

1997 - 2000

Government of Alberta

Business Plan

“A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.”

Update

The 1997-2000 Government of Alberta Business Plan has been updated from February 1997 to reflect the following change:

- ◆ realignment of Ministerial responsibilities after the March 1997 general election.

BUDGET '97

BUILDING ALBERTA TOGETHER

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1997-2000

Government of Alberta Business Plan

Building Alberta Together

Across Canada, Albertans are known for their self-reliance, determination and strong community spirit. Albertans value hard work and initiative. By building a strong Alberta Advantage, we expect the province's economy to keep growing, producing more and better jobs for Albertans. At the same time, we're determined to maintain and improve our quality of life. Quality health care and education programs, strong communities, vibrant cultures and support for Albertans who need it . . . these are all important for Albertans.

The strengths that have shaped Alberta's past will continue to shape our future as we look ahead to a new century.

Today, Albertans can look to the future with confidence — a confidence we didn't feel four years ago. Four years ago Albertans were concerned about their province — worried about how the province's finances were managed and worried about the security of programs Albertans count on as essential to our quality of life.

Albertans demanded action. And government responded. For the past four years, the focus has been on balancing budgets, rethinking the role of government and getting back to the essential business of government. The result of these efforts is not only a solid financial record but also a renewed emphasis on our commitment to provide Albertans with quality programs and quality results. Our job is to ensure that the programs we provide make Alberta a better place to live, meet Albertans' needs and are delivered as efficiently and effectively as possible.

This business plan looks to the future. It builds on our progress and reinforces the lessons we learned over the past four years. It maintains our focus on financial management. But its focus is not just on the dollars we spend but also on the value and results we achieve.

Alberta will face a number of important challenges in the years ahead . . . an expanding economy in a highly competitive marketplace, ensuring jobs for Albertans, preparing a highly skilled workforce, enhancing the quality of life and providing social programs Albertans can count on. This business plan is designed to meet those challenges and position Alberta as we look ahead to the twenty-first century.

Four years of change put us on solid ground

Albertans have every reason to look ahead with optimism and confidence to the future. The past four years have seen major changes across all aspects of the public sector. The fiscal plan laid out in Budget '93 worked. We achieved what we set out to do: building a better Alberta by balancing the budget, setting clear priorities and sticking to them, and changing the way government does business. At the same time, Alberta's economy continued to grow, creating 157,300 new jobs between December 1992 and December 1996. Today, more Albertans are working than ever before and the prospects look very positive for continuing strong growth.

The past four years of change have created a new foundation for Alberta. That foundation includes:

- ◆ sustainable balanced budgets—spending is down to a level we can afford in good times and bad
- ◆ new laws requiring balanced budgets, elimination of Alberta's net debt, improved accountability and results, taxpayer protection and an end to government loans and loan guarantees to business
- ◆ restructured health, education and social programs
- ◆ reduced administration, and
- ◆ smaller government focused on the priorities that are most important to Albertans.

Thanks to the hard work of Albertans, we're now in a position where we can build on that strong foundation knowing we're in good shape to take on new challenges and capitalize on new opportunities. With Budget '97 and the 1997-2000 Government of Alberta Business Plan, we look to the future with a solid and secure foundation in place.

The foundation for action – a vision for Alberta

Vision

The vision we present for the Province of Alberta is:

A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.

Mission

In pursuit of this vision, the provincial government is committed to the following mission:

An open and accountable government that leads the province in achieving its vision and ensures Albertans have access to quality programs and services at an affordable cost.

Three top priorities

For this business plan, government's top three priorities are:

- ◆ **Health** - Albertans will have access to quality health care services when they need them.
- ◆ **Education** - Alberta's education system will prepare young people and adults with excellent skills and knowledge so they can contribute to society and build a better future for themselves and their families.
- ◆ **Jobs** - Alberta's economy will continue to grow, expanding to meet new opportunities and create meaningful jobs.

These priorities are in line with the 1997-2000 fiscal plan which focuses on:

- ◆ providing quality services for Albertans
 - health and education are top priorities
- ◆ strengthening the economic climate for growth and jobs
- ◆ maintaining fiscal responsibility and accountability

A watch list has been developed to reflect the top three priorities in the Government Business Plan. Albertans can expect to see regular reports on our progress in meeting key objectives in each of these three areas.

Watch List Objectives	Measures of Progress
1. <i>Albertans will have access to appropriate health services through a well-managed health care system.</i>	- access to health services <u>Examples:</u> - waiting time for cardiac surgery - length of stay in emergency after hospital admission - percent of general practitioner services obtained in the home region - public rating on ease of access
2. <i>Alberta students are prepared for entry into the workplace or adult learning.</i>	- measures of student preparedness
3. <i>Alberta will create 155,000 jobs by December 2000.</i>	- net employment growth - unemployment rate vs. youth unemployment rate - full-time vs. part-time employment - labour force participation rate - employment growth by industry

Principles

Government's work in addressing Albertans' priorities and in other essential areas will be guided by the following principles:

- ◆ **Albertans' priorities** - The government will continue to consult with Albertans regularly to ensure the government's priorities match Albertans' priorities.
- ◆ **Quality services** - Albertans will have access to quality services that meet their needs now and in the future. Fairness and responsiveness will be the hallmarks of our dealings with people. What the government does will be done well and will achieve positive results.
- ◆ **Results driven government** - Clear goals will be set. Progress in meeting the goals will be measured and reported regularly to Albertans. Albertans will know what we set out to achieve, what actions were taken, how much was spent and what results were achieved. The government will be clearly focused on core responsibilities. Government will do what is essential and what it is best suited to do. Administration will continue to be streamlined and the regulatory burden reduced and simplified.
- ◆ **Innovation** - The government will take a leadership role in supporting innovation that improves our quality of life.
- ◆ **Balanced budgets and debt retirement** - The budget will be balanced every year as required by the Balanced Budget and Debt Retirement Act. To ensure balanced budgets every year, the government will continue to use prudent estimates of revenue in its planning. The debt of the province will be reduced in an orderly manner. The net debt, excluding pension liabilities, will be eliminated no later than 2010 and sooner if possible.
- ◆ **Competitive taxation** - There will be no sales tax, no new taxes and no tax increases. Over the long term, we are committed to a reduction in the current tax burden.
- ◆ **Alberta Advantage** - The government will work with the private sector to strengthen Alberta's economic advantages and build an economic environment conducive to investment and growth of quality jobs.

Goals and Strategies

Government's actions are focused on three core businesses: **people**, **prosperity** and **preservation**. A series of goals has been set for each of the core businesses. The following section sets out those goals and the key strategies that will be used. More information about strategies and action plans is included in the business plans of individual Ministries.

PEOPLE . . .

helping people to be self-reliant, capable and caring through:

- ◆ a healthy society and accessible health care
- ◆ basic support and protection for those in need
- ◆ lifelong learning
- ◆ excellent schools, colleges, universities and training institutes
- ◆ supportive families and compassionate communities

Goal 1 Albertans will be healthy.

- ◆ ensure all Albertans, young and old, have access to quality health services when they need them (Health)
- ◆ get the best value from public dollars through reduced administration and effective and efficient management (Health)
- ◆ provide more services in communities and in people's homes where they need them (Health)
- ◆ provide more emphasis on education, prevention of illness and injury and promotion of healthy, active lifestyles (CD, Health, Labour)
- ◆ streamline and simplify the health system, reduce duplication and ensure better coordination of services (Health)

Goal 2 Our children will be well cared for and safe.

- ◆ target research on children's health and take specific action to meet children's health needs (Ed, Health)
- ◆ redesign services to children and focus the efforts of government ministries, communities, agencies and families on keeping children safe and well (CD, Ed, FSS, Health, Justice)

Abbreviations:

AECD	Advanced Education and Career Development	FSS	Family and Social Services
AEDA	Alberta Economic Development Authority	MA	Municipal Affairs
AFRD	Agriculture, Food and Rural Development	PAB	Public Affairs Bureau
CD	Community Development	PAO	Personnel Administration Office
Ed	Education	PWSS	Public Works, Supply and Services
ED&T	Economic Development and Tourism	SRIT	Science, Research and Information Technology
Env Prot	Environmental Protection	T&U	Transportation and Utilities
FIGA	Federal and Intergovernmental Affairs	Treas	Treasury

Goal 3 Alberta students will excel.

- ◆ set high standards to ensure that young people learn and acquire essential skills (Ed)
- ◆ provide clear information to students, parents and schools on what is expected from students and what they have achieved (Ed)
- ◆ work with school authorities to improve mathematics achievement of students in grades 7 to 12 (Ed)
- ◆ implement updated requirements for teacher preparation, certification and ongoing evaluation (Ed)
- ◆ work with employers and educators to ensure young people understand what is needed and expected in the workplace (AECD, Ed)
- ◆ report regularly to Albertans on student achievement and other results of Alberta's education system (AECD, Ed)
- ◆ ensure Albertans have access to affordable adult learning opportunities (AECD)

Goal 4 Albertans will be independent.

- ◆ continue efforts to get social assistance clients into the workforce by improving training programs and providing appropriate financial and health benefits (AECD, FSS)
- ◆ collaborate with other ministries to develop and implement a new human resource strategy designed to help Albertans reach their full potential (AECD)
- ◆ ensure that the latest information on career development opportunities, labour market demands, and workplace skill requirements is available to young people, parents and adults wanting to upgrade their skills in the marketplace (AECD, Ed)
- ◆ work with employers and educators to create more opportunities for young people in the workplace (AECD, Ed)
- ◆ provide social housing as transitional support that helps Albertans in need to become more self-reliant (MA)

Goal 5 Albertans not expected to support themselves fully will receive help.

- ◆ redesign benefits to better assist those Albertans who are not expected to work and must have ongoing financial assistance (FSS)
- ◆ transfer responsibility for services for adults with developmental disabilities to community management boards so they get the services they need in their own communities (FSS)
- ◆ ensure that lower income seniors get the financial assistance they need through ongoing refinements to the Alberta Seniors Benefit (CD)
- ◆ ensure that there is an adequate supply of social housing to meet the needs of communities (MA)

PROSPERITY . . .

promoting prosperity for Alberta through:

- ◆ a dynamic environment for growth in business, industry and jobs
- ◆ a highly skilled and productive workforce
- ◆ new ideas, innovation and research
- ◆ an open and accountable government that lives within its means
- ◆ an efficient system of roads, highways, utilities and public spaces

Goal 6 Alberta will have a prosperous economy.

- ◆ continue to promote the Alberta Advantage (all ministries)
- ◆ develop a globally competitive tax regime to encourage investment and economic activity (AEDA, ED&T, SRIT, Treas)
- ◆ actively work with industry to attract domestic and international investment (AEDA, AFRD, ED&T, SRIT)
- ◆ support the leadership role of the Alberta Tourism Partnership Corporation in expanding Alberta's tourism industry and in promoting Alberta as a world-renowned tourism destination (AEDA, ED&T)
- ◆ encourage communities to create and implement viable local and regional economic development plans with key partners (AEDA, AFRD, ED&T)
- ◆ improve the ability of start-up and early stage companies to access the capital they need to get their businesses up and running (AEDA, AFRD, ED&T, SRIT)
- ◆ facilitate the growth of value-added industries, especially in agri-food and energy sectors (AFRD, Energy)
- ◆ remove barriers to national and international trade so Alberta businesses can expand and compete in new markets (FIGA)

Goal 7 Our workforce will be skilled and productive.

- ◆ improve Albertans' ability to enter the workforce and keep pace with changing skills (AEDA, ED&T, AECD)
- ◆ remove barriers that prevent people from moving easily from job to job or place to place in order to work (AEDA, ED&T, AECD, FIGA)
- ◆ expand opportunities for youth through apprenticeship and industry training (AECD)
- ◆ develop and implement initiatives to assist young people to learn about careers that do not need post secondary education but do require specific skills (Ed)
- ◆ expand young people's technological skills through new curriculum standards for schools (Ed)

Goal 8 Our businesses will capitalize on research.

- ◆ use technology in targeted sectors to expand Alberta's value-added industries (AEDA, ED&T, AFRD, SRIT)
- ◆ expand Alberta's focus on basic research and technology (AECD, AFRD, ED&T, SRIT)
- ◆ define and take action on key science and technology priorities to expand Alberta's economy (AFRD, ED&T, Energy, SRIT)
- ◆ expand the number of research and technology activities that result in viable commercial products, processes and services (AEDA, ED&T, SRIT)
- ◆ encourage the development of private sector laboratories in the area of food production and processing (AFRD, SRIT)
- ◆ integrate technology into schools and post secondary education (AECD, Ed)

Goal 9 Alberta will have effective and efficient infrastructure.

- ◆ promote cooperative initiatives among business and industry, government and municipalities to address the needs for infrastructure development (AEDA, ED&T, PWSS, T&U)
- ◆ make strategic improvements to key highway routes to improve trade, including the North-South Trade Corridor (T&U)
- ◆ work with local governments to strengthen rural and urban transportation partnerships and ensure that Alberta has a safe and efficient system of roads (T&U)
- ◆ set standards and monitor safety of highways, motor carriers and natural gas distribution systems (T&U)

Goal 10 Alberta will have a financially stable, open and accountable government.

- ◆ continue Alberta's solid fiscal plan including balanced budgets, orderly paydown of Alberta's debt, targeted spending and demonstrated results (Treas)
- ◆ reduce the number of regulations and eliminate unnecessary regulations (all ministries)
- ◆ provide regular reports to Albertans on goals, financial results and performance measures (all ministries)
- ◆ provide efficient management of government resources and communications (PAB, PAO, PWSS, Treas)

Goal 11 Alberta will have a fair and safe work environment.

- ◆ promote high standards in the workplace in terms of organization, operation, safety systems and health and safety (Labour)
- ◆ provide education, information and consultation services to eliminate discrimination and barriers to full participation for all Albertans (CD)

Goal 12 Alberta businesses will increase exports.

- ◆ expand national and international market opportunities for Alberta's value added industries and services (AEDA, AFRD, ED&T)
- ◆ improve Alberta's ability to compete and do business in global markets by expanding people's understanding of world languages and cultures (AECD, AEDA, ED&T)
- ◆ assist Alberta firms in identifying and pursuing international projects and contracts (AFRD, ED&T)
- ◆ provide market intelligence and information about export opportunities through the new Alberta Business Information Centre (ED&T)
- ◆ coordinate Alberta's participation in strategic international relationships and agreements with key trading partners, states and provinces (ED&T, FIGA)

PRESERVATION . . .

preserving the Alberta tradition of:

- ◆ a safe society where justice prevails
- ◆ a clean environment
- ◆ strong values and culture
- ◆ pride in Alberta and strength within Canada
- ◆ strong communities

Goal 13 Alberta will be a safe place to live and raise families.

- ◆ encourage police services to expand community policing (Justice)
- ◆ protect human rights for all Albertans (CD)
- ◆ focus resources on preventing crimes that pose the greatest risk to public safety (Justice)
- ◆ take action on changes in administration of the Young Offenders Act (Justice)
- ◆ provide a balanced and appropriate regulatory framework for consumers and business (MA)
- ◆ take action to improve traffic safety through driver education, road safety awareness and enforcement (T&U)
- ◆ assist municipalities in preparing for emergencies and responding to major disasters (T&U)

Goal 14 Alberta's natural resources will be sustained.

- ◆ provide clear, effective direction and guidelines for the use, management, regulation and development of Alberta's renewable and non-renewable resources (Energy, Env Prot)
- ◆ reduce the impact of natural hazards such as fire, drought, flood and pests on people, property and resources (Env Prot)
- ◆ implement the long-term Environmentally Sustainable Agriculture Program (AFRD)

Goal 15 The high quality of Alberta's environment will be maintained.

- ◆ ensure standards are acceptable and take action to maintain the quality of air, land, water and ecosystems (Env Prot)
- ◆ ensure clear responsibility and accountability for environmental management, including the respective roles of government and industry (AEDA, Env Prot)
- ◆ provide predictable, consistent, and streamlined regulations for land use and resource management (AEDA, AFRD)

Goal 16 Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources.

- ◆ support and encourage the development of arts and culture as fundamental assets in Alberta's quality of life (CD)
- ◆ coordinate and support a province-wide library system (CD)
- ◆ preserve and protect Alberta's history and culture through programs, exhibits, historic sites and museums (CD)
- ◆ protect and manage Alberta's parks and natural reserves (Env Prot)

Goal 17 Alberta will work with other governments and maintain its strong position in Canada.

- ◆ work to improve fiscal arrangements to ensure that federal revenues are shared fairly among the provinces (FIGA, Treas)
- ◆ ensure that Alberta's interests are represented and protected in key federal programs and initiatives (FIGA)
- ◆ participate fully in discussions across Canada on Aboriginal self-government (FSS) [*Update: responsibility transferred from FSS to FIGA*]
- ◆ continue to promote a strong and united Canada (all ministries)

Measuring Success

Unless we measure our performance against the goals we have established, we won't know if the actions we are taking are making a positive difference. It is for this reason we began in 1995 to track and report results so we could see what's working well and what isn't. We can make choices about continuing certain strategies, improving them or abandoning them entirely and taking a new approach.

In addition to the watch list measures, 26 core measures have been selected to monitor the progress made in achieving the government's seventeen goals. Additional measures are under development. Together with the ministry measures, Albertans have more and better information to help them judge the government's performance.

Goals	Measures	Targets
People		
1. Albertans will be healthy 2. Our children will be well cared for and safe 3. Alberta students will excel 4. Albertans will be independent 5. Albertans not expected to support themselves fully will receive help	<ul style="list-style-type: none"> - Life expectancy at birth - Health status - Births to children - Educational attainment - Literacy and numeracy levels - Family income distribution - To be developed 	<ul style="list-style-type: none"> - 77 years for males and 83 years for females - Reduce the percentage of Albertans who rate their health as only fair or poor - Reduce the rate of births to under 18 mothers to the national average by 2005 - Increase to 75 percent, the number of students entering Grade 9 who complete high school within 6 years - 85 percent of Grade 9s meet the acceptable standard in math and language arts - Reduce the percentage of households with average family income under \$20,000 to 10 percent by 2000 - To be developed
Prosperity		
6. Albertans will have a prosperous economy 7. Our workforce will be skilled and productive 8. Our businesses will capitalize on research 9. Alberta will have effective and efficient infrastructure 10. Alberta will have a financially stable, open and accountable government 11. Alberta will have a fair and safe work environment 12. Alberta business will increase exports	<ul style="list-style-type: none"> - Per capita GDP - Job creation - Resource wealth - Skill development - Adoption of new technologies - Cost of government - Transportation to markets - Others to be developed - Taxation load - Provincial credit rating - Net debt - Workplace climate - Export trade 	<ul style="list-style-type: none"> - A stable GDP growth rate of 4 to 6 percent - 155,000 new jobs by December 2000 - Economic growth of 2 to 4 percent per year for Alberta's resource industries - Increase productivity of the labour force - Alberta business R&D spending as a percentage of total Canadian business R&D spending to equal Alberta's share of national GDP - Remain 5 percent below the average of the other 9 provinces - Increase the volume of goods exported by 3 percent annually - To maintain the lowest personal income tax rate in Canada - To achieve the highest credit rating among the provinces - To meet the targets set in the Balanced Budget and Debt Retirement Act - To minimize the amount of time lost owing to workplace disputes and injuries - To increase exports to \$39.6 billion by 2000.
Preservation		
13. Alberta will be a safe place to live and raise families 14. Alberta's natural resources will be sustained 15. The high quality of Alberta's environment will be maintained 16. Albertans will have the opportunity to enjoy the province's natural, historical and cultural resources 17. Alberta will work with other governments and maintain its strong position in Canada	<ul style="list-style-type: none"> - Crime rate - Serious youth crime - Resource sustainability - Air quality - Water quality - Land quality - Visitation rates at provincial facilities - Annual government achievements 	<ul style="list-style-type: none"> - To reduce Alberta's crime rates below the national average by 2000 - To reduce Alberta's youth crime rates below the national average by 2000 - Ensure the timber harvest is below the annual allowable cut; the oil and gas industry continues a reasonable level of exploration; and that farm land is preserved in its most productive state - To maintain air quality levels that are considered good or fair at all times - To bring river quality downstream of developed areas in line with upstream conditions - To be developed - To be developed - Not applicable

Conclusion

Much has been accomplished but much remains to be accomplished. We've been successful over the past four years because our efforts were focused on meeting the needs of Alberta and Albertans and doing the right thing for the future of the province. We made the right decisions at the right time for the right reasons.

That commitment continues as we plan for Alberta's future. We'll continue to do the right thing for this province, putting Albertans' priorities first and taking deliberate action to prepare Alberta for the future. Albertans have a strong belief that if we set our sights on a goal, work hard and take care of each other, we'll succeed. That belief guided our past, and we're confident it will build a strong future for our province and our children.

Ministry Business Plans

Update

Ministry business plans have been updated from February 1997 to reflect the following changes:

- ◆ appointment of new Ministers after the March 1997 general election
- ◆ realignment of Ministerial responsibilities, including the transfer of:
 - ◆ Personnel Administration Office from Executive Council to Advanced Education and Career Development
 - ◆ Aboriginal Affairs from Family and Social Services to Federal and Intergovernmental Affairs
 - ◆ Freedom of Information and Protection of Privacy from Public Works, Supply and Services to Labour
 - ◆ Regulatory Reform from Economic Development and Tourism to Treasury
- ◆ revisions in ministry revenue and expenses included in the updated 1997-2000 Fiscal Plan Chapter
- ◆ other minor presentation changes.

