

Transportation and Infrastructure

Annual Report
2016–2017

**Transportation and Infrastructure
Annual Report 2016-2017**

Province of New Brunswick
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Transmittal letters

From the Minister to the Lieutenant-Governor

The Honourable Jocelyne Roy Vienneau
Lieutenant-Governor of New Brunswick

May it please your Honour:

It is my privilege to submit the annual report of the Department of Transportation and Infrastructure, Province of New Brunswick, for the fiscal year April 1, 2016, to March 31, 2017.

Respectfully submitted,



Honourable Bill Fraser
Minister

From the Deputy Minister to the Minister

Honourable Bill Fraser
Minister of Transportation and Infrastructure

Sir:

I am pleased to be able to present the annual report describing operations of the Department of Transportation and Infrastructure, Province of New Brunswick, for the fiscal year April 1, 2016, to March 31, 2017.

Respectfully submitted,



Kelly Cain
Deputy Minister

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Minister's message

The Department of Transportation and Infrastructure's priority is the safety and security of New Brunswickers, using our province's building and transportation infrastructure. The professionals working at the department take this responsibility very seriously and are committed to the ongoing construction and maintenance of safe and sustainable roads, bridges and buildings.

Strategic investments are key to maintaining public infrastructure, and they foster an environment for economic growth, job creation and private sector investment. This is consistent with the *New Brunswick Economic Growth Plan*, the provincial government's framework for moving the economy forward. Safe and sustainable infrastructure also leads to greater quality of life while promoting increased trade and travel.

The Department of Transportation and Infrastructure continues to use Asset Management principles to make evidence-based decisions when making needed improvements and maintenance to our building and transportation infrastructure. These principles allow us to make the right investments at the right time.

We are also continuing to employ the recommendations of the Strategic Program Review. We are undertaking a realignment of services and personnel that will enable us to operate more efficiently.

The Department of Transportation and Infrastructure remains focused on the efficient delivery of excellent service to the people of New Brunswick, now and for years to come.

A handwritten signature in black ink, appearing to read 'Bill Fraser', with a long horizontal flourish extending to the right.

Honourable Bill Fraser
Minister of Transportation and Infrastructure

Deputy Minister's message

In the 2016-2017 fiscal year, the Department of Transportation and Infrastructure continued its work toward becoming a performance-based organization. The recommendations of the Strategic Program Review – improved outsourcing processes, selective outsourcing, process improvements and internal efficiencies – continue to be implemented. Our department remains on course toward its realignment goals.

The realignment process allows the department to focus on three key areas of service delivery: summer maintenance, winter maintenance and project oversight. By realigning staff and services to these areas, we are becoming a more responsive organization in meeting the needs of New Brunswickers.

While simultaneously working on the organizational realignment, I would like to highlight that staff also carried out operational functions that were associated with delivering projects under the capital budget which was enhanced to leverage federal funds. Investments in building and transportation infrastructure supported economic, social and environmental objectives while ensuring continued safety and security for the people of New Brunswick.

The dedicated staff of the Department of Transportation and Infrastructure continues to strive for excellence in all areas of service delivery, and I thank them for their dedication and commitment to meeting challenges and identifying opportunities. It is my privilege to work with this devoted group of professionals.

A handwritten signature in black ink, appearing to read 'Kelly Cain', with a long horizontal flourish extending to the right.

Kelly Cain
Deputy Minister

Strategic priorities

Strategy management

The Government of New Brunswick (GNB) uses a Formal Management system built on leading business practices to develop, communicate and review strategy. This process provides the Public Service with a proven methodology to execute strategy, increase accountability and continuously drive improvement.

The development of the strategy, using the Formal Management system, starts with a strategic vision to move New Brunswick forward. This vision is anchored in five priority areas:

- 1. Jobs** – Creating the best environment for jobs to be generated by New Brunswickers, by businesses, by their ideas, by their entrepreneurial spirit and by their hard work. Growth efforts will be guided by the *New Brunswick Economic Growth Plan*, which focuses on strengthening the workforce; expanding innovation capacity; increasing the agility of government; fostering public and private investment in strategic infrastructure; and growing capital investment from the private sector.
- 2. Education** – Improving education as guided by two 10-year plans, *Everyone at Their Best* for the anglophone sector and *Donnons à nos enfants une longueur d'avance* for the francophone sector that identify objectives for the early learning and education system and establish clear expectations for standards and performance. The areas of focus for the first year are: ensuring children and other learners develop the competencies they need to be successful in school and life; improving both literacy and numeracy skills for all learners; and working to make post-secondary education more accessible and affordable.
- 3. Families** – Creating a healthier and stronger New Brunswick by focusing on seven key areas: improving access to primary and acute care; promoting wellness; supporting those with mental health challenges; fostering healthy aging and support for seniors; advancing women's equality; reducing poverty; and providing support for persons living with a disability.
- 4. Federal and Aboriginal Relations** – Building stronger relationships with First Nations; strengthening action on climate change; and working with the federal government to maximize federal funding, including optimizing infrastructure funding and growing the workforce through immigration.
- 5. Smart Province** – Providing taxpayers with better value for their money by transforming the culture of government by eliminating duplication; adopting new innovations in technology to improve services and savings; and ensuring GNB has a ready workforce that has the skills, training, support, leadership and working environments it needs to thrive.

Highlights

During the 2016-2017 fiscal year, the Department of Transportation and Infrastructure focused on these strategic priorities through:

- ◆ The Organizational Realignment Initiative was the department's primary focus in the fiscal year. The realignment was announced as an outcome of the Strategic Program Review in the 2016-2017 budget. It would enable the department to meet a savings target of \$10.5 million over two years as well as enhance the department's service to the public.
- ◆ The department established formal processes to manage its plan to fulfil objectives. The department developed project charters (including actions, timelines, and expected deliverables) with project managers assigned to lead and provide regular updates to the Executive Management Committee. The department's senior leaders convened quarterly to receive status reports (including financial updates); to discuss potential solutions to challenges; and to identify new opportunities that may generate savings and improve service delivery.
- ◆ The department achieved savings of \$6.6 million and actively tracked progress toward the 2017-2018 targeted savings. It did so as a result of its proactive management and strong commitment to achieving its obligations.
- ◆ The Buildings Division used more competitive tendering to secure lower prices for architectural and engineering services. It also implemented new guidelines to standardize and right-size new GNB buildings.
- ◆ The department completed other measures that contributed to better focus and accountability. This included reducing the number of divisions from five to three; restructuring, consolidating and realigning several branches; and establishing a Supply Chain Management Unit to coordinate, consolidate and streamline all elements of the department and Vehicle Management Agency (VMA) procurement.

