

# Transportation

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Annual Report **2018–2019**

**Note to Readers:**

Copies of the annual report are available on the Alberta Open Government Portal website:

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**Transportation****Communications**

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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Fiscal Planning and Transparency Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 21 ministries.

The annual report of the Government of Alberta contains the consolidated financial statements of the province and the *Measuring Up* report, which compares actual performance results to desired results set out in the government's strategic plan.

**This annual report of the Ministry of Transportation contains the financial information of the ministry and a comparison of actual performance results to desired results set out in the ministry business plan. This ministry annual report also includes:**

- **the financial statements of entities making up the ministry including the Alberta Transportation Safety Board for which the minister is responsible; and**
- **other financial information as required by the *Financial Administration Act* and *Fiscal Planning and Transparency Act*, as separate reports, to the extent that the ministry has anything to report.**

In December 2018, government announced changes to the 2018-19 ministry annual reports. Ministry and department audited financial statements previously included in the annual report of the Ministry of Transportation have been replaced with the financial information of the ministry on pages 45-51.

Key information previously contained in the annual reports of each of the 21 ministries is now included in the audited consolidated financial statements of the province.

## Message from the Minister



Alberta Transportation is responsible for developing and preserving a safe, efficient, multi-modal transportation system that connects Alberta communities, supports market access, and enables economic growth while promoting social and environmental vitality.

Alberta's residents and industries rely on our transportation network to travel safely across the province and move goods to local, provincial and national markets. The following report highlights results achieved by the Ministry of Transportation in the 2018-19 fiscal year.

Looking ahead, Transportation will continue to effectively maintain and expand our highways, support critical water infrastructure and implement strategies to promote safe travel for all road users.

The department will also continue to work with key stakeholders to ensure transportation systems in the province are developed in a coordinated manner that best serves Albertans and meets the needs of Alberta's growing population.

We will focus on efficiently and cost-effectively delivering public infrastructure investments to help create jobs and promote a strong economy to benefit all Albertans now and in the future. This work will allow us to develop and maintain our provincial highway network in a fiscally responsible manner, while ensuring the best possible value for Albertans.

### **[Original signed by]**

Honourable Ric McIver  
Minister of Transportation

# Management's Responsibility for Reporting

The Ministry of Transportation includes the Department of Transportation and the Alberta Transportation Safety Board.

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

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

Responsibility for the integrity and objectivity of the accompanying ministry financial information and performance results for the ministry rests with the Minister of Transportation. Under the direction of the Minister, I oversee the preparation of the ministry's annual report, including the financial information and performance results. The financial information and performance results, 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:

**Reliability** — information used in applying performance measure methodologies agrees with the underlying source data for the current and prior years' results.

**Understandability** — the performance measure methodologies and results are presented clearly.

**Comparability** — the methodologies for performance measure preparation are applied consistently for the current and prior years' results.

**Completeness** — outcomes, performance measures and related targets match those included in the ministry's *Budget 2018*.

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

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money;
- provide information to manage and report on performance;
- safeguard the assets and properties of the province under ministry administration;
- provide Executive Council, the President of Treasury Board and Minister of Finance, and the Minister of Transportation the information needed to fulfill their responsibilities; and
- facilitate preparation of ministry business plans and annual reports required under the *Fiscal Planning and Transparency Act*.

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

**[Original signed by]**

Andre Tremblay  
Deputy Minister of Transportation  
May 30, 2019

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# Results Analysis

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## Ministry Overview

Transportation supports the province's economic, social and environmental vitality by ensuring a reliable, affordable, multi-modal, safe and efficient system that enhances Albertans' quality of life.

Alberta's transportation system supports the:

- **Economy:** connecting Albertans to local and world markets, and supporting investment, business, industry and job creation.
- **Fiscal Framework:** promoting efficiency and affordability, while making smart investments in strategic infrastructure assets.
- **Community:** connecting Albertans to friends, family, work, schools, health care, recreation and communities throughout the province.
- **Society:** providing safe transportation options to meet the needs of Alberta's growing population and promoting safer travel for all road users.
- **Innovation:** adapting to rapidly evolving technologies and systems and making the best use of innovative technology and approaches to achieve outcomes.
- **Environment:** enhancing the quality of life in our communities by promoting ways to reduce transportation's impact on land, water and air.

## Key Responsibilities

The ministry consists of the Department of Transportation and the Alberta Transportation Safety Board, which is an independent, quasi-judicial body. Key responsibilities of the department include:

- Planning, designing and constructing a safe and efficient provincial highway network that enables market access and economic growth.
- Maintaining and operating a sustainable highway network to safely connect Alberta communities.
- Managing grant programs to help municipalities develop and maintain their transportation systems and ensure Albertans have reliable access to clean and safe drinking water and water/wastewater treatment systems.
- Supporting the development of more sustainable, energy-efficient public transit systems in municipalities and across regions to provide Albertans with transportation options.
- Developing and implementing transportation safety strategies through the Office of Traffic Safety to reduce transportation-related deaths and serious injuries on Alberta's roads and promote safer road users, vehicles and infrastructure.
- Promoting the safety and security of all road users through driver fitness monitoring and the monitoring and enforcement of safety standards related to dangerous goods, rail safety, commercial bus and truck carriers, and vehicle safety.

- 
- Designing, building and maintaining Alberta's water management infrastructure for the Ministry of Environment and Parks to enhance and improve water supply and protect Albertans during extreme flood events.
  - Promoting Alberta's interests in national and international trade agreements and improvements in harmonizing regulations to all orders of government.
  - Representing Alberta's interests with multi-modal stakeholders (rail, air, marine) to ensure transportation systems in the province are developed in a coordinated manner that benefits all Albertans.

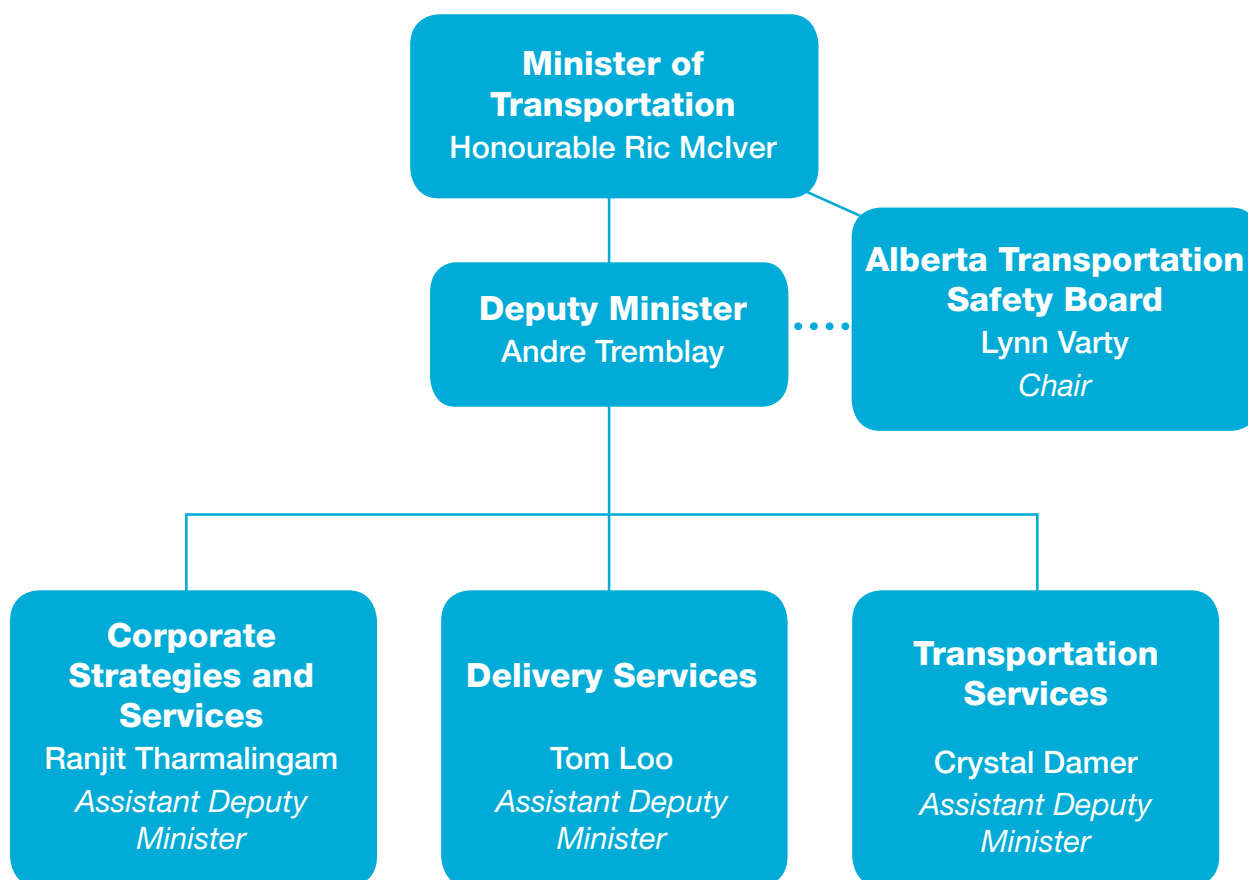
The Alberta Transportation Safety Board's key responsibilities are to:

- Conduct driver review hearings and independent appeals of drivers and commercial entities affected by the decisions of the Registrar of Motor Vehicle Services, such as driver conduct hearings, and hearings for Alberta Administrative Licence Suspensions (for drivers with an alcohol and/or drug-related impaired driving offence).
- Conduct hearings under the *Railway (Alberta) Act*.
- Conduct all hearings in a fair and timely manner in accordance with the principles of natural justice.

All Alberta Transportation Safety Board decisions are made independently in accordance with governing legislation: the *Traffic Safety Act* and the *Railway (Alberta) Act*.

## Organizational Structure

### Ministry of Transportation Organizational Overview



*This division is responsible for: strategic policy; transportation network, investment and capital planning; financial services; grant programs; business planning and reporting; contract services; procurement of consulting and construction services; and emergency management and response support.*

*This division is responsible for the programming and delivery of provincial highway projects as well as the management of highway maintenance and rehabilitation activities throughout the province. This division is also responsible for supporting municipalities in the delivery of water management projects.*

*This division is responsible for governance, setting standards, and managing permitting of loads on the provincial transportation network. It is also responsible for providing safety and compliance services for dangerous goods, provincial rail systems, commercial carriers and overseeing the operation of 511 Alberta. This division develops, plans and implements transportation safety programs and strategies, and coordinates driver training and education programs.*

## Discussion and Analysis of Results

### Outcome One

#### Competitiveness, Market Access and Economic Growth: Alberta has a safe and efficient multi-modal transportation system that supports a diversified economy

*All users have access to a transportation system with a variety of transportation modes to safely transport products and people, from origin to destination, within Alberta, across Canada and internationally.*

#### Key Strategies

##### 1.1 Implement transportation initiatives that promote economic growth and diversification in Alberta, supporting opportunities in sectors such as culture and tourism.

Transportation manages more than 31,400 kilometres (the equivalent of nearly 64,000 lane kilometres) of highways, about 28,200 of which are paved. The province has one of the largest provincial highway networks in Canada, which includes nearly 4,500 bridges, interchanges and culverts. Critical strategic investments in the highway network improve connections between communities, promote safer travel and strengthen key economic corridors. The Budget 2018 Capital Plan invested \$5.6 billion over five years in the highway network, including \$2.3 billion in Capital Maintenance and Renewal for major work on roads and bridges. Budget 2018 also included over \$2 billion for Calgary and Edmonton ring roads and approximately \$1 billion for highway projects.

In 2018-19, \$1.1 billion was allocated toward highways and bridges. Of the 195 construction projects underway during the 2018 construction season, 139 were completed by the end of 2018-19, including 1,100 kilometres of road rehabilitation. The remaining 56 multi-year projects will continue into the 2019 construction season. Project highlights for 2018-19 include:

- **Completion of the QEII/Gaetz Avenue interchange south of Red Deer:** The Highway 2/Gaetz Avenue interchange fully opened to traffic in November 2018, prior to the Canada Winter Games held in Red Deer in February 2019. The new interchange addresses increased traffic, improving traffic flow and safety for highway travellers, local residents and businesses in the Red Deer region. Construction on the \$80-million interchange first began in 2016 and included five new bridges, new on and off ramps, widening and repositioning Highway 2, including the Taylor Drive and Gaetz Avenue interchanges. Minor finishing work such as final paving, signs, guardrails and landscaping will be completed in July 2019.
- **Completion of paving Highway 774 between Castle Mountain Resort and south of Castle River:** Transportation completed paving an 11-kilometre gravel section of Highway 774 within the new Castle Provincial Park in October 2018. This carefully considered investment will provide better access to the area for residents and visitors and contribute to economic diversification in the region by supporting tourism.
- **Peace River bridge twinning:** The Government of Canada and Transportation are jointly funding the construction of a new bridge and twinning Highway 2 through Peace River. Construction on the \$162-million project started in November 2017. Construction continued in 2018-19 and included pier construction in the river, the Highway 684 interchange and a railway overpass. The Peace River Bridge currently sees more than 17,000 vehicles a day and the next closest crossing is 70 kilometres away. Once complete in fall 2020, the upgrade will improve safety, traffic flow, the ability to respond to emergencies and access to key industries in northern Alberta.

- **Expansion of Airport Trail in Calgary:** In July 2018, the governments of Canada and Alberta, the municipality of Calgary and the Calgary Airport Authority announced funding for the completion of Calgary's Airport Trail between 36 Street Northeast and 60 Street Northeast. Construction began in 2018. Transportation provided \$28 million toward the project. Once complete in spring 2022, the project will improve passenger and cargo access to the Calgary International Airport and create a second east-west transportation route in north Calgary, enabling safe and efficient travel across the city's growing northeast industrial-commercial area.
- **Building a Highway 43X Grande Prairie bypass:** Construction was ongoing in 2018-19 on a \$48-million bypass project around Grande Prairie that will reduce Highway 43 traffic currently travelling through the city. Once complete in summer 2019, the bypass will improve access to markets for northwestern Alberta, supporting the forestry, oil and gas, and tourism sectors. It will also improve traffic flow and safety for local residents and businesses.

## Major Capital Projects Underway in 2018-19

(Includes projects greater than \$2 million and more than 50 per cent complete in 2018-19 fiscal year)

HIGHWAY	DESCRIPTION	KM	DISTRICT	TOTAL ESTIMATED COST (in Millions)
2	Peace River Bridge Project – Stage 1 – Highway 2 Over Peace River, Twinning	N/A	Peace River	\$75.1
2	Gaetz – Highway 2 Interchange Upgrades: Gaetz Avenue/Taylor Drive (Roadwork)	13.7	Red Deer	\$63.0
2	Peace River Bridge Project – Highway 2 Roadway Reconstruction	2.4	Peace River	\$37.7
43X	Grande Prairie Bypass, Stage 1, Richmond Hill (Highway 43) Including Service Road	21.2	Grande Prairie	\$32.6
40	Muskeg Cabins – East of Grande Cache (Selective)	20.5	Grande Prairie	\$27.1
688	Highway 2 – Highway 986	20.9	Peace River	\$18.1
37	Major Intersection Improvement/Realignment Highways 37/825/15 (West of Fort Saskatchewan)	N/A	Stony Plain	\$14.9
27	Red Deer River Bridge on Highway 27, 12 Km Southwest of Morrin	N/A	Hanna	\$12.7
61	West of Etzikom – East of Etzikom	15.3	Lethbridge	\$12.6
2	Peace River Bridge Project – Stage 1 – Highway 2 Over Highway 684 and CN Rail, Replacement	N/A	Peace River	\$12.2
63	South of Horse Creek to South of Junction Highway 881	36.9	Fort McMurray	\$11.1
63	South of Mariana Lake to North of Mariana Lake	27.2	Fort McMurray	\$10.2
2	Deerfoot Trail – 212 Avenue Southeast Interchange (Cranston Gate) – Bridge Construction	N/A	Calgary	\$9.6
43	Sturgeon Lake First Nation (West of West Boundary – East Boundary) West Boundary	23.4	Grande Prairie	\$9.0
63	North of Junction Highway 55 – South of the La Biche River (Includes Vehicle Inspection Station at Km 4.5)	12.9	Athabasca	\$7.3
2	Gaetz – Local Road Over Highway 2 Interchange, South Boundary of Red Deer (Replacement)	N/A	Red Deer	\$7.0
2	Peace River Bridge Project – Stage 1 – Highway 2 Over CN Rail, Twinning	N/A	Peace River	\$6.8
873	Highway 36 – Park Access Road 103	16.7	Lethbridge	\$6.7
64	Montagneuse River Culvert on Highway 64, 15 Km Northwest of Hines Creek	N/A	Grande Prairie	\$5.8