BUDGET '97

BUILDING ALBERTA TOGETHER

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Business Plan Contacts

UPDATED

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Executive Council

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Science, Research and Information Technology

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Program Expense by Ministry

(millions of dollars)

UPDATED

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	Actual	Actual	Actual	Actual	Forecast	Estimate	Target	Target
Program								
Legislative Assembly	36	43	30	31	40	40	35	35
Advanced Education and Career Development	1,315	1,297	1,171	1,100	1,102	1,277	1,291	1,306
Agriculture, Food and Rural Development	1,076	655	346	426	470	462	470	466
Community Development	190	165	261	305	298	308	310	311
Economic Development and Tourism	201	242	192	207	198	175	222	224
Education	2,878	2,971	2,748	2,707	2,731	2,822	2,873	2,892
Energy	184	151	129	127	123	126	117	117
Environmental Protection	406	377	378	378	364	311	290	290
Executive Council	23	19	17	15	14	13	12	12
Family and Social Services	1,678	1,555	1,308	1,307	1,342	1,357	1,351	1,351
Federal and Intergovernmental Affairs	51	49	50	49	48	37	36	35
Health	4,133	4,002	3,799	3,618	3,814	3,958	4,014	4,088
Justice	426	413	366	361	361	369	371	369
Labour	52	45	39	35	30	33	35	40
Municipal Affairs	836	664	516	314	263	268	235	235
Public Works, Supply and Services	599	566	476	481	461	464	461	462
Science, Research and Information Technology	48	46	41	39	49	56	62	68
Transportation and Utilities	707	660	667	646	620	548	548	538
Treasury	921	890	620	320	318	319	319	322
Consolidation adjustments	(148)	(160)	(117)	(111)	(107)	(107)	(107)	(108)
Consolidated Program Expense	<u>15,612</u>	<u>14,650</u>	<u>13,037</u>	<u>12,355</u>	<u>12,539</u>	<u>12,836</u>	<u>12,945</u>	<u>13,053</u>

Capital Investment by Ministry

(millions of dollars)

UPDATED

	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-2000
	Actual	Actual	Actual	Actual	Forecast	Estimate	Target	Target
Program								
Legislative Assembly	—	—	1	—	—	—	—	—
Advanced Education and Career Development	2	—	1	—	1	2	1	1
Agriculture, Food and Rural Development	8	5	5	7	3	2	2	2
Community Development	1	1	2	2	1	1	1	1
Economic Development and Tourism	—	—	—	1	1	—	—	—
Education	2	—	1	1	1	2	2	2
Energy	5	9	14	25	15	4	4	3
Environmental Protection	26	43	31	9	10	7	7	6
Executive Council	—	—	—	—	—	—	—	—
Family and Social Services	9	4	3	1	6	—	—	—
Federal and Intergovernmental Affairs	—	—	—	—	—	—	—	—
Health	1	2	—	—	1	5	5	5
Justice	1	1	1	2	—	2	1	1
Labour	1	—	1	1	—	—	—	—
Municipal Affairs	7	4	34	2	5	5	3	3
Public Works, Supply and Services	83	38	33	74	51	66	70	62
Science, Research and Information Technology	3	4	3	3	2	3	3	3
Transportation and Utilities	206	219	134	134	115	137	138	138
Treasury	8	10	1	2	4	2	3	3
Consolidation adjustments	—	(35)	—	(3)	—	—	—	—
Consolidated Capital Investment	<u>363</u>	<u>305</u>	<u>265</u>	<u>261</u>	<u>216</u>	<u>238</u>	<u>240</u>	<u>230</u>

Advanced Education and Career Development

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Clint Dunford
Minister of Advanced Education and Career Development
April 12, 1997

Introduction

Advanced Education and Career Development is dedicated to building strong communities and a strong Alberta by helping people become self-reliant, capable and caring through lifelong learning. We promote prosperity for Alberta and its people by ensuring that we have a highly educated and skilled workforce, and by fostering the creation of new knowledge - key components of the Alberta Advantage.

The 1997-2000 business plan continues the work of the previous three business plans by maintaining the strategic direction to attain the goals of accessibility, responsiveness, affordability, accountability, research excellence and efficiency. The plan also outlines strategies to address emerging issues.

Since the release of the *New Directions* policy framework in 1994, the Ministry has initiated public consultations on several key issues such as research excellence, performance-based funding, key performance indicators for public post-secondary institutions, learning enhancement, adult development reform and a new vision for apprenticeship and industry training in the future. In addition, learners and partners were asked for specific feedback on the business plan at two Minister's Forums on Adult Learning and through a survey of several hundred Albertans. The feedback received through these consultations has informed this business plan and alerted the Ministry to emerging issues and concerns.

At the request of the Premier, the Ministry has been asked to take the lead role to work with other departments on the development of a provincial human resource strategy. *People and Prosperity* is based on a vision of Albertans reaching their potential - being self-reliant, able to participate in the workforce and contributing to the economy and their communities to the full extent of their interests and abilities.

Vision

Albertans have a vision for the future of adult learning in our province:

Albertans are recognized globally for the excellence of their knowledge, skills, attitudes and experiences that enable them:

- ◆ *to take responsibility for shaping their futures,*
- ◆ *to participate in a changing economy and work force,*
- ◆ *to create new knowledge, and*
- ◆ *to enrich the quality of life in their communities.*

Mission

All individuals and groups who provide or benefit from opportunities to learn, share the responsibility for realizing the vision for adult learning in Alberta. The Ministry has a key role to play.

Advanced Education and Career Development will lead and work with other partners to set new directions for adult learning, and to provide Albertans with an accessible, responsive, and affordable system of quality adult learning that is accountable for results.

Core Businesses

The Ministry's core business is to provide leadership to the adult learning system to achieve:

- ♦ the creation of new knowledge essential to the development and future prosperity and preservation of Alberta and its people.
- ♦ the sharing of knowledge and skills essential to the personal, social, cultural and economic well-being of individual Albertans and to the prosperity of the province

by:

Supporting adult learning to ensure that adult learners have access to quality learning opportunities through the provision of:

- ♦ policy development and consultation
- ♦ program standard development and monitoring
- ♦ funding support
- ♦ information.

Supporting adult learners in achieving their economic, social and cultural goals through the provision of:

- ♦ information and consultation to access learning and work
- ♦ financial support.

Challenges

The 1997-2000 Business Plan recognizes significant challenges facing the adult learning system. Some of the key challenges include:

Technological Change

The rapid pace of technological innovation is driving change in how, where and to whom learning opportunities are offered. This integration of educational technologies necessitates changes to curriculum delivery on and off campus, faculty and staff professional development, student and learning support services, and the technological infrastructure needed to accomplish this. This business plan will continue to allocate \$10 million per year to the Learning Enhancement Envelope.

Globalization

Globalization and rapid technological developments are changing the Alberta economy, our workplaces and the types of work we do. Education in the form of knowledge and expertise is becoming an exportable commodity. Alberta post-secondary institutions face increasing international competition. Appropriate learning opportunities must be available to ensure Albertans can take advantage of emerging business and work opportunities in the increasingly competitive international marketplace.

Changing World of Work

The world of work is rapidly becoming knowledge-based. Lifelong learning is required to maintain a well qualified labour force with skills to match employment opportunities. Individuals displaced

from their jobs, people already in the workforce, as well as youth and new entrants to the job market will look to the adult learning system to assist them in developing the skills required for employment. The system must continuously adapt to meet needs, including credit for prior learning, viable career paths and flexible program delivery. This business plan will allocate \$2.5 million per year for the next three years to the Learning Transitions for Youth initiative.

Accessibility

Alberta is set to experience another wave of young people "coming of age" to enter post-secondary education as the population of 18-24 year olds increases. Completing a post-secondary education is viewed by Albertans as increasingly important. Also, adults in the workforce need retraining to maintain employment. Therefore, the adult learning system must be prepared to respond to new demands for access to relevant and flexible learning opportunities. This business plan will allocate over \$26 million in 1997-98 to the Access Fund.

Learner Assistance

Learner assistance is an area that requires continuous evaluation and adjustment. Income-sensitive repayment arrangements have been introduced to assist learners. Financial assistance will be increased to accommodate rising costs such as tuition. Remission payments will be made to ensure that debt levels of high need learners are manageable. The Ministry strives to ensure that financial need is not a barrier to accessing learning. This business plan will provide \$272 million in support to adult learners in 1997-98 as well as an additional \$71 million to cover the future cost of remission, interest, and risk premiums on student loans issued during the year.

Research Excellence

Cultural, social and economic development increasingly depends on access to knowledge and technologies. Highly qualified scientists and scholars are key to performing state of the art research and accessing world-wide knowledge. The challenge for Alberta universities will be to attract and maintain talented researchers. This business plan will increase its allocation to \$3.5 million per year to the Research Excellence Envelope.

Rationalization of Labour Market Programming

Alberta has signed a Canada/Alberta Labour Market Development Agreement that will result in Alberta having responsibility for all labour market programs and services in the province, including those for federal clients. Over the next several years the challenge for the Ministry will be to implement this agreement. Implementation will result in rationalized delivery of labour market programs through a single window, better quality service to clients, and reduced costs to taxpayers. The Government of Canada will contribute up to \$317 million from the Employment Insurance Account to the Government of Alberta over the next three years as well as administrative costs to provide client needs assessment, employment counselling and job placement services to Employment Insurance clients.

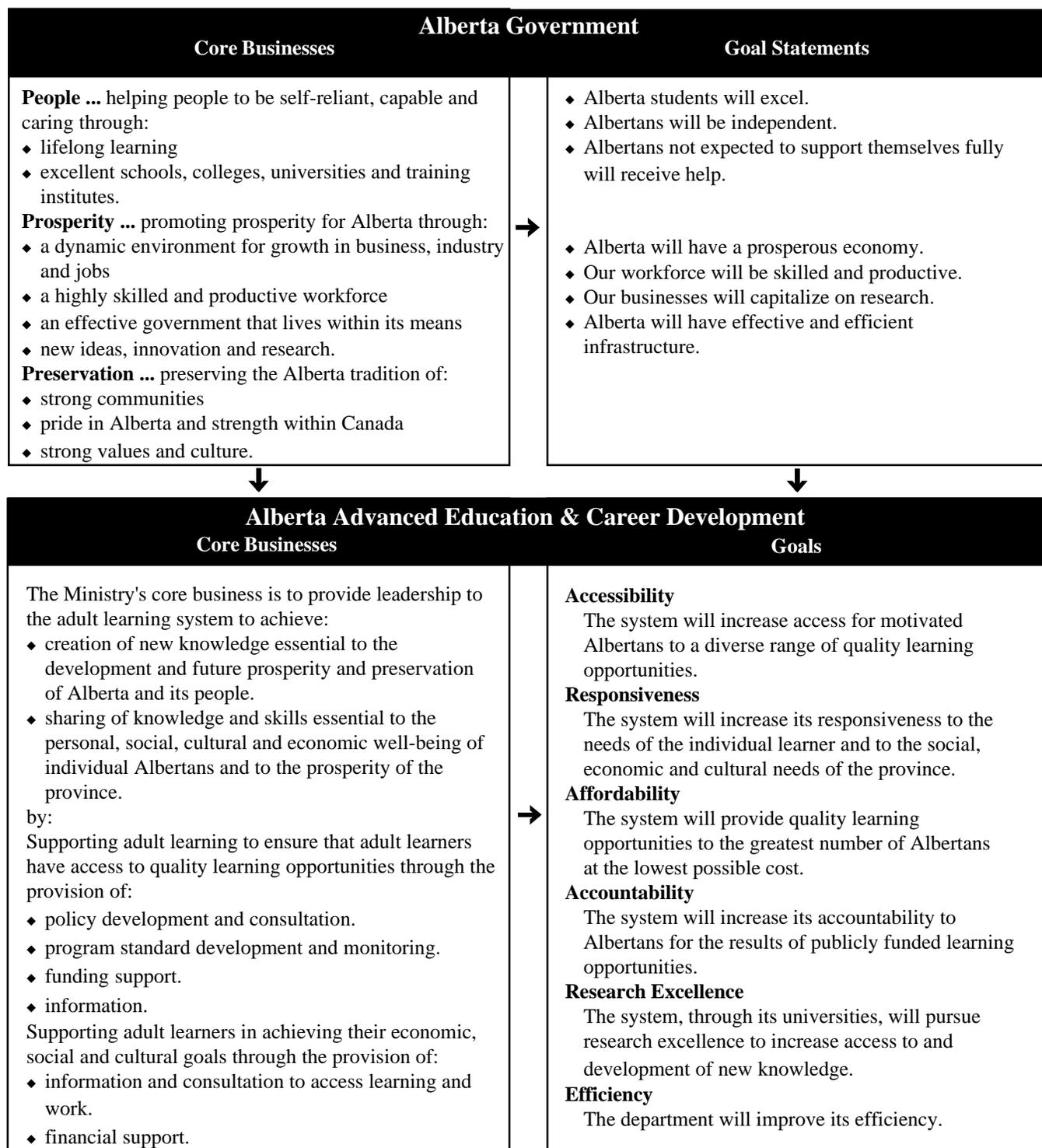
Infrastructure Renewal

Renewal and maintenance of the adult learning system's infrastructure is a shared responsibility involving institutions and the government. Institutions are to provide for the maintenance and betterment of capital assets including buildings and equipment. However, operations grants are inadequate to support the ongoing maintenance and renewal of the infrastructure. The Infrastructure Renewal Envelope initially targeted funds to replace and update equipment. This business plan will

allocate a total of \$120 million over the next three years for the Infrastructure Renewal Envelope targeted towards the restoration of buildings as well as upgrading equipment.

Effective Government

The Ministry is committed to the government mission of: "An open and accountable government that leads the province in achieving its vision and ensures Albertans have access to quality programs and services at an affordable cost."



Business Plan Goals, Objectives and Strategies

Accessibility

The system will increase access for motivated Albertans to a diverse range of quality learning opportunities.

Objective	Strategies
<p>Increase the range of learning opportunities and delivery mechanisms for adult learners.</p>	<ul style="list-style-type: none"> ◆ Implement and monitor Access Fund programs and evaluate performance. ◆ Facilitate and support system-wide change that integrates technology and learning. Encourage the development of effective alternate methods of delivery across the adult learning system to serve learners in ways, times and places suited to their needs and more effectively link teachers, students and curriculum. <ul style="list-style-type: none"> ◆ Learning Enhancement Envelope: Priority for learner accessibility will shift to expand opportunity, improve learning and increase productivity by integrating educational technologies with learning through investments in curriculum, faculty and staff development, learning and student support, and technology infrastructure. ◆ Expand opportunities for youth in apprenticeship and industry training. ◆ Further develop flexible mechanisms to assist Albertans pursuing apprenticeship and industry training. ◆ Work with Alberta Education to coordinate strategies between schools and the post-secondary system for the integration of technologies into teaching and learning.
<p>Ensure that Albertans have access to information and career consulting that allows them to make better decisions.</p>	<ul style="list-style-type: none"> ◆ Improve information and counselling services to assist Albertans in making effective decisions about learning opportunities. ◆ Develop and support the concept of a comprehensive and integrated electronic information service for adult learners through the Internet, which will ultimately deliver a wide array of information and application services.

Responsiveness

The system will increase its responsiveness to the needs of the individual learner and to the social, economic and cultural needs of the province.

Objective	Business Plan Strategies
<p>Improve the knowledge and skills of Albertans, particularly as they relate to employability.</p>	<ul style="list-style-type: none"> ◆ Develop a Learning Transitions for Youth initiative, as identified in <i>People and Prosperity</i>, which will prepare young adults for a changing world of work with knowledge, development of workplace skills and attitudes, and information about careers that require skill development, though not necessarily degrees or diplomas. ◆ Implement the Canada-Alberta Labour Market Development Agreement with the objective that provincial management of labour market programs and services will be sensitive to client needs and will eliminate duplication and overlap. ◆ The Ministry, working with Family and Social Services, will redesign as appropriate the provincial labour market and income support programs and delivery systems to improve their efficiency and responsiveness to Albertans. ◆ Work with Alberta Education to achieve the common goal of facilitating successful transitions for young people between school to work, school to school and work to school. ◆ Evaluate the applied degree pilot project established to respond to the knowledge and skill requirements of Alberta's changing economy.

Responsiveness *(continued)*

Objective	Business Plan Strategies
<p>Improve the effectiveness of adult learning providers in meeting the goals established for the adult learning system.</p>	<ul style="list-style-type: none"> ◆ Complete the implementation of the funding mechanism to encourage and reward excellence in publicly supported post-secondary education. ◆ Beginning in 1997-98 the Performance Envelope will allocate funding to reward and encourage excellence for universities, colleges, technical institutes, and government funded private colleges with accredited programs. The net minimum reward to each institution will be one percent of its general operations grant. Additional awards will be based on a report card of achievement. ◆ Encourage the development of centres of program specialization in public post-secondary institutions to ensure quality, cost-effectiveness and efficiency.
<p>Ensure transferability of credentials and mobility of Albertans.</p>	<ul style="list-style-type: none"> ◆ Create new paths for completing degrees to provide Albertans with learning opportunities that build on their completion of diploma and university-transfer programs. ◆ Improve the transfer of courses to assist Albertans to progress through the adult learning system. ◆ Promote the development of policies to assess and recognize individuals' prior learning accomplishments. ◆ Implement an alternate certification mechanism for Apprenticeship and Industry Training as required by the Agreement on Internal Trade. Develop strategies to recover costs related to learning assessments. ◆ Lead changes to provide interprovincial mobility of workers as outlined in the Labour Mobility Chapter of the Agreement on Internal Trade. ◆ Work with other partners, through the Council of Ministers of Education, Canada to implement a national agenda to support continued improvement of quality adult learning and mobility of Canadians.
<p>Align adult learning system policies to anticipate and respond to a changing environment.</p>	<ul style="list-style-type: none"> ◆ Initiate reforms to adult development programming that focus on learner and employer needs, and are career focused, outcome based, articulated and cost effective. ◆ Continue consultation with stakeholders to ensure that adult learning is responsive to the needs of Albertans (e.g. Minister's Forum on Adult Learning). ◆ Respond to recommendations arising from the consultation on Apprenticeship and Industry Training. ◆ Develop a new process for approving institutional programs. ◆ Develop an accreditation process for private institutions wishing to grant degrees. ◆ Charge fees for approval of out-of-province degree granting institutions and increase fees for licensing of private providers. ◆ Lead the transition to board governance for Alberta Vocational Colleges.
<p>Maximize the economic benefits of immigration.</p>	<ul style="list-style-type: none"> ◆ Continue negotiations of a new Canada/Alberta Immigration Agreement with Citizenship and Immigration Canada defining Alberta's role pending confirmation of predictable, adequate, and equitable federal financing arrangements for settlement and integration.

Affordability

The system will provide quality learning opportunities to the greatest number of Albertans at the lowest possible cost.

Objective	Business Plan Strategies
Realign the responsibility of learners, providers, business, and government for the cost of adult learning.	<ul style="list-style-type: none">◆ Introduce a tuition fee policy for apprentices so they contribute to their formal training consistent with benefits received. The Ministry, in partnership with Human Resources Development Canada, will provide needs based financial assistance.◆ Maintain existing tuition fee policy for public post-secondary learners. This policy is based on the view that learners will assume a share of financial responsibility for their learning in line with the benefits they receive.◆ Continue investment in infrastructure renewal.<ul style="list-style-type: none">◆ Increase funding to the Infrastructure Renewal Envelope to help institutions restore buildings as well as to update equipment. This will ensure that Alberta continues to have a first-rate infrastructure supportive of adult learning. Institutions are expected to contribute an equivalent amount from internal or non-government sources.◆ Delegate to institutions the responsibility for scheduling apprentices into their formal instruction.
Ensure affordability for learners.	<ul style="list-style-type: none">◆ Increase financial assistance to accommodate rising costs including tuition.◆ Work with the federal government to improve the delivery and administration of financial assistance by harmonizing Alberta and federal student loan programs.◆ Continue the development and implementation of a comprehensive strategy for ensuring debt levels are manageable for learners and their families, in cooperation with the federal government.◆ Review non-repayable assistance programs to ensure they are addressing the areas of greatest need.◆ Replace Alberta Educational Opportunity Equalization Grants with loans.

Accountability

The system will increase its accountability to Albertans for the results of publicly funded learning opportunities.

Objective	Business Plan Strategies
Improve the accountability of adult learning providers in meeting the goals established for the adult learning system.	<ul style="list-style-type: none">◆ Require providers to measure and report on performance through an accountability framework based on key performance indicators, to advise Albertans of results achieved in publicly funded learning opportunities. Enhance departmental reporting systems and processes necessary to report back to stakeholders and the public. Ensure that key performance indicators for public and private providers are consistent and comparable.

Research Excellence

The system, through its universities, will pursue research excellence to increase access to and development of new knowledge.