Performance measures

Based on the 2016-2018 GNB priorities, a framework that translates the organization's strategy into a set of objectives and performance measures has been developed. The department continues to measure progress in meeting these objectives.

Six specific measures from the department's Balanced Scorecard for 2016-2017 have been highlighted in this report (refer to the table below).

Jobs	Measures
Grow public and private investment in strategic economic infrastructure.	Percentage of roads in poor condition.
	Percentage of bridges with poor condition rating (Bridge Condition Index [BCI] < 60).
Optimize infrastructure funding.	Percentage adherence to Asset Management for capital expenditures for asphalt road surfaces.
Smart Province	Measures
Balance budget.	Ratio of actual to (ordinary) budgeted expenditures.
	Ratio of actual to budgeted revenues.
	The department's realignment of its 2016-2017 savings target.

Jobs

Objective of the measure

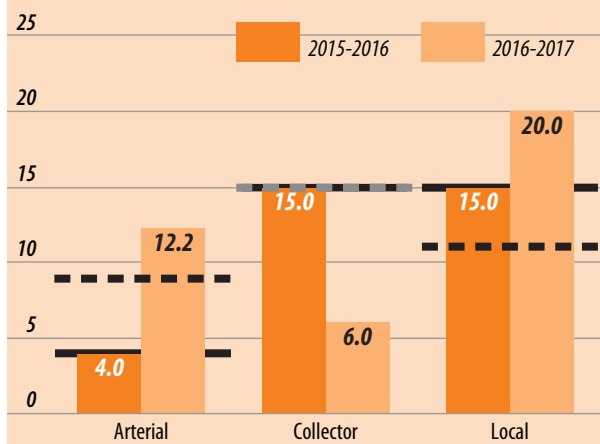
Grow public and private investment in strategic economic infrastructure.

Measure

Percentage of roads in poor condition.

Description of measure

The department reports on the condition of highways as good, fair or poor.



Overall performance

For the purpose of this report, results have been broken down to reflect the percentage of roads in poor condition for each of the following highway types and an overall total.

In this case, an actual result of less than (or equal to) the full year target is desired.

Arterial:

————— Baseline: 4.0%
 - - - - - Target: 9.0%
 Actual: 12.2%

Collector:

————— Baseline: 15.0%
 - - - - - Target: 15.0%
 Actual: 6.0%

Local:

————— Baseline: 15.0%
 - - - - - Target: 11.0%
 Actual: 20.0%

Why do we measure this?

The percentage of roads in poor condition represents a good improvement measure given the impact of such roads on motorists.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The 2016-2017 capital budget appropriated \$98.5 million to road rehabilitation of asphalt and chip seal surfaces. This was less than the annual amount required during a 10-year horizon as prescribed by the Asset Management model to bring the roads to good condition. The 2017-2018 capital budget is returning to close to the recommended level of \$130 million for road rehabilitation.

Note: Comparison to last year's report

Methods used to calculate the condition of highways are continuously improving by incorporating a more complete dataset. Past procedures used to perform this analysis had a two-year gap in the data. This required manual manipulation – this process has now been automated. The data and methods used to perform this analysis are expected to improve the accuracy of the results with the addition of a new data collection vehicle.

Jobs

Objective of the measure

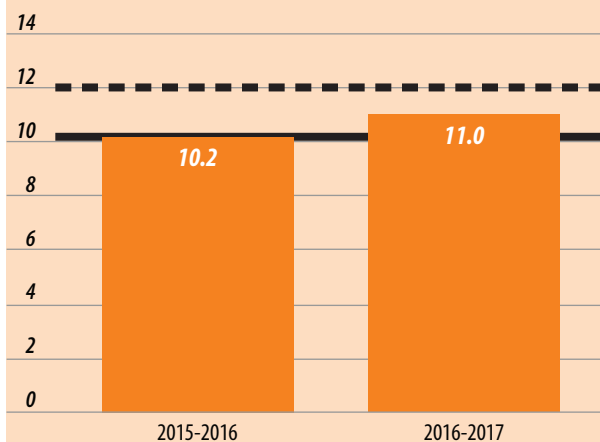
Grow public and private investment in strategic economic infrastructure.

Measure

Percentage of bridges with poor condition rating (Bridge Condition Index [BCI] < 60).

Description of measure

The BCI is a tabulation of the condition of a bridge based on the condition of all the components of the structure. It is not used to measure the safety of a bridge.



Overall performance

The department exceeded the targeted level.

In this case, an actual result of less than (or equal to) the full year target is desired.

— Baseline: 10.2%
- - - Target: 12.0%
Actual: 11.0%

Why do we measure this?

This provides information on the condition of provincial bridges and the effectiveness of bridge replacement and rehabilitation programs.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department continued work on major projects such as the Route 11 twinning project, Harrisville Boulevard, the Pokemouche River Bridge, the Little River Bridge and the Gaspereau River Bridge. Climate change has led to more frequent and severe weather events including storms and flooding. The department continued to address damage to culverts from the September 2015 storm which included replacement of the Steward Brook #1 and Paisley Brook #3 culverts along with several culverts on Route 7. The department also worked closely with CN to replace a culvert along Route 106 at Breau Creek which threatened rail service to Nova Scotia. It also worked on new bridge designs; coordinated bridge and culvert contracts in all districts of the province; and rehabilitated existing structures.

The department conducts inspections on designated bridges on a one, two or four-year cycle. Although work on bridges is scheduled every year, the network continues to age, and inspection results for some bridges move them into the poor rating. While it is important to find the balance between economic growth and continued maintenance of existing assets, it must be noted that capital budget allocated to new bridge construction reduces funding available for the maintenance and rehabilitation of existing bridges.

