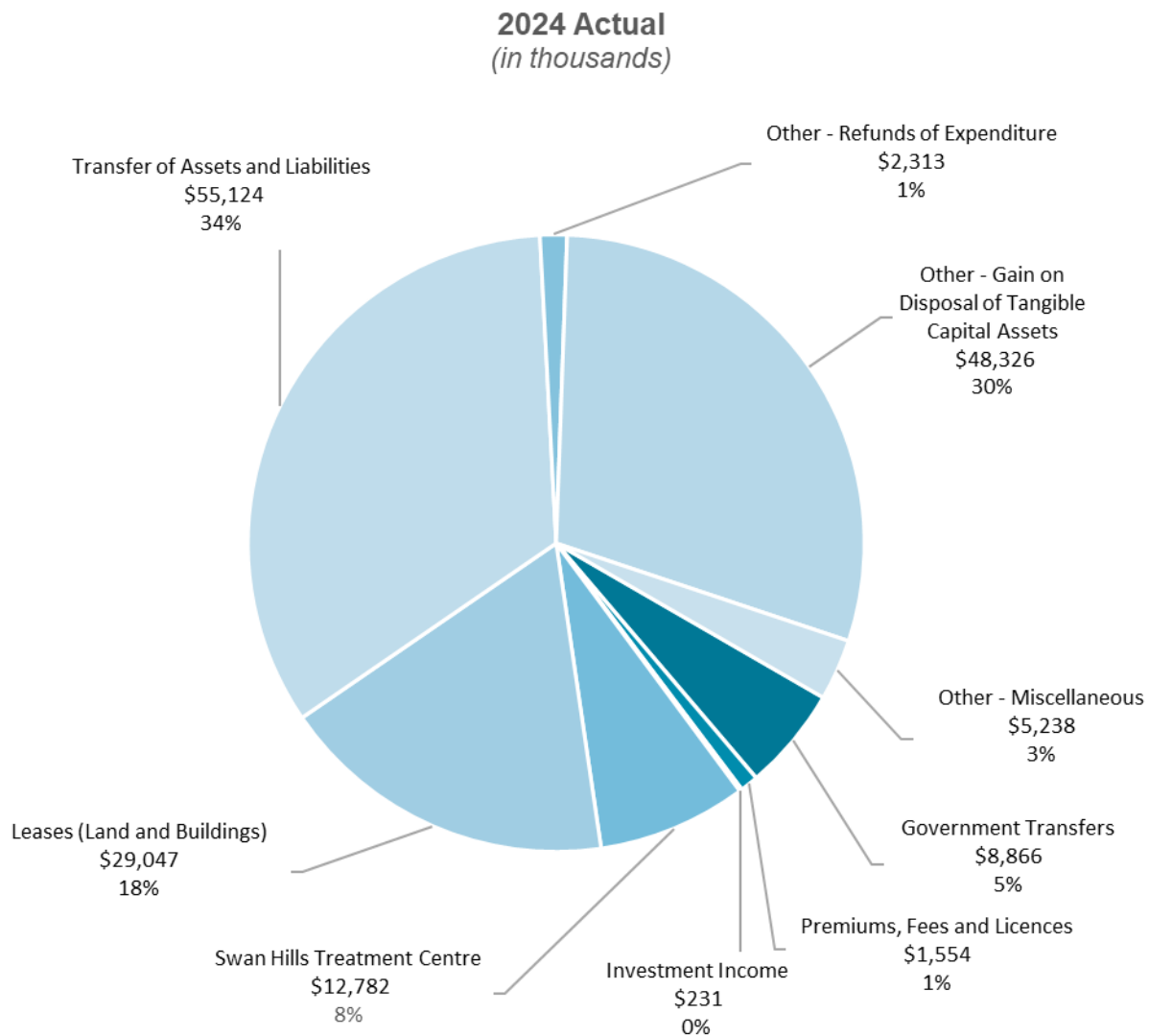
Revenues

- Revenues totaled \$163.5 million in 2023-24, an increase of \$36.7 million from 2022-23.
- Revenues were \$54.2 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.
- Revenue from leases in 2023-24 was \$29.0 million, \$15.1 million higher than budget. This was primarily due to a lease break fee for the early termination of a lease.
- Government transfers of \$8.9 million includes approximately \$4.1 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.
- Revenue generated through the operation of the Swan Hills Treatment Centre and through the leasing of land and buildings are the two main stable and more predictable sources 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 \$1.6 billion in 2023-24, a decrease of \$76.6 million from 2022-23.
- Budget 2023 allocated nearly \$2.0 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 \$374.4 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.