Objective	Business Plan Strategies
Maintain and enhance basic research excellence at universities.	<ul style="list-style-type: none">◆ Continue implementation of the action plan based on the report, <i>fostering excellence - A Policy Framework for Alberta's University Research System</i>.◆ Invest in research infrastructure.◆ Research Excellence Envelope - Funding will enable universities to attract talented researchers and graduate students in areas of identified strengths. Funds are allocated on the basis of excellence as defined by institutional success in federal granting council competitions, the proportion of institutional activity devoted to research, and beginning in 1997-98 centres of research excellence awards.◆ Work with other departments to develop an Intellectual Infrastructure Partnership initiative that would make investments in research infrastructure through partnerships between government and the private sector.

Objective	Business Plan Strategies
Align departmental business and structure to support government direction and department priorities.	<ul style="list-style-type: none"> ◆ Measure Ministry performance and publish results. ◆ Review regulations to eliminate those that are unnecessary and improve the quality of those that remain. ◆ Participate with other government ministries to create a coherent information technology strategy across government. ◆ Implement a structure for information management that supports and enables the Ministry to work with stakeholders to address the needs of the adult learning system. ◆ Support the development of a learning organization.
Streamline administration.	<ul style="list-style-type: none"> ◆ Continuously review and improve department processes. ◆ Meet 1998-99 budget targets for administration.

Relationship to Government Key Performance Measures

Alberta Government
Educational Attainment, Literacy and Numeracy Levels, Skill Development, Job Creation, and Adoption of New Technologies



Alberta Advanced Education & Career Development			
Goals	Performance Indicators	Results	Targets
Accessibility	◆ Adult Participation Indicator	Adults who participated in programs and/or courses in Alberta: <u>1991</u> <u>1993</u> 38.6% 40.1% Alberta ranked first in Canada the last two years for which data are available.	Maintain ranking
Responsiveness	◆ Public Satisfaction Indicator ◆ Learner Satisfaction Indicator ◆ Employability Indicator	Adult Albertans somewhat to very satisfied with adult learning in Alberta: <u>1994-95</u> <u>1995-96</u> 62 - 70% 72 - 75% Adult learners very or somewhat satisfied with adult learning in Alberta: <u>1994-95</u> <u>1995-96</u> 85 - 94% 83 - 93% Percentage of 1990 graduates employed in 1992: ◆ Universities 91% ◆ Technical Institutes 89% ◆ Colleges 91% ◆ Alberta Vocational Colleges 88%	Improve to over 80% Maintain over 80% Improve to over 90%
Affordability	◆ Annual Institutional Cost per Full-Load Equivalent Learner	<u>1993-94</u> <u>1994-95</u> ◆ Universities \$13,290 \$12,787 ◆ Colleges \$12,369 \$11,751 ◆ Technical Institutes \$13,207 \$11,767 ◆ Alberta Vocational Colleges \$ 5,732 \$ 4,597	2% reduction per year
Accountability	◆ Annual Report: Institutional Key Performance Indicators ◆ Annual Report: Departmental Performance Measures	◆ Measuring Up: Government Performance Measures ◆ Three-Year Business Plans	
Research Excellence	◆ Research Excellence Indicator	Award to Alberta universities by the federal granting councils for sponsored research per full-time faculty member: <u>1992-93</u> <u>1993-94</u> \$19,646 \$19,549 Alberta ranked third in Canada in each of the last two years for which data are available.	Maintain or improve ranking
Efficiency	◆ Total administrative reductions as a percentage of the total administrative budget.	Departmental expenditure reductions of 16.6% from 1992-93 to 1995-96. Total departmental staff reductions of 23.1% from 1992-93 to 1995-96.	Achieve 20% administrative expenditure reduction by 1998-99

The Ministry has introduced key performance indicators (KPI's) for public post-secondary institutions to generate more detailed and timely information on employment, annual cost per learner, research excellence and learner satisfaction. Preliminary KPI information will be available in 1997. This will assist the Ministry in setting targets for key ministry indicators.

Personnel Administration Office Business Plan

Mission/Vision

Preferred Future of the Alberta Public Service

As the Alberta government's central human resources arm, the Personnel Administration Office (PAO) is working on behalf of government and the people it serves to help define the Alberta Public Service of the future. What can Albertans expect of their provincial public service? How can the public service best meet the needs of the province's citizens? Government has endorsed the following preferred future to use as a guide:

The Alberta Public Service is respected for its attitudes, knowledge and skills, its effective management of public policy and its dedication to achieving quality, affordable services for Albertans.

Vision and Mission of the Personnel Administration Office

Our vision is to be the model for corporate public service human resource practices in Canada. Our mission is to develop corporate human resource strategies and policy frameworks that enable departments to fulfil their business plans and achieve the preferred future of the Alberta Public Service.

Core Businesses

To support the business of departments and the direction of government, our core businesses are to develop corporate human resource strategies and policy frameworks for:

- ◆ benefits
- ◆ classification and compensation
- ◆ labour relations
- ◆ occupational health and safety
- ◆ staffing and workforce adjustment
- ◆ workforce development

PAO also provides select services such as executive recruitment, collective agreement negotiation and an employee assistance program for Alberta Public Service employees. In addition, PAO provides leadership in implementing improved human resource information management strategies and processes in government.

Goals

- ◆ Have corporate human resource strategies and policies that are consistent with the government's direction, that assist departments in achieving their business plans and achieve the preferred future of the Alberta Public Service.
- ◆ Provide expert consulting on our core businesses and direct service in the areas of executive recruitment, collective agreement negotiation and employee assistance.
- ◆ Continue review and update of the human resource regulations and policy directives to ensure they support the government's Regulatory Reform initiative.

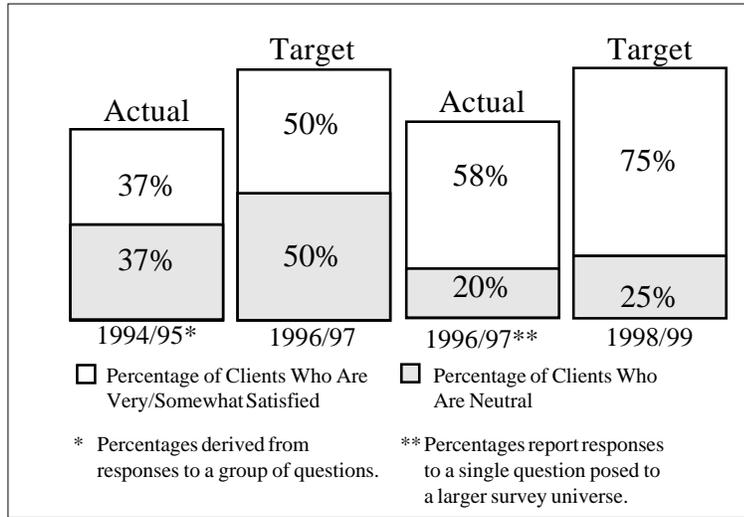
Core Strategies

Our core strategies for how we do business include:

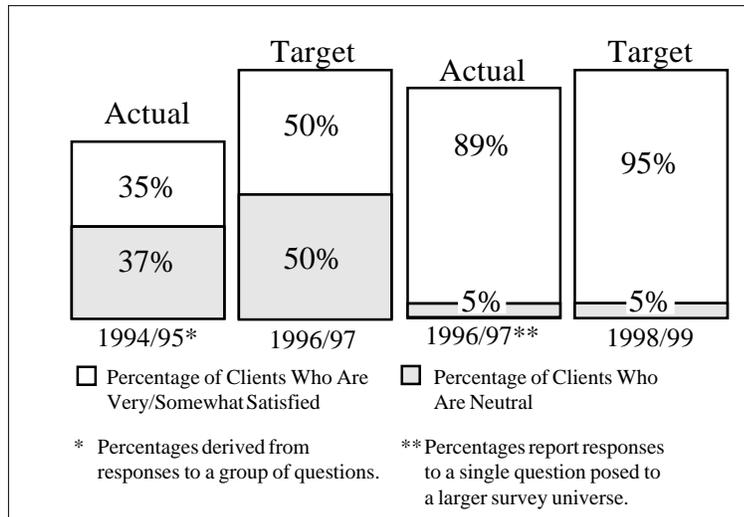
- ◆ working closely with the Government of Alberta and our clients in developing and positioning human resource strategies and policies that enable departments to fulfil their business plans and achieve the preferred future of the Alberta Public Service;
- ◆ identifying innovative human resource trends and practices; sharing this information with our clients, and applying leading edge expertise;
- ◆ achieving client satisfaction by understanding our clients' needs through ongoing assessment and feedback; responding to priority needs, and building effective working relationships;
- ◆ practising and promoting the effective use of human resource information; and
- ◆ maintaining an effective PAO by ensuring our employees' ability to learn rapidly and continuously; sharing our knowledge; enhancing our capacity for change; and integrating our planning and operational processes to effectively manage our human, financial and information resources.

Performance Measures

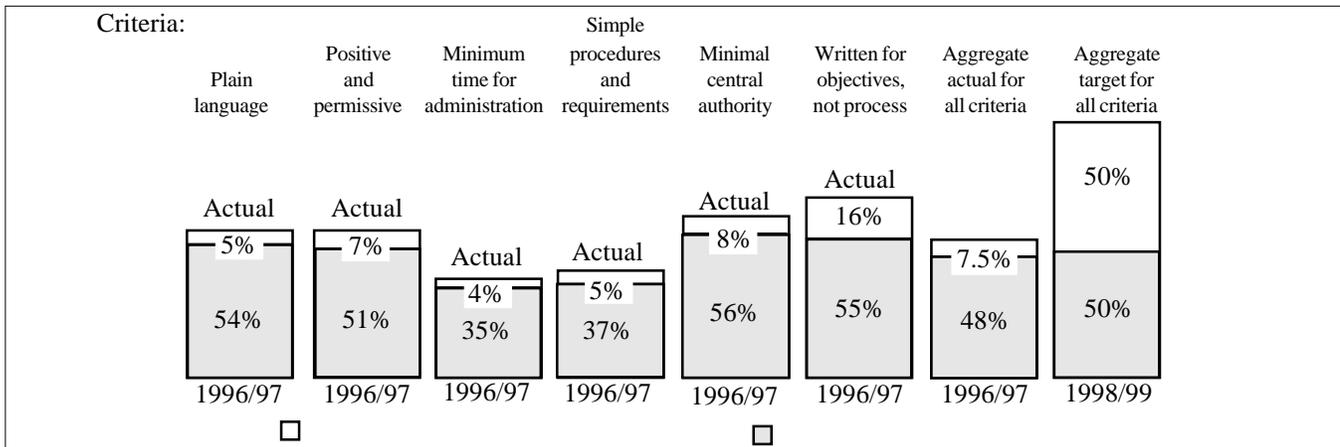
Client Satisfaction with Human Resource Policy Frameworks



Client Satisfaction with Working Relations with PAO



Client Satisfaction with Human Resource Regulatory Reform



Advanced Education and Career Development Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department*	342,353	319,384	319,068	286,975	222,603	292,828	288,105	288,602
Personnel Administration Office	17	-	40	21	4	-	-	-
Personnel Administration Office Revolving Fund	501	641	331	179	102	-	-	-
Consolidation Adjustments	(36)	(106)	(20)	(21)	-	-	-	-
Consolidated Revenue	342,835	319,919	319,419	287,154	222,709	292,828	288,105	288,602
EXPENSE								
Program								
<i>Voted</i>								
Department*	1,243,846	1,227,524	1,086,947	1,022,673	1,023,177	1,185,405	1,195,635	1,208,748
Personnel Administration Office	8,016	8,228	7,104	7,234	7,256	7,417	6,772	6,772
<i>Statutory</i>								
Department	62,485	60,562	76,314	70,429	71,157	83,912	87,850	89,900
Personnel Administration Office Revolving Fund	738	526	292	156	111	-	-	-
Consolidation Adjustments	(36)	(106)	(20)	(21)	-	-	-	-
Consolidated Expense	1,315,049	1,296,734	1,170,637	1,100,471	1,101,701	1,276,734	1,290,257	1,305,420
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	(864)	-	-
NET REVENUE (EXPENSE)	(972,214)	(976,815)	(851,218)	(813,317)	(878,992)	(984,770)	(1,002,152)	(1,016,818)

* Includes the transfer of the labour market programs from the federal government: \$107 million in 1997-98, \$117 million in 1998-99 and \$122 million in 1999-2000.

Agriculture, Food and Rural Development

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Ed Stelmach
Minister of Agriculture, Food and Rural Development
April 12, 1997

Copies of the Ministry's expanded Three Year Business Plan (including copies of the business plans for the department and the nine agencies reporting to the Minister) can be obtained by contacting the department's Administration Division at (403) 427-2151. Also, copies of the Ministry's Research Plan can be obtained by contacting Research Division at (403) 427-1956, and copies of the Ministry's Regulatory Reform Workplan can be obtained by contacting the Policy Secretariat at (403) 422-2070.

Introduction

- ◆ The agri-food sector continues to be a key contributor to Alberta's economic prosperity:
 - ◆ Primary agriculture is Alberta's largest renewable resource-based industry. In 1995, the primary sector generated a record \$5.85 billion in farm cash receipts, representing approximately 22% of Canada's primary agricultural output.
 - ◆ Alberta's food and beverage processing industry is the largest manufacturing sector in the Province. Estimated shipments in 1995 were \$5.97 billion, accounting for over 21% of Alberta's total manufacturing shipments.
 - ◆ Primary agriculture together with the food and beverage manufacturing industry were the third largest employer in the Province in 1995, directly employing 113,400 Albertans.
- ◆ The sector offers significant potential for expansion in the years ahead:
 - ◆ The Ministry of Agriculture, Food and Rural Development (AFRD) believes the agri-food and fibre industry has the potential to become a \$20 billion industry by 2005. Further, strong growth in value-added production will imply greater demand for primary production. Farm cash receipts could reach \$9-10 billion in the same time frame.
 - ◆ Achieving these growth levels could result in a sizable increase in direct employment in primary production and in the food and beverage sector, as well as contributing to the further development of rural Alberta.
- ◆ The Ministry (which includes the department and nine agencies¹) is committed to working with others to help the industry realize its potential. In addition, AFRD recognizes its role in coordinating the government's effort to encourage rural development.
- ◆ This document is the Ministry's fourth, three-year business plan. It outlines further refinements to AFRD's programs, policies and procedures to respond to client needs, while dealing with fiscal realities.
- ◆ AFRD contributes to the government's three core businesses — *People, Prosperity and Preservation*. Our primary focus is on the second core business — working with others to promote prosperity for Alberta through a strong, market-driven agriculture and food industry. "**Agriculture is Growing More Than Food . . . It's Growing Alberta**".

¹ The nine agencies reporting to the Minister are the Agriculture Financial Services Corporation (AFSC); the Alberta Agricultural Research Institute (ARI); the Alberta Dairy Control Board (DCB); the Farmers' Advocate; Irrigation Council; the Surface Rights Board; the Land Compensation Board; the Agricultural Products Marketing Council; and the Alberta Grain Commission.

Business Plan Foundation

Industry Vision

- ◆ AFRD's strategic direction continues to be based on the shared industry/government vision developed through the 1992/93 *Creating Tomorrow* (CT) public consultation process. This vision states that **Alberta's agriculture and food industry will:**
 - ◆ be profitable
 - ◆ be globally competitive
 - ◆ be environmentally sustainable
 - ◆ and will value its people.
- ◆ The Agriculture and Food Council was formed as a result of the CT consultation process and includes a broad representation of leaders from industry, government and the educational community. Since 1992/93, Council has been active in working with Alberta's agriculture and food industry and government to realize the vision.
- ◆ In January 1997, Council held a major conference in Red Deer to encourage stakeholders to work together in support of the industry's goals. In conjunction with the conference, Council is revisiting the CT vision, goals and cooperative strategies.
- ◆ The Ministry is committed to reviewing its strategic plan in 1997, based on the results of Council's CT renewal process, and further input from the Alberta Economic Development Authority, the Alberta Science and Research Authority, and others.

Ministry Vision, Mission and Goals

- ◆ Vision: **We are a Ministry of competent and valued staff working together and in partnership with others to achieve a world class industry.**
- ◆ Mission: **We will enable the growth of a globally competitive, sustainable agriculture and food industry through essential policy, legislation, information and services.**
- ◆ The Ministry's goals reflect its core businesses.
 - Goals:
 1. Improved access to domestic and world market opportunities.
 2. Improved industry service, quality and cost competitiveness.
 3. Increased amount of value added to industry commodities, products and services.
 4. Increased diversity of industry commodities, products and services.
 5. Increased responsibility of industry to manage risk.
 6. Improved stewardship of natural resources for agricultural, industrial and public benefit.
 7. Improved management of the Ministry's resources.

- ◆ In addition to the above, a number of AFRD's agencies have developed their own mission and goals which are compatible with the Ministry's direction.

Primary Clients

- ◆ AFRD will continue to direct most of its efforts towards its primary clients — defined as:
those people and organizations who are interested in and capable of contributing to a competitive and sustainable agriculture and food industry.

Measurable Results

- ◆ The Ministry contributes to 14 of the government's 23 core performance measures as identified in the 1995/96 *Measuring Up* document. (*Measuring Up: Second Annual Report on the Performance of the Government of Alberta*).
- ◆ In addition, the Ministry has agreed on seven overall performance measures which reflect change at the macro level. These macro measures with related benchmarks, forecasts and targets are included on pages 8 and 9.
 - ◆ Forecasts for 1995, as set out in last year's business plan, were either nearly met (Farm Cash Receipts - 99.7%) or exceeded. "Value of Alberta's Food and Beverage Shipments" exceeded expectations by 6.6% and "Value of Out-of-Province Shipments" was 27.1% higher.
 - ◆ For this year's plan, a measure of land productivity has been added to replace the "Acres of Summerfallow" measure. This will provide a better monitor of the work being done to ensure the continued long-term improvement in land productivity.
- ◆ AFRD's department and agencies have also developed specific key results, performance measures and indicators particular to their operations. These are included in their respective business plans.
- ◆ All of these measures are being monitored in an effort to identify opportunities and concerns to guide future action.

Key Directions

- ◆ The Ministry remains committed to facilitating the growth and development of the industry, while looking for new and innovative ways to improve its products and services and reduce net spending.
- ◆ The Ministry's main strategies include research; information, technology transfer and skill development; regulatory services; policy development; and financial and support services. More specific strategies and actions for 1997/1998 to 1999/2000 are included in the department and agency business plans.
- ◆ Research and value-added development continue to be areas of increased emphasis.

- ◆ Significant actions to be implemented over the next three years include:

Goal	Significant Actions for 1997/1998 - 1999/2000
<p>Goal 1: Improved Market Access</p>	<ul style="list-style-type: none"> ◆ Increase marketing choices for Alberta's farmers by: <ul style="list-style-type: none"> ◆ encouraging implementation of the federal Grain Marketing Panel recommendations as a first step to change. ◆ implementing the Alberta Marketing Choice Program, following confirmation of its legality by the courts. ◆ challenging the legality of the Canadian Wheat Board contracting system. ◆ building on and supporting the new open marketing system for hogs. ◆ Advocate trade liberalization for agriculture and food commodities. ◆ Continue to enhance department capabilities in economic and market research, opportunity identification, and competitive intelligence. ◆ Support improved safety, quality and consumer acceptance of Alberta agriculture and food products. ◆ Facilitate feeder cattle movement between the U.S. and Canada. ◆ Focus on Alberta/Canada beef achieving preferred Chinese market penetration. ◆ Finalize the long-term approach regarding the role of AFRD's U.S. office.
<p>Goal 2: Improved Industry Service, Quality and Cost Competitiveness</p>	<ul style="list-style-type: none"> ◆ Encourage and conduct research that will improve crop and livestock production while sustaining and improving resources. ◆ Expand the delivery of the department's extension information on the Internet. ◆ Encourage private industry to increase its delivery of information services. ◆ Encourage the further development of private sector laboratories in support of all aspects of production and processing. ◆ In cooperation with the Alberta Barley Commission, Alberta Public Works, Supply and Services, and others, plan and construct an advanced facility in Lacombe for cereal crop research and development. ◆ Strive to keep the overall government costs of doing business in Alberta more competitive than elsewhere in North America. ◆ Continue to implement the Ministry's Regulatory Reform Workplan by: <ul style="list-style-type: none"> ◆ completing the scheduled review of Acts (including a full review of the Farm Implement Act and the Irrigation Act by 1998/99); ◆ reviewing 27 Ministry regulations in 1997; ◆ reviewing all remaining Ministry regulations, including the Marketing Plans and Regulations of all 16 Boards and Commissions, by 1998/99; and, ◆ implementing the recommendations from the review of Ministry operating policies and procedures.
<p>Goal 3: Increased Value Added</p>	<ul style="list-style-type: none"> ◆ Work with the management of the newly-established agriculture value added corporation (AVAC) to encourage the long-term growth and development of the agri-food and fibre sector. ◆ ARI, in cooperation with AVAC, will expand its activity to stimulate, support and promote research on the processing, upgrading and extraction of high value products from farm commodities. ◆ Facilitate access to capital pools for expansion-oriented value-added processors and farm operators.

