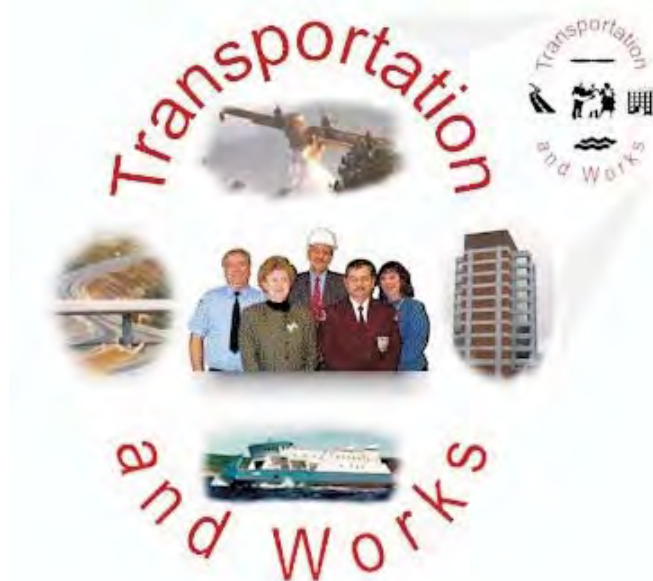




GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

2004-05 Annual Report

Department of
Transportation and Works



www.tw.gov.nl.ca

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MESSAGE FROM THE MINISTER

In keeping with Government's commitment to transparency and accountability I am pleased to present the Department of Transportation and Works' Annual Report for 2004-05.

I am pleased to say that Budget 2004 allocated \$7 million in new funding for a total of \$30 million for the Provincial Roads Program, demonstrating Government's commitment to rehabilitating the province's roads infrastructure. The Labrador Marine Service operated very effectively throughout the year thanks to several changes introduced to this service. The passenger allocation on the MV Sir Robert Bond was increased, and additional runs were added to the schedule of the MV Apollo. In addition, a cooler was added to the MV Northern Ranger for effective transport of fresh products to and from northern Labrador. The 2005 schedule for the Labrador Marine Service was released last December, which is the earliest that this schedule has been made available. Over the past year, the Department also completed the construction of a new Courthouse in Happy Valley-Goose Bay. These initiatives were carried out to meet the needs of the people in Labrador.



With an eye to fiscal responsibility, over the past year the Department has been able to make significant progress on achieving Government's commitments to the people of Newfoundland and Labrador. Over the past year environmental approval was received to begin construction on Phase III of the Trans Labrador Highway which will support social and economic development opportunities across Labrador; we are in the beginning stages of developing comprehensive multi-year plans for maintenance and upgrading of highways and secondary roads and public buildings; and, have pursued with the federal government the potential designation of Marine Atlantic as an essential service. We have also completed a review of Government's owned and leased accommodations, focusing on the rationalization of space requirements and the minimization of costs.

All in all it has been a busy and productive year. We are looking forward to building upon this work over the coming years in the delivery of our mandate as a contributor to ensuring that the province is well positioned to attract and support future development.

A handwritten signature in black ink, appearing to read 'T. Taylor', written in a cursive style.

Trevor Taylor, MHA
Minister of Transportation and Works

DEPARTMENTAL OVERVIEW

VISION

We shall excel at providing the public works and transportation infrastructure needs for the economic and social requirements of the Province.

MISSION

The mission of the Department of Transportation and Works, working in consultation with the people of Newfoundland and Labrador, is to ensure a safe, efficient and sustainable transportation system, and to meet the needs of the public sector for accommodations and public building facilities.

VALUES

<i>Working Together</i>	We are committed to working together to create a work environment that fosters communication, team building, leadership and respect for both our staff and clients.
<i>Quality Service</i>	We are committed to providing a quality service to the people of Newfoundland and Labrador.
<i>Innovation</i>	We shall be innovative in meeting the challenges and demands placed upon the Department.

LINES OF BUSINESS

<i>Transportation</i>	Provision and management of transportation (including road, marine and air) infrastructure and services for the Province.
<i>Works</i>	Provision and management of facility/building and communication infrastructure for the Province.