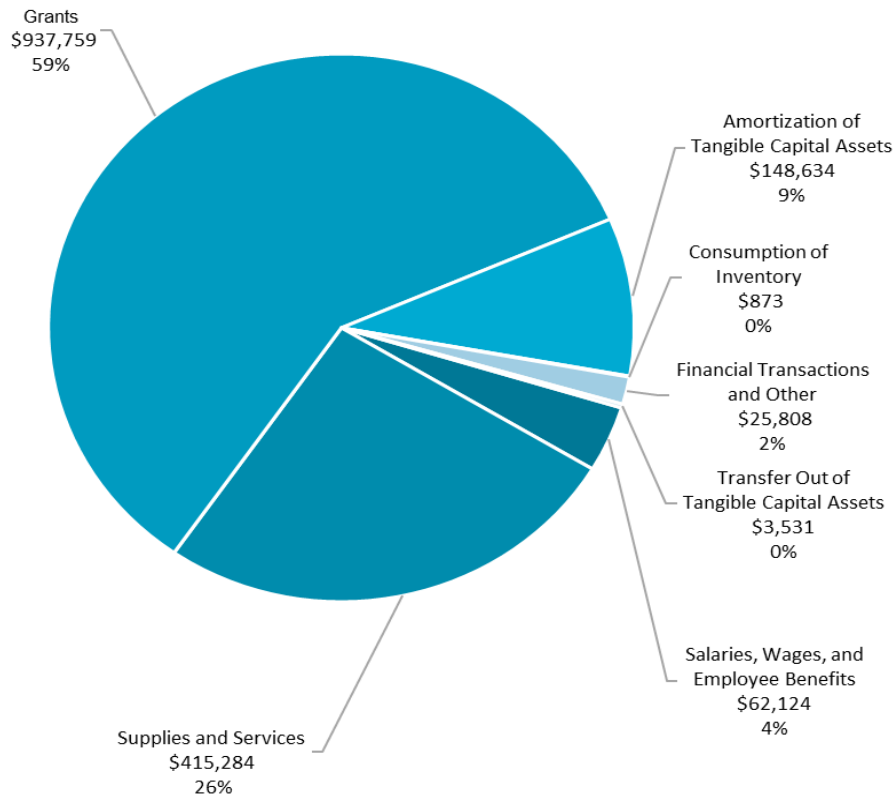
Breakdown of Revenues (unaudited)



- The largest component of revenue in 2023-24, totaling over \$55 million (34 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 \$29 million represents 18 per cent of Infrastructure’s total revenue. 2023-24 includes a one-time lease break fee of approximately \$11 million.
- Other revenue is mainly related to gains on the sale of surplus assets and this component amounts to over \$48 million (30 per cent).

Expenses – Directly Incurred Detailed by Object (unaudited)

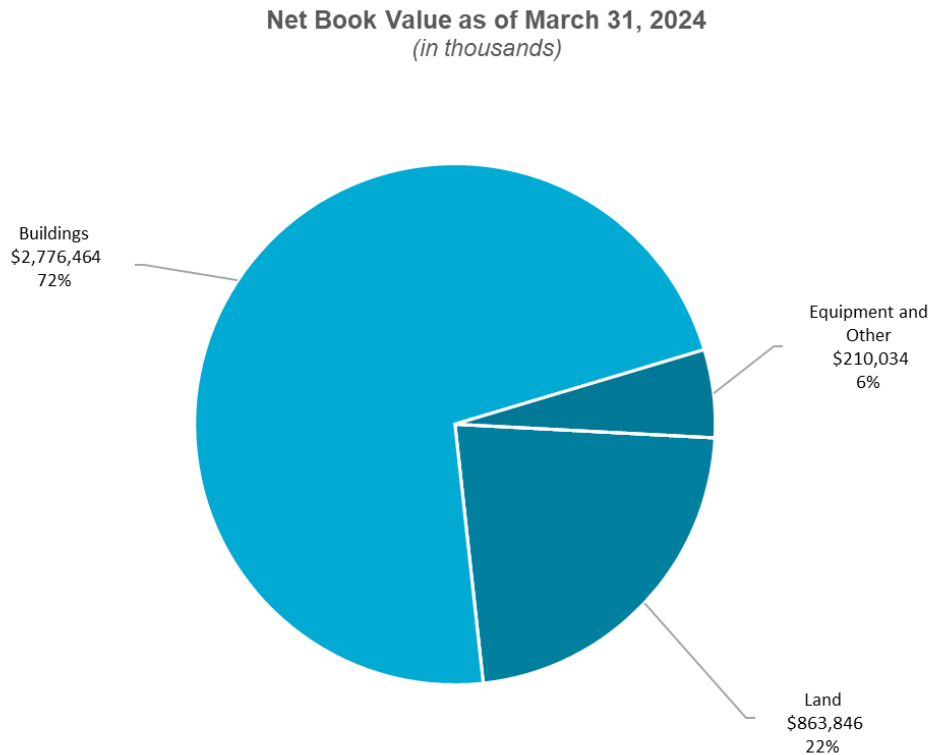
2024 Actual
(in thousands)