Jobs

Objective of the measure

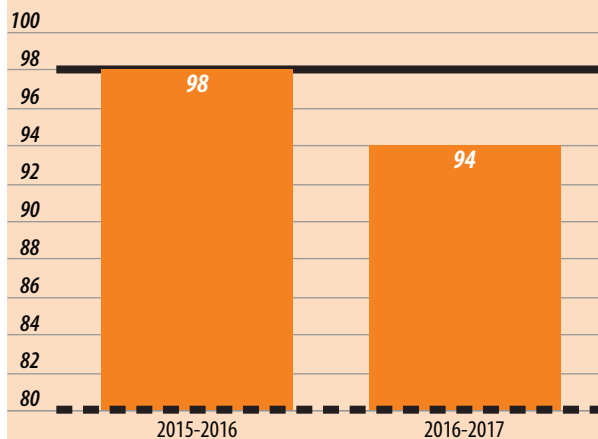
Optimize infrastructure funding.

Measure

Percentage adherence to Asset Management for capital expenditures for asphalt road surfaces.

Description of measure

This measure is important as high levels of adherence to the Asset Management plan helps ensure minimum rehabilitation spending during the life of the asset.



Overall performance

Ninety-four per cent of capital expenditures for asphalt road surfaces adhered to the Asset Management plan (14 per cent above the full year target).

In this case, an actual result of more than (or equal to) the full year target is desired.

— Baseline: 98%
- - - - - Target: 80%
Actual: 94%

Why do we measure this?

Asset Management identifies how assets deteriorate over time and when the appropriate time is to intervene (rehabilitate) to avoid more costly reconstruction. If roads are treated at the appropriate time, rehabilitation costs are reduced and a larger volume of roads can be rehabilitated while achieving higher performance levels (i.e., good/fair/poor)¹.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

Asset Management directed \$94.5 million to road rehabilitation. In accordance with the Asset Management plan, the work included minor, major and reconstruction repairs and covered various highway classifications, including arterial, collector and local highways.

In maintaining the minor surface treatments before more expensive repairs are warranted, rehabilitation funding can be directed to other areas needing work. According to the department's Asset Management model, \$130 million per year for 10 years is required to bring highways to acceptable conditions and eliminate the infrastructure debt for road surfaces. As the minimum funding requirements are not being met, the infrastructure debt will increase and the life of the asset will decline. The 2017-2018 capital budget is returning to close to the recommended level for road rehabilitation.

¹ Good: Asset has some minor deterioration but is still functioning at a very high level of performance – some preservation activities can be considered.

Fair: Asset has deteriorated to the point where rehabilitation or replacement would be considered – functional performance is still acceptable.

Poor: Asset has deteriorated to the point where either a major rehabilitation or complete replacement is required – functional performance is below acceptable levels.

Smart Province

Objective of the measure

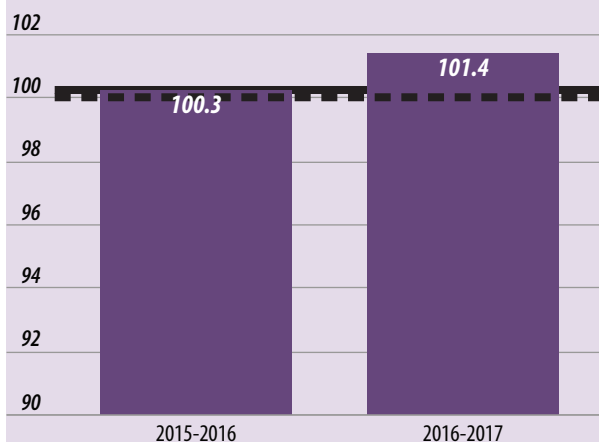
Balance budget.

Measure

Ratio of actual to (ordinary²) budgeted expenditures.

Description of measure

This measure focuses on controlling and managing expenditures to meet the department's fiscal year budget.



Overall performance

The ratio of actual to budgeted expenditures for the department was 101.41 per cent.

In this case, an actual result of less than (or equal to) the full year target is desired.

— Baseline: 100.3%
- - - Target: 100.0%
Actual: 101.4%

Why do we measure this?

This indicator measures the ability of the department to manage its overall expenses to meet its budget. The department must ensure that expenses are managed in accordance with the budget and be prepared to take corrective action if expenses are projected to be over-budget during the year.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

A number of projects contributed to the reduction of departmental expenditures, such as engaging in a departmental Process Improvement initiative as well as continuing performance-based organization practices. However, higher-than-budgeted expenditures related to the Winter Maintenance Program offset efficiency savings; notably, eight per cent more winter storms than budgeted for. Aside from these storms, a number of freezing rain/ice storms required higher-than-anticipated use of road salt.

² The department's expenditures are divided into two categories: ordinary and capital. The Balanced Scorecard measure featured in this report focuses on strategic improvement efforts to ordinary budgeted expenditures, which represent expenditures for day-to-day operating costs of government programs

Smart Province

Objective of the measure

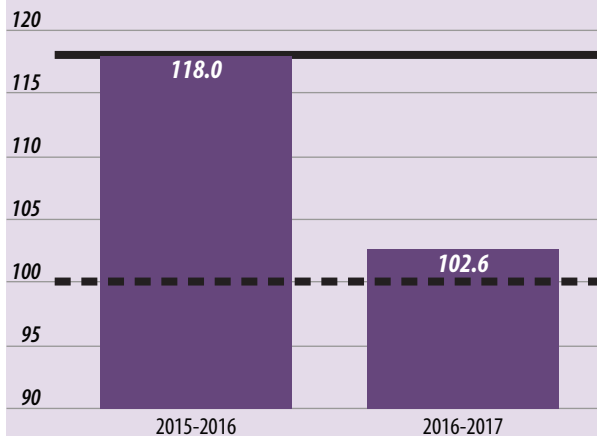
Balance budget.

Measure

Ratio of actual to budgeted revenues.

Description of measure

The measure compares actual revenue to the budgeted revenue to help the department focus on maximizing revenue.



Overall performance

The ratio of actual to budgeted revenues for the department was 102.57 per cent.

In this case, an actual result of more than (or equal to) the full year target is desired.