OUR VALUED EMPLOYEES

Transportation and Works has the largest number of employees within any government department. As of March 31, 2005, the Department had a total of 1,671 employees (970 permanent, 359 temporary, and 342 seasonal). Employees of the Department of Transportation and Works are located throughout the entire province including:

- Provincial headquarters: 393

- ❑ Eight regional offices located in:
 - ▶ St. John's: Avalon: 132
 White Hills: 243
 - ▶ Clarenville: 201
 - ▶ Gander: 99
 - ▶ Grand Falls-Windsor: 209
 - ▶ Deer Lake: 278
 - ▶ Corner Brook: 48
 - ▶ Goose Bay: 68

- ❑ Additionally, the Department has 56 depots operated by the regional offices in 56 communities throughout the province.

The provincial headquarters at the Confederation Complex is responsible for policy and planning, project management and design, strategic operational management, and corporate administrative services. The eight regional offices throughout the province provide construction, maintenance and operational services while the depots provide direct services such as snow clearing and road maintenance.

DEPARTMENTAL STRUCTURE AND KEY RESPONSIBILITIES

The Department of Transportation and Works is divided into three branches: Transportation, Works, and Strategic and Corporate Services.

Transportation

Provision and maintenance of a transportation system that includes:

- ❑ Summer and winter maintenance (snowclearing and ice control) on over 9,500 kilometres of primary and secondary highways and community access roads;
- ❑ Construction of new roads and management of road improvement projects with expenditures of \$41.0 million during 2004-05;
- ❑ Operation and maintenance of eight aircraft for air ambulance and water bomber services;
- ❑ Management of 16 ferry services for marine operations throughout the province, involving 20 owned or contracted vessels;
- ❑ Maintenance of a fleet of 2,668 vehicles comprised of 872 light vehicles, 715 heavy equipment vehicles, and 1,081 other utility vehicles (snowmobile, all terrain vehicles, etc.);

- ❑ Provision of up-to-date image of driving conditions from ten camera locations throughout the province (www.roads.gov.nl.ca/cameras/default.stm); and,
- ❑ Development and maintenance of a intermodal transportation policy involving the federal government and neighbouring provinces.