- 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 59 per cent of total operating expense. In 2023-24, nearly \$1 billion was provided to support the construction and maintenance of health (\$478.9 million) and school facilities (\$455 million).
- Supplies and services of \$415.3 million (26 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 (nine 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 94 per cent of the total net book value of \$3.8 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, six make up 48 per cent (\$1.3 billion) of the total net book value. These include the Edmonton Remand Centre, the Queen Elizabeth II Building in Edmonton, the Royal Alberta Museum in Edmonton, the Calgary Courts Centre, the Red Deer Justice 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)

Year Ended March 31, 2024
(In thousands)

EXPENSE VOTE BY PROGRAM	Voted Estimate ⁽¹⁾	Supplementary Estimate	Adjustments ⁽²⁾	Adjusted Voted Estimate	Voted Actuals ⁽³⁾	Over Expended (Unexpended)
OPERATING EXPENSE						
1 Ministry Support Services						
1.1 Minister's Office	\$ 795	\$ -	\$ -	\$ 795	\$ 582	\$ (213)
1.2 Deputy Minister's Office	795	-	-	795	798	3
1.3 Strategic Integration and Operations	8,902	-	-	8,902	8,162	(740)
	<u>10,492</u>	<u>-</u>	<u>-</u>	<u>10,492</u>	<u>9,542</u>	<u>(950)</u>
2 Capital Construction						
2.1 Government Facilities Infrastructure	2,304	-	-	2,304	2,818	514
2.2 Health Facilities Infrastructure	4,695	-	-	4,695	1,288	(3,407)
2.3 School Facilities Infrastructure	670	-	-	670	930	260
2.7 Project Procurement, Standards and Technical Services	6,963	-	-	6,963	6,488	(475)
	<u>14,632</u>	<u>-</u>	<u>-</u>	<u>14,632</u>	<u>11,524</u>	<u>(3,108)</u>
3 Property Management						
3.1 Property Operations	203,694	-	-	203,694	216,411	12,717
3.2 Swan Hills Treatment Centre	23,100	-	-	23,100	18,324	(4,776)
3.3 Government Owned Facilities Preservation	25,000	-	-	25,000	12,785	(12,215)
3.4 Accommodation Projects	5,000	-	-	5,000	1,218	(3,782)
	<u>256,794</u>	<u>-</u>	<u>-</u>	<u>256,794</u>	<u>248,738</u>	<u>(8,056)</u>
4 Asset Management	6,580	-	-	6,580	5,851	(729)
5 Realty Services						
5.1 Leases	180,535	-	-	180,535	180,939	404
5.2 Land Acquisition and Services	2,312	-	-	2,312	2,707	395
5.3 Land Development and Disposal	1,391	-	-	1,391	1,281	(110)
	<u>184,238</u>	<u>-</u>	<u>-</u>	<u>184,238</u>	<u>184,927</u>	<u>689</u>
6 Alternative Capital Financing Partnerships Office	1,874	-	-	1,874	2,048	174
CAPITAL GRANTS						
3 Property Management						
3.4 Accommodation Projects	3,070	-	-	3,070	2,453	(617)
DEBT SERVICING						
3 Property Management						
3.5 Debt Servicing	24	-	-	24	77	53
Total before Adjustment	<u>477,704</u>	<u>-</u>	<u>-</u>	<u>477,704</u>	<u>465,160</u>	<u>(12,544)</u>
Encumbrance from Prior Year ⁽²⁾	-	-	(5,480)	(5,480)	-	5,480
Transfer of vote ⁽²⁾	-	-	425,000	425,000	404,159	(20,841)
Revised Total	<u>477,704</u>	<u>-</u>	<u>419,520</u>	<u>897,224</u>	<u>869,319</u>	<u>(27,905)</u>
(Lapse)/Encumbrance						<u>\$ (27,905)</u>

Lapse/Encumbrance (unaudited)

