

Innovation and Advanced Education

BUSINESS PLAN 2014-17

ACCOUNTABILITY STATEMENT

This business plan was prepared under my direction, taking into consideration the government's policy decisions as of February 12, 2014.

original signed by

Dave Hancock, Minister
February 19, 2014

THE MINISTRY

The ministry consists of the Department of Innovation and Advanced Education, the Access to the Future Fund and the Alberta Enterprise Corporation. Although public post-secondary institutions and the Alberta Innovates corporations are accountable to the minister (excluding Alberta Innovates - Health Solutions, which is accountable to the Minister of Health) and included in the government's consolidated financial statements, they are not fully consolidated within the ministry for budget reporting purposes.

The following councils, boards and authorities provide advice to the minister: the Alberta Economic Development Authority, the Alberta Council on Admissions and Transfer, the Alberta Apprenticeship and Industry Training Board, the Campus Alberta Quality Council, the Access Advisory Council, and the Alberta Research and Innovation Authority.

Innovation and Advanced Education's purpose is to engage Albertans in learning, innovation and entrepreneurship to build a resilient economy and a thriving society.

A more detailed description of Innovation and Advanced Education and its programs and initiatives can be found at www.eae.alberta.ca.

RESULTS-BASED BUDGETING AND THE GOVERNMENT OF ALBERTA STRATEGIC PLAN

Programs and services delivered by the ministry are reviewed for relevance, effectiveness and efficiency in accordance with the Government of Alberta's *Results-based Budgeting Act*.

This business plan supports the themes outlined in the *Government of Alberta Strategic Plan* in the following ways:

- Securing Alberta's Economic Future. Innovation and Advanced Education will improve alignment of advanced learning programs with Alberta's economic and labour needs; strengthen local, national, and international partnerships across learning, research and business sectors to commercialize innovation; and develop and implement a small business strategy to enhance Alberta's business climate, accelerate entrepreneurship and increase high-growth ventures.
- Advancing World-leading Resource Stewardship. Innovation and Advanced Education will develop programs and policies to ensure continued investment in value-added industries, including a value-added energy development strategy.

The plan supports the achievement of the following strategic goals set out in the government's strategic plan:

- Goal 4: Invest in Learning. Innovation and Advanced Education will enhance learner pathways to help Albertans better achieve their learning goals and increase access, participation and completion in advanced learning so that all Albertans can reach their potential through learning.
- Goal 7: Build Relationships and Open New Markets. Innovation and Advanced Education will guide progress of Alberta's economic development framework.

STRATEGIC CONTEXT

Innovation and Advanced Education is focused on developing Alberta's economic and social prosperity. The ministry's goals are ambitious and long-term, and they require significant evolution in collective outcomes, relationships with partners and creative thinking. Striving for these goals and fostering this evolution poses challenges for the ministry: sustaining momentum for long-term change, keeping ultimate goals in sight and continuously engaging partners in meaningful ways; ensuring the ministry is making the same paradigm shifts being asked of our learning, innovation and economic development partners; and using resources responsibly while pursuing creative solutions and taking strategic risks.

The ministry's current strategic context is defined largely by the following features:

Alberta is competing in a global economy. Today and in the future, Alberta must compete in a rapidly changing global economy for people, ideas, investment and markets. As the ministry capitalizes on opportunities and addresses challenges within our borders, Innovation and Advanced Education must also understand connections with the rest of Canada and the world. Through existing and new collaborative planning processes, the ministry will identify synergies and key objectives enabling leveraged partnerships with foreign governments, educational institutions, research organizations and companies. In this way, Alberta will be in a stronger position to develop global citizens, attract the right talent, encourage more investment, build collaborative relationships, and export high-value products, services and processes to new markets.

Alberta needs skilled and entrepreneurial people. As Alberta's economy continues to grow and change, the knowledge and skills Albertans need are also changing. The ministry is taking a deliberate, strategic approach to evolve the advanced learning system and support development of the province's workforce. With partners, Innovation and Advanced Education is working to support Alberta's labour needs and to build a more efficient and relevant Campus Alberta whose graduates can thrive in the economy of today and tomorrow.

Success depends on working together. Alberta's economic and social well-being depends on a healthy interdependence among many systems. Guiding this co-evolution requires government to support strategic collaboration and coordination with our Campus Alberta partners, research and innovation communities, and industry sectors. Innovation and Advanced Education is engaging deeply with partners to co-create our future: building system awareness, defining shared goals, and convening collaborative spaces where new ideas can emerge.

New strategies are needed to sustain prosperity. The strategies that brought Alberta prosperity in the past may not carry the province successfully into the future. While natural resources continue to anchor our economy, Alberta's future economic growth depends on diversification that complements and adds value to the province's resource base; innovation, from basic and applied research to developing and commercializing new products, services and processes; and an entrepreneurial spirit – people who look for opportunity, pursue new ventures and create value.