688	McKinney Creek Slide Repair/Stabilization, Includes Culvert Replacement	N/A	Peace River	\$4.9
N/A	Dickson Dam Service Spillway Gate Replacement	N/A	Red Deer	\$4.7
44	Intersection Improvements	35.4	Athabasca	\$4.5
774	Castle Mountain Resort to South of Castle River	11.3	Lethbridge	\$4.4
740	South Shaftesbury Slide	N/A	Grande Prairie	\$4.2
36	Truck Staging Area, North of Junction With Highway 28 (Near Vilna)	N/A	Athabasca	\$4.1
2	Local Road: Peace River Bridge Project – 98 Street Retaining Wall Construction	N/A	Peace River	\$3.7
60	Intersection Treatment at Highway 60 and Proposed Commercial Development	N/A	Stony Plain	\$3.5
3	Oldman River Bridge on Highway 3, at Lethbridge	N/A	Lethbridge	\$3.4
ST MARY DAM	Low Level Outlet Valve Replacement – Isolation Barrier	N/A	Lethbridge	\$3.1
ST MARY DAM	Riparian Turnout Construction, Low Level Outlet	N/A	Lethbridge	\$2.9
2	Baptiste Creek Slide	17.9	Athabasca	\$2.7
43	Six Intersection Improvements	11.9	Stony Plain	\$2.7
40	Climbing/Passing Lanes from Km 4.4-6.7 and Km 21.5-23.1	3.9	Grande Prairie	\$2.5
2	Gaetz – Highway 2 Mainline Southbound Structure over Highway 2A, Red Deer	N/A	Red Deer	\$2.5
770	North Saskatchewan River Bridge, 6 Km Northeast of Genesee	N/A	Stony Plain	\$2.5
684	Brick's Hill Landslide	N/A	Peace River	\$2.4
1	Highway 563 Over Highway 1 Interchange, 2 Km West of Calgary	N/A	Calgary	\$2.4
535	Highway 873 – East of Highway 873	5.2	Lethbridge	\$2.3
42	Safety Rest Area – Northwest Quadrant of the Highway 2 and 42 Interchange	N/A	Red Deer	\$2.2
2	Illumination at Four Sites along Highway 2	N/A	Stony Plain	\$2.2
63	Environmental Restoration per Twinning Highway 63	N/A	Fort McMurray	\$2.1

## Highway Rehabilitation – Major Projects Underway in 2018-19

(Includes projects greater than \$2 million and more than 50 per cent complete in 2018-19 fiscal year)

HIGHWAY	DESCRIPTION	KM	DISTRICT	TOTAL ESTIMATED COST (in Millions)
723	Highway 43 – Highway 59	23.9	Grande Prairie	\$11.9
44	1 Km North of Highway 642 – North of Township Road 594	35.2	Athabasca	\$11.0
49	13 Km West of Highway 719 – 9 Km East of Highway 719	22.9	Grande Prairie	\$9.4
43	2 Km North of Highway 633 – Highway 16	11.9	Stony Plain	\$9.1
22	1 Km North of Highway 53 – Highway 13	26.0	Red Deer	\$8.8
855	16 Km North of Highway 28 – 7 Km South of Highway 663	36.1	Athabasca	\$8.8
35	North of Slavey Creek – Steen River	37.4	Peace River	\$7.0
40	Peter Lougheed Park Access – Kananaskis Village Access	25.6	Calgary	\$6.9
40	1 Km North of Highway 666 – City of Grande Prairie, Selective	5.6	Grande Prairie	\$6.6
2	2 Km North of Highway 527 – 1 Km North of Highway 533 (Nanton)	22.7	Lethbridge	\$6.6
893	Highway 45 – Highway 646	21.6	Vermilion	\$6.5

## Results Analysis

43	7 Km East of Highway 670 – 2 Km East of Highway 736	19.3	Grande Prairie	\$6.3
12	1 Km East of Highway 855 – 1 Km East of Highway 36	22.7	Hanna	\$6.3
657	19 Km East of Highway 41 – Highway 659	19.7	Athabasca	\$6.2
22	Highway 16 – South of Highway 647	17.1	Edson	\$6.1
856	Forestburg – Highway 13	24.6	Vermilion	\$5.7
2	25 Km North of Highway 812 – 1 Km East of Highway 44	32.3	Athabasca	\$5.7
674	Highway 2 – Highway 733	24.4	Grande Prairie	\$5.6
22	Highway 13 – 5 Km South of Highway 616	14.7	Red Deer	\$5.4
36	South of Highway 16 – Highway 16	18.7	Vermilion	\$5.4
32	11 Km North of Park Access Road 142 – 22 Km South of Town of Swan Hills	21.5	Edson	\$5.2
772	Highway 567 – Highway 574	19.6	Calgary	\$5.0
36	7 Km South of Highway 577 – Highway 9	20.4	Hanna	\$4.9
519	Junction Highway 23 – Junction Highway 25	17.4	Lethbridge	\$4.5
22	Park Access Road 152 – 5 Km South of Highway 540	20.2	Lethbridge	\$4.4
2	2 Km North of Highway 2 – Town of Grimshaw	8.8	Peace River	\$4.3
41	Highway 570 – Highway 9	25.1	Hanna	\$4.2
45	Highway 36 – 2 Km East of Highway 870	21.0	Vermilion	\$4.1
43	5 Km West of Highway 49 – Highway 49 (Eastbound Lane and Westbound Lane)	9.6	Grande Prairie	\$4.0
43	West of Valleyview	15.6	Grande Prairie	\$4.0
41	1 Km South of Highway 883 – 3 Km North of Highway 619	22.4	Vermilion	\$4.0
883	Highway 14 – Highway 41	20.3	Vermilion	\$3.9
733	Highway 43 – 10 Km North of Highway 674	25.7	Grande Prairie	\$3.8
13	12 Km East of Urban Approach Road 87 – Town of Provost	15.4	Hanna	\$3.7
32	Highway 16 – 4 Km North of Highway 748	21.2	Edson	\$3.6
4	5 Km North of Highway 501 – Highway 36	13.4	Lethbridge	\$3.5
16	8 Km East of Highway 32 – 4 Km West of Highway 751	13.8	Edson	\$3.5
544	Highway 873 – 5 Km East of Highway 876	20.8	Lethbridge	\$3.4
2	1 Km North of Highway 2A (South) – 4 km South of Highway 53	13.7	Red Deer	\$3.3
26	6 Km West of Highway 855 – 3 Km West of Highway 857	16.4	Vermilion	\$3.2
986	13 Km East of Highway 688 – 32 Km East of Highway 688	18.4	Peace River	\$3.1
598	Highway 11A – Highway 761	23.1	Red Deer	\$2.9
873	1 Km North of Highway 1 – Highway 550	14.5	Lethbridge	\$2.7
739	Highway 49 – 10 Km North of Highway 49	9.7	Grande Prairie	\$2.6
544	15 Km West of Highway 884 – Highway 884	14.7	Lethbridge	\$2.2
858	West of Poplar Point – Owl River	12.8	Athabasca	\$2.2
501	12 Km West of Highway 4 – Highway 4	11.6	Lethbridge	\$2.0



## **1.2 Enhance access and mobility for transportation users, and support routes connecting major and high-load corridors and hubs.**

The Oversize Overweight (OSOW) Corridor is a series of designated routes on the provincial highway network that accommodates loads up to nine metres tall. The OSOW Corridor gives industry a safer and more efficient way to move oversize and overweight loads such as modular homes and construction, oil rig and petro-chemical equipment.

Budget 2018 included roughly \$255 million for upgrades to the existing OSOW Corridor including building a Highway 43X bypass in Grande Prairie, expected to be finished in summer 2019.

The QEII Highway supports the movement of more than three million people living along its boundary, efficiently connecting the three major cities in Alberta, which combined contribute to 70 per cent of Alberta's gross domestic product (GDP). The QEII Highway supports the movement of goods within Alberta, to west coast marine ports, and forms part of the north-south Canada-Mexico trade corridor. Investments in the QEII Highway, such as the QEII/Gaetz Avenue interchange project, are essential to ensure Alberta's continued economic prosperity. The corridor improvement study exploring future infrastructure needs on the QEII Highway was completed in June 2018 and will inform future capital submissions.

The ministry completed the Transportation Trade Network Analysis Study in 2018-19, investigating gaps and identifying bottlenecks within Alberta's transportation export trade network. Working in collaboration with municipalities, regional boards and industry stakeholders, potential priority infrastructure improvements were identified for future investment planning consideration.

Functional planning studies help determine highway upgrades that may be required in the future, helping Transportation identify priorities and plan for future capital projects. In 2018-19, work continued on two functional planning studies for Highway 3, Alberta's southernmost national highway. Highway 3 is one of three east-west routes through Alberta which moves people, goods and services within the province. It also connects Alberta with British Columbia (BC), Saskatchewan, and international markets to the BC lower mainland ports and the United States. Once complete, the study will identify options for twinning the highway and inform an investment strategy for future development.

Co-managed by the City of Calgary, work continued in 2018-19 on the long-term Deerfoot Trail Functional Planning Study. The study will recommend safety and mobility improvements and consider a range of possible freeway management strategies.

## **1.3 Continue construction of the Calgary Ring Road.**

Completion of the Calgary Ring Road will improve the safe and efficient movement of people and goods, supporting business and economic growth. The ring road is part of key east-west and Canada-Mexico trade routes that improve access to markets across the province, the rest of Canada and around the world. Construction on the 31-kilometre southwest section of the ring road, which began in 2016, was approximately 50 per cent complete as of March 31, 2019. Once complete in 2021, the southwest section of the ring road is designed to accommodate traffic volumes for the next 30 years, estimated to be up to 100,000 vehicles a day on some sections.

#### **1.4 Promote harmonized standards and regulations with jurisdictional partners and clearly communicate objectives to relevant industry, including enhancements to federal rail transportation legislation.**

Transportation participates in the Pacific Gateway Alliance (PGA), a unique partnership between provinces, railways and western marine ports that promotes the Pacific Gateway as an access point to Asian markets and makes recommendations to enhance and expand port, rail, road and airport infrastructure. In 2018-19 the PGA expanded membership to include Transport Canada, the Vancouver Airport, Translink and Manitoba. A new strategy and action plan for the western trade corridor that ensures the competitiveness of the corridor was also under development, building on work completed to-date.

Well-functioning trade corridors and improved market access are key priorities for the Government of Alberta and in 2018-19, Transportation participated in the Ports Modernization Review started by Transport Canada. The review opened a national conversation seeking ideas and analysis on how best to prepare Canada Port Authorities for the future. Transportation submitted a response to Transport Canada on behalf of the Government of Alberta representing Alberta's position on market access strategies and port sustainability and operations.

On May 23, 2018, the Government of Canada's Bill C-49, the *Transportation Modernization Act*, received Royal Assent. This federal legislation will affect the rail transportation system and supply chain for all commodities, including grain, and will impact air travel and the marine transportation system in Alberta. This past fiscal year Transportation participated in essential discussions regarding the development of federal rail, air and marine regulations related to the bill. Participating in this work ensures that the ministry will have the information needed to advocate for Alberta shippers. Federal regulations currently under development will shape how the new legislation will be put into practice across the country.

Amendments were required in 2018-19 to the Dangerous Goods Transportation and Handling Regulation to adopt federal Transportation of Dangerous Goods Regulations made under the *Transportation of Dangerous Goods Act* into Alberta law, and these changes came into effect on July 10, 2018. Harmonizing regulations with federal law enables Alberta to oversee and enforce these laws and regulations, and provides consistency across Canada related to the handling and transporting of dangerous goods by air, marine and federally regulated rail modes. These amendments reduced regulatory and administrative burden for industries transporting goods across provincial boundaries, reducing red tape, and resulting in savings in both time and cost to industry.

#### **1.5 Support sustainable municipal road and bridge infrastructure that contributes to resilient local economies in rural and smaller urban communities.**

In Budget 2018, \$27 million was allocated for the Strategic Transportation Infrastructure Program (STIP), which provides strategic, project-specific investment for rural and smaller urban municipalities on a cost-sharing basis. Funding for successful project applications falls under four funding streams: the Community Airport Program, the Local Road Bridge Program, the Resource Road Program and Local Municipal Initiatives. Funding for municipal transportation infrastructure reduces the administrative burden for municipalities and supports economic growth and the safe and efficient movement of people and goods throughout the province.

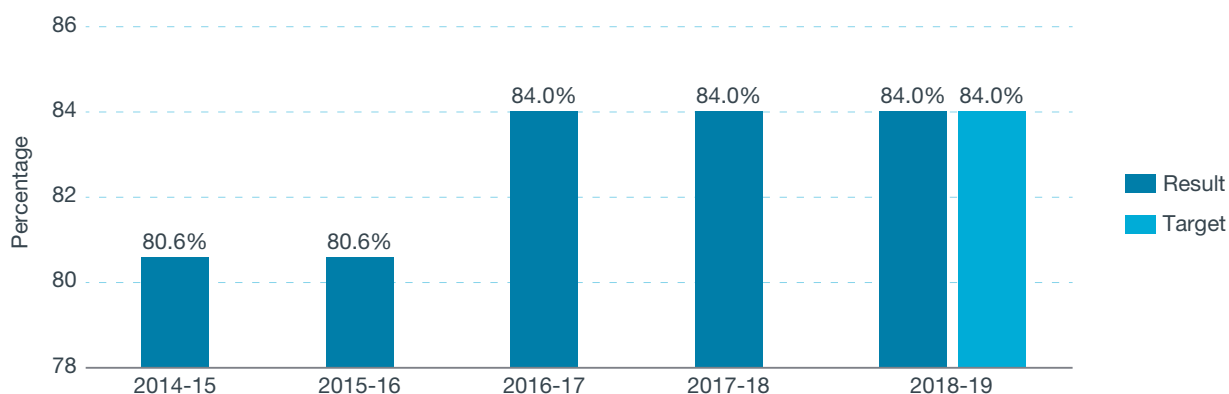
## Performance Measure 1.a: Ring roads in Calgary and Edmonton: Percentage of combined ring road kilometres open to travel

**Description:** This measure indicates the percentage of ring roads in Calgary and Edmonton open to multi-lane travel. The total corridor length when completed is approximately 100 kilometres in Calgary and approximately 78 kilometres in Edmonton.

**Rationale:** The development of ring roads around the province's two major metropolitan areas is critical to the economic development of the province. While accommodating traffic growth in the Edmonton and Calgary regions, the ring roads also enable the efficient movement of goods and people into, out of and around the two metropolitan areas, improving access from the cities to the rest of Alberta and vice versa (see Methodology on page 39).

**Results:** At the end of fiscal year 2018-19, 84 per cent of combined ring road kilometres were open to travel.

### Percentage of Combined Ring Road Kilometres Open to Travel



## Performance Indicator 1.a: Alberta's exports by mode of transportation

**Description:** This indicator is included to show progress toward achievement of long-term outcomes beyond the impact of current government activities and is significantly affected by external factors not directly influenced by the ministry. The ministry is helping to support a diversified provincial economy by ensuring all users have access to a transportation system with a variety of modes to safely transport products and people, from origin to destination, within Alberta, across Canada and internationally. While economic recovery was ongoing in 2018-19, the ministry's continued investment in modern transportation infrastructure is crucial to facilitating trade and encouraging and supporting economic activity for years to come (see Methodology on page 39).

Alberta's exports <sup>1</sup> by mode of transportation <sup>2</sup> (\$ millions):	Prior Years' Actuals				Current Actual 2018
	2014 Actual	2015 Actual	2016 Actual	2017 Actual	
Intermodal (rail and marine)	27,334	24,155	22,241	27,351	33,930
Road	8,977	8,140	7,141	8,110	9,472
Air	1,887	1,784	1,442	1,694	1,891
Total exports <sup>1</sup>	38,198	34,079	30,824	37,155	45,293

**Notes:**

<sup>1</sup> Only merchandise exports, excluding commodities transported by pipelines.

<sup>2</sup> The reported figures are subject to future revisions by Statistics Canada.

**Performance Indicator 1.b:**

### Number of commercial vehicle permits issued annually through Transportation Routing and Vehicle Information Multi-Jurisdictional System

**Description:** This indicator enables the ministry to assess economic development and make decisions that support routes serving major economic corridors and hubs and enhance mobility for transportation system users. It is included to show the total number of single trip/multi-trip licences, overweight single trip/multi-trip and oversize single trip/annual trip permits issued to the commercial carrier industry in Alberta during a fiscal year. This indicates network use and the level of economic activity within the province. Regulated weight and size limits, as well as configurations for commercial vehicles operating in Alberta, are set out in the Commercial Vehicle Dimension and Weight Regulation under the *Traffic Safety Act* (TSA). Section 62 of the TSA allows for the permitting of vehicles that do not conform to the TSA and associated regulations (see Methodology on page 40).