— Baseline: 118.0%
- - - Target: 100.0%
Actual: 102.6%

Why do we measure this?

Revenue is very important to GNB's fiscal picture. Major sources of revenue for the department are obtained from the sale of surplus property; the sale of special permits for the movement of oversize and/or overweight loads on provincial highways; and land rentals. Increased revenue helps to offset GNB's deficit. This measure helps the department maintain awareness of revenue-generating opportunities.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

Actual revenues exceeded the department's target budget primarily due to slight increases across a number of revenue streams.

Smart Province

Objective of the measure

Balance budget.

Measure

The department's 2016-2017 savings target.

Description of measure

The measure compares actual savings to the targeted savings to help the department reach the fiscal objective set during the Strategic Program Review.

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2016-2017

Overall performance

The actual savings for the department's Organizational Realignment Initiative were \$6.598 million.

In this case, an actual result of more than (or equal to) the full year target is desired.

————— Baseline: N/A
- - - - - Target: \$6.46 million
Actual: \$6.598

Why do we measure this?

The department announced its Organizational Realignment Initiative as an outcome of the Strategic Program Review in the 2016-2017 budget. The plan was to enable the department to meet a savings target of \$10.5 million over two years as well as enhance its services to the public.

What initiatives or projects were undertaken in the reporting year to achieve the outcome?

The department identified a significant number of Performance Improvement opportunities and categorized them as either realignment or procurement-related initiatives.

Opportunities specific to realignment can be summarized as follows:

- consolidation of several similar type functions to reduce fragmentation and duplication across the organization;
- realignment of staff to ensure that operational responsibilities are consistent with reporting and accountability structures; and
- refocusing district responsibilities on winter and summer maintenance.

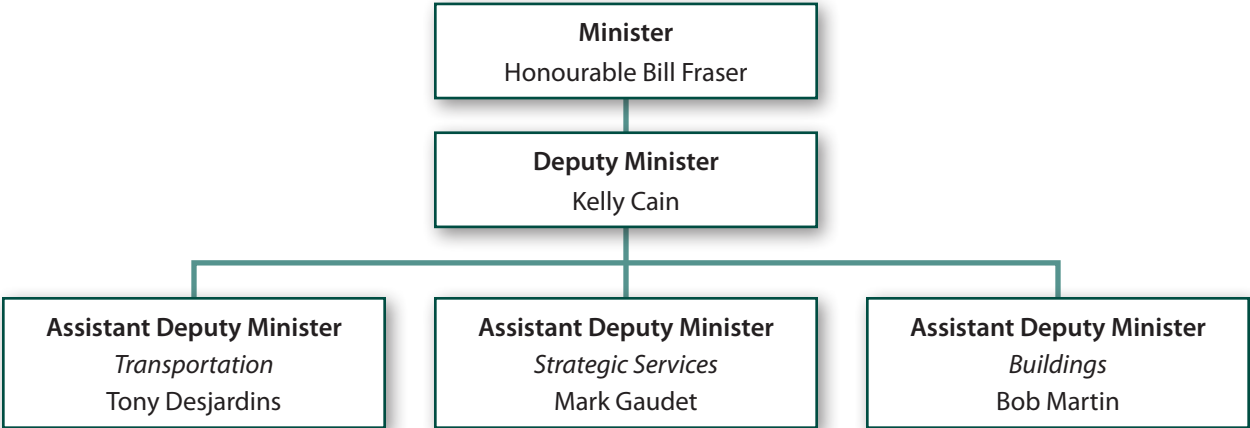
Opportunities to reduce procurement expenditures can be summarized as follows:

- improved management of salt and sand;
- opting for the purchase/lease financing of equipment rather than higher cost renting;
- improved management of vehicle parts;
- open and strategic scheduling of tendering to encourage more competitive bidding, and scheduling construction projects in a way that minimizes construction costs;
- standardizing building designs and sizing new building construction to optimal space requirements; and
- establishing standing offers from service professionals and construction material manufacturers to reduce administrative work and improve response time.

Overview of departmental operations

The Department of Transportation and Infrastructure plans, designs, operates and maintains an extensive network of 19,000 km of highway connected by 3,228 bridges and nine ferry crossings. The department is also responsible for 370 GNB-owned buildings and 135 leases, along with the acquisition and disposal of property. Safety, security and environmental protection are fundamental principles of all department employees as they carry out their daily activities.

High-level organizational chart



Division overview and highlights

Transportation Division

The **Transportation Division** provides professional services for all aspects of bridge and highway design, construction and maintenance, including management and delivery of the Summer and Winter Highway Maintenance programs, Traffic Engineering, Traffic Operations, Commercial Signing and Highway Systems Management. The division oversees three public-private partnership (P3) contracts and the Fundy Isles Ferry Service. Programs for the maintenance and construction of bridges and highways, operation of the river ferry system and repair services for the GNB vehicle fleet are delivered through regional transportation districts.

The division consists of the Project Development and Asset Management Branch, the Design Branch, the Construction Branch and the Operations Branch.

The **Design Branch** is responsible for design and tender of grading, paving, municipal, hydraulics and structures projects for the Department's construction program. In addition, Design Branch provides technical expertise and recommendations to the Department relating to Engineering Surveys, Environmental, Geotechnical, Geological and Hydrotechnical Engineering for the design, construction and maintenance of highways and structures (DTI infrastructure). Design Branch also provides engineering applications and technical support to various branches and staff; carries out quality control/quality assurance testing of engineering materials (concrete, aggregates, soils and asphalt); identifies property requirements, provides document support for the property acquisition process, and provides technical support and research on materials/procedures related to the transportation industry.

HIGHLIGHTS

- ◆ The department tendered more than 110 projects as part of the 2016 capital program, including contracts for more than 25 bridges and culverts, more than 50 paving contracts and 9 grading contracts.

- ◆ Acquired a Phantom 4 Pro Plus unmanned aerial vehicle to be used for geotechnical assessment and to obtain survey site orthographic photographs. The vehicle allows the capture of data in a manner that is more efficient and less costly than traditional methods.
- ◆ Completed design work on project areas, including Route 11 (Caraquet bypass); and continued designs on the twinning of Route 11 between Route 15 and the Shediac River as well as the twinning of Route 11 between the Shediac River and the south side of Little Bouctouche River.
- ◆ Conducted Environmental Impact Assessments (EIAs) for the Glenwood to Miramichi bypass as well as Fundy Trail connector road.
- ◆ Worked with Ducks Unlimited Canada to continue two wetland compensation projects and took responsibility for 39 ha of wetlands on behalf of the department as compensation for the impacts of construction/maintenance on existing wetlands.