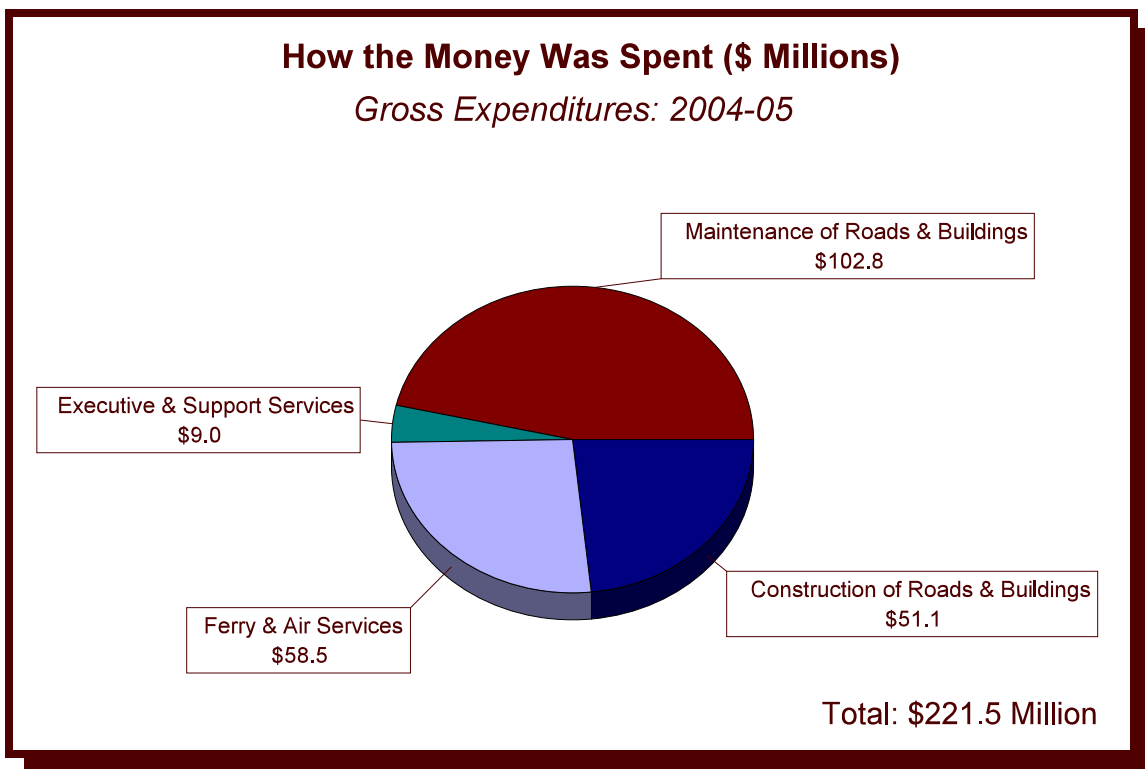
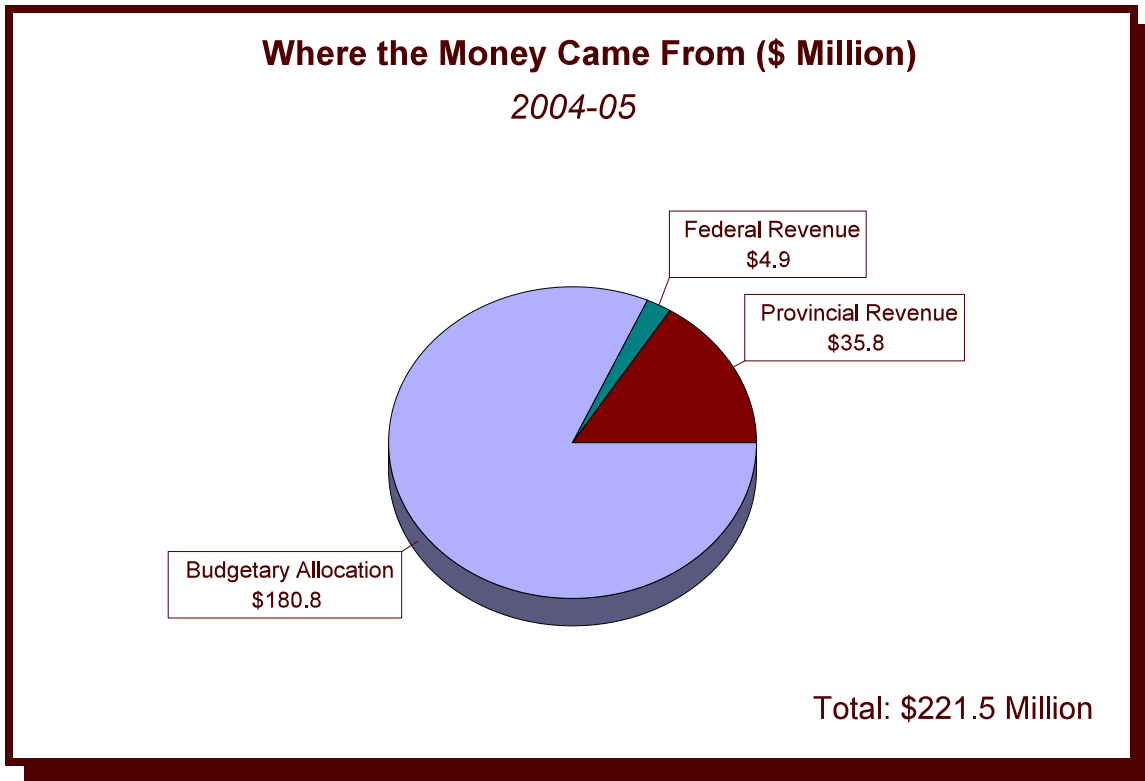
Works

- ❑ Management and maintenance of approximately 658,000 square metres of floor space in approximately 900 government-owned buildings and properties;
- ❑ Construction of new buildings and management of other capital projects for government departments and government-funded bodies with expenditures of \$13.3 million during 2004-05;
- ❑ Provision of space for government departments in government-owned buildings and leased accommodations;
- ❑ Acquisition of land on behalf of government departments and agencies for various projects and public works;
- ❑ Disposition of surplus provincial assets and real property;
- ❑ Provision of centralized mail and messenger services for Government;
- ❑ Provision of telecommunications services to all government departments; and,
- ❑ Provision of information technology services for the Department.