Year Ended March 31, 2024

(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	\$ 167,746	\$ -	\$ -	\$ 167,746	\$ 70,574	\$ (97,172)
3 Property Management						
3.1 Property Operations	100	-	-	100	299	199
3.2 Swan Hills Treatment Centre	5,217	-	-	5,217	4,469	(748)
3.3 Government Owned Facilities Preservation	136,953	-	-	136,953	119,842	(17,111)
3.4 Accommodation Projects	95,752	-	-	95,752	77,746	(18,006)
	<u>238,022</u>	<u>-</u>	<u>-</u>	<u>238,022</u>	<u>202,356</u>	<u>(35,666)</u>
5 Realty Services						
5.2 Land Acquisition and Services	14,136	-	-	14,136	39	(14,097)
CAPITAL FOR RELATED PARTIES						
2 Capital Construction						
2.2 Health Facilities Infrastructure	556,732	-	-	556,732	271,751	(284,981)
2.3 School Facilities Infrastructure	478,502	-	-	478,502	404,541	(73,961)
2.5 Health Capital Maintenance and Renewal	222,920	-	-	222,920	215,839	(7,081)
2.6 School Capital Maintenance and Renewal	14,798	-	-	14,798	15,063	265
	<u>1,272,952</u>	<u>-</u>	<u>-</u>	<u>1,272,952</u>	<u>907,194</u>	<u>(365,758)</u>
Total before Adjustment	<u>1,692,856</u>	<u>-</u>	<u>-</u>	<u>1,692,856</u>	<u>1,180,163</u>	<u>(512,693)</u>
Transfer of vote ⁽²⁾	-	-	(425,000)	(425,000)	(404,159)	20,841
Revised Total	<u>\$ 1,692,856</u>	<u>\$ -</u>	<u>\$ (425,000)</u>	<u>\$ 1,267,856</u>	<u>\$ 776,004</u>	<u>\$ (491,852)</u>
(Lapse)/Encumbrance						<u>\$ (491,852)</u>

Lapse/Encumbrance (unaudited)

Year Ended March 31, 2024
(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	\$ 1,026	\$ (474)
LAND DEVELOPMENT LIABILITY RETIREMENT						
5 Realty Services						
5.3 Land Development and Disposal	17,609	-	-	17,609	2,646	(14,963)
ASSET RETIREMENT OBLIGATIONS AND ENVIRONMENTAL LIABILITIES						
2 Capital Construction						
2.1 Government Facilities Infrastructure	-	-	-	-	225	225
3 Property Management						
3.1 Property Operations	2,002	-	-	2,002	3,339	1,337
3.2 Swan Hills Treatment Centre	1,000	-	-	1,000	362	(638)
3.3 Government Owned Facilities Preservation	-	-	-	-	3,389	3,389
3.4 Accommodation Projects	-	-	-	-	2,533	2,533
	<u>3,002</u>	<u>-</u>	<u>-</u>	<u>3,002</u>	<u>9,623</u>	<u>6,621</u>
LEGAL LIABILITY RETIREMENT						
2 Capital Construction						
2.3 School Facilities Infrastructure	4,575	-	-	4,575	1,821	(2,754)
LEASE LIABILITY RETIREMENT						
5 Realty Services						
5.1 Leases	500	-	-	500	435	(65)
DEBT REPAYMENT FOR PUBLIC PRIVATE PARTNERSHIPS						
3 Property Management						
3.6 Debt Repayment	928	-	-	928	874	(54)
Total	<u>\$ 28,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,114</u>	<u>\$ 16,650</u>	<u>\$ (11,464)</u>
(Lapse)/Encumbrance						<u>\$ (11,464)</u>

⁽¹⁾ As per "Expense Vote by Program", "Capital Investment Vote by Program", and "Financial Transactions Vote by Program" pages of the 2023-24 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 August 21, 2023 Treasury Board approved a transfer of \$5.5 million from the Capital Investment Vote to the Expense Vote for Program 2, Capital Construction to offset \$5.5 million that was encumbered in the current year due to an over-expenditure in the prior year (2022-23) related to grant funding to support the capital maintenance and renewal of health facilities. On March 28, 2024 Treasury Board approved an additional transfer of \$419.5 million 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, 2023. The 2023-24 actual incurred pertaining to this transfer was \$404.2 million. 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 net impact of the transfers on the surplus by vote is that Expense would show a lapse of \$27.9 million and Capital Investment would show a lapse of \$491.9 million.

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

Annual Report Extracts and Other Statutory Reports

Public Interest Disclosure Act

Section 32 of the *Public Interest Disclosure (Whistleblower Protection) Act* reads:

- 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 my office for your department between April 1, 2023, and March 31, 2024. After reviewing the disclosure, no wrongdoings were identified, and no further action was deemed necessary.