The function of the **Construction Branch** is to ensure that grading, paving and structures contracts and projects for the construction and reconstruction of provincial highways and bridges are completed in accordance with the issued plans and specifications, applying construction methods according to current engineering practices. In meeting this objective, the branch provides engineering, financial, managerial and administrative support services for the provincial highway and structures capital program; develops quality control standards; and ensures their uniform application.

HIGHLIGHTS

- ◆ Opened the 13-kilometre Caraquet bypass on Route 11. This four-year, \$48-million project was designed to improve highway safety and decrease traffic congestion in Caraquet.
- ◆ Completed major bridge capital projects, including replacement of the Benjamin River Bridge (Restigouche County), Kouchibouguacis River Bridge (Saint-Louis-de-Kent), Richibucto River Bridge No. 5 (Kent County), Rockwell Stream Bridge (Sunbury County) and Breau Creek Bridge No. 1 (Westmorland County).

- ◆ Completed major bridge rehabilitation projects, including the Regent Street underpass (Fredericton), Renous River Bridge No. 1 and Southwest Miramichi River Bridge No. 4 (Doaktown).
- ◆ Continued Phase Two of the major bridge rehabilitation project at Miramichi River Bridge No. 1 (Centennial Bridge), which is part of an ongoing \$88-million improvement project.
- ◆ Opened a twinned four-lane section of Route 11 from Shediac River to Route 134 and continued work on the Route 11/Route 15 interchange realignment and twinning project.

The **Project Development and Asset Management Branch** plans and implements highway initiatives to support public safety and the economic well-being of the province. This includes developing functional plans that contain details relating to the environmental, social, technical and economic factors of highway development; and providing technical advice on the capital rehabilitation of the department's assets as supported by data collection systems and asset modelling. The branch develops trucking policy and partnerships with industry and issues special permits for the movement of indivisible oversize and/or overweight loads as well as unique vehicle configurations travelling on New Brunswick highways.

HIGHLIGHTS

- ◆ Using principles of Asset Management, the department rehabilitated more than 700 kilometres of roads under the chip seal program and about 250 kilometres of roads under the paving program.
- ◆ Continued to improve and develop Asset Management models for various assets, including highways, vegetation management and roofs of buildings owned by GNB.
- ◆ Collaborated with the Design Branch and industry to prioritize repairs on strategic resource corridors to support economic development.
- ◆ Partnered with Service New Brunswick to implement the first phase of an online system to self-issue standard permits.

The function of the **Operations Branch** is to provide technical and engineering expertise in traffic engineering; environmental matters; and the administration of the provincial highways, bridges, ferries, buildings and dump maintenance programs. This includes establishing standards, monitoring work performance and ensuring maximum value of the provincial maintenance budget.

HIGHLIGHTS

- ◆ Enhanced ferry service to Deer Island by commissioning the Abnaki II, a new 24-car ferry.
- ◆ Improved service reliability of the Coastal Ferry Program as a result of implementing recommendations from a third party review of operations.
- ◆ Completed three river ferry vessel refits, including the Peninsula Princess, the Henry Nase and the Woolastook to meet departmental obligations under the Canada Shipping Act.
- ◆ To address a GNB commitment, the department undertook a more strategic approach to pothole repair planning by estimating the number of potholes that can be repaired based on the quantity of asphalt and prioritizing according to the severity of the pothole (safety), traffic volumes and road class. More than 420,000 potholes were repaired under the Summer Maintenance Program.
- ◆ Striped about 8,000 kilometres of highways.
- ◆ Progressed toward fulfilling a GNB commitment by increasing investment in the Vegetation Management Program to \$4.1 million and brush clearing 2,300 kilometres of road to improve sightlines and safety.
- ◆ Developed a strategy to coordinate the closure of Route 2 between Sackville and the Nova Scotia border due to weather.
- ◆ Installed specialized winter plow blade systems (Mobile Blades) on more than 100 plow trucks. The Mobile Blade technology contours to the road cross section, which provides more efficient road clearing abilities, resulting in a reduction in salt/sand usage and route plowing frequency.
- ◆ A review of the winter sand inventories identified opportunities to "right size" sand inventories across the province to reduce sand management program costs.

Strategic Services Division

The **Strategic Services Division** provides leadership, management and support of Information Technology (IT) services, human resources,³ Performance Management and Process Improvement. In addition, it provides fleet management services for GNB along with property acquisition and disposal services for highways and buildings.

The division consists of the Performance Excellence Branch, the Policy and Legislative Affairs Branch, the Supply Chain Management Branch, the Information Management and Technology Branch, the Property Services Branch and the Vehicle Management Agency (VMA).⁴ Until Oct. 1, 2016, it included the Human Resources Branch.⁵

The **Performance Excellence Branch** is mandated to promote a culture of Continuous Improvement throughout the department and to encourage staff to engage in productivity and process improvements through the adoption of the GNB Formal Management system.

HIGHLIGHTS

- ◆ *Led the Organizational Realignment Initiative, which was a major focus for the branch: As a result, the department exceeded the identified 2016-2017 savings target of \$6.46 million.*
- ◆ *Exceeded the agreed-upon departmental Continuous Improvement savings target of \$875,000, which was set in collaboration with the Office of Strategy Management.*
- ◆ *The branch began a program to revamp Daily Management in the department using visual boards. Implementation was completed for the Performance Excellence and Operations branches, with work well underway for the executive management team.*

³ As of Oct. 1, 2016, the delivery of operational and transactional HR services were transferred to Service New Brunswick from Part 1 departments and agencies.

⁴ VMA is a special operating agency under the responsibility of the Department of Transportation and Infrastructure. More information about VMA activities can be found in its annual report available at <http://www2.gnb.ca/content/gnb/en/departments/dti/publications.html>

⁵ As of Oct. 1, 2016, operational and transactional human resources services were transferred to Service New Brunswick from Part 1 departments and agencies.