Goal	Significant Actions for 1997/1998 - 1999/2000
<p>Goal 4: Increased Diversity of Industry Commodities, Products and Services</p>	<ul style="list-style-type: none"> ◆ Identify new diversification opportunities and encourage new diversification initiatives. ◆ Facilitate the development and commercialization of plant biotechnology in Alberta. ◆ Continue applied research on the potential for grass carp production in the Province. ◆ In conjunction with Alberta's Irrigation Districts, develop a comprehensive set of maintenance guidelines to ensure investment in irrigation infrastructure is protected for the long term.
<p>Goal 5: Increased Responsibility of Industry to Manage Risk</p>	<ul style="list-style-type: none"> ◆ Monitor the performance of the Farm Income Disaster Program (FIDP) and pursue changes, as necessary, to ensure the program meets its objectives. ◆ Develop a link between Net Income Stabilization Account (NISA) data and FIDP payments. ◆ Implement new crop insurance coverage concepts. ◆ Assess the impact of AFSC's Beginning Farmer Program. ◆ In partnership with others, implement provincial and national farm safety programs. ◆ In cooperation with municipal governments across Alberta, undertake active prevention and treatment programs for the control of Dutch Elm disease.
<p>Goal 6: Improved Resource Stewardship</p>	<ul style="list-style-type: none"> ◆ Implement a new provincial Environmentally Sustainable Agriculture (ESA) Program to replace the Canada-Alberta Environmentally Sustainable Agriculture Agreement (CAESA). ◆ In consultation with customers and partners, initiate a review of public lands policies, including grazing lease issues. ◆ Work with Patron's Associations to convert all grazing reserves to grazing management agreements by December 31, 1998. ◆ Work with partners and customers to deliver the Special Places 2000 Program.
<p>Goal 7: Improved Management of the Ministry's Resources</p>	<ul style="list-style-type: none"> ◆ Review the Ministry's strategic plan in light of the output from the Agriculture and Food Council's Creating Tomorrow renewal process. ◆ Develop and implement a more formalized process to obtain customer feedback on Ministry performance. ◆ Develop a departmental leadership and succession planning system. ◆ Continue to amalgamate Public Lands, Regional Advisory Services, and AFSC Lending and Insurance offices. ◆ Subject to successful negotiations with federal and municipal governments, transfer the responsibility for provincial food inspection to the new national single food inspection agency. ◆ Further implement fees for selected departmental services, materials and programs where there is direct benefit to individual users. ◆ Implement new financial and human resource systems to improve management information and reduce costs. ◆ Consider transferring the Livestock Patrons' Assurance Fund to industry.

Financial Plan

- ◆ The following table summarizes the income statements for the Ministry since 1992/93. More detailed statements are included on page 10.

(\$000)	Consolidated Income Statement			Expenditure Funded from GRF	% Reduction from 1992/93 Base
	Net Expense	Revenue	Expense		
1992/93 Base	516,231	668,385	1,184,616	510,035	—
1996/97 Forecast	279,183	264,058	543,241	341,751	33.0
1997/98 Estimate	219,064	310,639	529,703	301,359	40.9
1998/99 Target	267,220	267,929	535,149	293,776	42.4
1999/2000 Target	259,863	269,199	529,062	292,363	42.7

(Note: Figures for 1992/93 have been made comparable by adjusting for funds that are now considered part of the General Revenue Fund — GRF).

- ◆ Revenues of the department for 1997/98 to 1999/2000 include projections of amounts receivable under federal-provincial cost sharing agreements. Amounts receivable under the agreements will be affected by the decision of the federal government on January 7, 1997 to increase the number of commodities and to cover, what otherwise would have been, the provincial contribution to the Net Income Stabilization Accounts. As a result, annual consolidated revenues for 1997/98 to 1999/2000 may be overstated between \$15 million to \$25 million.
- ◆ Historical and projected "full time equivalent" (FTE) estimates are as follows:

1992/93 Base	1996/97	1997/98 Projection	1998/99 Projection	1999/2000 Projection
2,389	1,962	1,903	1,783	1,756

(Note: Figures for 1992/93 have been made comparable by adjusting for responsibilities that have since been transferred to AFRD from other ministries.)

Conclusion

- ◆ This plan carries on with the direction AFRD has established in previous years. It sets out a clear course for the Ministry and will be reviewed and updated annually, based on feedback from clients, and changes in the industry and the government policy environment.

Ministry Macro Performance Measures

1. Percentage of Canadian Farm Cash Receipts Alberta farmers and ranchers account for.

Alberta Farm Cash Receipts

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Total Receipts (\$000)	4,604,406	5,495,131	5,846,060	5,800,000	5,900,000	6,000,000	6,200,000
Alberta as a % of Canada	20.1	21.3	22.0	21.5	21.5	21.8	22.0

(Note: Unless otherwise stated, the 1989-1993 Benchmarks for all measures are a five year average for 1989 to 1993. Sources of Benchmarks and Actuals; Statistics Canada and Alberta Agriculture, Food and Rural Development. Some figures have been restated as a result of additional information)

2. Government program payments to Alberta farmers.

Direct Program Payments

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Total Payments (\$000)	556,781	355,380	152,243	255,000	280,000	280,000	285,000
Payments as a % of Farm Cash Receipts	12.1	6.5	2.6	4.4	4.7	4.7	4.6

(Note: Direct program payments to Alberta farmers represent dollars paid directly to farmers from provincial and federal government programs. Included are payments from NISA, GRIP, crop insurance, tripartite programs, FIDP, drought, compensation for animal losses and dairy subsidies. Program payments presented here are not net of producer premiums and do not include payments under the Western Grain Transition Payments Program.)

3. Percentage contributed by Alberta's food and beverage industry to Canada's total value of shipments.

Alberta Food and Beverage Industries' Value of Shipments

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Total Value of Shipments (\$000)	4,866,687	5,758,800	5,971,000	6,400,000	7,000,000	7,500,000	9,000,000
Alberta as a % of Canada	10.9	11.6	11.6	12.3	12.5	12.9	15.0

4. Value of shipments of agriculture and food products from Alberta to other provinces and countries

Value of Out-of-Province Shipments of Agriculture and Food Products

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Total Value (\$000)	4,141,224	5,856,005	6,479,612	6,500,000	6,700,000	7,000,000	8,000,000

5. Importance of Alberta agriculture, food and beverage industries relative to Alberta's gross domestic product

Contribution to Alberta's Gross Domestic Product

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
% of total GDP	4.74	5.01	5.42	5.45	5.50	5.55	5.60

6. Employment in agriculture and food

Employment (thousands of people)

	1989-1993 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Primary Agriculture	88	80	96	93	95	100	115
Food and Beverage	<u>17</u>	<u>17</u>	<u>17</u>	<u>17</u>	<u>20</u>	<u>25</u>	<u>35</u>
Total	105	97	113	110	115	125	150

(Note: Alberta's agriculture industry continues to maintain a very low level of unemployment when compared to any of the major industries in Alberta.)

7. Alberta land productivity indicator.

Output (tonnes/acre)

	1971-1980 Benchmark	1994 Actual	1995 Forecast	1996 Forecast	1997 Target	1998 Target	2000 Target
Indicator	0.78	0.90	0.96	0.95	0.96	0.97	0.98

(Note: This indicator is the best available proxy for long-term land productivity. Crop production per acre for the various crops grown in the province was converted to a standard base — tonnes per acre of wheat. This conversion allows for differences in yields of the various crops. Although soil degradation is still a concern on some lands, most producers use land management practices which will ensure long-term sustainability of agriculture in Alberta.)

Agriculture, Food and Rural Development Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	20,031	56,173	18,861	10,508	8,717	62,278	29,848	37,900
Agriculture, Food and Rural Development								
Revolving Fund	-	-	-	11,652	10,443	9,175	9,150	8,200
Crop Reinsurance Fund of Alberta	15,028	16,156	12,893	16,012	18,360	12,180	12,649	12,649
Irrigation District Rehabilitation Fund	10,418	6,138	1,028	240	148	-	-	-
Livestock Patrons' Assurance Fund	505	478	550	581	535	660	700	720
Agriculture Financial Services Corporation	995,006	544,970	294,343	380,631	390,143	388,049	366,725	361,571
Alberta Agricultural Research Institute	2,205	6,536	7,781	8,325	10,293	10,382	10,387	8,658
Alberta Dairy Control Board	827	772	803	798	1,007	766	766	766
Northern Lite Canola Inc.*	(4,020)	(2,049)	-	-	-	-	-	-
Consolidation Adjustments	(371,615)	(246,637)	(67,032)	(202,397)	(175,588)	(172,851)	(162,296)	(161,265)
Consolidated Revenue	668,385	382,537	269,227	226,350	264,058	310,639	267,929	269,199
EXPENSE								
Program								
<i>Voted</i>								
Department	510,035	479,045	343,198	364,613	341,751	301,359	293,776	292,363
<i>Statutory</i>								
Agriculture, Food and Rural Development								
Revolving Fund	-	-	-	10,936	10,331	9,475	9,475	7,800
Crop Reinsurance Fund of Alberta	31,917	-	-	-	-	-	-	-
Irrigation District Rehabilitation Fund	-	-	8,957	7,234	1,781	-	-	-
Livestock Patrons' Assurance Fund	13	92	74	1,148	90	90	90	95
Agriculture Financial Services Corporation	812,285	408,515	152,493	242,130	279,657	312,224	317,608	317,263
Alberta Agricultural Research Institute	2,777	6,998	7,910	8,461	10,328	10,659	10,541	8,835
Alberta Dairy Control Board	732	746	751	766	1,159	750	750	750
Consolidation Adjustments	(282,202)	(240,416)	(167,515)	(209,455)	(175,588)	(172,851)	(162,296)	(161,265)
Consolidated Program Expense	1,075,557	654,980	345,868	425,833	469,509	461,706	469,944	465,841
Debt Servicing Costs								
Agriculture Financial Services Corporation	109,059	104,110	94,587	84,645	74,031	67,997	65,205	63,221
Consolidated Expense	1,184,616	759,090	440,455	510,478	543,540	529,703	535,149	529,062
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	(61)	299	-	-	-
NET REVENUE (EXPENSE)	(516,231)	(376,553)	(171,228)	(284,189)	(279,183)	(219,064)	(267,220)	(259,863)

* This entity is a commercial enterprise or Crown-controlled corporation that is reported in revenue on a net profit or loss basis (revenue less expenses). Thus, it does not appear in the expense portion of the income statement.

Revenues of the department for 1997/98 to 1999/2000 include projections of amounts receivable under federal-provincial cost sharing agreements. Amounts receivable under the agreements will be affected by the decision of the federal government on January 7, 1997 to increase the number of commodities and to cover, what otherwise would have been, the provincial contribution to the Net Income Stabilization Accounts. As a result, annual consolidated revenues for 1997/98 to 1999/2000 may be overstated between \$15 million to \$25 million.

Community Development

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Shirley McClellan
Minister of Community Development
April 12, 1997

Introduction

Vision

A strong province with a high quality of life and fair opportunity for all Albertans through the support of community goals and aspirations.

Mission

To support community development, and through leadership, protection and partnership, help all Albertans participate fully in the social, cultural and economic life of the province.

Alberta Community Development fosters a superior quality of life for Albertans and assists Albertans to realize their potential by:

1. Promoting community development;
2. Supporting the independence and well-being of seniors;
3. Protecting human rights and promoting fairness and equity;
4. Preserving, protecting and presenting Alberta's unique cultural and natural history; and,
5. Preventing and treating addictions.

The current plan includes some changes in direction. For example: planned reductions for 1997/98 and beyond to the Municipal Recreation/Tourism Area Grants have been cancelled; a strategy to deliver library grants through regional systems has been deferred pending further study; the Jubilee Auditoria will be operated with the assistance of volunteer community-based advisory boards and “friends of” organizations. These changes are in response to community input.

This business plan includes a targeted reinvestment in seniors of \$23 million in each of the next three years. The first phase, announced in June 1996, provided increased assistance to seniors in lodges, continuing care facilities and subsidized housing, and enhanced payments under the Special Needs Assistance program. The second phase, announced in November, 1996, will simplify the administration of the Alberta Seniors Benefit program and improve benefits to seniors.

Three regulations dealing with grants and the one dealing with libraries will be rescinded, with a new Community Development Grants Regulation being introduced to govern any departmental grants not transferred to Foundations. Following review of the disposition of historical resources, a new regulation will be introduced. The Seniors Benefit Act General Regulation will be revised to incorporate program changes which simplify administration.

The ministry is continuing to refine its performance measures to achieve a closer link with the actual services provided. Targets have been set where appropriate to reflect the level of service to be achieved within the period covered by this business plan.

This business plan includes the addition of two agencies to Community Development — the Alberta Alcohol and Drug Abuse Commission and the Wild Rose Foundation. These agencies are also concerned with helping all Albertans participate fully in the social, cultural and economic life of this province and fit within the mandate of the ministry.

Ministry Core Businesses

1. Promoting Community Development

Promoting the development of Alberta’s communities and increasing the capacity of community organizations for self-reliance are key goals of the ministry. The ministry provides on-site community development assistance through its regional office system and supports Alberta’s quality of life through technical and financial support to the arts, recreation, sport, library and volunteer sectors of the province.

GOAL: To work in partnership with geographic communities and communities of interest to build and maintain a high quality of life in Alberta.

This goal will be met by:

- ◆ Helping communities help themselves through the provision of organizational assistance and facilitation services.
- ◆ Increasing community self-reliance and self-sufficiency through information and consultative services on the development of local resources and effective use of volunteers.
- ◆ Supporting the development of arts and culture as fundamental assets of Alberta’s quality of life by providing financial assistance and consultative services.

- ◆ Coordinating and supporting a province-wide library system with financial assistance and consultative services.
- ◆ Encouraging, through financial support and education programs, participation in healthy physical activity and recreation that leads to wellness.
- ◆ Contributing to the athletic achievement of Albertans through financial and consultative support to the provincial sport system.
- ◆ Assisting Albertans in making informed choices through the classification of films.
- ◆ Providing consultation services and policy advice to the Minister and to other government ministries.

This goal is intended to achieve the following desired outcomes:

- ◆ Partnerships with communities that increase self-reliance and maintain a high quality of life in Alberta.
- ◆ Strong contribution by Alberta volunteers to all aspects of community life.
- ◆ Broad participation by Albertans in arts, recreation, sport and library activities.
- ◆ Significant contribution to the economy of the province by the arts and cultural industries.
- ◆ A well-informed public through cost-effective classification of films.

Achievement of the desired outcomes will be measured by:

- ◆ **Client satisfaction with community development assistance provided.** Since 1994/95 the ministry has achieved an average satisfaction rating of 97%. The ministry's target is to maintain this high level of client satisfaction.
- ◆ **Level of community volunteerism.** The first ministry survey was conducted in 1995/96 and showed 54% of Albertans volunteered. The ministry's target is to increase the number of Alberta's volunteers to 60% of the population.
- ◆ **Percentage of population participating in sport, recreation and physical activity.** This measure replaces the previous measure of actual participation. The 1992 General Recreation Survey showed that 83% of Albertans participated in some form of physical activity. The ministry's target is to increase participation in these activities to 90%.
- ◆ **Percentage of private sector funding provided to arts and cultural groups.** New measure. A survey conducted in 1995/96 of ministry clients showed that arts organizations raised 73% of their revenues from the private sector. The ministry's target is 75%.
- ◆ **Level of economic activity in the arts and cultural industries.** New measure. Statistics Canada data, available every four years, will be used. In 1992/93 the economic impact of the sector in Alberta was \$2 billion. The ministry's target is \$2.25 billion.

The following actions are planned:

- ◆ Create a Minister's Coordinating Council of chairpersons from the Alberta Sport, Recreation, Parks and Wildlife Foundation, the Alberta Foundation for the Arts, the Alberta Historical Resources Foundation and the Wild Rose Foundation, and integrate financial and technical support into the department to eliminate duplication and reduce administrative overhead.
- ◆ Maintain the Municipal Recreation/Tourism Area Grants at a sustainable level, funded through the Alberta Sport, Recreation, Parks and Wildlife Foundation.
- ◆ Develop an electronic Alberta library network, funded through the Alberta Foundation for the Arts.

- ◆ Establish a provincial task force on an active living strategy for Alberta in conjunction with the private sector and other government departments.
- ◆ Provide technical and financial assistance programs across the province in support of volunteer activities and host the International Association of Volunteer Efforts 1998 Conference with funding through the Wild Rose Foundation.
- ◆ Complete the review of the *Libraries Act*.
- ◆ Continue to build partnerships to enhance community-based sport and recreational opportunities.
- ◆ Encourage private sector partners to complement the intergovernmental initiative to stabilize arts organizations.
- ◆ Continue to help community organizations to increase their governance, resource utilization and financial management capacity in order to build self-reliance.
- ◆ Continue to provide interdepartmental support to key government initiatives such as the integration of children's services.

2. Supporting the Independence and Well-Being of Seniors

The Alberta Seniors Benefit program supports the independence and well-being of seniors by ensuring that supplementary income benefits are available to lower-income Alberta seniors. The Special Needs Assistance program provides additional benefits to seniors experiencing financial difficulties meeting their basic needs or coping with unexpected emergencies. The cumulative impact of economic, demographic, social and policy changes on Albertans in their senior years is monitored and the ministry ensures government policies anticipate and address the needs of seniors.

GOAL: To ensure seniors have access to the supports they need to live in a secure and dignified way as independent and contributing members of society.

This goal will be met by:

- ◆ Providing financial assistance to eligible lower-income seniors, including Alberta Seniors Benefit cash benefits, Special Needs Assistance grants and full or partial Alberta Health Care Insurance premium subsidies.
- ◆ Providing information to seniors about programs for seniors in Alberta.
- ◆ Developing policies for, and handling the resolution of, complaints and appeals under the Alberta Seniors Benefit and the Special Needs Assistance.
- ◆ Providing government departments with leadership and policy advice in the development and implementation of programs affecting seniors.

This goal is intended to achieve the following desired outcomes:

- ◆ Eligible seniors receive the benefits to which they are entitled.
- ◆ Government policies effectively anticipate and address the needs of seniors.
- ◆ Seniors are satisfied with the services they receive and the quality of information about the Alberta Seniors Benefit and other seniors programs.

Achievement of the desired outcomes will be measured by:

- ◆ **Percentage of eligible seniors receiving the Alberta Seniors Benefit.** This measure indicates how well the ministry is reaching and providing seniors with the benefits they are entitled to under the program. The ministry's target is 100% of eligible seniors.
- ◆ **Appropriateness of income support provided to lower-income seniors.** New measure. Ongoing monitoring of cumulative expenditures and feedback from seniors on their individual situations will continue to be analysed. Studies such as *Review of Cumulative Impact of Program Service Changes on Seniors* will continue to be reviewed by seniors' organizations and their input will be sought in the development of actions to address the issues raised.
- ◆ **Satisfaction of seniors with information and other services provided.** New measure, data collection strategies are currently being developed.
- ◆ **Satisfaction of departments and agencies with the quality of information, analysis and advice received.** New measure, data collection strategies are currently being developed.

The following actions are planned:

- ◆ An annual increase (\$23 million) in financial assistance available under the Alberta Seniors Benefit and Special Needs Assistance programs. The Alberta Seniors Benefit has increased by \$5 million for assistance to seniors in lodges, continuing care facilities and subsidized housing; \$4.9 million to enhance benefits to senior couples; and \$9.1 million to increase the number of seniors receiving full or partial health premium subsidies. An additional \$4 million in each year of the business plan will increase payments available through Special Needs Assistance grants to a limit of \$5000 per year for singles or couples, from the previous limit of \$500 for singles and \$1000 for couples. Eligibility will no longer be limited to applicants whose need is based on changes to government programs.
- ◆ Investigate ways to simplify administration of the Alberta Seniors Benefit program.
- ◆ Use feedback from seniors, including continuation of policy and program assessments by the Inter-Agency Council on Aging, to identify areas where the Alberta Seniors Benefit program can be improved. Monitor the cumulative impact of changes to seniors programs.
- ◆ Access for seniors to information about the Alberta Seniors Benefit and other programs for seniors will be improved by:
 - ◆ continued decentralization of the Alberta Seniors Benefit processing and information services to storefront locations throughout Alberta; and,
 - ◆ consolidating storefront and information services of the ministry and the Seniors Advisory Council for Alberta to provide one-stop access to information about seniors' programs and services.
- ◆ Protection for seniors who are most vulnerable will be the focus of several ministry initiatives, including:
 - ◆ input gathered from public consultation on the *Protection for Persons in Care Act* in 1996 will be used to develop a plan for implementation of the *Act* upon proclamation;
 - ◆ a provincial strategy for addressing elder abuse will be developed; and
 - ◆ the safety of individuals in residential care homes will be ensured through the development and implementation of broad-based standards, in cooperation with key stakeholders.

3. Protecting Human Rights and Promoting Fairness and Access

The ministry works to reduce discrimination and foster equality so that all Albertans have the opportunity to participate fully in the social, economic and cultural life of the province. Protecting human rights helps people to build their capacity, seize economic and social opportunities for development and growth, and maximize their potential. Promoting fairness and access for Albertans helps them contribute to their own prosperity and that of their families and their communities.