Strategic and Corporate Services

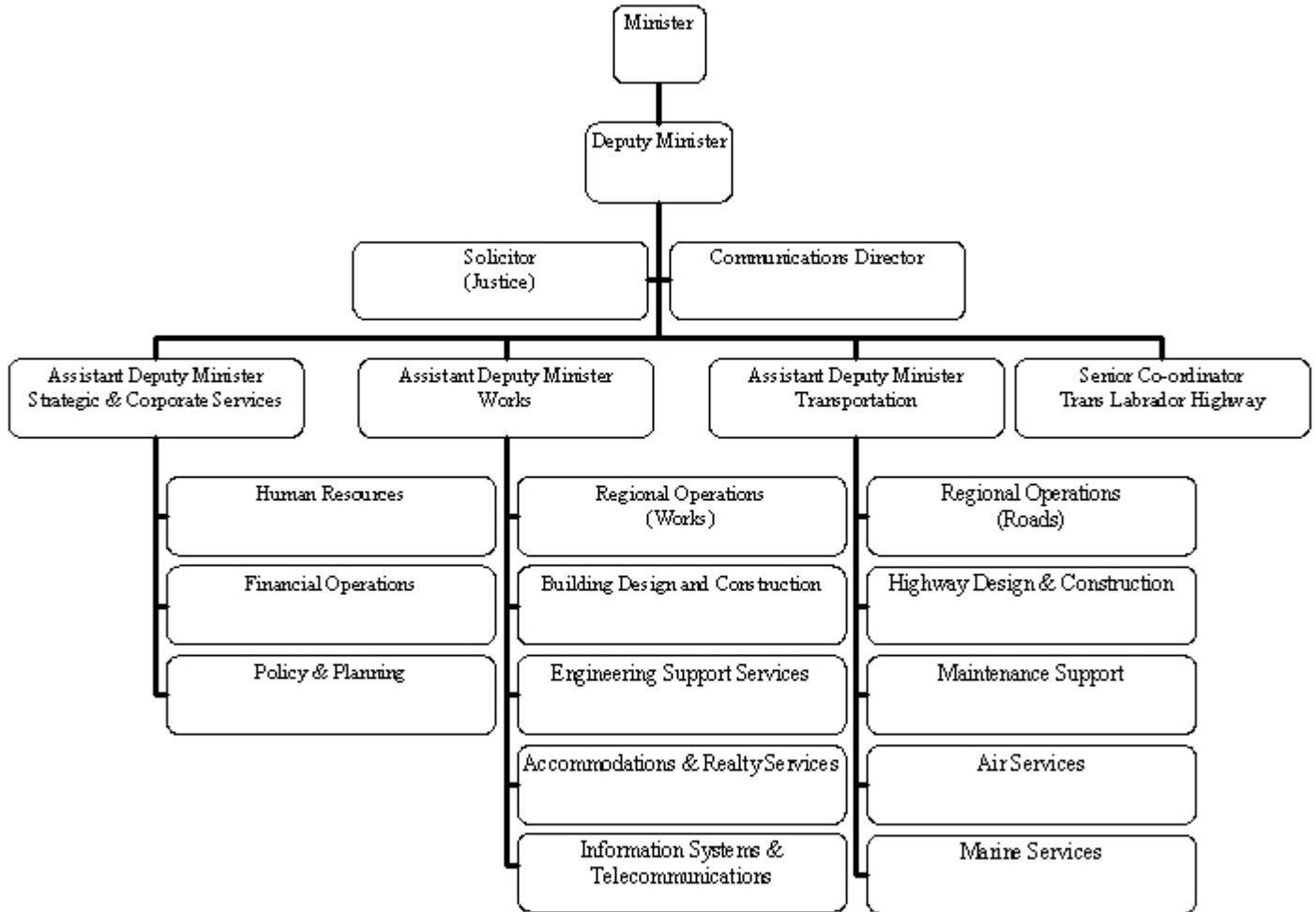
- ❑ Provision of financial services for the Department;
- ❑ Provision of human resources services for the Department;
- ❑ Provision of environmental services for all Government buildings and transportation infrastructure; and,
- ❑ Provision of policy and planning services for the Department.