The **Information Management and Technology Branch** supports departmental clients in achieving their business objectives by providing the appropriate information technology tools.

HIGHLIGHTS

- ◆ *Continued to modernize the department's computer network infrastructure by upgrading cabling and equipment at locations identified in the second year of a three-year modernization plan.*
- ◆ *Initiated the design and development of processes to receive accident reports electronically and automate the loading of these into the department's accident reporting system.*
- ◆ *In conjunction with the Project Development and Asset Management Branch, developed a Request for Proposal for a new highway data collection vehicle, including all on-board instrumentation and related computer hardware and software.*

The **Policy and Legislative Affairs Branch** provides leadership and advice related to the department's policy and legislative framework, federal funding and strategic initiatives supporting the department's mandate. It coordinates and manages all legislative affairs.

HIGHLIGHTS

- ◆ *Processed 57 Memoranda to Executive Council for direction or decisions related to agreements, policies, and financial transactions; processed 99 requests under the Right to Information and Protection of Privacy Act; and coordinated responses to 704 letters and emails to the Deputy Minister, Minister, and Premier.*
- ◆ *Participated in and provided input to help shape the federal vision for transportation, Transportation 2030, including advocacy at the Council of Ministers Responsible for Transportation and Highway Safety and other federal-provincial-territorial tables for federal funding to support small National Airport System airports, strengthen freight and passenger rail service in New Brunswick and achieve flexibility in federal infrastructure programing.*
- ◆ *Published four editions of the department's newsletter, Connections, to keep employees informed of important events and to highlight achievements.*

- ◆ *The branch continued to work with the Property Services Branch to streamline the Public Works Act to make it easier to dispose of lower-value properties. The branch also worked with the Buildings Division to implement recommendations from the Strategic Program Review and the Auditor General that the department function as the single landlord for GNB office space.*
- ◆ *Received federal approval-in-principle for business cases submitted for nine transportation infrastructure projects toward leveraging federal funding. This will enable the department and GNB to leverage up to approximately \$240 million in federal infrastructure funding through the New Building Canada Plan – Provincial/Territorial Infrastructure Component.*
- ◆ *Developed and signed a strategic partnership agreement with the State of Maine and the United States General Services Agency toward funding and completing the Madawaska/Edmundston International Bridge and Border Crossing feasibility study. This study is to be substantially complete by Dec. 31, 2017.*

The **Supply Chain Management Branch** administers capital project tendering in accordance with the *Crown Construction Contracts Act* and related regulations; prepares and administers the execution of contracts; provides guidance to the department on purchasing issues under the *Public Purchasing Act*; and provides direction on the preparation of Requests for Proposals.

HIGHLIGHTS:

- ◆ *The branch developed a new tender process for the rental of various pieces of heavy equipment. This process saved money and made the awarding of contracts more fair, open and transparent.*
- ◆ *The branch worked closely with the Operations Branch and Service New Brunswick to develop a new tender specification for the supply of highway salt.*

The **Property Services Branch** is responsible for providing property services to the department, other government entities, including provincial, municipal and federal, and the public. These services include title abstracts; property surveys; valuation; negotiations and acquisition of properties for highway and infrastructure projects; management and disposal of surplus properties; marketing, tendering and document preparation; and dealing with claims against the department related to alleged motor vehicle highway accidents, highway defects, environmental contamination and real property damage as well as claims in relation to expropriation of land for highway construction. The branch is also responsible for discontinuance of highways; expropriation; public works designation; and corridor management, including issuance of highway usage permits, rural subdivision review and recommendation and determination of road status all in accordance with the legislative requirements.

HIGHLIGHTS:

- ◆ *Advanced changes to the Public Works Act, which will achieve savings, generate revenue and quicken surplus property sales.*
- ◆ *Revised and updated the Minimum Standards for the Construction of Streets and Roads, which will provide efficiencies for maintenance and drainage.*
- ◆ *Implemented a new coding structure for surplus properties, which will result in efficiencies.*
- ◆ *Disposed of a total of 147 properties with total revenue of \$3,978,722, and avoided ongoing maintenance and rehabilitation costs.*

The function of the **Vehicle Management Agency (VMA)** is to provide fleet management and vehicle maintenance services to government, on an economical basis and in accordance with established standards, and to enable clients to deliver quality services to the public.

HIGHLIGHTS:

- ◆ *Continued to implement efficiencies identified in the Organizational Realignment Initiative, including rationalization of repair facilities.*
- ◆ *Continued to coordinate with client departments to evaluate, and implement where appropriate, electric or hybrid vehicles within the GNB fleet.*

The **Human Resources Branch** provides leadership and support to the department on human resource planning, recruitment, classification, labour relations, employee relations, training, Performance Management, Change Management, organizational development, human resources policies and program implementation.

HIGHLIGHTS:

- ◆ *Reviewed and implemented measures to reduce the recruitment cycle time through a Process Improvement staffing project.*
- ◆ *Worked closely with the Performance Excellence Branch to implement changes resulting from the Organizational Realignment Initiative.*

Buildings Division

The **Buildings Division** is responsible for the construction and maintenance of GNB buildings and leased premises as well as the acquisition and sale of GNB property. The division consists of the Design and Construction Branch and the Facilities Management Branch.

The **Design and Construction Branch** provides planning, design and contract administration services for all GNB departments supporting school, hospital and miscellaneous building projects. A multi-discipline professional and technical staff supported by private architectural and engineering firms provides and coordinates this service. The branch manages various other government projects, such as jointly funded federal-provincial projects.

HIGHLIGHTS:

- ◆ *Designed and/or constructed major capital projects totalling \$125 million, including major expansions to the Chaleur Regional Hospital and the Dr. Georges-L.-Dumont University Hospital Centre; seven new schools; six mid-life upgrades to schools; six nursing homes; a new centre of excellence in Campbellton; a*

new a trades centre at the New Brunswick Community College (NBCC), Saint John campus; a new Collège communautaire du Nouveau-Brunswick (CCNB) building (expansion to the l'Université de Moncton campus) in Shippagan; expansion to CCNB in Grand Falls; redevelopment of the Centennial Building in Fredericton, which includes a new courthouse; and the design of a new bridge to span the Petitcodiac River, which will replace the existing structure.