**Rationale:** Permit data is used in the ministry to determine travel demands and costs to the provincial highway network. Issuing commercial vehicle permits helps track and facilitate the movement of oversized commodities, minimize damage to the road infrastructure and ensure the safety and efficient travel of the public sharing these roads. Permit fees collected go toward the ministry's general revenue with the exception of Oversize Overweight Corridor (OSOW) fees, which are included in oversize and overweight permit fees for loads exceeding six metres tall and are invested directly back into the OSOW. The province promotes economic development and diversification in Alberta by implementing transportation initiatives that support the safe and efficient movement of large loads and equipment by commercial vehicles.

Number of commercial vehicle permits issued annually through the Transportation Routing and Vehicle Information Multi-Jurisdictional System:	Prior Years' Actuals				Current Actual 2018-19
	2014-15 Actual	2015-16 Actual	2016-17 Actual	2017-18 Actual	
Licensing	35,223	30,753	31,094	32,888	32,998
Overweight	134,908	106,992	108,224	115,104	119,483
Oversize	32,732	28,415	26,742	27,657	28,956

## Outcome Two

### Long-term Sustainability and Affordability: Alberta can afford to maintain its existing transportation assets and invest in new strategic infrastructure

*Transportation uses asset management principles to make investment decisions on enhancing and maintaining Alberta's transportation network.*

### Key Strategies

#### 2.1 Create and implement a transparent asset management plan in partnership with municipalities, other governments and industry, and examine the long-term sustainability of the network.

Transportation manages one of the largest highway networks in Canada and a portion of the network is at or near the stage where strategic investment is required to maintain service levels. Best use of available resources extends the life of essential transportation corridors to ensure the transportation system can be maintained over the long term. Transportation uses an evidence-based approach to get best value for Albertans' money, by focusing on investment in key economic corridors.

The QEII Corridor Improvement Study and High Load Corridor Network for Oversize Overweight Loads in Alberta Study were both completed this past fiscal year, and supplementary investment plans have since been developed, identifying future priority projects.

Transportation worked together with the Ministry of Municipal Affairs and other stakeholders to draft the Off-site Levies Regulation, which came into effect in May 2018. The regulation clarifies municipalities' ability to apply levies for local roads connecting to the provincial highway network, often needed as a result of development-driven growth. The regulation improves a municipality's ability to fund highway connection improvements by fairly distributing the costs among multiple developers over long periods of time to ensure highway improvements can be built when they are needed. These regulatory changes ease the financial burden on municipalities and reduce funding uncertainty around transportation infrastructure needed to allow for private development. This improves the overall efficiency and sustainability of the transportation system while supporting job creation and economic growth.

## **2.2 Enhance transportation asset management planning to support strategic decision-making, taking into account life-cycle costs, and economic, environmental and social impacts.**

Development of the Alberta Spatial Economic and Travel model was completed in early 2019, which will provide economic, social, land use and environmental analysis to support strategic decision-making for investment planning for the provincial highway network. A Memorandum of Understanding (MOU) was signed with both the City of Calgary and City of Edmonton to jointly develop regional travel demand models.

## **2.3 Partner with the federal government to fund transportation infrastructure.**

An agreement was signed on September 1, 2016 between the Government of Canada and Government of Alberta under which a maximum of 50 per cent of eligible project costs for Alberta transit projects will be funded by the Government of Canada as part of the Public Transit Infrastructure Fund (PTIF). Under this agreement, the Government of Canada committed \$347.2 million in funding for Alberta's major urban and rural communities for transit projects, with \$188.9 million in additional support coming from the Government of Alberta.

On April 3, 2018, an agreement was signed between the Governments of Canada and Alberta under which 40 per cent of eligible costs for Alberta projects will be funded by the Government of Canada as part of the Investing in Canada Infrastructure Plan (ICIP). Alberta will receive just over \$3.6 billion of funding under ICIP through four streams.

- Public transit stream: \$2.1 billion (allocated to municipalities over 10 years and based on ridership numbers).
- Green infrastructure stream: more than \$1.2 billion.
- Community, culture and recreation infrastructure stream: more than \$140 million.
- Rural and northern communities infrastructure stream: more than \$159 million.

Transportation administers the public transit stream on behalf of the Government of Canada. The transit projects will benefit Albertans in communities across the province and will be cost-shared between the Governments of Canada, Alberta and municipalities.

By working together, Transportation and the Government of Canada are able to make significant long-term infrastructure investments that will strengthen connections within and between communities, support economic growth and reduce harmful greenhouse gas emissions, enhancing Albertans' quality of life. Successful partnerships with the Government of Canada in 2018-19 also include the following strategic projects:

- **MAX transit lines expansion:** In November 2018, the City of Calgary, the Government of Alberta and the Government of Canada announced the opening of three new MAX rapid transit bus lines which will benefit 320,000 Albertans living across 53 communities across Calgary. A future southwest route is also currently under construction. These critical projects will enable faster, efficient and accessible travel to key destinations across the city, including work, school, hospitals and stores. As of March 31, 2019, Transportation has provided more than \$152 million in funding to the City of Calgary toward this project.

- **Electric transit buses in Edmonton:** The federal, provincial and municipal governments are jointly funding up to 36 energy-efficient electric buses in Edmonton. The Government of Canada is providing \$21.6 million through PTIF, the province is providing \$10.8 million and the City of Edmonton is providing \$10.8 million. These additions to Edmonton’s transit fleet will improve access and connections, decrease commute times, reduce harmful greenhouse gas emissions and support economic growth.

## 2.4 Implement approaches to ensure highway operations and maintenance programs achieve the best value for investment and the most effective results for Albertans.

Highway maintenance activities such as snow clearing, sanding, pavement patching and crack sealing help preserve our provincial highway network and ensure roads are safe and allow for efficient travel. Highway maintenance contracts in Alberta have historically been strict and focused on response rather than outcomes. In 2018-19, Transportation used a new hybrid model for contracts that combined performance-based and provisional activities focused on achieving results. New performance-based specifications were developed for line painting, pothole patching, vegetation control, grading, winter service delivery, bridge washing and highway lighting and traffic signals. The contracts also optimized highway lengths in each Contract Maintenance Area (CMA) and included boundary changes better aligned with Transportation’s regions, districts and municipal boundaries. Contractors have been encouraged to use innovative and effective solutions to accomplish highway maintenance work. These contract changes help ensure the best value for services for Albertans and further develop effective working relationships between the ministry, maintenance contractors, regulators, municipalities and local businesses.

The ministry tendered eight highway maintenance contracts in 2018-19 for seven CMAs in central, west-central, northwest, southwest and southern Alberta and a new contract for the Deerfoot Trail maintenance area. The new Deerfoot contract was awarded in August 2018, and the other seven contracts (covering 31 per cent of the province) were awarded in February 2019. These new contracts are for seven years and could be extended three more years if the contractor meets performance expectations. Contracts for seven additional CMAs will be tendered in 2019.

### Performance Measure 2.a: Physical condition of provincial highway surfaces

**Description:** This measure defines the percentage of the paved highway network that is in good, fair or poor condition. The International Roughness Index is used to measure the roughness of roads and is the only measurement to categorize overall physical condition. Highways in poor and fair condition are those that require work now or in the future.

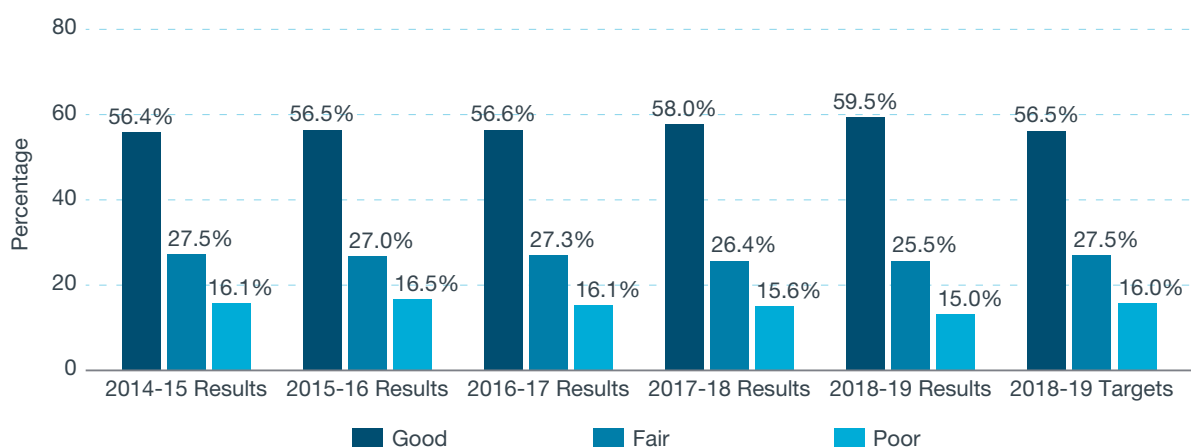
**Rationale:** The measure is used to assess the quality of the paved highway network, in support of efficient movement of commuter, business, personal and commercial traffic. The preservation of pavement quality through regular rehabilitation reduces the total life-cycle cost of the highway system, improving return on investment for Albertans (see Methodology on page 41).

**Results:** In conjunction with maintenance and preservation investment in the network, innovative approaches in highway maintenance such as pavement patching have improved highway surface condition and prolonged the life of pavement. These have resulted in an overall improvement in the condition of paved provincial highways. The amount of poor highway surfaces (those that have reached the point that major repairs or replacement is necessary) has improved from last year, decreasing to

15 per cent and exceeding the target of 16 per cent. The percentage of highways in good condition (adequate for intended use and expected to require average maintenance) increased to 59.5 per cent, exceeding the target by 3 per cent. Together these two categories reflect the efforts of the department to maintain highways for road users.

The provincial highway system is critical to the economic prosperity and social vitality of the province. Therefore, the department will continue to explore innovative solutions to maintain the highways under increased traffic flows. The department continues its forward-looking direction to identify ways to best use capital and operating maintenance activities to extend highway rehabilitation investment to other capital improvements such as passing lanes and rest areas to support safety measures and highway grade widening that enhance freight movement to support economic development.

### Physical Condition of Provincial Highway Surfaces



**Note:**

In the 2018-19 Business Plan, the targets for physical condition of provincial highways were set by category, but are being reported as good, fair or poor, as follows:

**Good (Category 1):** Adequate for intended use and expected to provide continued service life with average maintenance.

**Fair (Category 2):** Aging components are nearing the end of their lifecycle and require additional expenditures for renewal or refurbishing.

**Poor (Category 3):** Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.



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## Outcome Three

### **Connected and Active Communities: Albertans have inclusive and accessible transportation options in and between communities**

*Alberta's public transportation system will provide seamless, integrated connections between transportation modes and communities, including regional, urban, rural and Indigenous communities.*

### **Key Strategies**

#### **3.1 Develop strategies to promote safe, affordable, accessible and environmentally sustainable public transportation options for families and vulnerable Albertans, including seniors and people with disabilities.**

In 2018-19, Transportation continued work on an internal transit plan. The ministry completed extensive consultation, based on input provided by Albertans in rural and urban communities and transportation stakeholders, that allowed the ministry to understand program needs. Transportation worked with municipalities to improve how regions work together to develop and coordinate an expanded transit service and access across Alberta. These efforts informed the development of programs.

#### **3.2 Work with partners to support the development of local, regional and rural public transportation options that better connect Albertans to critical services and each other, and influence community development.**

Following province-wide public engagement with Albertans in 2016 and targeted consultation in 2017, the ministry developed a Rural Transportation Pilot Program to support new and expanded public transportation services to fill service gaps between communities where there is no existing provider.

Six projects were selected and are currently underway through this program. Projects will improve public transportation services between Alberta's mid-sized urban centres and their surrounding communities, assisting rural Albertans who are unable to drive or do not own a vehicle to access critical services such as health care, jobs and education.

To help Albertans plan rural bus trips, in 2018-19 511 Alberta added a new option to display all busing routes and carriers providing bus service between cities in the province. The application suggests route and carrier options based on desired origin-destination routes.

### Performance Measure 3.a:

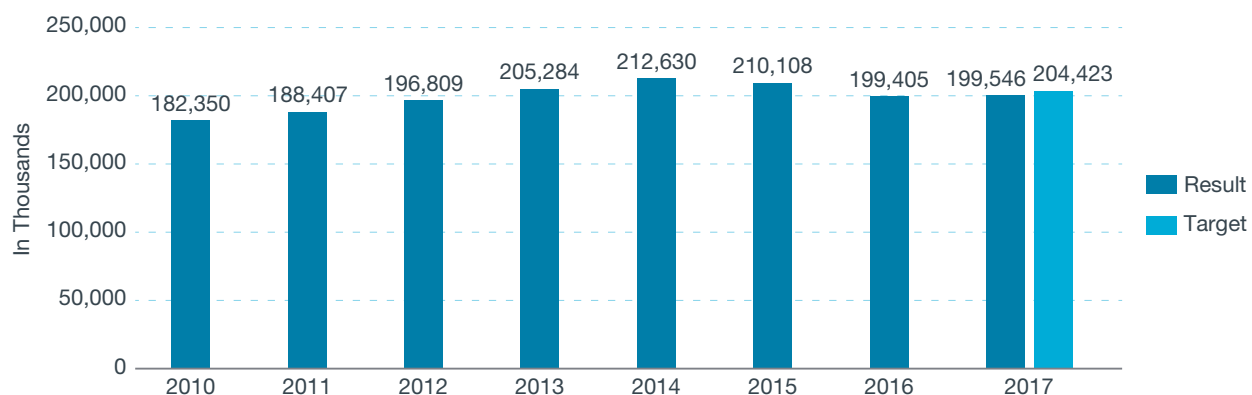
#### Transit Ridership in Alberta: Number of passenger trips taken in regularly scheduled service in Alberta's transit system

**Description:** The total number of passenger trips taken on transit systems across Alberta during regularly scheduled service. Trips requiring transferring from one vehicle to another are only counted once.

**Rationale:** More people using transit in Alberta can create more economic opportunities and reduce traffic congestion, air pollution and greenhouse gas emissions. The ministry supports a variety of projects, programs and policies that aim to increase public transit ridership in Alberta, including the Green Transit Incentives Program (GreenTRIP) and the expansion of light rail transit (LRT) in Edmonton and Calgary. Improving accessibility and providing more public transportation options leads to greater transit ridership (see Methodology on pages 41 to 42).

**Results:** Transit ridership reported in 2018-19 increased slightly to 199.5 million trips a year. Results are collected by calendar year and the latest data set is from 2017 and validated in 2018. There are a number of factors that affect transit ridership in Alberta, including vehicle ownership, parking availability and the quality of bus service. Another factor is the economic conditions in Calgary, with downtown office vacancies reducing transit ridership significantly. Transportation helps municipalities increase transit ridership by providing capital funding through programs such as GreenTRIP and investments in LRT. These programs are helping to fund projects that once complete, will improve customer experience and increase transit ridership. Examples include Edmonton Valley Line West LRT and Metro Line Northwest LRT expansion projects and advance work on the Calgary Green Line LRT project.

### Transit Ridership in Alberta



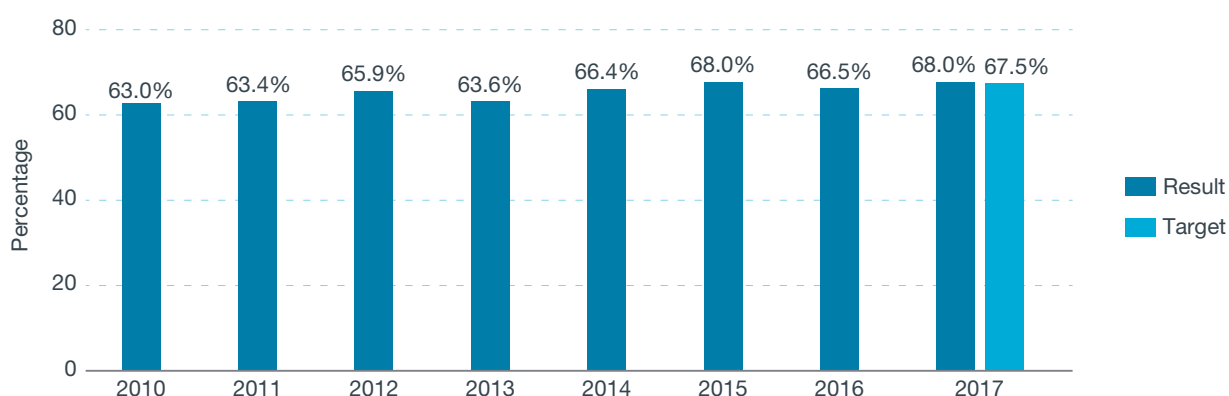
### Performance Measure 3.b: Transit Access in Alberta: Percentage of Albertans that have access to transit service

**Description:** The population of the municipalities with access to regular conventional transit services, divided by the total population of the province.