GOAL: To reduce discrimination and foster equality so all Albertans can have the opportunity to participate fully in the social, economic and cultural life of the province.

This goal will be met by:

- ◆ Protecting human rights for all Albertans through the resolution of complaints made under the *Human Rights, Citizenship and Multiculturalism Act*.
- ◆ Providing public education programs, information and consultation services to eliminate discrimination and barriers to full participation in society for all Albertans.
- ◆ Providing financial assistance through the Human Rights, Citizenship and Multiculturalism Education Fund.
- ◆ Providing consultation services and policy advice to the Minister and to other government departments.

This goal is intended to achieve the following desired outcomes:

- ◆ Increased understanding and awareness of diversity leading to fairness and access, allowing all Albertans to contribute to their own prosperity, and that of their families and communities.
- ◆ Reduced racism and discrimination in Alberta.
- ◆ Increased understanding of the rights and responsibilities of Albertans under the *Human Rights, Citizenship and Multiculturalism Act*.
- ◆ Protection of the rights of Albertans under the *Act*.

Achievement of the desired outcomes will be measured by:

- ◆ **Percentage of Albertans who believe human rights are fairly well or very well protected in Alberta.** In the 1994 and 1995 surveys, the ministry achieved results of 80% and 79% in this area. The target is 80%.
- ◆ **Percentage of Albertans who are aware of the *Human Rights, Citizenship Commission and Multiculturalism Act*.** In the 1994 and 1995 surveys, the ministry achieved results of 79% and 80% in this area. The target is 80%.
- ◆ **Percentage of Albertans who believe the Commission plays an important role in the protection of human rights.** In the 1994 and 1995 surveys, the ministry achieved results of 85% and 89% in this area. The target is 90%.
- ◆ **The number of complaints filed with the Commission.** New measure. In 1995/96, 676 complaints were filed.

The following actions are planned:

- ◆ Continuous improvement strategies will be implemented in the consolidated operation of the Human Rights and Citizenship Commission.
- ◆ In partnership with community organizations, information and awareness initiatives will be undertaken through the Human Rights, Citizenship and Multiculturalism Education Fund.

4. Preserving, Protecting and Presenting Alberta's Unique Cultural and Natural History

Appreciation of Alberta's unique cultural and natural history is essential to understanding the present and changing the future for the better. To that end, the ministry preserves, protects, and presents public programs on historical resources of provincial, national and international significance. These activities provide significant educational, scientific, tourism/economic benefits for Albertans.

GOAL: To ensure Alberta's diverse natural, historical and cultural resources are preserved and appreciated.

This goal will be met by:

- ◆ Operating 18 provincial historic sites and museums and the two Jubilee Auditoria.
- ◆ Acquiring and caring for historical resources of significance to Albertans, and delivering programs and exhibits on those historical resources.
- ◆ Acquiring, preserving and making available for research private and public records of provincial significance.
- ◆ Regulating land-based development activity to preserve significant historical resources.
- ◆ Providing professional and technical advice to parties involved in heritage preservation.

This goal is intended to achieve the following desired outcomes:

- ◆ Artifacts and archival records of provincial, national and international significance are preserved and protected.
- ◆ Significant historical resources are identified and preserved through the regulation of land-based development within the province.
- ◆ Heritage preservation initiatives receive required professional and technical advice.
- ◆ Preservation and presentation of Alberta's natural, historical and cultural resources.
- ◆ Knowledge about, access to and appreciation for the province's rich natural and cultural heritage by the people of Alberta and visitors to the province.

Achievement of the desired outcomes will be measured by:

- ◆ **Success ratio of historical resources preservation initiatives.** This new measure will indicate the volume and significance of resources protected by documenting the number of resources protected/mitigated relative to any incidence of loss of significant resources.
- ◆ **Number of community-based heritage preservation projects assisted.** In each of 1994/95 and 1995/96, 450 projects were assisted. The target is to maintain this level of activity and assistance.

- ◆ **Economic impact of historical resources and facilities operated by the province.** In 1994/95, \$52 million was generated in direct and indirect value-added economic impact from facilities operated by the province, of which \$11 million was returned to various levels of government as tax revenues. In addition, the Alberta Historical Resources Foundation leveraged \$10 million in value-added economic impact through its various community-based preservation programs.
- ◆ **Visitation at provincial historic sites and museums.** Visitation was 1.1 million persons during 1994/95 and 1995/96. The target is to maintain a 5-year average visitation of 1.1 million persons.
- ◆ **Customer satisfaction with their experience at provincial historic sites and museums.** During 1994/95, 93.5% of customers reported an excellent or above-average experience; during 1995/96, 92% reported the same. The target is a 95% satisfaction rating.
- ◆ **Knowledge gained by visitors to provincial historic sites and museums.** During 1994/95, 87% of visitors reported excellent or above-average learning experiences; during 1995/96, 91% of visitors reported the same. The target is a 95% satisfaction rating.
- ◆ **Per-capita cost of facility operations.** This measure tracks the operating efficiency of each facility over time. As an example, the per-capita cost of operating the Royal Tyrrell Museum was 79 cents in 1994/95 and 65 cents in 1995/96. The target is 61 cents.

The following actions are planned:

- ◆ Visitor services and programs will be maintained and marketed to all potential visitors. For example, an innovative marketing initiative involving Alberta and Montana will be launched to attract new visitors from all over the Pacific Northwest.
- ◆ Alternative operating scenarios at all facilities operated by the ministry will continue to be pursued in order to maintain their high standards.
- ◆ Care for provincial collections will be maintained by: preserving the material culture and natural history of the province within museums; protecting and recognizing significant historical resources across the province; and encouraging other levels of government, the community, and the private sector to preserve and develop heritage resources.
- ◆ Regulatory functions to protect historical resources will be streamlined and amended to encourage self-monitoring by industry.
- ◆ The ministry will continue to work with communities to preserve their significant historical resources by providing financial, professional and technical support.

5. Preventing and Treating Addictions

The Alberta Alcohol and Drug Abuse Commission (AADAC) is mandated to prevent and treat substance abuse and gambling addiction. AADAC continues to provide a range of community, detoxification, residential and information services across the province. Services have been enhanced to provide more services for youth and problem gambling.

GOAL: To assist Albertans in achieving freedom from the abuse of alcohol, other drugs and gambling.

This goal will be met by maintaining accessible, efficient, client-relevant and effective services in the following areas:

- ◆ Community outpatient and prevention services, including education services, outpatient counseling, day treatment programs and training services.
- ◆ Crisis services include detoxification, provision for safe withdrawal from the extreme effects of alcohol and other drugs, referral and counseling on an emergency basis.
- ◆ Residential treatment services to assist severely dependent clients in their recovery from addictions.
- ◆ Research, information and monitoring services providing accurate and current information on issues, trends and research in the addictions.

This goal is intended to achieve the following desired outcomes:

- ◆ Individuals, families and communities are assisted in preventing problems related to alcohol, other drugs and gambling.
- ◆ Individuals are assisted, through treatment, to recover from the abuse of alcohol, other drugs and gambling.
- ◆ Service access, efficiency and effectiveness and community involvement and partnerships are improved.

Achievement of the desired outcomes will be measured by:

- ◆ **Service Access.** 94% of outpatient clients and 93% of residential clients reported no difficulty in gaining access to service in 1995/96. The target for the Commission is to maintain outpatient and residential treatment service access levels at or above 94%.
- ◆ **Client Satisfaction.** Client satisfaction with services, as determined by the percentage who stated they were “very satisfied”, decreased 6% in outpatient (from 88% in 1994/95 to 81% in 1995/96) and 1% in residential services (from 82.9% in 1994/95 to 81.8% in 1995/96). Note that 1994/95 rates are based on outcome monitoring surveys implemented in four of 40 outpatient services; these surveys were fully implemented in 1995/96. The Commission has established a target of raising client satisfaction levels to 85%.
- ◆ **Service Effectiveness.** Over the past year, 93% of clients in residential treatment and 84% of clients in outpatient treatment report being abstinent or improved three months following treatment. These rates match or exceed those of comparable programs reported in the literature. Maintenance or improvement of rates at current levels will be the target for 1999/2000.
- ◆ **Service Efficiency.** Overall treatment admissions increased 6% over 1994/95, including increases of 12% (from 19,324 in 1994/95 to 21,579 in 1995/96) in outpatient and 2% in residential treatment (from 4,241 in 1994/95 to 4,335 in 1995/96). Since the budget remained the same, increased admissions resulted in reduced client costs in both outpatient and residential services in 1995/96. The 1995/96 cost per client was \$315.69 for outpatient treatment and \$1,749.94 for residential treatment; targets are \$300 and \$1700 respectively by 1999/2000.
- ◆ **Cost-effectiveness.** Admissions per 100,000 population increased between 1994/95 and 1995/96 in both Alberta and Manitoba. With similar levels of need for service, Alberta had 1,350 admissions per 100,000 in 1995/96, compared to Manitoba admissions of 1,289. Expenditures per capita were \$10.37 in Alberta in 1995/96 compared to \$11.10 in Manitoba.

The following actions are planned:

- ◆ Continue to expand services to deal with problem gambling and integrate with alcohol and drug services.
- ◆ Maintain a focus on youth, including expanding intensive day treatment residential support in Edmonton, and implementation of a prevention framework with emphasis on individuals and their environments.
- ◆ Implement the recommendations of the MLA Mandate Review Report to provide leadership in treatment and prevention of addiction in cooperation with a network of community agencies.

Community Development Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	3,635	3,391	5,324	2,768	4,486	400	400	400
Community Development Revolving Fund	1,342	925	1,141	1,022	806	-	-	-
Historic Resources Fund	2,326	3,448	3,391	3,780	4,231	2,400	2,200	2,200
Alberta Alcohol and Drug Abuse Commission	32,737	29,069	28,532	28,650	28,909	30,136	30,728	31,028
Alberta Family Life and Substance Abuse Foundation	1,491	1,083	-	-	-	-	-	-
Alberta Foundation for the Arts	16,602	16,780	17,528	16,783	16,495	16,480	16,480	16,480
Alberta Historical Resources Foundation	7,951	11,662	6,900	8,407	6,127	6,162	6,162	6,162
Alberta Sport, Recreation, Parks and Wildlife Foundation	18,258	18,681	19,391	17,962	17,992	18,763	18,767	19,298
Glenbow-Alberta Institute	7,013	7,284	9,207	9,477	-	-	-	-
Government House Foundation	61	43	28	30	28	27	27	27
Human Rights, Citizenship and Multiculturalism Education Fund	2,606	2,255	2,270	2,353	1,187	1,187	1,187	1,187
Wild Rose Foundation	7,307	7,148	7,177	7,267	7,149	7,157	7,153	7,135
Consolidation Adjustments	(40,651)	(33,886)	(29,198)	(29,932)	(26,500)	(26,641)	(26,750)	(26,826)
Consolidated Revenue	60,678	67,883	71,691	68,567	60,910	56,071	56,354	57,091
EXPENSE								
Program								
<i>Voted</i>								
Department	129,688	100,070	192,609	223,149	237,245	252,105	251,887	253,040
<i>Statutory</i>								
Community Development Revolving Fund	1,191	829	969	950	680	-	-	-
Historic Resources Fund	1,786	3,858	4,203	3,486	4,191	2,400	2,200	2,200
Alberta Alcohol and Drug Abuse Commission	31,709	29,526	29,015	28,269	29,428	30,184	30,775	31,088
Alberta Family Life and Substance Abuse Foundation	1,328	1,034	-	-	-	-	-	-
Alberta Foundation for the Arts	16,296	16,965	20,935	16,586	17,349	15,914	17,115	17,115
Alberta Historical Resources Foundation	9,254	8,370	6,111	9,767	7,467	6,164	6,165	6,165
Alberta Sport, Recreation, Parks and Wildlife Foundation	18,377	21,246	17,850	17,192	18,113	19,383	20,135	20,135
Glenbow-Alberta Institute	8,197	7,455	7,055	7,062	-	-	-	-
Government House Foundation	18	9	11	7	9	8	8	8
Human Rights, Citizenship and Multiculturalism Education Fund	2,943	1,836	2,063	1,735	1,092	1,187	1,187	1,187
Wild Rose Foundation	7,753	7,686	8,130	6,814	7,140	7,204	7,622	7,222
Consolidation Adjustments	(38,732)	(33,886)	(27,910)	(9,770)	(25,100)	(26,641)	(26,750)	(26,826)
Consolidated Expense	189,808	164,998	261,041	305,247	297,614	307,908	310,344	311,334
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	33	(5)	(15)	7	(27)	-	-	-
NET REVENUE (EXPENSE)	(129,097)	(97,120)	(189,365)	(236,673)	(236,731)	(251,837)	(253,990)	(254,243)

Economic Development and Tourism

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Patricia L. Black
Minister of Economic Development and Tourism
April 12, 1997

Mission

Alberta Economic Development and Tourism (ED&T) focuses on the government's *Prosperity* core business of strengthening economic growth, supporting job creation by the private sector, and helping Albertans build a future for themselves and their children.

Alberta Economic Development and Tourism's primary objective is to coordinate and facilitate the implementation of the Government of Alberta's economic development strategy. The department responds to the needs of the private sector by supporting the Alberta Economic Development Authority (AEDA), Alberta business leaders and industry associations. ED&T also works with other provincial departments and other governments to further Alberta's economic goals.

Vision

ED&T has introduced significant organizational change, becoming a smaller, more focused and efficient department. The department will become more of a facilitator, to "open doors" for the private sector rather than be a broker or deal maker. The new organization will ensure that its programs and services are effective both in meeting private sector needs and the government's economic and fiscal objectives.

Alberta is recognized world wide as a place in which people enjoy prosperity and an unmatched quality of life. The department's aim is to build on the **Alberta Advantage** to develop a strong, entrepreneurial economy with a solid, globally competitive advantage that increases economic opportunities for all Albertans.

The Alberta Advantage includes:

- ◆ competitive taxation and regulatory reform;
- ◆ an abundance of natural resources;
- ◆ a skilled, highly educated, workforce;
- ◆ debt reduction legislation;
- ◆ first class infrastructure;
- ◆ an economic climate conducive to investment, wealth generation and job creation; and
- ◆ an entrepreneurial and competitive business community.

The global marketplace is rapidly changing. To keep our economy growing, Alberta must continue to reassess its priorities, build on its strengths, and chart new courses. Expanding technology and knowledge will help Alberta businesses improve productivity, reduce costs, create jobs, and expand into new markets around the world.

Alberta's exports to international markets will grow and business leaders, tourists and visitors from around the world will be encouraged to come and see first-hand what Alberta has to offer.

Core Businesses

To achieve the new business direction of Alberta Economic Development and Tourism, the core businesses have been refocused. The department's current businesses are:

- ◆ Investment Development
- ◆ Export Development
- ◆ Business Development

Six key areas of responsibility have been established to support ED&T's mission, vision and core businesses:

- ◆ providing strategic research and planning support services to the Alberta Economic Development Authority (AEDA).
- ◆ promoting the "Alberta Advantage" to the fullest extent possible for the purpose of attracting investment into Alberta and facilitating the growth of Alberta-based companies.
- ◆ expanding Alberta's export markets.
- ◆ providing strategic information on industry, technology, export and investment opportunities to Alberta companies through a single comprehensive service and direct client contact to ensure that these companies are competitive nationally and internationally.
- ◆ ensuring there are no unnecessary regulatory restrictions or barriers that impede business initiatives.
- ◆ assisting in coordinating missions initiated at the Premier, Minister, and AEDA level to achieve the greatest possible investment and export impact.

The Ministry also includes the Alberta Opportunity Company, the Alberta Gaming and Liquor Commission and the Alberta Lottery Fund.

Goals

The following goals have been established to ensure that the new restructured department focuses on strengthening the Alberta economy and helping Albertans build a future for themselves and their families:

1. Increase investment in Alberta.
2. Increase Alberta's exports of manufactured and processed products, services and knowledge.
3. Assist Alberta's industry and business sectors to be competitive in the global marketplace.
4. Facilitate the growth of small business in Alberta.

Key Strategies

The following highlight the key strategies ED&T will be concentrating on in its 1997-2000 business plan:

Goal: To increase investment in Alberta.

Strategies:

- ◆ facilitate and communicate the Alberta Advantage to potential international/national investors
- ◆ develop, in cooperation with AEDA, a new investment promotion strategy by focusing on the Alberta Advantage.
- ◆ identify new investment sources.
- ◆ increase the number of successful investment matches in Alberta.
- ◆ increase business immigration by targeting key geographic regions and specific industry sectors.

Goal: To increase Alberta's exports of manufactured and processed products, services and knowledge.

Strategies:

- ◆ promote Alberta businesses, products and services in key markets and assist in "door opening" in new markets through: targeted Premier, Minister or AEDA led missions; private sector networks; and participation in selected high-level trade shows and missions.
- ◆ support Alberta-based activities and events such as high-level incoming missions, major trade shows, conferences and seminars, to promote exports and assist exporters.
- ◆ increase the number of Alberta exporters by encouraging Alberta businesses to become export ready, to begin exporting and to expand to new markets.
- ◆ provide targeted trade advice, information and services to Alberta companies.
- ◆ assist Alberta firms in identifying and pursuing international projects and contracts, including projects funded by international financial institutions (e.g., World Bank).
- ◆ identify trade opportunities for Alberta firms.
- ◆ develop and implement coordinated trade initiatives, strategies, programs and services under the Canada-Alberta MOU on International Business.
- ◆ reduce intergovernmental barriers to internal and external trade.
- ◆ assist industry in developing co-ordinated sector and geo-strategies to guide Alberta businesses in product development and export activities.

Goal: To assist Alberta's industry and business sectors to be globally competitive.

Strategies:

- ◆ assist in identification, development, transfer and commercialization of new technologies, equipment and processes.
- ◆ facilitate the development, growth and retention of businesses through the development and application of new technologies and realization of new opportunities.

- ◆ facilitate the development of knowledge-based industries.
- ◆ work with the Alberta Science and Research Authority to support research infrastructure and promote technology commercialization.
- ◆ facilitate and promote the development of Alberta's supply capability.
- ◆ develop a single window for companies seeking export opportunities, market intelligence and country data, through the Alberta Business Information Centre.
- ◆ continue to reduce regulatory burden on Alberta business.
- ◆ market and develop Alberta's tourism products and attractions through the Alberta Tourism Partnership Corporation and the Tourism Development Agency, to generate increased economic yields to the industry and to the province as a whole.

Goal: To facilitate the growth of small business in Alberta.

Strategies:

- ◆ support "one-stop" business service centres in Edmonton and Calgary.
- ◆ support regional business centres across Alberta.
- ◆ improve access to business information for Alberta businesses and communities.
- ◆ promote networks and alliances among businesses (e.g., FlexNets, Call Centre Attraction).
- ◆ improve and advance entrepreneurship and business management through provision and/or support in the areas of information, training and education.
- ◆ promote and support home-based business opportunities aimed at increasing the number of Alberta home-based businesses.
- ◆ promote the development/expansion of business associations to encourage self-reliance, reduce government involvement and strengthen Alberta's business community.

Financial Impacts

From the savings resulting from the department's restructuring, certain monies will be used to reinvest in initiatives consistent with government's economic development policies and promotion of the Alberta Advantage. The financial results of the restructuring are as follows:

- ◆ major reduction in Department staff
- ◆ reduction in expenditure of \$13.5 million, including:
 - ◆ re-investment of \$2.0 million in the reinvestment for infrastructure program
 - ◆ reduction of \$2.0 million in the operating grant to the Alberta Opportunity Company
 - ◆ reduction of \$9.5 million as a result of administrative and program efficiencies.
- ◆ The Alberta Racing Commission was privatized October 4, 1996. In 1996-97 the department provided an operating grant of \$6.8 million of their budgeted \$7.4 million revenue. No further monies are budgeted for 1997/98 to 1999/2000.
- ◆ Alberta Gaming and Liquor Commission funding requirements have increased by \$2 million annually to cover increased amortization charges resulting from capital acquisitions for VLT replacements and conversions.
- ◆ The department will reinvest \$4 million dollars in 1997/98, from the savings as a result of restructuring, to assist in creating a healthy climate for research and development in Alberta.

Key Performance Measures

Alberta Economic Development and Tourism programs and activities focus on Government's *Prosperity* core business. The measures reflect key areas in which the department works with industry, businesses and investors to effect results. Significant areas of emphasis for the department, in the current business plan, are manufacturing, service and technology industries.

Manufacturing and Service Industry Investment (\$ billions)

Annual value of investment. This measure provides information on the annual capital investment by manufacturing and service industries.

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Investment	5.9	5.7	6.0	6.9	7.6	8.0
% Change	0%	-3.4%	5.3%	15.0%	10.1%	5.2%

Total public and private investment for all sectors was estimated at \$17 billion for 1995 and forecast at \$17 billion for 1996.

Manufacturing and Service Exports (\$ billions)

This measure provides information on sales of manufactured or processed products by Alberta companies outside of Canada.

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Exports	10.9	11.6	12.2	12.7	13.3	14.1
% Change	26.6%	6.4%	5.2%	4.1%	4.7%	6.0%

Total exports for all sectors was estimated at \$29 billion for 1995 and forecast \$31 billion for 1996.