The ministry is bringing research, innovation and commercialization together to benefit people in Alberta and around the world, and working with our partners to ensure Alberta's business environment encourages entrepreneurial ventures.

Alberta is recovering from floods. In June 2013, devastating floods took place in Southern Alberta and the Regional Municipality of Wood Buffalo. Full recovery from the disasters will take years. The ministry is supporting the flood recovery and mitigation efforts.

GOALS, PRIORITY INITIATIVES, AND PERFORMANCE MEASURES AND INDICATORS

As a result of the ministry's review of its goals, environment, opportunities and challenges, a number of priority initiatives have been identified. Focused agenda items, several specific areas where government will focus its attention over the next three years, are identified with a ✱. Additional government commitments to Albertans are identified with a ✓.

Goal One: Optimize our human potential

This means the Campus Alberta system is accessible, relevant, affordable and sustainable.

Priority Initiatives:

- * 1.1 Strengthen alignment within the Campus Alberta system and between Campus Alberta and the K-12 education system to better achieve common outcomes that benefit Albertans.
- ✓ 1.2 Reduce financial barriers, increase access, participation and completion in advanced learning, particularly among under-represented learners – including Aboriginal, rural and low-income Albertans – so that all Albertans can reach their potential through learning.
- ✓ 1.3 Enhance learner pathways into and through community learning, post-secondary programs including apprenticeship, and workplaces so that Albertans can better achieve their learning goals.
 - 1.4 Work with partners to renew coordinated literacy strategies so that Albertans have the literacy and numeracy competencies to reach their full potential.
 - 1.5 Complete a strategic policy review of student funding programs and implement improvements to the Students Finance System in order to meet evolving needs of Alberta post-secondary students.
 - 1.6 Develop new Heritage Scholarships and other financial supports for students pursuing opportunities in the trades.
 - 1.7 Implement an action plan for international education to align and guide the international efforts of Campus Alberta partners for greatest benefit.
 - 1.8 Develop an e-learning strategy for post-secondary learning in Alberta.
 - 1.9 Improve alignment of advanced learning programs with Alberta's economic and labour needs so that, as much as possible, study leads to fulfilling and relevant employment.
 - 1.10 Enhance the delivery of the Apprenticeship and Qualification Certificate programs to better respond to learner and industry needs.

Performance Measures	Last Actual (Year)	Target 2014-15	Target 2015-16	Target 2016-17
1.a Satisfaction of recent post-secondary graduates with overall quality of their educational experience (biennial survey)	92% (2012)	90%+	n/a	90%+
1.b Satisfaction of recent apprenticeship graduates with: <ul style="list-style-type: none"> • On-the-job training (biennial survey) • Technical training (biennial survey) 	95% 96% (2013)	90%+ 90%+	n/a n/a	90%+ 90%+
1.c Percentage of post-secondary transfer graduates satisfied with the transfer credit they received (biennial survey)	90% (2012)	90%+	n/a	90%+
1.d Percentage of Albertans age 18-34 participating in post-secondary education	17% (2012)	17%	18%	19%

Performance Indicators	Actual (Year)	Actual (Year)	Actual (Year)	Actual (Year)
1.a Percentage of employed graduates who feel that their main job is related to their field of study two years after graduation (biennial survey)	80% (2006)	80% (2008)	82% (2010)	82% (2012)
1.b Percentage of students entering post-secondary programs (including apprenticeship) within 10 years of entering grade 10	68.2% (2008-09)	68.8% (2009-10)	69.3% (2010-11)	70.2% (2011-12)
1.c Percentage of Aboriginal Albertans (off-reserve) age 18-24 participating in post-secondary education	11% (2009)	15% (2010)	15% (2011)	13% (2012)

Goal Two: Build a more innovative and competitive Alberta

This means Alberta's research and innovation communities and associated technology infrastructure are collaborative, focused, aligned and adaptable; and that Alberta research and innovation leads to new ideas, products, services and processes that offer social benefit and enhance Alberta's economic competitiveness.

Priority Initiatives:

- * 2.1 Implement the Alberta institute concept to transform the research and innovation system with a renewed focus on policy, strategic direction and delivery mechanisms building on the advice from the expert panel.
- * 2.2 Enhance access to investment capital to build Alberta's strength in developed and emerging technologies.
- ✓ 2.3 Develop a framework for natural resources innovation that will provide leadership to Alberta's research and innovation system, enhancing environmental sustainability and Alberta's competitiveness in the global economy.
- 2.4 Continue to attract researchers, venture capitalists and multinational corporate investment to foster a more innovative and entrepreneurial culture in Alberta.
- 2.5 Develop new local, national and international partnerships that support growth and alignment in Alberta's priority areas of investment, research and commercialization.
- 2.6 Work with Human Services, Culture and other ministries on the implementation of the Social Innovation Endowment.