**Rationale:** Albertans use transit services every day to get to work, go shopping and access critical services like health care. Some of the people that rely on transit are among the most vulnerable, including seniors, low-income families and people with disabilities. The ministry supports a variety of projects, programs and policies that aim to increase the number of Albertans who have access to transit services. Programs such as GreenTRIP and support for LRT expansion in Edmonton and Calgary provide funding for municipalities to expand and improve their transit systems (see Methodology on page 42).

**Results:** The percentage of Albertans who had access to transit services was 68 per cent, which exceeded the 2018-19 target of 67.5 per cent. Results are collected by calendar year and the latest data set is from 2017 and validated in 2018. The Government of Alberta's investments in public transportation helped municipalities expand their transit service into new service areas. Some Albertans also gained access to transit services by moving into communities that have transit systems.

#### Transit Access in Alberta



## Outcome Four

### **Safety and Security: Transportation safety and security is enhanced through educational, regulatory, technological and infrastructure improvements**

*The transportation system is safe and secure, protecting Albertans and working toward zero transportation-related serious injuries and fatalities.*

### **Key Strategies**

#### **4.1 Continue to implement transportation safety strategies to prevent transportation-related deaths and serious injuries on Alberta's roads, including those in Indigenous communities.**

As part of an annual intersection safety review, Transportation reviewed the collision history of more than 18,000 intersections on the provincial highway network and concluded that overall the highway intersections in Alberta are operating safely. Based on the review of data, on-site inspections of many highway intersections were conducted and strategies to improve safety, such as repainting lines and installing rumble strips, flashing lights or traffic signals, were identified. Transportation is also examining sightlines at intersections and converting a few into roundabouts to reduce the likelihood of collisions and improve safety. The intersections identified as safety-challenged have either already been upgraded and are being monitored, or have safety assessments or engineering design underway.

The Alberta Wildlife Watch (AWW) Program's primary goals are to reduce animal-vehicle collisions (AVCs) on provincial highways, improve driver safety and minimize the impacts of highways on wildlife populations. The number of confirmed AVC reports increased 24.3 per cent from 2,974 in 2017 to 4,149 in 2018 due to more highway maintenance contractors participating in the AWW Program. Transportation has made significant progress in finding ways to confirm AVC collision-prone locations and has identified high AVC collision locations that may need possible mitigation. Detailed investigations at these locations will determine the most appropriate mitigation strategy, such as wildlife fencing, electronic animal detection systems and speed reduction zones.

The Community Mobilization Program provides services to clients across the province, including those in Indigenous communities, to help them build the skills, capacity and partnerships needed to effectively address local traffic safety priorities and challenges. In 2018-19, a priority service was provided to ensure communities are able to educate parents and caregivers on how to properly install a child safety seat. A new education and awareness campaign was developed and launched in November 2018 during Occupant Restraints month on the Traffic Safety calendar. Sessions were completed in nine municipalities to train new car seat technicians.

The Community Mobilization Program continued to support Indigenous communities by delivering workshops to help youth and new drivers complete the Class 7 learner's knowledge test. The program also equipped First Nations and Metis Settlement community members to deliver child seat safety sessions in their communities.

The Alberta Traffic Safety Fund (ATSF) encourages the implementation of community-based safety projects to address local priorities. In 2018-19, 65 ATSF grants were awarded totalling approximately \$767,000.

#### **4.2 Continue to develop amendments to the *Traffic Safety Act* and regulations to align with best practices, including cannabis-related provisions, and enhance the safety of transportation users.**

The *Traffic Safety Act* was updated both in spring and fall 2018 to prepare for the legalization of cannabis. This legislation ensured zero tolerance for alcohol and drugs for drivers with a Graduated Driver's Licence, and updated the section in the Act which referenced the Criminal Code of Canada. The ministry participated in federal and provincial task teams and aligned programs and regulations to the new cannabis-related provisions. The ministry aligned licensing suspensions for novice drivers and extended the Alberta Zero Tolerance Program to include drugs. The ministry also amended regulations relating to vehicle seizures and control to remove references to the Criminal Code. Several education campaigns ran publicly, informing Albertans about the changes to impaired driving laws and the dangers of cannabis-impaired driving.

The ministry amended three regulations under the *Traffic Safety Act*: the Commercial Vehicle Certificate and Insurance Regulation, the Driver Training and Driver Examination Regulation and the Operator Licensing and Vehicle Control Regulation. The Traffic Safety Regulations Amendment put three significant policy shifts into place. These included establishing a new pre-entry program for prospective National Safety Code carriers, reforming Alberta's driver examiner road test model and introducing Mandatory Entry Level Training for commercial drivers. All three of these driver safety initiatives came into force on March 1, 2019.

On July 1, 2016, the Government of Alberta began using a regulatory framework for Transportation Network Companies (TNC). The ministries of Transportation and Treasury Board and Finance worked with the ride-for-hire industry, the insurance sector, municipalities and other stakeholders to develop guidelines for TNCs to operate fairly and safely in Alberta. In February 2018, Transportation's Carrier Services began reviewing TNCs to evaluate the overall effect the regulation has had on outcomes. This included seeing how TNCs were complying with provincial regulations and identifying key stakeholder issues and challenges. More work will begin in 2019-20 to explore how to further clarify TNC requirements and improve the oversight of TNC companies in Alberta.

On January 15, 2019, the new Traffic Accommodation in Work Zones Regulation was announced. The regulation legally supports the ministry's updated Traffic Accommodation in Work Zones Manual. Minimum requirements were imposed on highway construction contractors, ensuring worker safety and reducing traffic delays. Standard penalties continue to apply to contractors not following requirements. Speed reductions in construction zones continue to be enforced to protect highway workers and the travelling public, and speed fines continue to be doubled when highway workers are present. Construction zone requirement changes include: improving consistency of how road construction signs are used, such as covering speed reduction signs when there are no workers present and it is safe to do so; limiting the distance lanes are closed; and increasing the distance before construction zones where speeds change.

#### **4.3 Reduce the impacts of emergency incidents by working with partners to enhance emergency response and management processes, and increasing the resiliency of critical infrastructure.**

In 2018-19, Transportation continued work to enhance emergency response and management processes, and increase the resiliency of critical infrastructure to lessen the impact of future events.

The department's Emergency Management Program continued to evolve, adopting the all-hazards approach into its emergency management program. This approach provides a flexible way of managing hazards and emergencies which can be applied to a wide variety of scenarios, rather than needing

specific plans for every possible hazard. The ministry is one of the first provincial jurisdictions in Canada and among the first in North America with a formal safety closure policy for highways that emphasizes safe reopening resulting from prioritizing maintenance, and extended closure when it ensures a lasting reopening. The safety closure policy relies on the combined judgement of professionals, evidence-based criteria for closure and a high-level understanding of risk and impacts to Albertans.

Transportation continues to improve how dangerous goods are transported safely by road and provincial rail throughout communities in the province, working with industry, municipalities, fire departments and Indigenous communities to coordinate and deliver the ministry's Dangerous Goods program. As part of its focus on commercial carrier enforcement and compliance issues, transportation safety ministry staff attended or assisted with road and rail incidents involving dangerous goods, and carried out facility inspections and highway tank facility audits. Other activities done by Transportation in 2018-19 include the following.

- Coordinating the Transport Canada-led Transportation of Dangerous Goods National Blitz in September 2018 for Alberta, during which road checks were carried out with partner enforcement officers.
- Continued to operate Alberta Environmental and Dangerous Goods Emergencies (EDGE), a cross-ministry hazard-specific emergency centre that is a single point of contact for spills and dangerous goods emergencies, allowing for a coordinated response and connecting industry partners directly with technical experts.

The Springbank Off-Stream Reservoir is a flood mitigation project currently under federal and provincial environmental regulatory review. As of March 31, 2019, the Government of Alberta has acquired roughly 20 per cent of land required to construct the Reservoir and continues to consult with other Springbank landowners. The ministry continued the regulatory process in 2018-19.

#### **4.4 Continue to work with industry partners to ensure the safe and secure transportation of dangerous goods through communities.**

To ensure the safe and secure transport of dangerous goods in Alberta, in 2018-19 Transportation worked with industry partners to:

- Participate in Federal-Provincial/Territorial task force meetings regarding the transportation of dangerous goods and the Federal-Provincial Working Group on Railway Safety to offer direct input toward regulatory changes, such as how safety marks are displayed, the way dangerous goods are classified, and how to better coordinate enforcement and emergency response.
- Ensure Albertans' interests are represented as dangerous goods standards related to certified containers are developed for rail operations and procedures.

Work also continues with updating the current Canadian Standards Association standards related to highway tanks and portable tanks, expected to be published in 2020. The Canadian General Standards Board standard related to transportation of small containers containing dangerous goods is also under review and development.

#### **4.5 Continue to provide oversight and compliance reviews to ensure Alberta highways remain one of the safest in the country.**

To evaluate the use of photo radar in Alberta the ministry supported an independent review of Automated Traffic Enforcement (ATE). The review's findings and recommendations were released in February 2019. The review found that while photo radar makes a small contribution to traffic safety in the province, it is not being used in a way that maximizes traffic safety. Four guiding principles now in effect focus on transportation safety over revenue generation; the responsibility of police services to ensure ATE programs are used to improve traffic safety; ongoing evaluation of ATE programs; and the vital importance of public transparency. As of June 1, 2019, photo radar will no longer be permitted in speed transition zones, which are defined more clearly in the new guidelines. ATE programs will also be required to post location sites and rationale online. On March 1, 2020, municipalities will be required to submit revised traffic safety plans indicating how ATE programs improve traffic safety outcomes and demonstrate in a public report how photo radar programs are improving safety outcomes.

After consulting with industry stakeholders and Albertans, the province changed the road test model for all driver's licence classes, which previously operated under a privatized model. As of March 1, 2019, all driver examinations for road tests are now conducted by Government of Alberta employees, ensuring the driver examination model is safe, fair, transparent and consistent. Fees for all classes of driver's licences have been standardized to make sure all Albertans pay the same price for the same service. Mobile driver examiners now use tablet and GPS technology which improves accessibility across the province, especially in rural areas. A call centre has been established to respond to questions and concerns from Albertans about the new model.

On March 1, 2019 following consultation with key industry stakeholders and the general public, Transportation put into effect a Mandatory Entry Level Training (MELT) program for drivers seeking a Class 1 or Class 2 driver's licence that will result in safer, more highly skilled drivers working in the truck and bus industries on Alberta's roads. MELT requires drivers to complete specific training to get a Class 1 driver's licence to drive tractor trailers, a Class 2 driver's licence to drive buses and/or an "S" endorsement to drive school buses. The MELT program includes a standardized curriculum, a specific number of training hours in-class, in-yard and in-vehicle, and enhanced knowledge and road tests. Driver instructors and examiners have been retrained and retested in preparation for delivering and testing the new curriculum. Eight schools located across the province are currently prepared for Class 1 training. Some farmers and/or their employees and school bus drivers were granted an extension to help these groups adapt to the new requirements.

A new Pre-Entry Program for new National Safety Code Carriers, which began March 1, 2019, defines new safety requirements that start-up trucking companies must meet before operating on Alberta roads, which will improve the overall road safety on Alberta's highways and across the continent. Before a Safety Fitness Certificate (SFC) is issued, an online course and knowledge test must be completed. This test is available for free on 511 Alberta. Starting March 1, 2019 SFCs issued will expire after three years and require a third party new carrier compliance review to be completed within one year.

The ministry continued to provide administrative functions and oversight to the Vehicle Inspection Program, vehicle inspection facility licences, inspection technician licences, and conducted compliance visits on the licensed facilities. Transportation issued exemption certificates to allow vehicles that do not comply with existing regulations to operate. This included exemptions to allow automated vehicles to be safely tested on Alberta roads.

## Performance Measure 4.a: Combined fatal and major injury collision rate per 100,000 population

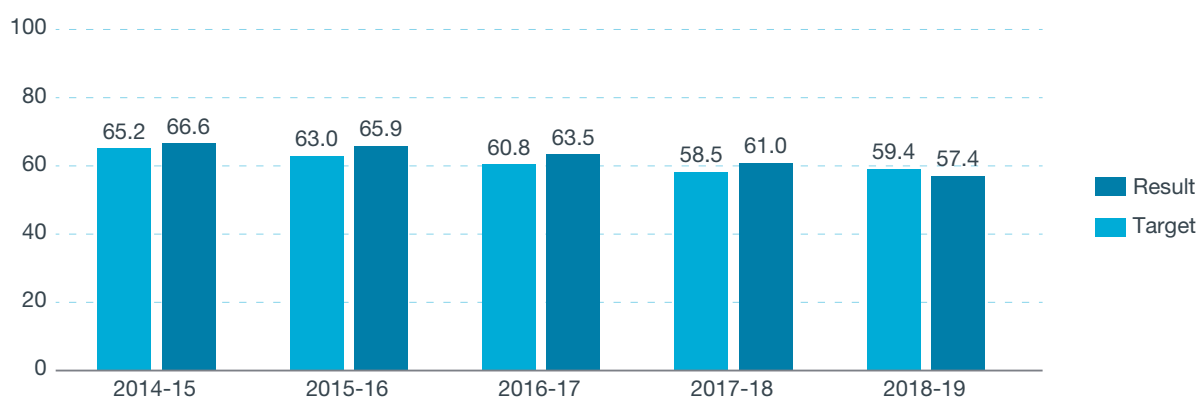
**Description:** This measure describes the three-year rolling average number of the combined fatal and major injury collisions as a rate per 100,000 population.

**Rationale:** To continue efforts to reduce the number and severity of traffic collisions on Alberta's roads, the ministry monitors the combined fatal and major injury collision rate per 100,000 population (see Methodology on page 43).

**Results:** The three-year average combined fatal and major injury collision rate per 100,000 population was 57.4, which is below the target of 59.4. This variance of 2.0 collisions per 100,000 population is largely due to many contributing factors that have the potential to impact achieving targets for this measure, including changing population demographics, economic activity in the province, and increases in the number of drivers and registered vehicles, as well as traffic volumes on provincial roads. Continued growth in Alberta also affects the outcomes. For example, traffic volumes for 2018 increased by 4.68 per cent from 2014, as recorded by Alberta's Automated Traffic Recorder sites throughout the province. Alberta's population as of July 1, 2018, as reported by Statistics Canada, was 4,307,110 (Statistics Canada Catalogue no. 91-215-X).

Enforcement, engineering initiatives, community mobilization, strategic communication and education initiatives, and the level of support for these strategic initiatives may affect this measure. Many traffic safety initiatives, such as reducing impaired driving or increasing occupant restraint use are about changing attitudes and behaviours and these types of changes can take several years, if not decades to achieve. When determining the targets, longer-term goals are taken into consideration and targets follow those outlined in the ministry's transportation safety strategies. The 2018-19 collision rate is based on the best information currently available and is preliminary and subject to change as more information becomes available.

### Combined Fatal and Major Injury Collision Rate<sup>1</sup> per 100,000 Population



**Note:**

<sup>1</sup> Actual rate is calculated as a three-year rolling average.



## Outcome Five

### **Innovation and Technology Integration: Alberta's transportation system adapts to new innovations and technologies**

*The transportation system is flexible and adaptable to rapidly evolving technologies and systems that will improve transportation safety, sustain the lifetime of transportation infrastructure and provide timely information to Albertans.*

### **Key Strategies**

#### **5.1 Continue to enhance 511 Alberta, the province's official road reporting service, to provide transportation users with reliable and timely travel and road condition information to support improved mobility and promote efficient use of the transportation network.**

The province's official road reporting service 511 Alberta provides transportation users with reliable and timely travel and road condition information to ensure the safe and efficient movement of people and goods. The service allows all road users in Alberta to report, monitor and respond to traffic and road conditions. The 511 Alberta service is widely used by the general public, commercial drivers and visitors to the province. In 2018-19, the 511 Alberta website had almost two million unique visitors, over five million visits and over 250 million hits.

In August 2018, Transportation completed a \$1.5-million rebuild of 511 Alberta platforms using state-of-the-art technology. 511 Alberta is the first of its kind in Canada to expand its service beyond provincial highways, becoming a multi-jurisdictional model that allows for reporting on municipally controlled and maintained highways, roads and transit. The model improves communication with all travellers, while increasing collaboration and coordination between multiple stakeholder groups, including municipalities, emergency responders and the RCMP. The new system's data collection and analysis capacity will also help with future decision-making, including strategic investments and land-use planning.