REVENUES AND EXPENDITURES FOR 2004-05



Note: Numbers may not add due to rounding.

DEPARTMENT'S ORGANIZATIONAL STRUCTURE



SHARED COMMITMENTS

A Commitment to the People of the Province

The Department of Transportation and Works is committed to providing the people of the province with a safe and reliable transportation system that contributes to their economic and social needs. It is through this commitment that we work with key stakeholders at the regional and community level, including municipalities, to determine how we can best meet their needs within our current fiscal realities. It is through sound infrastructure and fiscal management that we will be successful in sustaining our transportation and facility infrastructure for future generations.

Other Provincial Government Departments

The Works Branch of the Department of Transportation and Works is essentially a support to all government departments and agencies. As the landlord for government-owned buildings and properties the Department works with its partners across Government to ensure that their accommodations needs are addressed in an efficient and cost-effective manner. The Department is also responsible for leased accommodations, the provision of mail and messenger services and telecommunications services for all other government departments. As such, open communication with all departments is key to best meeting everyone's needs.

Additionally, the Department works with the Departments of Health and Community Services and Education on the construction of new health care facilities and schools from design to completion of construction; at which time they are turned over to the respective authority/board. In the case of health care facilities, if a facility is no longer required for its intended purpose, the health authority generally turns the facility over to Transportation and Works for reuse, disposal or demolition.

Federal, Provincial and Territorial (FPT) Partners

The Department also works closely with its colleagues in other provinces and territories, as well with the federal government, on shared issues and concerns. The Department participates in a number of federal-provincial-territorial forums in the areas of transportation and public works; including participating in Annual FPT Ministers and Deputy Ministers Meetings and follow-up work with FPT officials to share ideas and research as well as develop policy directions.

PROGRESS & ACCOMPLISHMENTS ON STRATEGIC PRIORITIES

While there was a focus in 2004-05 on fiscal responsibility, the Department of Transportation and Works was successful in focusing its resources on six strategic priorities in delivering on its mandate and mission. These strategic priorities included: improvement in road infrastructure; priority on Labrador; improvements to public facilities; protection of the environment; ferry services; and, development of the road weather information system.

IMPROVEMENTS IN ROAD INFRASTRUCTURE

- ❑ Recognizing the need to rejuvenate the provincial highway infrastructure, the budget investment into the Provincial Road Improvement Program increased by approximately 30 percent to \$30 million; providing better quality roads for the traveling public.



New Arnold's Cove Overpass

- ❑ In an effort to expand the National Highway System (NHS) in the Province the Department participated on a National Task Force to establish criteria for inclusion in this system. Expansion of the NHS in the Province would provide more flexibility to the Province as to where federal-provincial cost-shared funding could be spent.

PRIORITY ON LABRADOR



Trans Labrador Highway

- ❑ Construction of Phase III of Trans Labrador Highway received the final approval of the Environment Assessment and three contracts were awarded totaling over \$35 million; including a \$21 million contract to construct a bridge across the Churchill River. Work commenced in Fall 2004 and is expected to continue until the 280 kilometer section of highway is completed in 2009.