- ◆ *Managed more than 1,000 capital improvement projects, including design and/or construction, various studies, including building assessment and charge-backs, totalling \$63 million.*
- ◆ *Continued to promote energy efficiency and to support GNB's climate change objectives by completing more than 200 projects, including investing \$2.5 million in energy efficient lighting in schools; \$3.6 million in biomass heating plants; and \$7.3 million in energy system upgrades in GNB buildings.*
- ◆ *Contributed significantly to the department's savings target through standardizing building designs and sizing new building construction to optimal space requirements.*

The **Facilities Management Branch** is responsible for the operation of GNB buildings, the negotiation and administration of leases, risk management and building maintenance inspection. It provides technical support services to other departments, schools and hospitals.

HIGHLIGHT:

- ◆ *Continued a GNB office space utilization and optimization project by adhering to policies that encourage space rationalization efforts and that are supported by sustainable design measures; and by surrendering leases and divesting of GNB buildings that are underused or otherwise deemed surplus to government needs.*

Radio Communications Branch

The **Radio Communications Branch** reports directly to the Deputy Minister. Its mandate is to provide safe, reliable, cost effective communications, technical support and consultation to all GNB departments and agencies and the RCMP.

HIGHLIGHT:

- ◆ *Completed the New Brunswick Trunked Mobile Radio (NBTMR) network. A number of departments began to transition or migrate from their old systems to the new mission-critical Public Safety Radio System. This migration will continue into 2017-2018. Moncton and Fredericton joined the system and others municipalities were considering joining as their radio systems come to end-of-life. NBTMR will allow all government, public safety and other emergency response sectors to communicate on one system during emergencies.*

The **Financial and Administrative Services Branch** reports directly to the Deputy Minister. It provides effective budgeting, accounting, financial reporting and consulting and advisory services; provides general office and administrative support services; reviews and evaluate departmental internal controls; and investigates and resolves property damage claims.

HIGHLIGHTS:

- ◆ *Supported the department's Organizational Realignment Initiative and Process Improvement initiatives with financial and accounting advice and through financial monitoring and reporting.*
- ◆ *Supported the Ordinary Program and the large Capital Program, including the new Building Canada Fund.*

Financial information

Expenditure by Program (in thousands of dollars)

Ordinary program	2016-2017 Main estimates	Appropriation transfers	2016-2017 Budget	2016-2017 Actual	Variance over/(under)
Administration	14,360.0	25.1	14,385.1	14,511.8	126.7
Policy, Planning and Strategic Development	1,709.0	11.6	1,720.6	1,740.7	20.1
Maintenance	59,395.0	138.4	59,533.4	59,106.7	(426.7)
Winter Maintenance	69,069.0	133.6	69,202.6	75,418.9	6,216.3
Bridge and Highway Construction	1,628.0	215.9	1,843.9	1,579.7	(264.2)
Buildings Group	127,020.0	119.4	127,139.4	125,495.0	(1,644.4)
New Brunswick Highway Corporation	19,719.0	0.0	19,719.0	19,882.1	163.1
Total - Gross Ordinary	292,900.0	644.0	293,544.0	297,734.9	4,190.9

Expenditures were higher than budget primarily due to the severity of winter.

Capital program	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
Permanent Bridges	75,910.0	63,154.5	(12,755.5)
Permanent Highways	227,540.0	226,160.5	(1,379.5)
Municipal Designated Highway Program	25,000.0	24,858.2	(141.8)
Federal-Provincial Cost-Shared Program	48,860.0	48,732.8	(127.2)
Public Works and Infrastructure	186,717.0	161,300.9	(25,416.1)
Vehicle Management Agency	14,000.0	14,467.5	467.5
Total	578,027.0	538,674.4	(39,352.6)

Expenditures were under budget largely due to schedule changes.

Special purpose account	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
Government House	50.0	-	(50.0)
Land Management Fund	2,300.0	2,762.2	462.2
Total	2,350.0	2,762.2	412.2

Vehicle management agency	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
<i>Revenue</i>			
Chargebacks	89,061.0	78,419.2	(10,641.8)
Revenue from Sales of Vehicles and Equipment	700.0	597.7	(102.3)
Total Revenue	89,761.0	79,016.9	(10,744.1)
<i>Expenditure</i>			
Total Expenditures	78,291.0	73,202.4	(5,088.6)
Capital Account Expenditures	14,000.0	14,467.5	467.5
Total Expenditures	92,291.0	87,669.9	(4,621.1)

Revenues and Recoveries (in thousands of dollars)

Ordinary revenue	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
Return on Investment	883.0	225.1	(657.9)
Licences and Permits	1,520.0	1,626.3	106.3
Sale of Goods and Services	5,363.0	6,006.3	643.3
Fines and Penalties	35.0	40.7	5.7
Miscellaneous	82.0	181.2	99.2
Conditional Grants - Canada	26.0	32.5	6.5
Total - Ordinary Revenue	7,909.0	8,112.1	203.1
Capital recoveries	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
Other	1,600.0	8,972.6	7,372.6
Capital Recoveries - Canada	14,390.0	13,604.1	(785.9)
Total - Capital Recoveries	15,990.0	22,576.7	6,586.7
Land management fund	2016-2017 Main estimates	2016-2017 Actual	Variance over/(under)
Own Source Revenue	46.0	329.0	283.0
Capital Recoveries - Own Source	575.0	1,072.2	497.2
TOTAL - Land Management Fund	621.0	1,401.2	780.2

Summary of staffing activity

Pursuant to section 4 of the *Civil Service Act*, the Secretary to Treasury Board delegates staffing to each Deputy Head for his or her respective department(s). Please find below a summary of the staffing activity for 2016-2017 for the Department of Transportation and Infrastructure.

Number of permanent and temporary employees, as of Dec. 31		
Employee type	2016	2015
Permanent	1,572	1,560
Temporary	161	229
TOTAL	1,733	1,789

The department advertised 120 competitions, including 67 open (public) competitions and 53 closed (internal) competitions.