The new 511 Alberta system is the cornerstone for the ministry's emerging transportation management centre, a data collection and analysis hub that strategically manages road and traffic conditions and communicates with road users in real-time. The system provides advanced awareness of the current state of the provincial highway network, improving the transportation management centre's ability to respond to events affecting the highway network and communicate with road users and relevant stakeholders. Using the latest Intelligent Transportation System technology will continue to improve the safety of all road users, enable seamless and integrated connections between communities and transportation modes, and reduce traffic congestion and associated greenhouse gas emissions.

#### **5.2 Investigate and implement innovative technologies and approaches that support the safety and mobility of travellers, and reduce greenhouse gas and air contaminant emissions.**

Transportation sponsored The Conference Board of Canada's Automated Vehicles 2018: Planning for Urban and Rural Transitions Conference on June 6-7, which was well-attended by delegates from across Alberta and Canada. Attendees included representatives from industry, community groups, non-profit organizations, academia and various orders of government. The conference included connected vehicle technology demonstrations and provided an opportunity for the ministry to inform stakeholders on the potential impacts of self-driving vehicles and how to prepare for the arrival of this technology.

Industry and municipalities are becoming increasingly interested in testing new autonomous (or driverless) vehicle technology on Alberta roads. Transportation currently approves testing of highly automated vehicle (HAV) technology on a case-by-case basis and began developing a standardized application in 2018-19. This past fiscal year, Transportation worked with three municipalities and Pacific Western Transportation to conduct six demonstrations involving a low-speed electric HAV shuttle in Calgary, Edmonton and Wetaskiwin. The demonstrations in fall 2018 allowed hundreds of Albertans to ride the shuttle and experience upcoming HAV vehicle technology firsthand.

A number of research partnership studies were completed in 2018-19 as part of a three-year grant to improve transportation-related operations, safety and planning relevant to Alberta's cold-climate needs. Some examples include the following.

- **A study on the Automated Network-Level Assessment of Vertical Clearances for Bridges**, which developed ways to use Light Detection and Ranging (LiDAR) data to automatically identify vertical clearances (heights) for bridges. This information will help vehicles, particularly large trucks, avoid bridge strikes which are dangerous and costly to repair.
- **A Capacity Scan and Vulnerability Assessment of the Alberta Highway Network** which used a network model with scalable metrics and methods that focused on the northeast quadrant of Alberta to explore vulnerability levels of communities in Alberta to natural disasters. Contingency planning based on this information will assist in protecting the safety of Albertans in these vulnerable areas.

### **5.3 Investigate and implement innovative technologies, standards and approaches to reduce costs and promote the long-term affordability and efficiency of the transportation system.**

In 2018-19, Transportation continued work on the light emitting diode (LED) retrofit project. As of March 31, 2019, 6,260 traditional high-pressure sodium highway light fixtures had been replaced with LED technology. LED lights have a significantly longer lifespan and operate with reduced wattage, resulting in cost savings from reduced maintenance and reduced energy consumption. The ministry anticipates saving \$15.4 million from reduced energy consumption and \$19.5 million from reduced maintenance and replacement costs as a result of this project.

Transportation began a camera and Dynamic Message Signs (DMS) network expansion project in 2018-19, with installation expected to begin fall 2019. The DMS network will expand from 16 to 24 next generation signs and the highway camera network will increase from 121 to more than 200 cameras by 2021. The project improves the overall awareness of how the transportation network is functioning by providing reliable, real-time information on road conditions, traffic, roadwork activities and incidents. This information will be used to manage transportation more effectively, such as rerouting traffic or sending out traveller alerts. The new camera/video feeds will also be available live through 511 Alberta, providing travellers with enhanced route information on its website and app.

In 2018-19, \$3.1 million in funding was approved for Phase 2 of the ACTIVE-AURORA project, Canada's first and only operational connected vehicle test bed network. Project planning was also underway in 2018-19. Phase 2 builds on the important connected vehicle work completed under ACTIVE-AURORA Phase 1 in 2016, and will include an expansion of connected vehicles infrastructure and the development and testing of new connected vehicle applications. The project is crucial in helping the ministry prepare for the arrival of connected vehicle technology. Highway user security and privacy are important considerations when supporting connected vehicle and automated vehicle projects in Alberta and Canada, and a Security Credential Management System (SCMS) is a key part of the design of ACTIVE-AURORA. Transportation is assisting in the testing of the SCMS by providing weather and traffic data, as well as sharing ministry-owned Intelligent Transportation Systems

infrastructure, including Road Weather Information Systems and Video Traffic Management Systems located on Edmonton's ring road, Anthony Henday Drive.

In 2018, Transportation reviewed and updated select models in its pavement management system. The update was completed in part to include laser crack measurement system data in the pavement management system models. Updates to the model will help the ministry make better decisions when choosing pavements to rehabilitate or repair. Additional work is required to refine the data that identifies projects for future rehabilitation.

#### **5.4 Continue to enhance the automated Transportation Routing and Vehicle Information Multi-Jurisdictional permitting system in collaboration with municipalities across Alberta, ensuring consistent overweight permit fee distribution to municipal partners to offset highway maintenance costs.**

The Commercial Vehicle Dimension and Weight Regulation under the *Traffic Safety Act* specifies the allowable dimensions and weight limits for commercial vehicles operating on Alberta highways. Vehicles and/or loads that are unable to meet these requirements may be able to get a permit through the ministry's Transportation Routing and Vehicle Information System Multi-Jurisdictional (TRAVIS MJ). The permitting program helps improve the safety of the travelling public, supports economic growth in Alberta, minimizes inconvenience for highway users and reduces the risk of damage to highway infrastructure.

Municipalities can also restrict weights and dimensions on local roads in Alberta. TRAVIS MJ is a one-stop shop permitting system that can issue a single permit for the movement of loads on both the provincial and municipal network. TRAVIS MJ processes a single permit application for a proposed route by applying the rules and requirements of the province and all affected municipalities to create a single permit document. TRAVIS MJ enables municipalities to approve or deny permits for travel on roads under their authority. Transportation then distributes all municipality-set fees collected through TRAVIS MJ back to participating municipalities. In 2018-19, 15 more municipalities joined the program, including the Counties of Brazeau, Thorhild and Athabasca, and the Town of Fox Creek. The government will continue to work with municipalities for full participation in TRAVIS. Work toward modernizing the existing TRAVIS MJ system continued in 2018-19.

### **Performance Measure 5.a:**

#### **Light Emitting Diode (LED) lighting on provincial highways in Alberta: Cumulative number of lights converted to LED technology along provincial highways**

**Description:** The number of lights on the provincial highway network converted to LED.

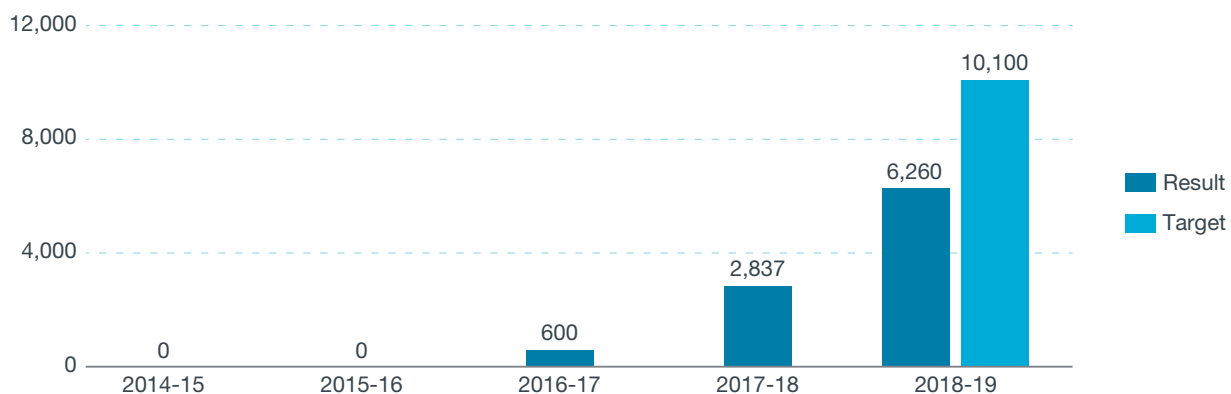
**Rationale:** Transportation received funding to convert 10,100 lights on the provincial highway network to LED by the end of 2018-19. Installation of LED lights in place of traditional high-pressure sodium (HPS) lights reduces the amount of electricity needed to power Alberta's highway lighting systems and lowers electricity costs from reduced energy consumption. LED lights also have a longer operational lifespan than HPS lights. Significant maintenance savings are anticipated once the conversion project is complete (see Methodology on page 43).

**Results:** This measure had a result of 6,260 highway lights converted to LED in 2018-19. This is 3,840 below the target of 10,100 lights converted and a variance of about 38 per cent from the target.

Since the inception of the project LED technology has rapidly improved resulting in luminaires that are larger yet very efficient being retrofitted than originally planned. Also, the majority of retrofits have been installed on multi-lane divided highways using larger luminaires as opposed to smaller two lane highways. These luminaires cost about 20 per cent more than the smaller luminaires originally considered when developing program estimates but because they are larger less of them are required to provide the same lighting. They will also reduce long-range costs and represent a good long-range investment. Larger luminaires also have a benefit of saving more greenhouse gas emissions than smaller luminaires. Future targets for this measure will need to be adjusted to reflect recent developments in the program.

Some of the planned project work was not completed due to project delays, resulting in the planned retrofit of approximately 1,800 luminaires to be deferred.

### LED Lighting on Provincial Highways: Cumulative Number of Lights Converted to LED



## Outcome Six

### **Environmental Stewardship: Alberta has a transportation system that is managed in an environmentally responsible and sustainable manner**

*Alberta's transportation system supports economic growth while balancing the need to reduce negative environmental impacts, including identifying barriers and opportunities to reduce passenger and freight-related greenhouse gas emissions.*

### **Key Strategies**

#### **6.1 The ministry will identify actions to advance energy efficiencies and reduce greenhouse gas and other air contaminant emissions, including exploring the use of green transportation infrastructure and environmentally sustainable ways to plan, develop and maintain the transportation network.**

By the end of 2018-19, 6,260 highway light fixtures had been replaced with LED technology, as part of the LED retrofit project. Retrofits have taken place in Calgary on both Northwest Stoney Trail and Deerfoot Trail, in Edmonton at Southwest Anthony Henday Drive, and are ongoing in Vermillion District. The retrofit of Alberta's highway lighting from high-pressure sodium bulbs to LED technology supports environmental stewardship by reducing energy use.

Transportation signed an MOU on January 1, 2018 with the Alberta Roadbuilders and Heavy Construction Association and the Consulting Engineers of Alberta that outlines actions to reduce emissions from road construction and maintenance, such as from the production of asphalt. A Greening Maintenance and Construction Task Group was formed between the signing parties to support the commitments of the MOU. In 2018-19, Transportation also participated in the Heavy Duty Vehicle Retrofit Working Group, which aims to reduce emissions from current truck fleets.

The Commercial Vehicle Dimension and Weight regulation under the *Traffic Safety Act* specifies the maximum weight for commercial vehicles allowed on Alberta highways. Axles equipped with single tires have lower weight allowances than dual tires due to increased impacts on highway infrastructure. Studies conducted by industry over the past several years have demonstrated that the use of wide-based single tires improves highway safety, saves money for the trucking industry due to a decrease in fuel consumption of up to nine per cent, and decreases associated emissions. Permits are available to the carrier industry allowing for weight parity with dual tires on all axles of a commercial vehicle fitted with wide-based single tires of at least 455 mm wide on provincial highways. Municipal approval is still required for travel on local roads. An amendment to the MOU Respecting a Federal-Provincial-Territorial Agreement on Vehicle Weights and Dimensions that allows full weights on 445 mm-wide tires is pending approval from Transportation ministers. If approved, a permit will be available for travel on provincial highways and will require municipal approval for travel on local roads.

## **6.2 Investigate opportunities and partnerships to develop and promote public transportation systems through grant funding programs that support more sustainable, energy-efficient forms of transportation.**

The ministry supports a variety of projects and programs that aim to increase public transit ridership in Alberta, green Alberta's transit fleet and facilities, and increase transit ridership. In addition to grants through the Green Transit Incentives Program (GreenTRIP), the ministry has provided funding for new electric buses in Edmonton, the expansion of light rail transit (LRT) in Edmonton and Calgary, and other projects in a variety of communities in Alberta.

These investments will help municipalities provide Albertans with more transportation options to travel safely and efficiently to work, school and other activities. Public transportation is also a more energy-efficient, sustainable mode of transportation compared to vehicles with only one occupant.

## **6.3 Work with partners to ensure all Albertans, including Indigenous communities, have reliable access to clean and safe drinking water and water/wastewater treatment systems by providing funding through the Alberta Municipal Water/Wastewater Partnership, Water for Life and the First Nations Water Tie-In Program.**

Budget 2018 provided more than \$480 million for critical water grant programs to improve essential water infrastructure in Alberta. In 2018-19, Water for Life provided \$75.3 million in funding to regional commissions or groups of two or more municipalities to help build new water systems or upgrade existing systems that provide reliable access to clean and safe drinking water. In 2018-19, the Alberta Municipal Water/ Wastewater Partnership (AMWWP) also provided \$45 million in funding to municipalities to build facilities for water supply and treatment, and wastewater treatment and disposal. The Government of Alberta provided approximately \$33.2 million toward a \$71 million project also funded by the Government of Canada and the North Red Deer Regional Wastewater Services Commission to connect the communities of Lacombe, Blackfalds and Lacombe County to the wastewater treatment facility in Red Deer with a 28-kilometre pipeline. The project was completed ahead of schedule and under budget in May 2018, and will help safeguard the health and well-being of central Alberta residents while helping protect local waterways and ecosystems.

Transportation and the Ministry of Indigenous Relations continue to partner with First Nations to work on First Nations Regional Drinking Water Tie-In projects that connect First Nation communities to existing water lines and address the need for safe and reliable drinking water. In 2017, the Government of Alberta committed \$100 million over the next six years, including \$24.4 million in 2018-19, to deliver clean drinking water to the boundaries of First Nations. Ten projects are now underway that will benefit 14 First Nations across the province. Construction of a regional waterline to the Paul First Nation and the Alexis Nakota Sioux Nation boundary was completed in June 2018. Construction for a regional waterline up to the Whitefish (Goodfish) Lake First Nation reserve boundary is also underway and expected to be complete in fall 2020. A \$2.1-million Transportation-funded project announced in March 2019 will connect a waterline between the Dene Tha' First nation in Bushe River to the Town of High Level water treatment plant. It is expected to be completed in 2020. Additional work underway in 2018-19 included: construction continuing on the Cold Lake to Bonnyville waterline, which will also serve Cold Lake First Nation; approval of the design of the waterline to Frog Lake First Nation; completion of the Alexander First Nation study; and a feasibility study continued to be underway for Beaver Lake Cree Nation.

## Performance Measure 6.a:

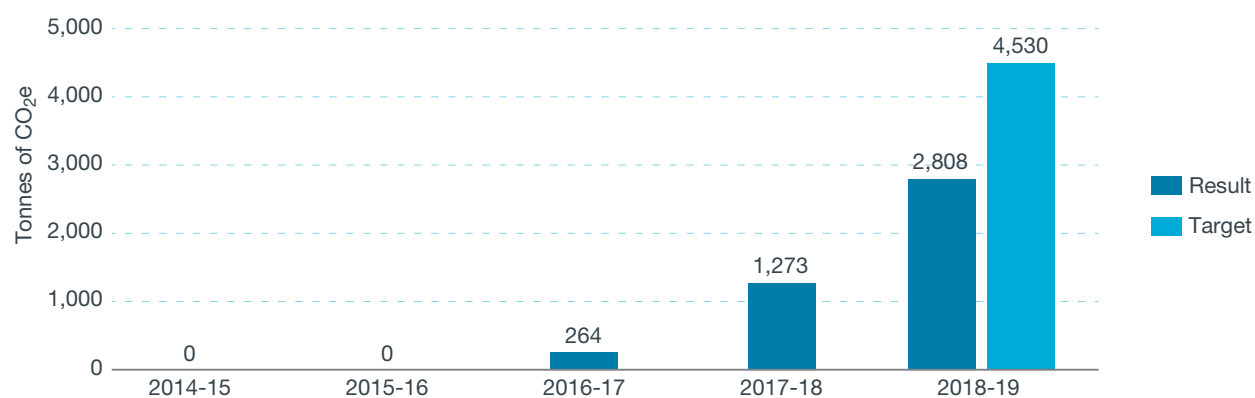
### Greenhouse gas emissions (tonnes of CO<sub>2</sub>e) reduced annually with support from green transportation initiatives

**Description:** The annual reduction in greenhouse gas (GHG) emissions measured in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) that result from the ministry's projects, programs and policies which support environmental stewardship.