IMPROVEMENTS TO PUBLIC FACILITIES

- ❑ During the year the Department of Transportation and Works managed:
 - ▶ Construction of a new Courthouse in Happy Valley-Goose Bay at a cost of \$1.9 million;
 - ▶ Extension, renovation and repair projects at 44 schools and completion of construction of nine schools at a cost of \$6.0 million;
 - ▶ The redevelopment of one new health care facility, the site location of one new long-term care facility, and the completion of construction on two new health care facilities at a total cost of just over \$900,000;
 - ▶ Maintenance and renovations to various government buildings at a cost of \$4.1 million; and,
 - ▶ A variety of environmental remediation projects at a cost of \$460,000.



New Courthouse in Happy Valley-Goose Bay

- ❑ As part of Government's Program Renewal Initiative, the Works Branch also led multi-departmental working groups tasked with conducting reviews of government infrastructure and owned/leased accommodations.
 - ▶ Phase I of the infrastructure review provided an inventory and high-level quality assessment of provincial infrastructure valued at \$15 billion and offered approaches to prioritize future investments, with suggestions for a focused effort on reducing the significant levels of deferred maintenance that exist.
 - ▶ The owned/leased accommodations review, which focused on the rationalization of space requirements and the minimization of costs, identified opportunities to make better use of existing owned accommodations thereby reducing the need for additional leased space.

PROTECTION OF THE ENVIRONMENT

- ❑ Environmental Remediation and Assessment:
 - ▶ The Department continued to address its responsibility for environmental stewardship with monitoring ongoing at the sites of the former Deer Lake and St. Barbe depots.
 - ▶ Assessments were also carried out at the site of the White Hills Transportation Depot in St. John's; Buildings 901 and 1045 in Pleasantville; the former Salmonier Correctional Institute; the former Fogo Island Hospital; the Botwood and Springdale Public Buildings; and, Building 346 in Stephenville.

- ❑ The Department's fuel tank removal and replacement for 2004-05 involved the replacement of four major tanks across the province and eight small waste oil tanks in the Avalon Region.
- ❑ The Department continues to be productive in adopting new technology to reduce the usage of road salts, thereby protecting our environment. An additional 22 new spreader controls were introduced into the winter maintenance snow clearing fleet bringing the total to 119, or 44 percent of the fleet.

FERRY SERVICES

- ❑ Through a more effective management approach, the provincial ferry service has been improved through day-to-day operation being handled at a regional level. This has provided more direct communications with users of these services to fine tune schedules, and has improved service delivery. This has been especially noticeable with the Labrador Coastal passenger freight services.
- ❑ In April 2004 the Department, after reviewing the report from the Public Policy Research Centre of Memorial University of Newfoundland regarding the configuration of the Labrador Marine Service, reconfigured the freight/passenger service to Goose Bay and the isolated communities on the North Coast.
 - ▶ The M.V. Sir Robert Bond was repositioned to Lewisporte from Cartwright to provide freight/passenger service to Goose Bay.
 - ▶ The M.V. Trans Gulf would provide a weekly scheduled freight service from Cartwright to Black Tickle and the communities of Rigolet, Postville, Hopedale, Makkovik, Natuashish and Nain.
 - ▶ The addition of a cooler on the MV Northern Ranger for the transport of fresh produce and milk.
 - ▶ The day-to-day operations and management of the service shifted to a Regional Management Model.
 - ▶ This configuration and management approach was very well received by the north coast communities.

DEVELOPMENT OF THE ROAD WEATHER INFORMATION SYSTEM

- ❑ During the year the Department entered into discussions with Transport Canada on a cost-shared agreement that would provide for the installation of several Road Weather Information Stations (RWIS) along the Trans Canada Highway, which would provide for a more efficient and effective Winter Maintenance Program. The Road Weather Information System will allow for: enhanced highway weather forecasting accuracy; prediction of pavement temperatures; and, effective introduction of proactive snow control techniques, optimizing the use of road salt.

OPPORTUNITIES AND CHALLENGES AHEAD

AGING INFRASTRUCTURE

While being one of the oldest settlements in North America brings with it many opportunities it also leaves us with many infrastructure challenges. While we have recently made many advances in the development of new infrastructure, much of the Province's infrastructure was constructed some time ago and is in various states of disrepair.