Manufacturing Shipments - All Sectors (\$ billions)

This measure provides information on the annual value of all manufacturing shipments by Alberta companies in all industry sectors.

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Shipments	28.3	29.6	30.8	32.0	33.3	34.6
% Change	12.1%	4.5%	4.0%	4.0%	4.0%	4.0%

Manufacturing Shipments - Advanced Technology (\$ billions)

This measure provides information on the growth in shipments of Alberta industries making the greatest use of advanced technologies.

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Shipments	9.2	9.5	10.0	10.4	10.9	11.4
% Change	18.3%	3.7%	4.5%	4.5%	4.5%	4.5%

Number of Alberta Exporters -

This measure provides information on the number of companies involved in sales outside of Canada

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Export Companies	2,650	2,800	3,000	3,250	3,500	3,700
% Change	6.0%	5.7%	7.1%	8.3%	7.7%	5.7%

Tourism Revenue (\$ billions)

This measure provides information on tourism industry revenue (visitor expenditures - resident and non-resident).

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Revenue	3.5	3.6	3.8	4.0	4.2	4.4
% Change	7.9%	2.9%	5.6%	5.3%	5.0%	4.8%

Business Formations - Incorporations (thousands)

This measure provides information on the annual total of provincial business incorporations and extra-provincial corporate registrations.

	1995	Estimate 1996	Target 1997	Target 1998	Target 1999	Target 2000
Formations	21.0	21.6	22.2	23.0	23.7	24.5
% Change	2.7%	2.6%	3.0%	3.4%	3.3%	3.2%

Note: values for percent change may not be exactly replicable due to rounding.

Alberta Gaming and Liquor Commission Business Plan 1997-1998 to 1999-2000

Mission

To maintain the integrity of gaming and liquor activities in Alberta and collect revenues for the Province.

Mandate

The Alberta Gaming and Liquor Commission's mandate, in accordance with the Gaming and Liquor Act, the Criminal Code (Canada) and within the policy framework established by government, includes the following:

- ♦ license, regulate and monitor gaming and liquor activities in Alberta;
- ♦ ensure integrity and social responsibility in the operation of gaming and liquor activities;
- ♦ collect gaming and liquor revenue;
- ♦ ensure business and program operations are run efficiently and effectively;
- ♦ define operating policies and procedures for gaming and liquor activities;
- ♦ disperse provincial lottery revenues;
- ♦ support industry and government initiatives to address problem gambling and responsible alcohol consumption;
- ♦ communicate to gaming and liquor stakeholders accurate and timely information.

Goals and Strategies

- ♦ Ensure compliance with the Gaming and Liquor Act, Tobacco Tax Act, Criminal Code and Commission policies with respect to gaming and liquor activities.
- ♦ Ensure full accountability for all revenues and expenses.
- ♦ Achieve gross revenue levels of \$1.0 billion prior to operating expenses and lottery fund disbursements.
- ♦ Reduce operating expenses from \$82.4 million (1996-97) to \$71.7 million (1997-98).
- ♦ Improve the return to the charities for charitable gaming activities.
- ♦ Manage and administer the Lottery Fund.
- ♦ Facilitate the development of native gaming in keeping with the government's gaming policy.
- ♦ Outsource operational activities that can be performed by the private sector at same or lower costs without jeopardizing the quality, security and integrity of products, services and revenues.
- ♦ Facilitate and support the revitalization of the racing industry.

Performance Measures

Level of net revenue contributed to the General Revenue Fund (\$ millions)

Revenue is defined as net revenue after deductions of operating expenses but before Lottery Fund disbursements.

1994-95 Actual	1995-96 Actual	1996-97 Estimate	1997-98 Target	1998-99 Target	1999-2000 Target
1,025.2	953.0	1,004.0	1,017.9	1,023.9	1,023.9

Administrative productivity

Productivity is defined as operating expenditures as a percentage of gross revenue.

1994-95 Actual %	1995-96 Actual %	1996-97 Target %	1997-98 Target %	1998-99 Target %	1999-2000 Target %
8.72	7.32	7.02	6.60	6.04	6.04

Return to charities

Return is defined as the total revenue earned by charities before expenses from casinos, bingos, raffles and pull tickets as a percentage of gross revenue generated by the charitable gaming venues.

	1994-95 %	1995-96 Part Year %	1996-97 Target %	1997-98 Target %	1998-99 Target %	1999-2000 Target %
Casino	40.84	37.33	42	50	50	50
Bingo	49.63	49.14	50	50	50	50
Raffle	71.71	72.14	72	72	72	72
Pull Ticket	81.31	82.27	82	82	82	82
Average	53.53	51.79	61.5	63.5	63.5	63.5

Alberta Opportunity Company

Mandate

The purpose of the Alberta Opportunity Company is to provide financial assistance and guidance for the development of Alberta businesses. Priority is given to small and medium-sized businesses in rural communities which, although viable, are not able to obtain financing from conventional lenders. Priority is also given to Alberta-owned businesses which will create jobs, are introducing improvements in productivity or technology, or have export or tourism potential. Applicants are required to show, in business terms, a reasonable expectation of commercial success and the ability to repay all loans including interest.

Goals

- ◆ To encourage the creation or expansion of viable, small and medium-sized businesses which are unable to obtain commercial financing in the private sector.
- ◆ To ensure that the portfolio of loans is managed so as to maximize both the recovery of funds invested and the positive benefits to the small business community at the least possible cost to government.

Strategies to Achieve Three-Year Targets

- ◆ Ongoing evaluation of staffing levels to ensure economic delivery of services.
- ◆ Updating of our computer systems to enable increases in individual productivity in an efficient, effective and economic manner.

- ◆ Timely evaluation of results to ensure achievement of goals.
- ◆ Refinement of appropriate key performance indicators to better track the economic impact of job and business growth.

Expected Results and Performance Measurers

- ◆ Approve loans of \$27.8 million in 1997-98 and \$30 million in each of 1998-99 and 1999-2000.
- ◆ In 1997-98 make loans to approximately 360 small businesses supporting the creation or protection of 2,300 jobs.
- ◆ Provide export guarantees totalling \$3.5 million to support the entry of new exporters and growth of existing exports out of the province.
- ◆ Reduction of operating grant to \$6.7 million in 1997-98 and \$5.4 million in 1998-99.

Economic Development and Tourism Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	446,738	551,175	926,759	872,777	881,858	1,021,300	906,300	906,300
Economic Development and Tourism Revolving Fund	233	254	887	1,477	628	773	-	-
Lottery Fund	203,753	395,069	554,857	587,852	644,500	654,500	654,500	654,500
Alberta Motion Picture Development Corporation	1,105	775	805	10,717	140	-	-	-
Alberta Opportunity Company	28,466	27,776	22,710	45,019	15,243	14,011	13,119	13,228
Alberta Racing Commission	8,419	8,407	8,446	8,411	7,280	-	-	-
Tourism Education Fund	506	760	1,708	1,390	-	-	-	-
Alberta Gaming and Liquor Commission*	498,686	515,650	567,136	439,936	435,114	435,114	435,114	435,114
Consolidation Adjustments	(622,525)	(712,403)	(1,150,343)	(1,005,632)	(971,110)	(1,099,606)	(977,300)	(977,300)
Consolidated Revenue	565,381	787,463	932,965	961,947	1,013,653	1,026,092	1,031,733	1,031,842
EXPENSE								
Program								
<i>Voted</i>								
Department	270,382	299,684	185,412	155,661	148,458	119,746	110,652	112,652
<i>Statutory</i>								
Economic Development and Tourism Revolving Fund	200	305	703	1,556	628	773	-	-
Lottery Fund	88,450	137,005	109,618	122,929	123,300	123,300	173,300	173,300
Alberta Motion Picture Development Corporation	1,659	1,902	2,041	2,404	1,149	-	-	-
Alberta Opportunity Company	13,599	11,002	4,533	6,988	9,580	9,927	8,914	8,834
Alberta Racing Commission	8,412	8,411	8,164	7,787	5,024	-	-	-
Tourism Education Fund	436	685	1,357	2,018	-	-	-	-
Consolidation Adjustments	(182,486)	(216,588)	(119,296)	(92,610)	(89,910)	(78,406)	(71,100)	(71,100)
Consolidated Program Expense	200,652	242,406	192,532	206,733	198,229	175,340	221,766	223,686
Debt Servicing Costs								
Alberta Opportunity Company	14,371	11,812	9,572	6,324	4,491	4,084	4,205	4,394
Consolidated Expense	215,023	254,218	202,104	213,057	202,720	179,424	225,971	228,080
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	(3)	(2)	(4)	(24)	-	-	-	-
NET REVENUE (EXPENSE)	350,355	533,243	730,857	748,866	810,933	846,668	805,762	803,762

* This entity is a commercial enterprise or Crown-controlled corporation that is reported in revenue on a net profit or loss basis (revenue less expenses). Thus, it does not appear in the expense portion of the income statement.

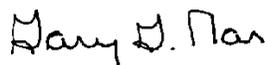
Education

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Gary G. Mar, Q.C.
Minister of Education
April 12, 1997

For more information on *the Government of Alberta's three-year plan for education 1997/1998 - 1999/2000*, contact:

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The three-year plan for education in Alberta is available on the Internet at Alberta Education's home page (<http://ednet.edc.gov.ab.ca>).

Introduction

The three-year plan for the education system supports the government's commitment to high standards for students, excellent schools, increased accountability, and greater community involvement in education. This plan advances our province's commitment to the three core businesses of people, prosperity and preservation. By working in partnerships with Albertans, Alberta Education will fulfill the provincial mandate: to ensure that all students have the opportunity to acquire the knowledge, skills and attitudes needed to be self-reliant, responsible, caring and contributing members of society.

Mission

"The Best Education For All Alberta Students."

Vision for Education

- ◆ Ensure students come first
- ◆ Focus resources on students
- ◆ Ensure excellence and affordability
- ◆ Account to Albertans
- ◆ Ensure quality programs and high standards for all students
- ◆ Support teachers' vital role
- ◆ Meet the needs of students in a rapidly changing world
- ◆ Involve all Albertans in education
- ◆ Help students be the best they can be
- ◆ Provide opportunities for choice

Core Business of Alberta Education

Alberta Education carries out the provincial government's constitutional responsibility for education under the direction of the Minister. The department has four core functions: to set and communicate high standards, focusing on what students need to learn; to assess and report to government and the public on student achievement and the performance and cost of the education system; to provide funding to school authorities on a fair and equitable basis and control the cost of education; and to develop and implement legislation, policies and long-range plans for the education system.

Key Areas for Improving Alberta's Education System

Information from education performance measures, three-year plan implementation, school board education plans and other sources indicate that there are areas that need improvement in the education system. Four key areas for continuous improvement have been identified and are addressed in this three-year plan for the education system. These also will be addressed in school authority three-year plans for 1997/98 to 1999/2000.

- ◆ **Increasing High School Completion Rates** - the Ministry will work with all Albertans to review curriculum; improve career education; increase student awareness of the importance of staying in school, and support alternatives to traditional schooling.

- ◆ **Improving Secondary Student Achievement in Mathematics** - the Ministry will work with school authorities to identify ways to improve mathematics achievement of secondary students; and increase emphasis on problem solving in curriculum, instructional materials and student evaluation.
- ◆ **Improving Student Access to Information Technology** - the Ministry will provide matching funds to put more computers in classrooms; establish requirements for technology in school authority three-year plans; develop curriculum standards for technology skills, and encourage the enhancement of teachers' abilities to use technology in instruction.
- ◆ **Improving Coordination of Services for Children** - the Ministry will work with other departments and agencies to support the re-design of the delivery of children's services across the province; work with school authorities to improve services for students with special needs; support school health research initiatives, with Alberta Health, to identify improved ways of meeting students' health and related service needs, and work with other government departments on case review and service plans to improve services for students with severe special needs.

Education System Goals, Results and Selected Strategies

Goals	Education System Results	Selected Department Strategies
Goal 1: Education is focused on what students need to learn and students achieve high standards.	<ul style="list-style-type: none"> ◆ Alberta's learning standards meet the expectations of Albertans. ◆ Students acquire the education they need to prepare them for work, further studies and for citizenship. ◆ School jurisdictions and schools are effective in providing all students with opportunities for success. ◆ Students achieve provincial and national learning standards. ◆ School authorities use performance measure results to improve student learning. 	<ol style="list-style-type: none"> 1.1 Continue to ensure and communicate clear learning outcomes and high standards for education. 1.2 Increase the emphasis on problem solving in curriculum, instructional materials and assessment. 1.3 Work with school authorities to establish a list of key program delivery factors that could be used by schools to improve mathematics achievement of secondary school students. 1.4 Provide classroom assessment materials to enhance teachers' understanding of provincial standards. 1.5 Provide information to parents on what students are expected to learn and to schools on what each student has achieved in relation to provincial standards. 1.6 Work with Advanced Education and Career Development to provide information to learners/students, parents, and others on career development, the labour market, learning opportunities and the workplace. 1.7 Work with Advanced Education and Career Development to ease transitions for youth among school, work and adult learning by recognizing prior learning achieved in and outside the classroom. 1.8 Review the K-12 curriculum (especially Health, Personal Life Skills and CALM 20) to identify knowledge and skills related to business awareness, employability skills and entrepreneurship.

Goals	Education System Results	Selected Department Strategies
<p>Goal 2: Parents and the community have the opportunity to be involved in the governance and delivery of a restructured education system.</p>	<ul style="list-style-type: none"> ◆ Parents and students can choose schools and programs within the public education system. ◆ Parents, business and the community have meaningful roles in education. ◆ All schools are safe and caring. 	<p>2.9 Assist school authorities to inform parents and the community, including business, of ways to be involved in schools and provide input to the education system.</p> <p>2.10 Continue to implement and monitor the effectiveness of charter schools.</p> <p>2.11 Work with students and other partners to identify ways to improve student conduct and school climate.</p> <p>2.12 With Advanced Education and Career Development, work with employers and educators to create more opportunities for youth to develop competencies by integrating classroom and workplace learning.</p>
<p>Goal 3: Students have access to the support services they require.</p>	<ul style="list-style-type: none"> ◆ Services for children are coordinated at the provincial and local levels. 	<p>3.13 Provide guidelines to assist school authorities to develop local coordination of service agreements for improving services for students with special needs.</p> <p>3.14 Support school health research initiatives to identify improved ways of meeting students' health and related service needs.</p> <p>3.15 Work with Alberta Family and Social Services, Alberta Health, and other government departments on case review and service plans to improve services for students with severe special needs.</p> <p>3.16 Work with other departments and agencies to improve service standards and funding mechanisms in support of the Redesign of Children's Services in Alberta.</p>
<p>Goal 4: Teaching in Alberta consistently is of high quality.</p>	<ul style="list-style-type: none"> ◆ Teacher preparation and professional growth focus on the competencies needed to help students learn. ◆ Teachers know the Alberta curriculum and have the skills and knowledge needed to provide students with the best possible opportunity to learn. ◆ Teachers evaluate student needs and progress, and use the results to improve student learning. ◆ Teachers help students achieve provincial learning expectations and high standards. 	<p>4.17 Implement updated teacher preparation, certification and evaluation requirements.</p> <p>4.18 Communicate competencies for beginning and experienced teachers.</p> <p>4.19 Work with partners to develop ways to monitor and report on the effectiveness of updated teacher preparation, certification, professional development and evaluation requirements.</p> <p>4.20 Identify and communicate "best practices" for supervising and mentoring beginning teachers.</p> <p>4.21 Identify and communicate "best practices" for teacher evaluation and professional development.</p>

Goals	Education System Results	Selected Department Strategies
<p>Goal 5: Information technology is integrated into education to enhance student learning, and increase efficiency and flexibility of delivery.</p>	<ul style="list-style-type: none"> ◆ Students have information technology skills needed for K-12 learning, work and post-secondary studies. ◆ Information technology expands choice and flexibility in what, when, where and how students learn. ◆ Teachers are able to integrate information technology into instruction and the management of student learning. 	<p>5.22 Develop curriculum standards for technology skills to be achieved by students.</p> <p>5.23 Work with Advanced Education and Career Development to coordinate strategies between schools and the post-secondary system for integration of technologies into teaching and learning.</p> <p>5.24 Work with school authorities and institutions providing teacher preparation to improve teachers' ability to support and direct student learning in a technology-facilitated learning environment.</p> <p>5.25 Provide matching funding for modern computers in the classroom.</p>
<p>Goal 6: The education funding system is fair, equitable and affordable.</p>	<ul style="list-style-type: none"> ◆ Albertans pay comparable education taxes on properties of equal value. ◆ All school boards and schools are equitably funded. ◆ The province, school authorities and schools are efficient in their use of education funding 	<p>6.26 Continue to increase the proportion of funding used for instruction.</p> <p>6.27 Complete the phase in of uniform property tax rates for education.</p> <p>6.28 Assess and adjust the Funding Framework to maintain equitable funding to school boards.</p>
<p>Goal 7: The education system is open and accountable for achievement of results and use of resources.</p>	<ul style="list-style-type: none"> ◆ Albertans have timely and meaningful information about student achievement and cost of education at the provincial, school authority and school levels. 	<p>7.29 Report regularly to the public on student learning and achievement, costs, and other results of Alberta's education system, and develop actions to improve education.</p> <p>7.30 Complete the phase in of school authority and school three-year education plans and results reports.</p> <p>7.31 Continue to assess school authority education plans and results reports, provide feedback, and use results to improve education.</p>
<p>Goal 8: Alberta Education is managed effectively and efficiently to achieve government goals.</p>	<ul style="list-style-type: none"> ◆ Department service is of high quality, affordable and focused on the needs of our partners. ◆ The department is reduced and its work is guided by government's vision, mission and goals for education and the department's mandate. ◆ Staff productivity plans are linked to government's goals for education and are focused on the department's core responsibilities and legislated functions. 	<p>8.32 Continue to streamline business processes and support innovations that improve the quality of department services and operations.</p> <p>8.33 Continue to simplify and reduce regulatory requirements in the implementation of Alberta Education's Regulatory Reform Action Plan, and provide it to the public.</p> <p>8.34 Better align the department's structure and resources to implement education plan goals.</p> <p>8.35 Use technology to provide more effective and efficient department operations and services.</p> <p>8.36 Address the recommendations of the external assessment of the department's performance.</p>

Total Education Spending, 1997/1998 to 1999/2000

About \$3 billion is spent annually to provide high quality programs for over 560,000 students from Early Childhood Services (ECS) to Grade 12. The Funding Framework ensures funds are used effectively and efficiently to provide school programs, facilities and transportation for students and to meet government spending targets. This meets Albertans' need for quality education at an affordable cost. Funds are focused on instruction to enable Alberta's young people to achieve high standards and to prepare for work, further study and citizenship.

Education Spending, 1997/98 to 1999/2000 (in millions of dollars)

Fiscal Year	1992/93 Actuals	1996/97 Forecast	1997/98 Budget	1998/99 Target	1999/2000 Target
Public & Separate School Board funding, including ECS*	2,893	2,782	2,875	2,931	2,951
Private Schools and Private ECS	42	51	56	57	58
Department Operations	57	47	44	39	39
LRDC Revolving Fund	16	18	17	17	17
Total Spending on Education	3,008	2,898	2,992	3,044	3,065
Less - Opted-out School Boards and Lottery Funds	(130)	(167)	(170)	(171)	(174)
Total Ministry Spending	2,878	2,731	2,822	2,873	2,891

* Includes opted-out school boards, contributions to the Teachers' Retirement Fund, the Learning Resources Distributing Centre (LRDC) and Material Resource Centre (MRC) subsidies and reinvestment in education, including lottery funds.

Reinvestment Initiatives

Overall, by 1999/2000 funding for school boards will increase by \$169 million or 6.1% from the 1996/97 forecast. Spending highlights include:

- ◆ **Enrolment Growth** - A total of about \$100 million will be added to support increasing enrolment over the period of the plan.
- ◆ **Regular Instruction** - An additional \$15 million annually will be provided to school boards by increasing the per student instructional grant from \$3,686 to \$3,716 effective April 1, 1998.
- ◆ **Technology Upgrading for Schools** - The \$40 million for 1997/98 and 1998/99 to expand education technology in schools will be increased by \$20 million by extending the program through 1999/2000. As well, a one-time contribution of \$5 million over two years is being provided from the Lottery Fund. To qualify for funding, school boards must spend a matching amount on approved technology integration projects, doubling the impact of this initiative.
- ◆ **Capital Funding** - To support construction and renewal of school buildings, \$122 million is allocated for 1997/98 and increases by \$18 million to \$140 million each year beginning in 1998/99.

- ◆ **Students with Severe Disabilities** - To recognize an increased number of ECS to Grade 12 students identified with severe disabilities, the 1996/97 budget was increased \$17.9 million through reallocations and supplementary funding. An additional \$8.9 million will be added starting in 1997/98, bringing annual spending to about \$77 million.
- ◆ **Equity Funding** - Beginning in 1998/99, an increase of \$8 million annually will recognize differential costs in rural school jurisdictions, such as transportation, operations and maintenance of schools, and sparsity and distance.

Key Performance Measures for Education Accountability

Performance measures for the education system are used to assess and report annually on the quality of education in Alberta and to identify areas for improvement. Some of these performance measures also are used by school authorities and schools to assess and report on their results and to identify improvement areas.