**Rationale:** Alberta's transportation system supports economic growth while balancing the need to reduce negative environmental impacts. The ministry identified and undertook initiatives to advance energy efficiencies and reduce greenhouse gas emissions, including exploring the use of green transportation infrastructure and environmentally sustainable ways to plan, develop and maintain the transportation network. Currently this measure includes reduced emissions resulting from the conversion to LED lighting project on provincial highways. Other initiatives will be added as applicable data becomes available (see Methodology on page 44).

**Results:** 2,808 tonnes of CO<sub>2</sub>e were reduced annually by the end of 2018-19, below the target of 4,530. As discussed in measure 5.a, 6,260 highway lights converted to LED in 2018-19, below the target of 10,100. The department has retrofitted LEDs that are larger than those originally considered when developing the program. This is due to both the rapid advancement in technology and retrofits being completed on larger multi-lane divided highways. Larger LEDs also have a benefit of saving more emissions compared to smaller ones. It is likely that when taking into account the size of LED actually installed in the completed projects that the cumulative reduction is more than the reported 2,808 tonnes of CO<sub>2</sub>e for 2018-19. Information from this result will enable the ministry to set more accurate and precise targets for future years.

### Greenhouse Gas Emissions Reduced Annually with Support from Green Transportation Initiatives



## *Key Factors Influencing Performance*

Competing demands and ongoing change can affect Transportation's ability to meet Albertans' needs. To mitigate this risk, the ministry is focusing on a number of activities.

- Reviewing ministry processes to improve efficiency while successfully achieving outcomes.
- Providing training focused on leadership, diversity and inclusion, and new employee onboarding.
- Adapting programs and regulations to respond to changing needs of communities, industry and Albertans.

Technology is evolving rapidly creating uncertainty around what will be required in the future. To position the transportation system to meet future needs the department is working on the following.

- Enhancing 511 Alberta to respond to Albertans' needs and improve the availability of up to date provincial highway information.
- Supporting research and adapting ministry policies and requirements to keep up with rapid change in transportation technology.
- Continuing to use forecasting and foresight to respond to innovations, such as connected vehicles, automated vehicles and drones.

The ministry has a responsibility to deliver prompt and coordinated responses to hazards and disruptions to the transportation system, including emergencies and disasters. To mitigate these risks, the ministry is taking the following actions.

- Collaborating with partners to train all highway maintenance contractors to facilitate rapid responses to highway emergencies.
- Developed a formal storm road closure policy to ensure Albertans' safety by using the judgement of experienced professionals and factual evidence for closure requirements.
- Created a transportation management centre with 511 Alberta as the foundation, to provide critical information for travellers on Alberta highways.

As the ministry adapts to meet the evolving needs of Albertans, clear communication is required to ensure Transportation achieves its outcomes and maintains positive effective working relationships with its partners and stakeholders. The ministry is working toward the following.

- Developing an improved understanding of client and stakeholder need, for example, ongoing collaboration with the Edmonton/Calgary Metropolitan Region Boards provides critical information on traffic congestion around these cities.
- Using more comprehensive methods in policy and program development and evaluation.
- Modifying ministry processes to provide improved client-focused services.

The ministry manages an extensive transportation network, while preparing for future changes that may impact the system. The ministry is taking the following actions.

- Using long-term, strategic approaches to plan investments such as the Transportation Trade Network Analysis Study completed in consultation with municipal and regional partners and industry stakeholders.
- Completing the Alberta Spatial Economic and Travel model, which will provide economic, social, land use and environmental information on the provincial highway to support long-term planning.
- Using innovative, economical approaches in highway maintenance.



## Performance Measure and Indicator Methodology

### Performance Measure 1.a:

#### Ring roads in Calgary and Edmonton: Percentage of combined ring road kilometres open to travel

##### Methodology

The measure is based on construction project data supplied by the engineering consultants supervising the ring road construction. The percentage is calculated by totalling the number of kilometres multi-lane roadway opened to travel versus the total kilometres of ring road (178 kilometres). Length of Calgary and Edmonton Ring Roads is estimated based on information from planning studies. When a highway is built and open to travel, the completion length is calculated using As-Built data. This could cause a small variation between the target and the result.

##### Source

Construction project data is supplied by the engineering consultants supervising the ring road construction. The constructors provide monthly reports. Edmonton is fully complete (100%) and Calgary is completed except for Southwest and West Calgary Ring Road. Southwest Calgary Ring Road Contractor — Mountain View Partners provides a monthly report which is averaged into the completed total. West Calgary has just begun its work in February 2019 with no reported progress.

Completion length of the project is based on contract or data in Transportation Infrastructure Management System, Ministry of Transportation.

### Performance Indicator 1.a:

#### Alberta's exports by mode of transportation

##### Methodology

The data presented by this indicator is sourced from Statistics Canada's International Merchandise Trade Database. Only the value of merchandise trade is captured by these statistics, the service sector exports are not included in the presented figures. The data is expressed in million Canadian dollars and is based on a calendar year. Transportation mode includes air, marine, rail and road; the pipelines mode is not captured by this indicator. The data reflects the transportation mode by which the international boundary is crossed. The reported figures are subject to future revisions by Statistics Canada.

##### Source

Statistics Canada. Canadian International Merchandise Trade Database.

**Performance Indicator 1.b:****Number of commercial vehicle permits issued annually through Transportation Routing and Vehicle Information Multi-Jurisdictional System****Methodology**

Commercial vehicle permits data is collected in the Transportation Routing and Vehicle Information System (TRAVIS), a software system used for managing the business of issuing and maintaining permits.

Type of Permit	Duration	Description
Licensing	30/60/90 Days or Single Trip	<p>Licensing is also referred to as a Single Trip Licensing Permit or Multi-Trip Licensing Permit.</p> <ul style="list-style-type: none"> <li>Issued to Alberta carriers or out of province carriers not part of prorate to increase their registered weight within legal limits (up to their Gross Vehicle Weight, or maximum operating weight including cab, accessories, passengers, fuel and cargo but excluding trailers).</li> <li>Issued to Alberta carriers with plates restricted to the radius of a city to travel throughout the province.</li> <li>Issued to prorate carriers to exceed the vehicle weight permitted as a prorate vehicle.</li> </ul>
Overweight	Single Trip or Multi-Trip (Annual)	Issued to carriers for loads that exceed regulated (legal) weights. Annual overweight permits can be issued to permanently mounted equipment such as service rigs and cranes.
Oversize	Single Trip or Annual Trip	Issued to carriers for loads that exceed regulated length, width and/or height.

Permits may be issued annually, monthly, for a single trip, or for multiple trips (multi-trip). Single trip permits are for one load to go from one location to another (route specific) and do not include return trips. Multi-trip permits are valid province-wide, are not route specific and are issued for a specific duration of time (30/60/90 days or annually). Every individual permit issued in TRAVIS is counted as one permit.

Occasionally a municipal permit may extend for a time period greater than one year.

A vehicle may need to apply for multiple permits for any given trip. (E.g. a large load may require a licensing, overweight and oversize permit).

The number of commercial vehicle permits for each type of permit in a fiscal year is obtained by a Senior Application Developer/Support Analyst who runs a TRAVIS report.

**Source**

Transportation Routing and Vehicle Information Multi-Jurisdictional Permitting System, Ministry of Transportation.

**Performance Measure 2.a:**  
**Physical condition of provincial highway surfaces**

**Methodology**

The department ensures the objectivity of results by hiring an external consultant to collect IRI data. The identification of highways as good, fair and poor (Category 1, 2 and 3) relies on criteria established from the University of Calgary's study on road conditions and other performance measures conducted for the ministry in 2002.

The study recommends condition threshold between good/fair (Categories 1/2) and fair/poor (Categories 2/3), and are set using a proactive life-cycle analysis approach. The values are categorized by highway classification and are compiled into one-kilometre segments.

Condition	110 km/h highway group		Other highway group	
Good (Category 1)	Average IRI <1.5m/km		Average IRI <1.5m/km	
Fair (Category 2)	≥1.5m/km	Average IRI <1.9m/km	≥1.5m/km	Average IRI <2.1m/km
Poor (Category 3)	≥1.9m/km	Average IRI	≥2.1m/km	Average IRI

The department uses the same condition thresholds in the 2002 study to gauge the condition trend over time.

After existing conditions are identified, anticipated work activities and pavement deterioration rates are used to determine future performance targets.

The IRI for all highways is obtained through data collected annually by an external consultant for the ministry.

The consultant calculates the average IRI value over every 50-metre segment of the Alberta highway network. The department then averages the 50-metre segment into one-kilometre sections and provides condition assessment over practical lengths.

**Source**

Tetra Tech EBA Inc. collects 50m International Roughness Index data. Ministry of Transportation averages these 50m records into 1 km segments.

Highway network, length and construction data, Transportation Infrastructure Management System, Ministry of Transportation.

**Performance Measure 3.a:**  
**Transit Ridership in Alberta: Number of passenger trips taken in regularly scheduled service in Alberta's transit system**

**Methodology**

Transit ridership is reported by the Canadian Urban Transit Association (CUTA). CUTA is a member-based association that supports the public transit industry by providing resources, network, training, events, data, research and advocacy.

CUTA membership includes transit agencies from across Canada.

CUTA is a third party organization, and transit agency membership and statistical reporting is voluntary. Data collection varies by transit agency and the technologies available to them, as no specific methodology is prescribed.

All major transit agencies who serve the largest segments of Alberta's population are members of CUTA and report on conventional transit ridership. A few smaller transit agencies in Alberta are not members of CUTA. The impact on not including their ridership in the performance measures is small.

Data for this measure pertains to conventional transit only and does not include specialized services (i.e. Handi-bus, Paratransit). Alberta CUTA members have reported that nearly all conventional transit routes are designated low-floor accessible. The expansion of conventional transit services combined with capital investments in accessible transit infrastructure is a cost-effective approach to providing freedom of mobility for all Albertans.

CUTA obtains the operating data directly from the member municipalities and the Fact Book is typically released during the last quarter of the calendar year, detailing the preceding calendar year's data.

### Source

Canadian Urban Transit Association (CUTA) Fact Book (annual).

## Performance Measure 3.b:

### Transit Access in Alberta: Percentage of Albertans that have access to transit service

### Methodology

Transit ridership is reported by the Canadian Urban Transit Association (CUTA).

CUTA is a member-based association that supports the public transit industry by providing resources, network, training, events, data, research and advocacy.

CUTA membership includes transit agencies from across Canada.

CUTA is a third party organization, and transit agency membership and statistical reporting is voluntary. Data collection varies by transit agency and the technologies available to them, as no specific methodology is prescribed.

The following calculation is used to determine the transit access percentage for each year: total population within municipalities receiving regular conventional transit service/Alberta total population.

All major transit agencies who serve the largest segments of Alberta's population are members of CUTA and report on conventional transit ridership. A few smaller transit agencies in Alberta are not members of CUTA. The impact on not including their ridership in the performance measures is small.

Data for this measure pertains to conventional transit only and does not include specialized services (i.e. Handi-bus, Paratransit). Alberta CUTA members have reported that nearly all conventional transit routes are designated low-floor accessible. The expansion of conventional transit services combined with capital investments in accessible transit infrastructure is a cost-effective approach to providing freedom of mobility for all Albertans.

CUTA obtains the operating data directly from the member municipalities and the Fact Book is typically released during the last quarter of the calendar year, detailing the preceding calendar year's data.

Data for population estimates for Alberta for this measure is obtained from the Alberta Treasury Board and Finance Office of Statistics and Information, data source: Statistics Canada.

### Source

Canadian Urban Transit Association (CUTA) Fact Book (annual).

Population for Alberta: Treasury Board and Finance Office of Statistics and Information, data source: Statistics Canada.

**Performance Measure 4.a:****Combined fatal and major injury rate per 100,000 population****Methodology**

Data for this measure was taken from the ministry's eCollision Analytics database. The results for the measure are based on a calendar year. Collisions include those that result in the death of a person within 30 days of the collision or in a major injury (persons with injuries or complaint of pain that went to the hospital and were subsequently admitted even if for observation only) to at least one person involved in the collision. Data is compiled from collision reports completed by the attending law enforcement officer where the collision resulted in death or major injury to at least one person. The collision rate reported is based on a rolling three-year average. The following calculation is used to determine the individual collision rate for each year:  $\text{Number of Combined Fatal and Major Injury Collisions} / \text{Population} * 1000,000$ . Rates are then averaged to represent a rolling three-year average using the following calculation:  $(\text{Year1 Rate per 100,000 Population} + \text{Year2 Rate per 100,000 Population} + \text{Year3 Rate per 100,000 Population}) / 3$ .

**Source**

eCollision Analytics database, Ministry of Transportation.

Annual population for Alberta: Statistics Canada Catalogue no. 91-215-X.

**Performance Measure 5.a:****Light Emitting Diode (LED) lighting on provincial highways in Alberta: Cumulative number of lights converted to LED technology along provincial highways****Methodology**

This performance measure represents the total number of HPS lights converted to LED as reported by the external contractors tasked with this work.

This information was verified by Operational Managers in each Contract Maintenance Area (CMA) and reported to Transportation's project manager.

**Source**

Data was verified by Operational Managers in each Contract Maintenance Area (CMA) and reported to the project manager, Ministry of Transportation.

**Performance Measure 6.a:**

**Greenhouse gas emissions (tonnes of CO<sub>2</sub>e) reduced annually with support from green transportation initiatives**

**Methodology**

The result data for this measure is taken from estimates for emissions reduction prepared by Transportation.

Green transportation initiatives include those that are identified in the business plan that link to the result year. Other initiatives will be added to business plans in the future, as applicable data becomes available.

Data from all identified green transportation initiatives is compiled and summed as a total annually, based on fiscal year.

**Source**

Data was verified by Operational Managers in each Contract Maintenance Area (CMA) and reported to the project manager, Ministry of Transportation.

Energy consumption data, ENMAX.

Data is taken from estimates for emissions reduction prepared by the Ministry of Transportation.

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# Financial Information

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# Ministry Financial Highlights

## Statement of Revenues and Expenses (unaudited)

	2019		2018	Change from	
	Budget	Actual	Actual	Budget	2018 Actual
	<i>(in thousands)</i>				
<b>Revenue</b>					
Government Transfers - Federal Grants (Note 7)	\$ 223,034	\$ 138,453	\$ 166,436	\$ (84,581)	\$ (27,983)
Premiums, Fees and Licences	33,900	31,856	30,745	(2,044)	1,111
Other Revenue	18,287	26,059	24,433	7,772	1,626
Ministry Total	275,221	196,368	221,614	(78,853)	(25,246)
Inter-ministry consolidation adjustments	(1,000)	(58)	(798)	942	740
Adjusted Ministry Total	274,221	196,310	220,816	(77,911)	(24,506)
<b>Expenses - Directly Incurred</b>					
<b>Program</b>					
Ministry Support Services	13,028	12,314	11,795	(714)	519
Program Services and Support	28,080	25,799	27,092	(2,281)	(1,293)
Traffic Safety Services	35,766	36,214	30,343	448	5,871
Alberta Transportation Safety Board	2,226	1,559	1,691	(667)	(132)
Provincial Highway Maintenance and Preservation	1,009,563	1,016,724	1,014,520	7,161	2,204
Municipal Transportation Grant Programs	298,979	231,944	810,318	(67,035)	(578,374)
Municipal Water Infrastructure Grant Programs	153,600	145,561	126,975	(8,039)	18,586
Federal Grant Program	195,490	113,942	142,016	(81,548)	(28,074)
2013 Alberta Flooding: Non Disaster Recovery Program	-	-	1,568	-	(1,568)
Debt Servicing	92,131	92,131	94,257	-	(2,126)
Transfer of Capital Asset to Other Ministries	123,080	116,886	112,997	(6,194)	3,889
	1,951,943	1,793,074	2,373,572	(158,871)	(580,498)
Inter-ministry consolidation adjustments	(123,080)	(117,284)	(113,921)	5,796	(3,363)
Adjusted Ministry Total	1,828,863	1,675,790	2,259,651	(153,075)	(583,861)
<b>Annual Deficit</b>	<b>\$ (1,554,642)</b>	<b>\$ (1,479,480)</b>	<b>\$ (2,038,835)</b>	<b>\$ 75,164</b>	<b>\$ 559,355</b>

## Revenue and Expense Highlights

### Revenues

- Revenues were \$78.9 million lower than budget. The primary reason for the variance was slower than anticipated progress on projects under the Canada-Alberta Bilateral Agreement for the Public Transit Infrastructure Fund and Clean Water Wastewater Fund.
- Revenues totaled \$196.4 million in 2018-19, a decrease of \$25.2 million from 2017-18 actual. There were less federal government transfers received from Public Transit Infrastructure Fund as there were fewer claims made than prior year.
- Premiums, Fees and Licences, primarily collected via permits from industry, was \$31.9 million in 2018-19. This amounts to an increase of \$1.1 million from the prior year and a decrease of \$2 million compared to budget in 2018-19.
- Other Revenues totaled \$26.1 million which represents an increase of \$1.6 million from 2017-18 due to greater insurance recoveries for damages caused by bridge strikes and costs related to accidents on provincial highways; and revenues Alberta Transportation receives from gravel pit royalties.