To address the need for infrastructure rehabilitation and restoration, over the coming years the Department will:

- ❑ Develop a strategy to address the age/replacement/modernization of the provincial marine vessel fleet;
- ❑ Continue to partner with Transport Canada on the restoration of coastal Labrador airstrips;
- ❑ Continue to partner with Transport Canada and Infrastructure Canada on strategies to address the restoration and rehabilitation of the national highway system in the province; and,
- ❑ Continue to benchmark and quantify the magnitude of deferred maintenance of buildings and develop a strategy to deal with this significant challenge. In this context, the Federal-Provincial-Territorial Deputy Ministers Responsible for Public Works have endorsed the formation of a national working group to further study this issue on a national basis.

SUSTAINABLE TRANSPORTATION FUNDING

The province must explore ways to secure sustainable funding to maintain our National Highway System. Historically, federal funding was provided for new construction only and not for maintenance and rehabilitation.

The necessary improvements are beyond the Province's fiscal capacity and, as such, the Province will proceed to:

- ❑ Complete negotiations with Transport Canada on a cost shared funding/ implementation agreement for a Road Weather Information System.

- ❑ Enter negotiations with Infrastructure Canada for a cost shared agreement with respect to Phase I funding under the Canadian Strategic Infrastructure Fund to include rehabilitation and restoration of sections the National Highway System in Newfoundland and Labrador (Route 1 - Trans Canada Highway and Route 100 to Argientia).

DEMOGRAPHICS

The population of Newfoundland and Labrador has traditionally been a younger population than that of the country as a whole. However, the population of the Province is now aging more rapidly. According to Statistics Canada predictions, Newfoundland and Labrador will be the 'oldest' province in the country by 2026, with half of the population being 50 or over.

Population aging and decline in the province will increase labour market pressures resulting in labour shortages. Labour shortages will be an issue for employers with a high percentage of baby boomers. The demographics of the Department's workforce mirror that of the provincial workforce and this presents some challenges for the Department to recruit and retain a sufficient number of qualified employees to carry out its mandate. Currently, approximately 19 percent of the Department's workforce is age 55 or older, with 29 percent being eligible for early retirement within the next five years. Within five years, 23 percent of our employees will be age 65 or over.

In order to ensure a sustainable workforce, the Department will:

- ❑ Conduct a more detailed analysis of its current workforce with respect to recruitment/retention of specialized trades in the areas of marine engineers, aircraft pilots, heavy equipment operators, and mechanics; and,
- ❑ Develop strategies to address retention of corporate knowledge and effective succession planning.

FINANCIAL STATEMENTS

Summary of Net Expenditures For the year ending March 31, 2005 (unaudited)

	<u>Estimates</u>		
	<u>Actual</u>	<u>Amended</u>	<u>Original</u>
Executive and Support Services			
Minister's Office	\$223,718	\$234,900	\$234,900
General Administration	\$8,698,414	\$9,901,700	\$8,354,100
Maintenance of Roads and Buildings			
Road Maintenance	\$44,129,819	\$45,119,500	\$45,125,400
Building Maintenance Operations and Accommodations	\$31,921,644	\$33,066,700	\$33,164,800
Equipment Maintenance	\$22,581,629	\$23,450,600	\$21,642,700
Construction of Roads and Buildings			
Administration and Support	\$2,591,154	\$2,691,400	\$2,791,400
Road Construction	\$32,558,995	\$34,329,000	\$41,324,800
Building Construction	\$4,845,515	\$4,941,000	\$4,925,000
Transportation Services			
Air Support	\$979,333	\$1,229,900	\$1,118,500
Marine Operations	\$22,883,947	\$24,451,600	\$21,416,400
Air Services	\$9,404,611	\$9,572,100	\$8,540,400
TOTAL	\$180,818,779	\$188,988,400	\$188,638,400

Note: *Expenditure and revenue figures (cash-based) included in this document are based on draft information, as the Public Accounts have not yet been formally released. Readers are cautioned that these figures may be subject to readjustment.*



GOVERNMENT OF
NEWFOUNDLAND AND LABRADOR

Department of Transportation and Works

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