- ◆ Percentage of students in grades 3, 6 and 9 who met or exceeded the acceptable standard on provincial achievement tests.

Subject	1991	1992	1993	1994	1995	1996	Standard
Grade 3							
Language Arts			76%		81%	86%	85%
Mathematics				87%	89%	91%	85%
Grade 6							
Language Arts		70%			80%	84%	85%
Mathematics	73%				81%	85%	85%
Science				85%	82%	86%	85%
Social Studies			76%		79%	78%	85%
Grade 9							
Language Arts				81%	82%	88%	85%
Mathematics		61%			66%	69%	85%
Science			73%		76%	81%	85%
Social Studies	75%				75%	79%	85%

Note: Achievement standards are set by members of the public and educators in relation to expected learning outcomes in the prescribed curriculum.

- ◆ Percentage of students writing grade 12 examinations who met or exceeded the acceptable standard.

Subject	1991/92	1992/93	1993/94	1994/95	1995/96	Standard
English 30	89%	88%	87%	87%	91%	85%
English 33	87%	86%	85%	86%	86%	85%
Social Studies 30	81%	80%	84%	84%	84%	85%
Social Studies 33	—	—	—	—	83%	85%
Mathematics 30	73%	75%	75%	74%	74%	85%
Mathematics 33	—	—	—	—	79%	85%
Biology 30	76%	82%	81%	81%	77%	85%
Chemistry 30	83%	82%	80%	84%	82%	85%
Physics 30	81%	82%	85%	84%	80%	85%
Science 30	—	—	—	—	79%	85%

Note: January, June and August results are included for each school year. The acceptable standard is a mark of 50% or higher and the standard of excellence is a mark of 80% or higher.

- ◆ Percentage of students who receive a high school diploma or certificate, or enter post-secondary studies within 6 years of entering grade 9.

1991/92	1992/93	1993/94	1994/95	1995/96	Target 1999/2000
68%	69%	70%	69%	69%	75%

- ◆ Percentage of parents and high school students satisfied overall with the quality of education, and percentage of parents of children with severe special needs satisfied with services for their child.

	1995	1996	Target 1999
Parents' overall satisfaction with child's education	88%	88%	90%
Satisfaction of students with the quality of their education	94%	95%	95%
Satisfaction of parents of children with severe special needs	84%	75%	80%

Note: Parents of ECS to Grade 12 students were surveyed.

- ◆ Percentage of parents and high school students satisfied with various important aspects of teaching/school.

	1995 Students	1996 Parents	1996 Students	Target 1999
Teachers use a variety of methods to help students learn	82%	82%	88%	90%
Teachers help students achieve learning expectations*		—		—
Teachers help students achieve high standards*		—		—
Teachers clearly communicate learning expectations for students		80%		90%

* Information to be collected and reported in 1997

- Percentage of parents and high school students satisfied that school improves students' computer skills and satisfied with student access to technology in school.

	1995 Students	1996 Parents*	1996 Students	Target 1999
School improves students' computer skills	62%	—	65%	80%
Student access to technology in school*	—	—	—	—

* Information to be collected and reported in 1998

- Percentage of parents, high school students and the public satisfied that high school graduates have the knowledge and skills to get a job and are prepared for post-secondary studies.

	1996 Skills to get a job	1995 Prepared for Post-secondary	1996 Prepared for Post-secondary	Target 1999	
				Skills to get a job	Prepared for Post-secondary
Parents	47%	65%	70%	55%	75%
High school students	83%	87%	91%	90%	90%
Public	38%	60%	68%	45%	75%

- Percentage of parents satisfied with the information from their school on their child's educational progress and achievement.

	1995	1996	Target 1999
Satisfied with access to information	90%	87%	90%
Satisfied with the information itself	88%	86%	90%

- Percentage of parents and the public satisfied with value received from public funds spent on education.

	1995	1996	Target 1999
Parents	73%	78%	80%
Public	51%	52%	55%

- Percentage of school board spending on instruction and on system governance and administration based on total school board spending.

	1993/94	1994/95	Target 1999/2000
Instruction in schools	66.2%	64.9%	70.4% or more
Board governance and system administration	5.5%	6.0%	5.0% or less
Other	28.3%	29.1%	24.6%

Note: Other includes transportation, operations and maintenance, debt servicing and external services.

- ◆ Differences in average annual provincial equalized residential property tax rate for education (Alberta School Foundation Fund - Basic Levy).

	1994	1995	1996	1997	Target 1999
Highest mill rate	11.4	10.2	8.5		At or below 7.02
Lowest mill rate	2.2	2.8	3.1		
Average mill rate	7.5	7.3	7.1	7.02	

- ◆ Range in per student expenditure by school jurisdictions.

	1992/93	1993/94	1994/95	1995/96(E)
Lowest	\$3,663	\$4,172	\$4,596	\$5,019
Highest	\$22,582	\$22,040	\$13,594	\$12,019
Average	\$5,906	\$5,838	\$5,606	\$5,484

- ◆ Cost of department operations per public school student.

1992/93	1993/94	1994/95	1995/96	1996/97(E)	Target 1999/2000
\$116	\$102	\$99	\$99	\$94	\$77

Education

Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	5,168	8,667	5,849	9,280	4,630	3,007	2,796	2,796
Education Revolving Fund	25,419	24,008	22,869	21,777	23,805	22,157	22,545	22,545
Alberta School Foundation Fund	1,114,633	1,167,883	1,200,993	1,201,397	1,166,601	1,170,454	1,110,396	1,085,251
Consolidation Adjustments	(8,902)	(4,671)	(4,346)	1,979	(13,541)	(5,943)	(5,975)	(5,975)
Consolidated Revenue	1,136,318	1,195,887	1,225,365	1,234,433	1,181,495	1,189,675	1,129,762	1,104,617
EXPENSE								
Program								
<i>Voted</i>								
Department	1,746,955	1,783,042	1,540,030	1,491,666	1,548,872	1,635,637	1,747,571	1,790,810
<i>Statutory</i>								
Education Revolving Fund	25,300	24,589	22,771	22,331	23,655	22,177	22,545	22,545
Alberta School Foundation Fund	1,114,696	1,167,591	1,189,347	1,199,123	1,164,000	1,170,450	1,109,146	1,084,001
Consolidation Adjustments	(8,902)	(4,671)	(4,346)	(5,712)	(5,850)	(5,943)	(5,975)	(5,975)
Consolidated Expense	2,878,049	2,970,551	2,747,802	2,707,408	2,730,677	2,822,321	2,873,287	2,891,381
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	(3)	(4)	(44)	-	-	-	-
NET REVENUE (EXPENSE)	(1,741,731)	(1,774,667)	(1,522,441)	(1,473,019)	(1,549,182)	(1,632,646)	(1,743,525)	(1,786,764)

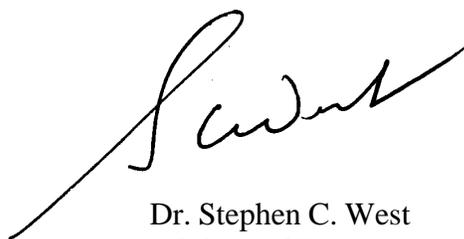
Energy

Business Plan 1997-1998 to 1999-2000

Accountability Statement

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The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Dr. Stephen C. West
Minister of Energy
April 12, 1997

Introduction

The Ministry of Energy has developed its Business Plan so that it contributes to the government's core businesses of *People, Prosperity, and Preservation* and supports the government's priorities. The plan identifies the strategic direction of the Ministry through its vision, mission, mandate and goal statements and outlines the results for which the Ministry intends to be held accountable over the 1997-2000 planning horizon.

Ministry vision for Alberta's energy and mineral resources, industries and utilities:

- ◆ Energy and mineral resources are developed in an orderly, efficient and environmentally responsible manner.
- ◆ Prosperous energy and mineral industries operate responsibly and in a regulatory framework that balances the interests of Albertans.
- ◆ Financially sound utilities provide efficient service to customers at a fair price.

Ministry Mandate:

The mandate of the Ministry is derived from legislation and direction from the Minister and Cabinet. The Ministry is responsible for oil, gas, oil sands, hydrogen, coal, electricity, and mineral resources. Its mandate is captured by the core businesses listed below, which are administered with high-quality service and minimum-cost processes. The mandate encompasses two distinct organizations, the Department of Energy (DOE) and the Alberta Energy and Utilities Board (EUB), each with its own mission and core businesses.

<i>Department of Energy (DOE)</i>	<i>Alberta Energy and Utilities Board (EUB)</i>
Mission	Mission
To maximize the sustained contribution of the energy and mineral industries to the Alberta economy and to government revenues by enhancing the value of our resources for the benefit of Albertans.	To ensure that development of Alberta's energy resources takes place in a responsible manner in the public interest and that Albertans receive safe and efficient utility service at rates that are fair and reasonable.
Core Businesses	Core Businesses
Market and Fiscal Framework The DOE maintains a framework of legislation, regulation, policies and programs which fosters environmentally responsible resource development and contributes to the competitiveness of the Alberta economy.	Adjudication and Regulation The EUB adjudicates issues and regulates the development and transportation of the province's energy resources and the rates of designated utilities having regard for the public interest.
Energy Research In partnership with industry, research institutions and other government agencies, the DOE supports research and development activities to promote the effective use of Alberta's energy and mineral resources.	Application Process The EUB uses an open and efficient application process that places responsibility on industry to understand and comply with regulatory requirements and a review, audit and enforcement system that ensures the integrity of the process.
External Relations The DOE acts as an advocate for the province's energy and mineral sectors within the government, the province and in other jurisdictions. It participates in national and international organizations to support the province's energy and mineral industries and to promote investment, development and trade.	Surveillance and Enforcement The EUB reviews data and records and inspects operations to ensure compliance with regulatory requirements and accepted policies and standards. Non-compliance is addressed through consistent application of escalating consequences.
Mineral Rights In consultation with industry and government agencies, the DOE manages the disposition of Crown mineral rights and supports the development of Crown mineral resources.	Information/Knowledge The EUB collects, stores and disseminates energy resource and geoscience information. The EUB analyses energy resource data to maintain an inventory of the province's resources and to fulfil its regulatory and advisory mandates.
Mineral Revenue The DOE assesses, levies, collects, monitors and forecasts Crown mineral resource revenue received through rentals, bonuses, royalties, and freehold taxes.	

Goals and Strategies

This Business Plan highlights goals that will reshape the Ministry's operations and improve its business performance. Each goal has specific strategies that the DOE or EUB will undertake during the next three years to fulfil the goal. The Ministry's goals and strategies support the government's priorities of *a prosperous and growing economy* and *preserving the sustainability of Alberta's non-renewable resources*.

DEPARTMENT OF ENERGY		
Core Business Goals	Strategies	Target (completion)
<p>1.1 Market and Fiscal Framework</p> <p>1.1.1 Fiscal Framework A clear and predictable fiscal framework that determines Crown share based on rent, provides appropriate translation of market incentives for resource development and responds to changing business and economic environments.</p>	<p>a) Ensure the fiscal framework remains appropriate through monitoring the market environment and industry performance, and reviewing elements of the fiscal framework in consultation with industry.</p>	<p>4th quarter 1998/99.</p>
<p>1.1.2 Market Access and Development A framework that promotes full access to a functioning market, determines value and promotes development and upgrading of Alberta's resources.</p>	<p>a) Improve the regulatory framework for natural gas utilities in Alberta. b) Continue development of a competitive electric industry in consultation with EUB and stakeholders. c) Complete natural gas deregulation as it relates to security of supply. d) Review tenure rules as necessary to achieve a fair balance between the reasonable time needed to develop mineral rights and the availability of rights to those seeking to exploit them. e) Where economic, encourage increased value-adding/upgrading of Alberta's resources.</p>	<p>1st quarter 1997/98. 2nd quarter 1997/98 4th quarter 1998/99. 4th quarter 1998/99. Ongoing.</p>
<p>1.1.3 Harmonization and Jurisdictional Clarity A coherent federal-provincial regulatory framework characterized by jurisdictional clarity, harmonization and recognition of Alberta resource ownership.</p>	<p>a) Ensure the Canadian position on international climate change is based on federal-provincial consensus on national interest. b) Work with the federal and other provincial governments to develop a clear and certain regulatory structure for pipeline developments serving the Western Canadian Sedimentary Basin. c) Work to ensure that national environmental policies on air issues such as climate change consider economic objectives, in particular the impact on the energy and mineral sectors.</p>	<p>3rd quarter 1997/98. Ongoing. Ongoing.</p>
<p>1.1.4 Regulatory and Environmental Framework A regulatory framework that provides certainty and achieves environmental and other public interest objectives.</p>	<p>a) Review regulations affecting the energy and mineral industries. b) Work within the Clean Air Strategic Alliance (CASA) to develop agreement on priorities and more cost-effective approaches to maintaining or enhancing Alberta's air quality. c) Encourage industry and government participation in the national Voluntary Challenge and Registry and encourage joint implementation initiatives.</p>	<p>2nd quarter 1998/99. Ongoing. Ongoing.</p>
<p>1.2 Energy Research</p> <p>1.2.1 Promote Research and Technology Research and the development of enabling technologies is promoted, supported and facilitated for the sustainable development of Alberta's oil sands and other energy and mineral resources.</p>	<p>a) Continue to review and update strategies for energy and mineral research in Alberta. b) Disseminate information on research and technology. c) Support research into technologies required for the development of the energy and mineral resources of Alberta.</p>	<p>1st quarter 1997/98. Ongoing. Ongoing.</p>

DEPARTMENT OF ENERGY

Core Business Goals	Strategies	Target (completion)
<p>1.3 External Relations</p> <p>1.3.1 Promotion, Investment and Development An advocacy program that supports investment and development in the energy and mineral industries and their markets.</p>	<ul style="list-style-type: none"> a) Represent the interests of the province and the energy and mineral sectors in other jurisdictions. b) Develop a good understanding throughout the Alberta government of the issues affecting the energy and mineral sectors. c) Pursue effective multi-department solutions to issues having an impact on more than one department. d) Vigilantly safeguard Alberta's ownership of its resources. e) Provide information on the Alberta Advantage to potential investors in Alberta's energy and mineral sectors. f) Support Alberta energy sector companies that seek offshore energy and mineral markets and investment opportunities. 	<p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing.</p>
<p>1.4 Mineral Rights</p> <p>1.4.1 Mineral Access Rules Access to mineral resources that is fair in relation to competing land use and environmental interests.</p>	<ul style="list-style-type: none"> a) Integrate provincial government processes that decide the environmental status of land and the use or disposition of Crown surface and mineral rights. b) Foster solutions to disagreements between mineral industries and other land use special interest groups. 	<p>4th quarter 1998/99.</p> <p>4th quarter 1998/99.</p>
<p>1.4.2 Minerals Tenure Rules Business rules that achieve tenure policy objectives without impairing industry's exploration and development practices or related decision-making abilities.</p>	<ul style="list-style-type: none"> a) Redesign minerals tenure rules that are incomplete, ambiguous or prejudicial to business practice. b) Improve industry understanding of minerals tenure rules. 	<p>2nd quarter 1997/98.</p> <p>4th quarter 1998/99.</p>
<p>1.4.3 Tenure Administration Processes Minerals tenure administration processes that are efficient, effective and capable of evolving.</p>	<ul style="list-style-type: none"> a) Streamline and automate rights administration processes to improve client services and product delivery. b) Ensure processes do not impose administrative costs on industry or restrict industry eligibility for benefits. 	<p>4th quarter 1998/99.</p> <p>4th quarter 1998/99.</p>
<p>1.5 Mineral Revenue</p> <p>1.5.1 Business Rules Revenue business rules that deliver policy objectives without impairing industry business practices or decision-making abilities.</p>	<ul style="list-style-type: none"> a) Create with industry a long-term vision and plan for the mineral revenue business and define the necessary information requirements to achieve a more streamlined and simplified business. 	<p>2nd quarter 1997/98.</p>
<p>1.5.2 Administration Revenue administration processes that ensure accurate assessment and timely collection without imposing administrative costs on industry or restricting industry eligibility for benefits.</p>	<ul style="list-style-type: none"> a) Improve industry consultation processes. b) Structure revenue administration around business processes. c) Redesign revenue administration processes that are ineffective and burdensome to industry. 	<p>1st quarter 1998/99.</p> <p>1st quarter 1999/2000.</p> <p>4th quarter 1999/2000.</p>
<p>1.5.3 Monitoring and Forecasting Revenue monitoring and forecasting methods that demonstrate revenue management accountability and support Treasury fiscal management.</p>	<ul style="list-style-type: none"> a) Implement frequent, comprehensive revenue measurement and analysis. 	<p>1st quarter 1998/99.</p>

ALBERTA ENERGY AND UTILITIES BOARD

Core Business Goals	Strategies	Target (completion)
<p>2.1 Adjudication and Regulation</p> <p>2.1.1 A regulatory framework that will encourage industry to perform responsible resource and facility development and provide for sound utility regulation.</p>	<p>a) Refocus regulatory processes to place more responsibility on industry.</p> <ul style="list-style-type: none"> ● Clearly identify requirements, expectations and consequences of non-compliance in guides. ● Communicate expectations to both industry and the public. <p>b) Ensure regulatory processes achieve fairness, conservation, safety, equity and protection of the environment.</p> <ul style="list-style-type: none"> ● Public Safety and Risk Review. ● Solution Gas Conservation Policy Review. ● Implement Oil Field Waste Management Program. <p>c) Develop the specifics of the regulatory framework necessary to implement the Electric Utilities Act.</p> <ul style="list-style-type: none"> ● Develop guidelines for a negotiated settlement process. <p>d) Ensure customers view regulation and adjudication to be fair, firm, equitable, efficient and consistent.</p> <ul style="list-style-type: none"> ● Survey customers to measure confidence in the regulatory system. 	<p>2nd quarter 1997/98 and ongoing. Ongoing.</p> <p>3rd quarter 1997/98. 2nd quarter 1997/98. 1st quarter 1997/98.</p> <p>1st quarter 1998/99.</p> <p>3rd quarter 1997/98.</p>
<p>2.1.2 Regulatory activities harmonized with other government departments and agencies to avoid unnecessary duplication.</p>	<p>a) Improve efficiency of regulatory framework.</p> <ul style="list-style-type: none"> ● Complete 3-year plan to review all regulations with stakeholders. ● Clarify jurisdiction through Memorandums of Understanding. ● Initiate a pilot review of the regulatory processes applied to energy development projects across government departments and agencies. 	<p>3rd quarter 1998/99. Ongoing. 1st quarter 1997/98.</p>
<p>2.2 Applications Process</p> <p>2.2.1 Increased emphasis on streamlined application processes that rely on applicants to understand and comply with all requirements.</p>	<p>a) Streamline application processes.</p> <ul style="list-style-type: none"> ● Assess effectiveness of the new facilities application process. ● Examine opportunities to streamline applications for injection and well licensing. ● Test EUB/Alberta Environmental Protection (AEP) coordinated approval process for oil sands applications. ● Complete initial design and implement a pilot electronic submission and review system. <p>b) Develop an audit and enforcement system to ensure accurate information in applications.</p> <ul style="list-style-type: none"> ● Formalize audit protocols. 	<p>1st quarter 1997/98. 2nd quarter 1997/98.</p> <p>3rd quarter 1997/98.</p> <p>2nd quarter 1997/98.</p> <p>4th quarter 1997/98.</p>
<p>2.3 Surveillance and Enforcement</p> <p>2.3.1 A surveillance and enforcement process that is sufficiently rigorous to safeguard the integrity of EUB regulatory processes for public safety, conservation of resources and the environment.</p>	<p>a) Continue to develop surveillance processes that focus on high-risk operations and problem areas.</p> <ul style="list-style-type: none"> ● Expand scope of Orphan Well Program to encompass other upstream oil and gas facilities and associated reclamation in conjunction with AEP, Agriculture, Food and Rural Development and the oil and gas industry. <p>b) Initiate implementation of enforcement policy emphasizing escalating consequences and corporate focus.</p> <ul style="list-style-type: none"> ● Develop consistent escalating enforcement procedures for facilities. ● Link processes to corporate compliance data systems. 	<p>3rd quarter 1997/98.</p> <p>3rd quarter 1997/98. 3rd quarter 1997/98.</p>
<p>2.4 Information/Knowledge</p> <p>2.4.1 Collection of information required by our mandate and vision that reflects the varied priorities of our internal and external customers, but avoids acquiring unnecessary data.</p>	<p>a) Respond to customer needs respecting the submission and release of information.</p> <ul style="list-style-type: none"> ● Identify opportunities to enhance or modify resource information based on customer input. <p>b) Ensure EUB's role in collection, handling and dissemination of energy sector data is consistent with EUB regulatory needs and industry needs. All data exchange will occur efficiently using electronic data interchange principles.</p> <ul style="list-style-type: none"> ● Complete a study to assess the EUB's role in collection and dissemination of energy data. ● Continue to assess what type and detail of information is needed for regulatory processes and by industry. ● Complete initial design and implement a pilot electronic data exchange system. 	<p>3rd quarter 1997/98.</p> <p>1st quarter 1997/98.</p> <p>4th quarter 1999/2000.</p> <p>4th quarter 1997/98.</p>

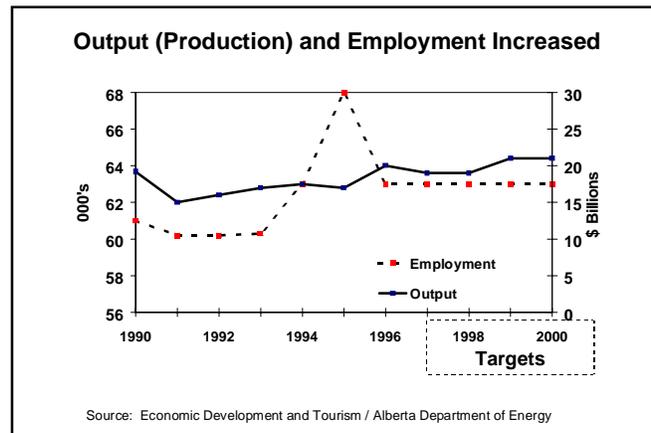
Ministry of Energy Performance Measures

Through its performance measures, the Ministry of Energy monitors the influence its core businesses have on outcomes that contribute to the government's core businesses of *People, Prosperity and Preservation*. The Ministry's core businesses are working to optimize the sustained contribution from Albertans' non-renewable resources, while ensuring the orderly, efficient and environmentally sound development and conservation of energy resources.