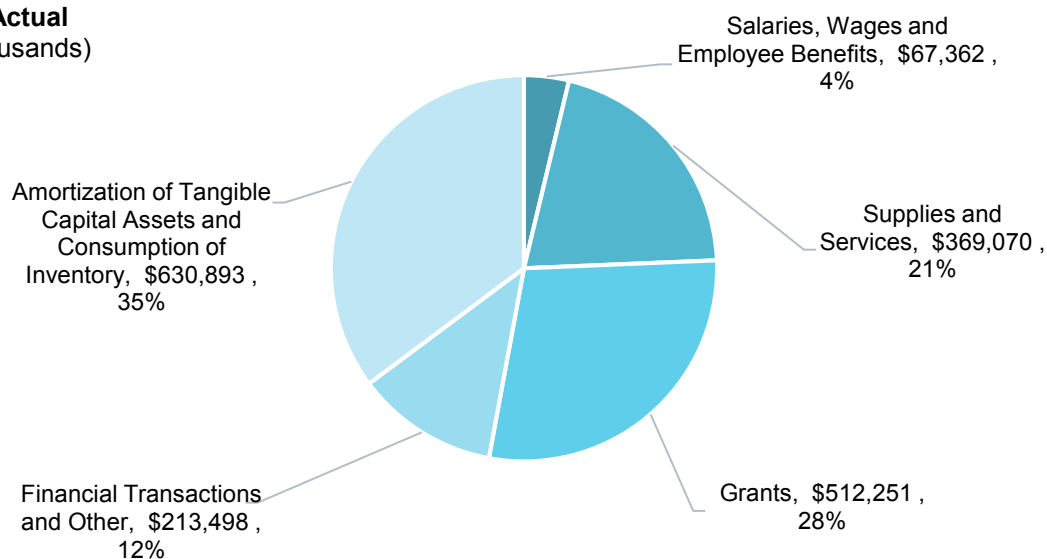
### Expenses

- Budget 2018 made significant investments in Highway Maintenance and Municipal and Federal Grant Programs.
- \$1.02 billion was spent in 2018-19 for Provincial Highway Maintenance and Preservation that includes the structural and operating maintenance of all provincial highways, bridges, and ring roads. Amortization of tangible capital assets is also included in this amount.
- Expenses were \$158.9 million lower than budget. This was primarily due to slower than anticipated progress on projects under Municipal Transportation, Municipal Water Infrastructure and Federal Grant Programs. Under these three grant programs, \$491.4 million was provided to municipalities to assist in the construction of high priority municipal water supply and treatment projects; and the development and rehabilitation of local, regional and inter-municipal public transit.
- Expenses totaled \$1.8 billion, reflecting a decrease of \$580.5 million from 2017-18 primarily in Municipal Transportation Grant Programs. This change was due to one-time grants in 2017-18 which were not required in the current year and the gradual conclusion of the Green Transit Incentives Program as approved funding for this program has been fully allocated.

## Expenses – Directly Incurred Detailed by Object (unaudited)

The following information presents expenses of the ministry that were directly incurred by object. The objective of disclosure of expenses by object is to provide information that is useful in evaluating the economic impact of government acquiring or consuming various types of resources.

### 2019 Actual (In thousands)



- The ministry's largest 2018-19 operating expense was amortization and consumption of inventory, which made up 35.2 per cent of total operating expense. Amortization of \$583.1 million was recorded for tangible capital assets consisting of provincial highways, roads and bridges owned by the Ministry, and consumption of inventory of \$47.8 million was recorded for the salt, sand and gravel used in maintenance activities.
- Salaries, wages and employee benefit expenses totaled \$67.4 million or 4 per cent and supported corporate support services, administration of the Traffic Safety and Rural Initiatives program, and management of construction and maintenance projects.
- Grants, comprising \$512.3 million or 28.6 per cent, includes municipal infrastructure support through provincial and federal transit and water capital grants totalling \$491.4 million. Grant funding was also provided for traffic safety projects and initiatives and for supporting the safety of provincial highways and bridges.
- Supplies and services of \$369.1 million or 20.6 per cent was mainly for provincial highway maintenance and preservation which provided funding for maintenance contracts and work activities such as snow plowing, salting/sanding, line painting, pothole patching and mowing of grass. In addition, it included ongoing supply requirements for the ministry (i.e. advertising, travel, repairs and maintenance, materials and supplies, other purchased services, and shared services provided by the Ministry of Service Alberta).
- The remainder of ministry expenses of \$213.5 million or 11.9 per cent are related to financial transactions and other. This captures the interest portion of the debt repayment for agreements under public private partnerships and the value of dams/water management structures transferred to Ministry of Environment and Parks.

## Supplemental Financial Information

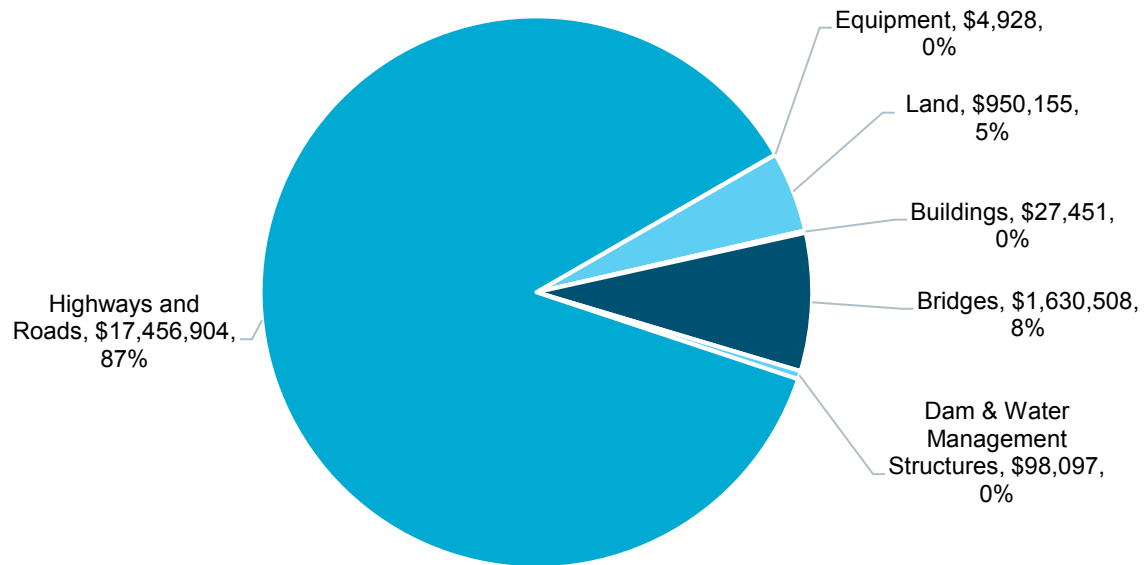
### Tangible Capital Assets (unaudited)

	Land	Buildings	Equipment	Highways and Roads	Bridges	Dams	2019 Total	2018 Total
<b>Estimated Useful Life</b>	Indefinite	40 years	5-40 years	20-50 years	50-75 years	20-80 years		
<b>Historical Cost</b>								
Beginning of Year	\$ 907,091	\$ 56,261	\$ 9,978	\$23,387,394	\$ 2,317,940	\$ 183,874	\$26,862,538	\$25,664,737
Additions	44,064	4,133	2,864	1,095,561	69,164	29,473	1,245,259	1,323,630
Disposals, Adjustments, and Write-downs	(1,000)	-	(1,636)	-	-	(115,250)	(117,886)	(125,827)
	\$ 950,155	\$ 60,394	\$ 11,206	\$24,482,955	\$ 2,387,104	\$ 98,097	\$27,989,911	\$26,862,540
<b>Accumulated Amortization</b>								
Beginning of Year	\$ -	\$ 31,302	\$ 5,724	\$ 6,502,008	\$ 699,757	\$ -	\$ 7,238,791	\$ 6,684,149
Amortization Expense	-	1,641	554	524,043	56,839	-	583,078	554,642
	\$ -	\$ 32,943	\$ 6,278	\$ 7,026,051	\$ 756,596	\$ -	\$ 7,821,869	\$ 7,238,791
<b>Net Book Value March 31, 2019</b>	\$ 950,155	\$ 27,451	\$ 4,928	\$17,456,904	\$ 1,630,508	\$ 98,097	\$20,168,042	
<b>Net Book Value March 31, 2018</b>	\$ 905,665	\$ 24,959	\$ 4,254	\$16,886,867	\$ 1,618,144	\$ 183,860		\$19,623,749

- Included in the cost of land, buildings, equipment, provincial highways and roads, and bridges and dams is work in progress amounting to \$1,855,516 (2018 - \$1,410,730).
- Highways include original pavement and repaving overlays that represent improvements, roadbed, drainage works, and traffic control devices. Includes \$2,606,627 historical cost (2018 - \$2,479,184) and \$290,880 accumulated amortization (2018 - \$245,007) in alternatively financed capital assets. The additions to work in progress related to new highway construction under Public Private Partnerships (P3) is \$275,484 (2018 - \$390,945)
- Non-cash disposals, such as transfers of tangible capital assets to other government department/entities or grant-in-kind include the transfers of \$1,636 (2018 - \$149) to Ministry of Service Alberta and \$115,250 (2018 - \$96,898) to Ministry of Environment and Parks
- Dams and water management structures are constructed by the ministry and transferred to the Ministry of Environment and Parks upon their completion. The Ministry of Transportation does not amortize these assets. Tangible assets held for transfer include land of \$9 (2018 - \$9).

## Tangible Capital Assets (unaudited)

**Net Book Value as of March 31, 2019**  
*(in thousands)*



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# Financial Statements of Other Reporting Entities

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# Alberta Transportation Safety Board

## Financial Statements

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## Independent Auditor's Report

To the Minister of Transportation and the Chair of the Alberta Transportation Safety Board

### Report on the Financial Statements

#### Opinion

I have audited the financial statements of the Alberta Transportation Safety Board, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, change in net debt, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Alberta Transportation Safety Board as at March 31, 2019, and the results of its operations, its changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

#### Basis for opinion

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Alberta Transportation Safety Board in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Other information

Management is responsible for the other information. The other information comprises the information included in the *Annual Report*, but does not include the financial statements and my auditor's report thereon. The *Annual Report* is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I will perform on this other information, I conclude that there is a material misstatement of this other information, I am required to communicate the matter to those charged with governance.

## **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Alberta Transportation Safety Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless an intention exists to liquidate or to cease operations, or there is no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Alberta Transportation Safety Board's financial reporting process.

## **Auditor's responsibilities for the audit of the financial statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Alberta Transportation Safety Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Alberta Transportation Safety Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Alberta Transportation Safety Board to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

[Original signed by W. Doug Wylie, FCPA, FCMA, ICD.D]  
Auditor General

May 27, 2019  
Edmonton, Alberta

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2019

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
<b>Revenues</b>			
Transfer from Department of Transportation	\$ 2,226	\$ 2,226	\$ 2,340
Other	-	-	1
	<u>2,226</u>	<u>2,226</u>	<u>2,341</u>
<b>Expenses</b>			
Administration	1,459	1,234	1,366
Community Board Members	767	325	325
	<u>2,226</u>	<u>1,559</u>	<u>1,691</u>
<b>Annual Surplus</b>	<u>\$ -</u>	<u>\$ 667</u>	<u>\$ 650</u>

The accompanying notes and schedules are part of these financial statements.

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**STATEMENT OF FINANCIAL POSITION**  
**As at March 31, 2019**

	<b>2019</b>	<b>2018</b>
	<i>(in thousands)</i>	
<b>Financial Assets</b>	\$ -	\$ -
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	179	158
<b>Net Debt</b>	<u>(179)</u>	<u>(158)</u>
<b>Net Liabilities</b>	<u>\$ (179)</u>	<u>\$ (158)</u>
<b>Net Liabilities</b>		
Accumulated Net Liability (Note 6)	\$ (179)	\$ (158)
	<u>\$ (179)</u>	<u>\$ (158)</u>

The accompanying notes and schedules are part of these financial statements.

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**STATEMENT OF CHANGE IN NET DEBT**  
Year ended March 31, 2019

	2019		2018	
	Budget	Actual	Actual	Actual
	<i>(in thousands)</i>			
Annual Surplus	\$ -	\$ 667	\$ 650	
Net Financing Provided from Department of Transportation		(688)	(640)	
<b>Decrease (Increase) in (Net Debt) in the Year</b>		(21)	10	
<b>(Net Debt), Beginning of Year</b>		(158)	(168)	
<b>(Net Debt), End of Year</b>		\$ (179)	\$ (158)	

The accompanying notes and schedules are part of these financial statements.

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**STATEMENT OF CASH FLOWS**  
**Year ended March 31, 2019**

	<b>2019</b>	<b>2018</b>
	<i>(in thousands)</i>	
<b>Operating Transactions</b>		
Annual Surplus	\$ 667	\$ 650
Non-cash items included in Net Operating Results:		
Valuation Adjustments	22	6
	689	656
(Decrease) Increase in Accounts Payable and Accrued Liabilities	(1)	(16)
Cash Provided by Operating Transactions	688	640
<b>Financing Transactions</b>		
Net Financing Provided from Department of Transportation	(688)	(640)
Cash Provided by Financing Transactions	(688)	(640)
<b>(Decrease) Increase in Cash and Cash Equivalents</b>	-	-
<b>Cash and Cash Equivalents, Beginning of Year</b>	-	-
<b>Cash and Cash Equivalents, End of Year</b>	\$ -	\$ -

The accompanying notes and schedules are part of these financial statements.



## ALBERTA TRANSPORTATION SAFETY BOARD NOTES TO THE FINANCIAL STATEMENTS MARCH 31, 2019

### NOTE 1 AUTHORITY AND PURPOSE

The Alberta Transportation Safety Board (Board) is a Provincial Agency established in 2003 pursuant to Section 22 of the *Traffic Safety Act*.

The Alberta Transportation Safety Board:

- is established under Part 2 of the *Traffic Safety Act*;
- conducts driver review hearings and independent appeals of drivers and commercial entities affected by decisions of the Registrar of Motor Vehicle Services (Transportation);
- conducts hearings under the *Railway (Alberta) Act*; and
- conducts all hearings in a fair and timely manner in accordance with the principles of natural justice.

All decisions of the Alberta Transportation Safety Board are made independently in accordance with governing legislation: the *Traffic Safety Act* and the *Railway (Alberta) Act*.

The Board is exempt from income taxes under the *Income Tax Act*.

### NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

These financial statements are prepared in accordance with Canadian Public Sector Accounting Standards.

#### (a) Reporting Entity

The reporting entity is Alberta Transportation Safety Board, which is part of the Ministry of Transportation and for which the Minister of Transportation is accountable. The other entity reporting to the Minister is the Department of Transportation. The activities of the Department are not included in these financial statements.

#### (b) Basis of Financial Reporting

##### Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recognized as unearned revenue.

##### Government Transfers

Transfers from all governments are referred to as government transfers.

All other government transfers, without stipulations for the use of the transfer, are recognized as revenue when the Board is eligible to receive the funds.

**ALBERTA TRANSPORTATION SAFETY BOARD  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
MARCH 31, 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND  
REPORTING PRACTICES (continued)**

**(b) Basis of Financial Reporting (continued)**

**Expenses**

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year are expensed.

Directly Incurred

Directly incurred expenses are those costs the Board has primary responsibility and accountability for.

In addition to program operating expenses such as salaries, supplies, etc., directly incurred expenses also include:

- pension costs, which are the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

Incurred by Others

Services contributed by related other entities in support of the Board operations are not recognized and are disclosed in Schedule 3.

**Valuation of Financial Assets and Liabilities**

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts payable and accrued liabilities are estimated to approximate their carrying values because of the short term nature of these instruments.

**Financial Assets**

Financial assets are the Board's financial claims on external organizations and individuals.