Performance Measures	Last Actual (Year)	Target 2014-15	Target 2015-16	Target 2016-17
2.a Venture capital invested in Alberta (\$ millions)	86.34 (2012)	126.16	131.80	137.45
2.b Sponsored research revenue attracted by Alberta's comprehensive academic and research institutions (\$ millions) ¹	759.6 (2011-12)	684.0	684.0	684.0

Note:

1 Targets are 10 per cent lower than the last actual due to the increasingly competitive research funding environment.

Performance Indicators	Actual (Year)	Actual (Year)	Actual (Year)	Actual (Year)
2.a Percentage of enterprise innovators introducing innovation in:				
• Goods or service	21.5%	(No further data available. Survey questions cover a three-year period)		
• Processes	45.4%			
• Marketing	21.0%			
• Organization	29.5%			
	(2007-2009)			
2.b Sponsored research revenue attracted by Alberta's technical institutes and colleges (\$ millions)	13.4 (2008-09)	14.6 (2009-10)	15.5 (2010-11)	26.3 (2011-12)

Goal Three: Broaden our economic base

This means a broad base of economic opportunities is available to all, and that Alberta has a resilient and stable economy.

Priority Initiatives:

- * 3.1 Working closely with our partners, including the Alberta Economic Development Authority, guide progress of Alberta's economic development framework, which will shape Alberta's economic growth in a strategic way.
- * 3.2 Develop and implement a small business strategy to enhance Alberta's business climate, accelerate entrepreneurship and increase high-growth ventures.
- * 3.3 Support enhancements to the relevancy of Alberta's rural economic development programs and services.

- 3.4 Improve support for entrepreneurs to connect with the talent, capital and resources they need to succeed.
- 3.5 Continue to develop and deliver innovative economic information products to enable investors and Alberta businesses to make timely business decisions.
- 3.6 Develop programs and policies to ensure continued investment in value-added industries, including a value-added energy development strategy.
- 3.7 Promote Alberta as a global energy financial centre, a prime investment destination and a unique location of choice for institutional investors and asset managers with interests in the energy sector.

Performance Measures	Last Actual 2012	Target 2014-15	Target 2015-16	Target 2016-17
3.a Manufacturing and service industry investment (value-added goods and services):				
• \$ millions	13,473	16,537	17,581	18,690
• Annual percentage change	+26.6%	+6.3%	+6.3%	+6.3%
3.b Three-year average growth rate in manufacturing and business service industry labour productivity (real GDP per hour worked)	+0.7% (\$52.40)	+1.5%	+2.0%	+2.0%

Performance Indicators	Actual (Year)	Actual (Year)	Actual (Year)	Actual (Year)
3.a Total investment in Alberta (\$ millions)	65,695 (2009)	81,343 (2010)	90,026 (2011)	98,193 (2012)
3.b Percentage of high-growth firms	8.29% (2008)	5.82% (2009)	4.95% (2010)	5.83% (2011)

OPERATIONAL PLAN

(thousands of dollars)	Comparable			2014-15 Estimate	2015-16 Target	2016-17 Target
	2012-13 Actual	2013-14 Budget	2013-14 Forecast			
OPERATIONAL EXPENSE						
Ministry Support Services	28,089	29,215	29,375	30,679	30,274	30,374
Support for Adult Learning	2,286,059	2,139,906	2,190,546	2,266,031	2,330,662	2,362,426
Apprenticeship Delivery	45,523	44,594	45,594	49,852	44,191	46,201
Student Aid	146,510	213,602	209,802	222,795	235,120	238,090
Innovation and Technology Commercialization	196,128	193,357	193,357	202,290	199,402	191,469
Enterprise	18,038	16,589	16,589	18,120	18,234	18,274
International Partnerships	1,131	1,531	1,531	2,520	2,526	2,535
2013 Alberta Flooding	-	-	3,275	275	75	-
Post-Secondary Infrastructure	-	-	-	812	1,990	3,169
Alberta Centennial Education Savings Plan	17,318	11,000	17,000	11,000	200	200
Access to the Future Fund	-	-	-	50,000	50,000	50,000
Alberta Enterprise Corporation	2,081	1,150	1,150	850	850	700
Total	2,740,877	2,650,944	2,708,219	2,855,224	2,913,524	2,943,438

CAPITAL PLAN SPENDING

Ministry Support Services	668	1,217	217	1,217	1,217	1,217
Support for Adult Learning	2,238	-	2,220	-	-	-
Apprenticeship Delivery	1,579	430	1,540	820	670	660
Student Aid	2,073	3,000	2,350	2,610	2,760	2,770
Post-Secondary Infrastructure	75,917	63,700	63,700	240,925	242,925	242,925
Total	82,475	68,347	70,027	245,572	247,572	247,572