Pursuant to section 15 and 16 of the *Civil Service Act*, the department made the following appointments using processes other than the competitive process to establish merit:

Appointment type	Appointment description	Section of the <i>Civil Service Act</i>	Number
Specialized Professional, Scientific or Technical	An appointment may be made without competition when a position requires: <ul style="list-style-type: none"> – a high degree of expertise and training – a high degree of technical skill – recognized experts in their field 	15(1)	0
Equal Employment Opportunity Program	Provides Aboriginals, persons with disabilities and members of a visible minority group with equal access to employment, training and advancement opportunities.	16(1)(a)	0
Department Talent Management Program	Permanent employees identified in corporate and departmental talent pools, who meet the four-point criteria for assessing talent, namely performance, readiness, willingness and criticalness.	16(1)(b)	2
Lateral transfer	The GNB transfer process facilitates the transfer of employees from within Part 1, 2 (school boards) and 3 (hospital corporations) of the Public Service.	16(1) or 16(1)(c)	22
Regular appointment of casual/temporary	An individual hired on a casual or temporary basis under section 17 may be appointed without competition to a regular properly classified position within the Civil Service.	16(1)(d)(i)	0
Regular appointment of students/ apprentices	Summer students, university or community college co-op students or apprentices may be appointed without competition to an entry level position within the Civil Service.	16(1)(d)(ii)	0

Pursuant to section 33 of the *Civil Service Act*, no complaints alleging favouritism were made to the Deputy Head of the Department of Transportation and Infrastructure, and no complaints were submitted to the Ombud.

Summary of legislation and legislative activity

Bill #	Name of legislation	Date of Royal Assent	Summary of changes
24	Part of omnibus bill proclamation of an <i>Act to implement an Act to Amend the Highway Act</i> http://www1.gnb.ca/legis/bill/editform-e.asp?ID=1221&legi=58&num=2	July 8, 2016	The Act implemented an amendment to the <i>Highway Act</i> to extend the period following the testing and calibration of a massing scale that such a scale shall be considered to be accurate from 60 to 120 days.

The acts and regulations for which the department was responsible in 2016-2017 may be found at:
<http://laws.gnb.ca/en/deplinks?subjectnumber=3>

Summary of Official Languages activities

Introduction

The department developed its Official Languages action plan in 2015 and will continue to revise as required. The action plan includes strategic activities in each of the main four sectors of activity found in GNB's *Plan on Official Languages – Official Bilingualism: A Fundamental Value*.

Overall, the action plan objectives identified for 2016-2017 were met. Associated departmental activities can be found in the four main focus areas listed below.

Focus 1

Language of Service – Ensure access to service of equal quality in English and French throughout the province.

- Linguistic profiles were updated throughout the year. The tracking mechanism for the renewal of second- language certificates, implemented in 2016, ensured access to quality service in English and French throughout the province.
- Information about the Language of Service was regularly communicated to staff and is accessible as needed. The departmental Intranet site was kept up-to-date with resources and contact information for additional support.

Focus 2

Language of Work – An environment and climate that encourages, for all employees, the use of the Official Language of their choice in the workplace.

- The department's performance review form and process highlighted an employee's right to have his or her performance review conducted in the Official Language of his or her choice.
- Small and large meetings were held in a manner that encouraged the use of both Official Languages. Employees had access to the working tool, *Effective Behaviours for Chairing Bilingual Meetings*, available on the department's Intranet.
- The department ensured employees were able to draft documents in the Official Languages of their choice.
- The department's Intranet was up-to-date with resources and contact information to support the use of both Official Languages.

Focus 3

Promotion of Official Languages

- The department's Official Languages action plan working group met quarterly to ensure that the programs and policies developed and implemented took into account the province's official linguistic communities.
- The department ensured that any information received by Executive Council Office, such as the *Official Languages Newsletter* as well as policy changes or updates, were communicated to employees in both Official Languages.

Focus 4

Knowledge of the Official Languages Act and other obligations

- Official Languages policies were key components of employee orientation. The department made available all information and resources for employees and managers.
- The department provided tracking tools to ensure all new employees had a thorough knowledge and understanding of the *Official Languages Act* and its related policies and regulations.
- Employees were expected to read the Language of Service and Language of Work policies as part of their annual performance reviews.

Conclusion

The department successfully completed the second year of its Official Languages action plan. Thirty-four employees took second-language training offered by GNB.

Summary of recommendations from the Office of the Auditor General

Name and year of audit area with link to online document	Recommendations	
	Total	Adopted*
Centennial Building (2015) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2015V4/Chap3e.pdf (p.53)		
Capital asset management of the Centennial Building	5	3
Matters Arising Audit of the Financial Statements of the Province (2014) http://www.agnb-vgnb.ca/content/dam/agnb-vgnb/pdf/Reports-Rapports/2014V1/Agrepe.pdf (p.94)		
Prepare and submit to the Office of the Comptroller for review an annual assessment of asset impairment	1	1
Long-Term Infrastructure Plan (2013) http://www.gnb.ca/oag-bvg/2013v2/chap1e.pdf (p.4)		
Develop and implement a comprehensive long-term infrastructure plan	8	8
Provincial Bridges (2013) http://www.gnb.ca/oag-bvg/2013v2/chap3e.pdf (p.83)		
Inspection standards, results, and maintenance and capital planning	8	8
Long term least life cycle approach	1	1
Public reporting on the condition of bridges and the effectiveness of bridge inspection activities	3	3
Funding requirements to maintain the service level of bridges	1	1
Capital Maintenance on Highways (2012) http://www.gnb.ca/oag-bvg/2012v2/chap5e.pdf (p.203)		
Identification of repair requirements	8	8
Reporting performance	2	2

* "Adopted" recommendations include measures that have been completed or that are still underway. Recommendations that have not been adopted have been scheduled for implementation at a later date.

Report on the *Public Interest Disclosure Act*

As provided under section 18(1) of the *Public Interest Disclosure Act*, the chief executive shall prepare a report of any disclosures of wrongdoing that have been made to a supervisor or designated officer of the portion of the public service for which the chief executive officer is responsible. The Department of Transportation and Infrastructure did not receive any disclosure(s) of wrongdoing in the 2016-2017 fiscal year.