**Liabilities**

Liabilities represent present obligations of the Board to external organizations and individuals arising from past transactions or events occurring before year end, the settlement of which is expected to result in the future sacrifice of economic benefits. They are recognized when there is an appropriate basis of measurement and management can reasonably estimate the amount.

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**ALBERTA TRANSPORTATION SAFETY BOARD  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
MARCH 31, 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND  
REPORTING PRACTICES (continued)**

**(b) Basis of Financial Reporting (continued)**

**Liabilities (continued)**

Liabilities also include:

- all financial claims payable by the Board at the year end and
- accrued employee vacation entitlements.

**Statement of Remeasurement Gains and Losses**

As the Board does not have any transactions involving financial instruments that are classified in the fair value category and has no foreign currency transactions, there are no re-measurement gains and losses and therefore a statement of re-measurement gains and losses has not been presented.

**(c) Change in Accounting Policy**

Alberta Transportation Safety Board has prospectively adopted the following standard from April 1, 2018: PS 3430 Restructuring Transactions. The adoption of this standard did not affect the financial statements.

**NOTE 3 FUTURE ACCOUNTING CHANGES**

The Public Sector Accounting Board has issued the following accounting standards:

- **PS 3280 Asset Retirement Obligations (effective April 1, 2021)**  
Effective April 1, 2021, this standard provides guidance on how to account for and report liabilities for retirement of tangible capital assets.
- **PS 3400 Revenue (effective April 1, 2022)**  
This standard provides guidance on how to account for and report on revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

Management is currently assessing the impact of these standards on the financial statements.

**ALBERTA TRANSPORTATION SAFETY BOARD  
NOTES TO THE FINANCIAL STATEMENTS (Cont'd)  
MARCH 31, 2019**

**NOTE 4 BUDGET**

*(in thousands)*

A preliminary business plan with a budgeted surplus of \$0 was approved by the Chair of Alberta Transportation Safety Board on March 22, 2018 and the full financial plan was submitted to the Minister of Transportation. The budget reported in the Statement of Operations reflects the original 2018 annual surplus and additional reclassifications required for more consistent presentation with current and prior year results.

**NOTE 5 BENEFIT PLANS**

*(in thousands)*

The Board participates in the multi-employer pension plans: Management Employee Pension Plan (MEPP), Public Service Pension Plan (PSPP) and Supplementary Retirement Plan (SRP) for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of \$101 for the year ended March 31, 2019 (2018 - \$119). Participating organizations are not responsible for future funding of the plan deficit other than through contribution increases.

At December 31, 2018, the Management Employees Pension Plan reported a surplus of \$670,700 (2017: surplus \$866,006), the Local Authority Pension Plan reported a surplus of \$3,469,347 (2017: surplus of \$4,835,515), the Public Service Pension Plan reported a surplus of \$519,218 (2017: surplus \$1,275,843) and the Supplementary Retirement Plan for Public Service Managers reported a deficiency of \$70,310 (2017 - deficiency \$54,984).

The Board also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2019, the Bargaining Unit Plan reported a surplus of \$110,320 (2018 – surplus \$111,983) and the Management, Opted Out and Excluded Plan a surplus of \$24,642 (2018 – surplus \$29,805). The expense for these two plans is limited to the employer's annual contributions for the year.

**NOTE 6 ACCUMULATED NET LIABILITIES**

*(in thousands)*

Accumulated net liabilities are comprised of the following:

	<b>2019</b>	<b>2018</b>
Balance Beginning of Year	\$ (158)	\$ (168)
Annual Surplus	667	650
Net Financing Provided from Department of Transportation	(688)	(640)
Balance End of Year	<u>\$ (179)</u>	<u>\$ (158)</u>

**NOTE 7 APPROVAL OF FINANCIAL STATEMENTS**

The senior financial officer and the Chair of the Board approved the financial statements of the Alberta Transportation Safety Board.

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT**  
**Year ended March 31, 2019**

**Schedule 1**

	2019		2018
	Budget	Actual	Actual
	<i>(in thousands)</i>		
Salaries, Wages and Employee Benefits	\$ 1,074	\$ 939	\$ 1,019
Supplies and Services	1,152	620	672
	<u>\$ 2,226</u>	<u>\$ 1,559</u>	<u>\$ 1,691</u>

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**SCHEDULE OF FINANCIAL STATEMENTS**  
**SALARY AND BENEFITS DISCLOSURE**  
**Year Ended March 31, 2019**

Schedule 2

	2019			2018	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Chair, Alberta Transportation Safety Board	\$ 192,410	\$ -	\$ 45,498	\$ 237,908	\$ 240,459

(1) Base salary includes regular salary and earnings such as acting pay.

(2) Other cash benefits include vacation payouts and lump sum payments. There were no bonuses paid in 2019.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, supplementary retirement plans, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships, tuition fees, and parking.

**ALBERTA TRANSPORTATION SAFETY BOARD**  
**SCHEDULE TO FINANCIAL STATEMENTS**  
**RELATED PARTY TRANSACTIONS**  
**Year ended March 31, 2019**

## Schedule 3

(in thousands)

Related parties are those entities consolidated or accounted for on the modified equity basis in the Government of Alberta consolidated financial statements. Related parties also include management of the Board and close family members of those individuals of the Board.

The Board and its employees paid or collected certain taxes and fees set by regulation for premiums, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this schedule.

The Board had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	<b>Entities in the Ministry</b>	
	<b>2019</b>	<b>2018</b>
Revenue		
Grant from Department of Transportation	\$ 2,226	\$ 2,340
	<u>          </u>	<u>          </u>
	<b>Other Entities</b>	
	<b>2019</b>	<b>2018</b>
		<b>(Restated)</b>
Expenses - Directly Incurred		
Business and Technology Services	\$ 26	\$ 6
	<u>          </u>	<u>          </u>

The Board also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements.

	<b>Entities in the Ministry</b>	
	<b>2019</b>	<b>2018</b>
Expenses - Incurred by Department of Transportation		
Financial Services	\$ 170	\$ 170
	<u>          </u>	<u>          </u>
	<b>Other Entities</b>	
	<b>2019</b>	<b>2018</b>
Expenses - Incurred by Other Entity		
Accommodation	\$ 105	\$ 105
	<u>          </u>	<u>          </u>

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# Other Financial Information

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## Statement of Credit or Recovery (unaudited)

The following has been prepared pursuant to Section 24(3) of the *Financial Administration Act*.

	2019				
	Authorized	Actual Revenue Recognized	Deferred Revenue	Actual Cash/ Donation Received/ Receivable	(Shortfall)/ Excess
<b>Operational</b>					
Motor Transport Permits and Licences	\$ 10,733	\$ 8,617	-	\$ 8,617	\$ (2,116)
National Safety Code	426	-	-	-	(426)
	<u>\$ 11,159</u>	<u>\$ 8,617</u>	<u>\$ -</u>	<u>\$ 8,617</u>	<u>\$ (2,542)</u> <sup>(1)</sup>
<b>Capital - Voted</b>					
Provincial Highway Systems	\$ 9,230	\$ 257	\$ 5,511	\$ 5,768	\$ (3,462)
Tourism Highway Signage Initiative	1,000	361	-	361	(639)
	<u>\$ 10,230</u>	<u>\$ 618</u>	<u>\$ 5,511</u>	<u>\$ 6,129</u>	<u>\$ (4,101)</u> <sup>(1)</sup>

(1) Shortfall is deducted from current year's authorized budget, as disclosed in Lapse/Encumbrance schedule.

### Motor Transport Permits and Licences

A portion of the revenue for Motor Transport Permits and Licences is spent to help accommodate Alberta's increasing traffic volumes and support the Driver Examiner Road Test Model and the Pre-Entry Program for New National Safety Code Carriers.

### National Safety Code

The National Safety Code is a joint agreement between the Federal Government and the Province to ensure the safety of the public by placing standards on drivers of buses and freight trucks across the country.

### Provincial Highway Systems

Various agreements exist whereby the private sector and municipalities make contributions towards capital investments in new roads, bridges, interchanges and vehicle inspection station equipment in the province.

### Tourism Highway Signage Initiative

The private sector contributes towards new investments in tourism related signs and structures in the province.

The above credits or recoveries are included in the Statement of Operations.

## Lapse/Encumbrance (unaudited)

	Voted Estimates <sup>(1)</sup>	Supplementary Estimate <sup>(2)</sup>	Adjustments <sup>(3)</sup>	Adjusted Voted Estimates	Actuals <sup>(4)</sup>	Unexpended (Over Expended) <sup>(5)</sup>
	<i>(in thousands)</i>					
<b>Program - Operating Expense</b>						
1 Ministry Support Services						
1.1 Minister's Office	\$ 755	\$ -	\$ -	\$ 755	\$ 1,225	\$ (470)
1.2 Deputy Minister's Office	805	-	-	805	974	(169)
1.3 Strategic Services	11,468	-	-	11,468	10,073	1,395
	<u>13,028</u>	<u>-</u>	<u>-</u>	<u>13,028</u>	<u>12,272</u>	<u>756</u>
2 Program Services and Support	28,080	-	-	28,080	25,971	2,109
3 Traffic Safety And Rural Initiatives						
3.1 Traffic Safety Services	34,766	-	1,453	36,219	34,635	1,584
3.2 Rural Bus Service Pilot	1,000	-	-	1,000	1,000	-
	<u>35,766</u>	<u>-</u>	<u>1,453</u>	<u>37,219</u>	<u>35,635</u>	<u>1,584</u>
4 Grant to Alberta Transportation Safety Board	2,226	-	-	2,226	2,226	-
5 Provincial Highway Maintenance and Preservation						
5.1 Maintenance	253,772	-	-	253,772	270,945	(17,173)
5.2 P3 Maintenance	65,617	-	-	65,617	68,761	(3,144)
5.3 Preservation	22,927	-	-	22,927	17,163	5,764
5.4 Assessment and Support Systems	31,046	-	-	31,046	28,886	2,160
	<u>373,362</u>	<u>-</u>	<u>-</u>	<u>373,362</u>	<u>385,755</u>	<u>(12,393)</u>
6 Municipal Transit and Transportation Grant Programs						
6.1 Strategic Transportation Infrastructure Program	26,538	-	-	26,538	22,473	4,065
6.2 Green Transit Incentives Program (GreenTRIP)	250,041	-	-	250,041	209,471	40,570
6.4 Alberta Community Transit Fund	22,400	-	-	22,400	-	22,400
	<u>298,979</u>	<u>-</u>	<u>-</u>	<u>298,979</u>	<u>231,944</u>	<u>67,035</u>
7 Municipal Water Infrastructure Grant Programs						
7.1 Municipal Water Wastewater Program	45,000	-	-	45,000	32,589	12,411
7.2 Water for Life	75,300	-	-	75,300	82,566	(7,266)
7.3 First Nations Water Tie-In Program	24,400	-	-	24,400	30,406	(6,006)
7.4 Redwood Meadows	8,900	-	-	8,900	-	8,900
	<u>153,600</u>	<u>-</u>	<u>-</u>	<u>153,600</u>	<u>145,561</u>	<u>8,039</u>
8 Federal Grant Programs						
8.1 Public Transit Infrastructure Fund	136,480	-	-	136,480	67,365	69,115
8.2 Clean Water Wastewater Fund	59,010	-	-	59,010	46,577	12,433
	<u>195,490</u>	<u>-</u>	<u>-</u>	<u>195,490</u>	<u>113,942</u>	<u>81,548</u>
9 Ring Roads						
9.3 Debt Servicing	92,131	-	-	92,131	92,131	-
Credit or Recovery Shortfall	-	-	(2,542)	(2,542)	-	(2,542)
Total	<u>\$ 1,192,662</u>	<u>\$ -</u>	<u>\$ (1,089)</u>	<u>\$ 1,191,573</u>	<u>\$ 1,045,437</u>	<u>\$ 146,136</u>
Lapse						<u>\$ 146,136</u>

## Lapse/Encumbrance (unaudited)

	Voted Estimates <sup>(1)</sup>	Supplementary Estimate <sup>(2)</sup>	Adjustments <sup>(3)</sup>	Adjusted Voted Estimates	Actuals <sup>(4)</sup>	Unexpended (Over Expended) <sup>(5)</sup>
<b>Program - Capital</b>						
1 Ministry Support Services						
1.3 Strategic Services	\$ 355	\$ -	\$ -	\$ 355	\$ 2,855	\$ (2,500)
9 Ring Roads						
9.1 Edmonton Ring Road	-	-	-	-	16,909	(16,909)
9.2 Calgary Ring Road	267,618	-	5,600	273,218	219,777	53,441
	<u>267,618</u>	<u>-</u>	<u>5,600</u>	<u>273,218</u>	<u>236,686</u>	<u>36,532</u>
10 Northeast Alberta Strategic Projects						
10.1 Highway 63 Twinning	3,400	-	-	3,400	8,776	(5,376)
11 Provincial Highway Construction Projects						
11.1 Highway Twinning, Widening and Expansion	220,535	-	-	220,535	303,433	(82,898)
11.2 Interchanges, Intersections and Safety Upgrades	24,500	-	-	24,500	33,102	(8,602)
	<u>245,035</u>	<u>-</u>	<u>-</u>	<u>245,035</u>	<u>336,535</u>	<u>(91,500)</u>
12 Bridge Construction Projects	60,000	-	-	60,000	54,257	5,743
13 Provincial Highway Rehabilitation						
13.1 Highway Rehabilitation Projects	350,484	-	630	351,114	389,927	(38,813)
13.2 P3 Rehabilitation	9,186	-	-	9,186	12,592	(3,406)
	<u>359,670</u>	<u>-</u>	<u>630</u>	<u>360,300</u>	<u>402,519</u>	<u>(42,219)</u>
14 Water Management Projects						
14.1 Water Management Infrastructure	29,000	-	-	29,000	25,997	3,003
14.2 Springbank Off-Stream Reservoir	130,000	-	-	130,000	39,458	90,542
	<u>159,000</u>	<u>-</u>	<u>-</u>	<u>159,000</u>	<u>65,455</u>	<u>93,545</u>
15 2013 Alberta Flooding						
15.1 Highways and Bridges Infrastructure Recovery	-	-	-	-	6,515	(6,515)
15.2 Water and Wastewater Infrastructure Recovery	-	-	-	-	3,857	(3,857)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,372</u>	<u>(10,372)</u>
Credit or Recovery Shortfall (Schedule 2)	-	-	(4,101)	(4,101)	-	(4,101)
Total	<u>\$ 1,095,078</u>	<u>\$ -</u>	<u>\$ 2,129</u>	<u>\$ 1,097,207</u>	<u>\$ 1,117,455</u>	<u>\$ (20,248)</u>
<b>(Encumbrance)</b>						<u>\$ (20,248)</u>
<b>Financial Transactions</b>						
5 Provincial Highway Maintenance and Preservation						
5.5 Salt, Sand and Gravel	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 49,651	\$ 349
9 Ring Roads						
9.4 Debt Repayment	47,957	-	-	47,957	47,957	-
Total	<u>\$ 97,957</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,957</u>	<u>\$ 97,608</u>	<u>\$ 349</u>
<b>Lapse</b>						<u>\$ 349</u>

(1) As per "Expense Vote by Program", "Capital Investment Vote by Program" and "Financial Transactions Vote by Program" pages 254-256 of 2018-19 Government Estimates. Adjustment was made as a result of Government Reorganization as approved by Order in Council 297/2018 Designation and Transfer of Responsibility Amendment Regulation

(2) No Supplementary Supply Estimates for fiscal year 2019

(3) Adjustments include encumbrances, capital carry forward amounts, transfers between votes, 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.

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

(5) The over expenditure of Program - Capital is due to better progress than originally anticipated on Provincial Highway Construction Projects such as Peace River Bridge Twinning, Highway 2 Gaetz Avenue Interchange and Highway 43X Grande Prairie Bypass.

## Payments Based on Agreements (unaudited)

The following has been prepared pursuant to Section 25(3) of the *Financial Administration Act*.

The Department has entered into agreements to deliver programs and services that are partly funded by the Kananaskis Improvement District and private companies. Costs based on these agreements are made by the Department under authority in Section 25 of the *Financial Administration Act*.

Amounts paid and payable based on agreements with program sponsors are as follows:

	2019	2018
Kananaskis Improvement District (program sponsor) Roadway maintenance	\$ 73	\$ 73
Japan Canada Oil Sands Limited (program sponsor) Roadway construction	-	73
	<u>\$ 73</u>	<u>\$ 146</u>

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## *Public Interest Disclosure (Whistleblower Protection) 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 were no disclosures of wrongdoing filed with the Public Interest Disclosure Office for Alberta transportation between April 1, 2018 and March 31, 2019.





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