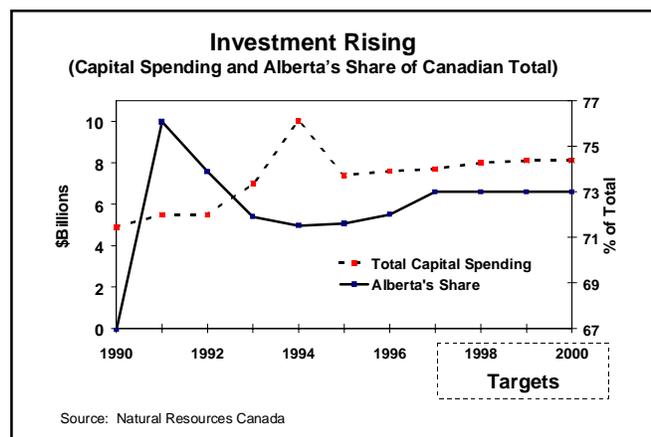
1. Economic Performance

Over time, the success of the Department in carrying out its core businesses affects the employment, output, exports, investment and costs of the oil, gas and coal industries. The Department's policies, programs and regulatory framework contribute to an investment climate conducive to high employment and economic growth. The combination of the Department's fiscal framework and support for research has contributed significantly to the capital spending decisions made by the industry.

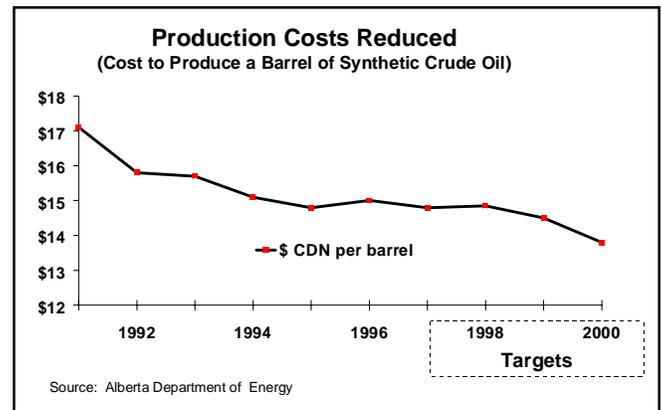
The oil and gas industry is subject to cyclical prices and investment activity. Using the average number of oil and gas industry jobs between 1981 and 1990 as a base period, there has been an increase of 11% in industry employment through 1995. By 2000, employment is expected to stabilize, for an overall increase of 3% compared to the base. Production continues to rise, with an overall increase of 9% expected between 1996 and 2000.



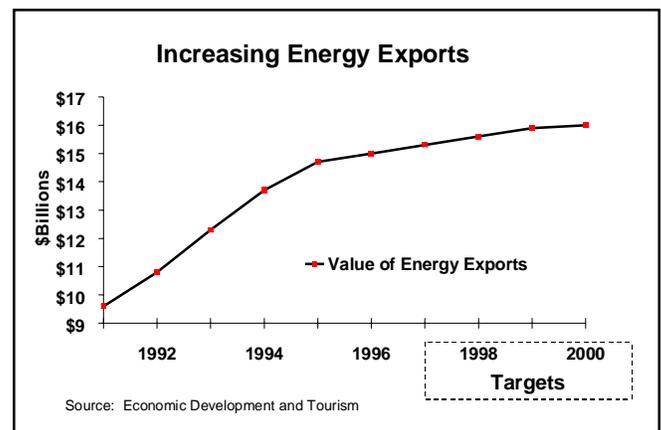
Alberta's share of industry investment in Canada has increased and is expected to level out at 73% by 2000. Spending in the oil sands sector alone is expected to contribute \$7 billion to Alberta's economy over the next ten years. Capital spending has increased by 51% since 1990 and is expected to stabilize by 2000.



The Department focuses on supporting development of new technology that reduces costs and increases the efficiency of recovery. This sustains production of the resource and related economic returns to the people of Alberta. The cost to produce a barrel of synthetic crude declined by \$2 between 1991 and 1996 through the application of new technology and processes. It is expected to decline by another \$1 by 2000.

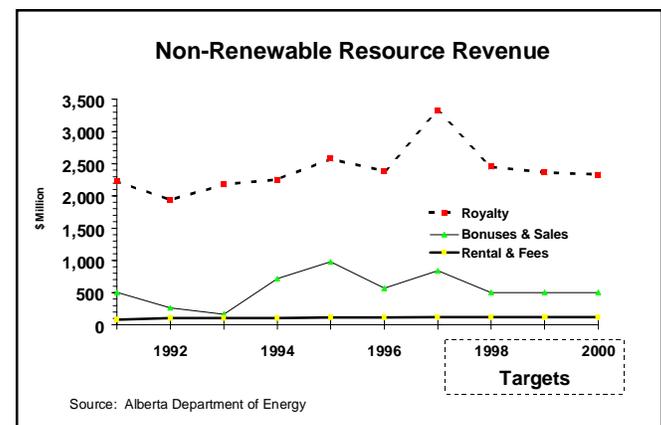


The Department participates in national and international organizations to promote investment, development and trade. It also acts as an advocate for the energy industry in other jurisdictions. This supports Alberta's efforts to attract new investment for economic prosperity and to increase exports. Total energy exports have increased by over \$5 billion (53%) from \$9.6 billion in 1991 to \$14.7 billion in 1995, and are expected to reach \$16 billion by 2000.



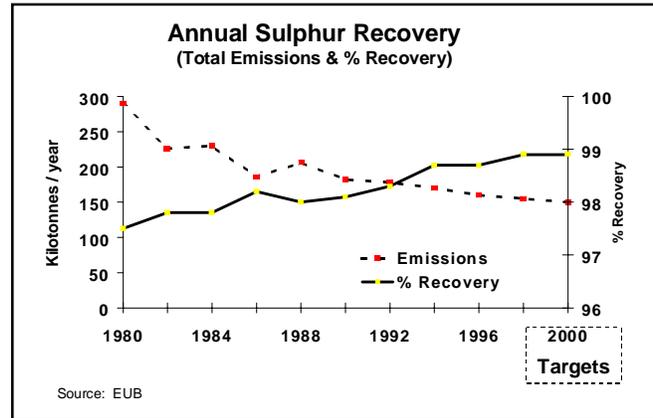
2. Non-Renewable Resource Revenue

The Department ensures that Albertans receive the revenue and benefits they are entitled to from their non-renewable resources. Revenues have been high over the past three years due to high world prices. These revenues are expected to stabilize in the future to more historic levels.



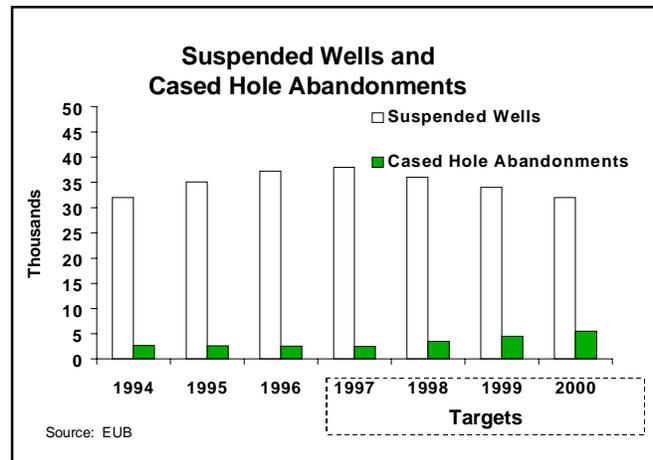
3. Preservation of Public Safety and Environment

Public safety and preservation of the environment continue to be high priorities for the EUB. The EUB monitors energy industry facilities to ensure they operate in compliance with approvals and regulatory requirements such as required sulphur recovery levels at sour gas plants. The EUB also monitors trends in the rate of occurrence of incidents which have the potential to affect public safety or the environment, such as well blowouts and pipeline leaks.



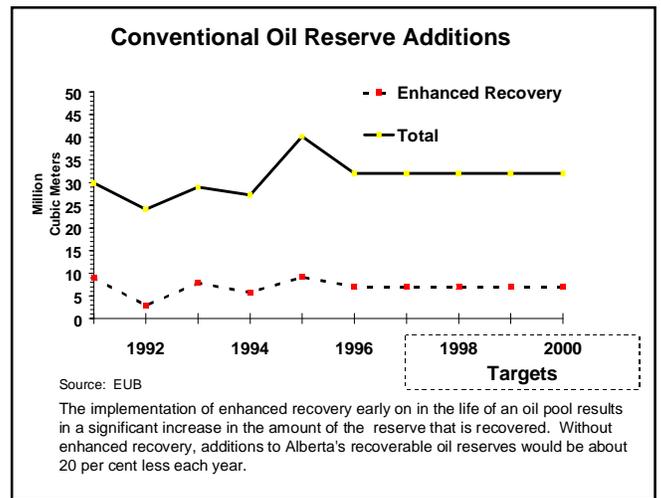
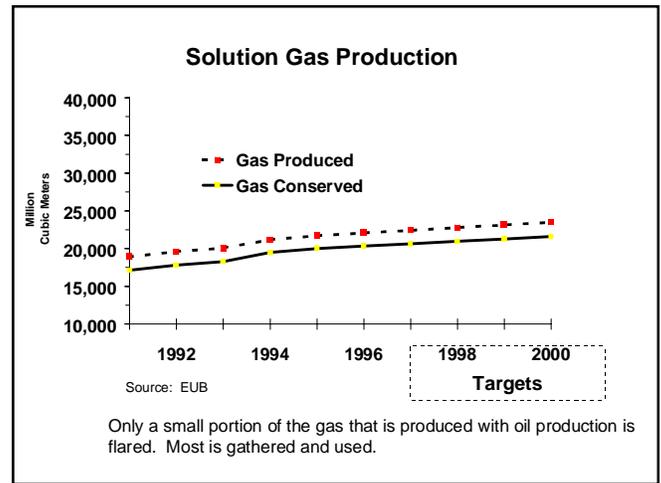
Orphan Well Program

Because of the maturity of the oil and gas industry in Alberta, increasing attention must be paid to proper abandonment of infrastructure that is no longer needed. The EUB and the petroleum industry are working together in programs to identify and deal with the current orphan well population (wells where the original licensee and working interest owners no longer exist) and minimize the future occurrence of orphan wells. Liability to the Alberta taxpayer has been substantially reduced by the petroleum industry assuming financial responsibility for the abandonment of orphan wells. The EUB is monitoring the inventory of suspended wells.



4. Protection of public's interest in its resources

The EUB requires that sound engineering and economic practices be applied to the production of Alberta's energy resources to prevent waste. Production rate controls are applied to all new oil pools, which remain in place until operators have examined and implemented, where feasible, enhanced oil recovery and conservation of solution gas. These measures and others are applied to ensure optimal recovery of Alberta's oil and gas resources, thereby contributing to the sustainability of energy production.



5. Stakeholder Confidence in Regulatory System

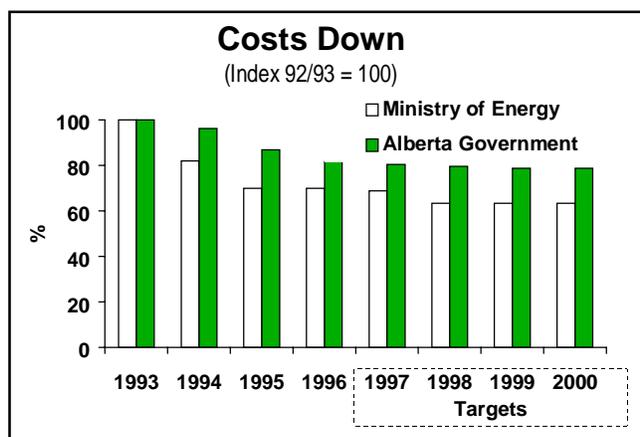
An important measure of the performance of the regulatory system is stakeholder confidence that energy development is regulated in a manner that recognizes and fairly balances public, individual and industry interests. The EUB intends to develop stakeholder confidence indices based on customers' views of the EUB's performance as a regulator and service provider.

Stakeholder Confidence	Target 1997	Target 1998	Target 1999
Service Index	70	73	75
Regulatory Index	65	67	70

Note: In 1994 and 1995, the EUB conducted pilot customer surveys for its Field Surveillance Group and Resources Division to obtain customer perspectives on EUB roles, priorities and service. Over 500 customers were contacted by mail, phone or in focus groups.

6. Cost of Ministry Operations

The Ministry continues to explore ways of enhancing the efficiency of operations while maintaining the integrity of its regulatory requirements at the lowest possible cost to Albertans. Over the past four years, we have continued to provide quality services while the Ministry's costs have declined by 22%.



Energy Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	2,506,520	3,167,605	3,775,169	3,185,002	4,463,998	2,732,460	2,820,460	2,792,460
Alberta Energy and Utilities Board	60,722	63,270	63,888	60,617	58,486	58,639	58,479	57,289
Alberta Oil Sands Technology and Research Authority	30,515	23,586	24,696	20,082	26,700	17,200	9,200	9,200
Alberta Petroleum Marketing Commission	8,310	7,743	6,736	8,704	2,133	-	-	-
Take-or-Pay Costs Sharing Fund	39,343	15,715	3,240	-	-	-	-	-
540540 Alberta Ltd.	203	708	1,021	-	-	-	-	-
Consolidation Adjustments	(48,130)	(44,320)	(36,860)	(37,203)	(27,163)	(21,740)	(21,603)	(21,240)
Consolidated Revenue	2,597,483	3,234,307	3,837,890	3,237,202	4,524,154	2,786,559	2,866,536	2,837,709
EXPENSE								
Program								
<i>Voted</i>								
Department	96,305	88,071	80,318	75,941	70,924	71,021	71,180	71,179
<i>Statutory</i>								
Alberta Energy and Utilities Board	57,027	58,690	58,199	61,490	57,192	57,914	58,024	57,974
Alberta Oil Sands Technology and Research Authority	30,454	23,188	18,765	14,808	19,835	19,017	9,200	9,200
Alberta Petroleum Marketing Commission	4,127	4,168	3,807	4,482	875	-	-	-
Take-or-Pay Costs Sharing Fund	39,343	15,715	3,240	-	-	-	-	-
540540 Alberta Ltd.	203	708	1,021	-	-	-	-	-
Consolidation Adjustments	(43,885)	(39,671)	(36,300)	(30,262)	(25,905)	(21,740)	(21,603)	(21,240)
Consolidated Expense	183,574	150,869	129,050	126,459	122,921	126,212	116,801	117,113
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	522	(89)	-	-	-	-
NET REVENUE (EXPENSE)	2,413,909	3,083,438	3,709,362	3,110,654	4,401,233	2,660,347	2,749,735	2,720,596

Environmental Protection

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Ty Lund
Minister of Environmental Protection
April 12, 1997

Introduction

Albertans enjoy abundant natural resources and beautiful landscapes that are the envy of the world. Alberta's clean environment and our sustainable management of our renewable natural resources contribute to our high quality of life. As reflected in our Ministry's mission statement, we are committed to preserving the health and viability of Alberta's renewable natural resources and supporting the managed development of our industries.

The Ministry of Environmental Protection, including the Environmental Appeal Board, the Natural Resources Conservation Board and the Department of Environmental Protection, has contributed to a healthy environment, healthy Albertans and the Alberta Advantage. Our consolidated annual report illustrates these accomplishments. Our most recent report, the 1995-96 Annual Report, clearly links what we said we would do with our results for that year.

In addition to our commitment to environmental protection, we are also committed to continuous improvement. Our commitment has resulted in many changes to how we operate and how we provide information. For example, Information Technology Business Plans are now being developed, as are Research Business Plans. These business plans, together with our consolidated Ministry Business Plan provide a road map for us to follow for the next three years.

Early in 1996, a thorough review of Ministry functions was undertaken. As a result, we have more clearly focused our activities on steering not rowing. We are delivering our core businesses more efficiently and effectively and are staying on target in terms of our spending reductions. We have also reviewed the statements which defined our mission, operating principles, core businesses, goals and performance measures. We have fine-tuned these to more accurately reflect the Ministry's contribution to the Alberta Government's core businesses: People, Prosperity and Preservation.

Our Mission

Alberta is a province diverse in landscape, lifestyle, culture and commerce. Albertans want our present environmental, economic and societal strengths to be our legacy to future generations. Our mission in Alberta Environmental Protection is:

As proud stewards of Alberta's renewable natural resources, we will protect, enhance and ensure the wise use of our environment. We are a dedicated and committed team, responsible for managing these resources with Albertans. We are guided by a shared commitment to the environment and are accountable to our partners, the people of Alberta.

Operating Principles

In conducting our business, we are guided by our belief in:

Shared Responsibility: We share the responsibility for managing and protecting the environment with all Albertans and with other levels of government.

Public Involvement: We provide Albertans with the opportunity to contribute to decisions that affect the environment.

Customer Service: We are dedicated to service excellence in all regions of Alberta.

Resource Sustainability: We promote the wise use of our renewable resources within ecosystems so that future generations may continue to benefit from them.

Informed Decision-Making: We use leading-edge information in making decisions that affect the management and protection of the environment.

Core Business

Our two core businesses focus on our mission. They reflect the Ministry's functions and activities.

Core Business 1: Resource Management

The Ministry of Environmental Protection develops and implements legislation, policies, plans and programs; sets standards; monitors compliance; conducts ambient monitoring, renewable resource inventories and environmental impact assessments; and issues approvals which ensure sustainable use of Alberta's renewable natural resources.

Core Business 2: Environmental Hazard Management

The Ministry of Environmental Protection reduces the risks of environmental hazards to people, property and the sustainability of our renewable natural resources through fire fighting, flood control, problem wildlife control, spill response and reclamation.

Goals

Our three goals reflect how the core businesses will be delivered. These goals contribute to the achievement of the government's core businesses (People, Prosperity, Preservation) and reflect our priorities.

Goal 1: *To protect and maintain Alberta's high quality air, land and water for the health and enjoyment of Albertans.*

Goal 2: *To manage Alberta's renewable resources for the continued prosperity and benefit of Albertans.*

Goal 3: *To protect and manage Alberta's natural heritage for present and future generations.*

Strategies

A number of strategies have been identified that contribute to the achievement of Ministry goals. While some of these strategies support more than one goal, each strategy has been included only once. Performance measures that are related to the goals are also shown. Because these measures are broad in nature, they may apply to more than one goal.

Within the Ministry, program areas contribute towards the achievement of one or more of the Ministry's strategies. The linkage between the Ministry's goals and strategies, and the Ministry's program areas is shown in a table in the Performance Measurement section below.

Goal 1 To protect and maintain Alberta's high quality air, land and water for the health and enjoyment of Albertans.

- Strategies**
- 1.1 Establish acceptable standards for air, land and water quality.
 - includes development of guidelines to protect ambient environmental quality and ground water quality
 - 1.2 Monitor, assess and take action to maintain the quality of Alberta's air, land and water.
 - includes compliance, monitoring and enforcement activities
 - 1.3 Actively promote understanding and improve knowledge of Alberta's environment.
 - includes reporting on the status of the environment and resources
 - 1.4 Provide Albertans with opportunities to contribute to environmental protection and natural resource management.
 - includes facilitating input to decision-making and encouraging stewardship

Ministry Performance Measures

- ◆ Air quality index
- ◆ Surface water quality index
- ◆ Reduction of municipal solid waste to landfills

Goal 2 To manage Alberta's renewable resources for the continued prosperity and benefit of Albertans.

- Strategies**
- 2.1 Provide clear, effective direction and guidance for the use, management and development of Alberta's renewable natural resources.
 - includes developing resource use conditions, guidelines and plans; park visitation, guiding and outfitting, commercial fishing and trapping, timber harvesting

- 2.2 Streamline regulatory processes and legislative requirements.¹
 - includes continued streamlining of review and approval processes
- 2.3 Reduce impact of natural hazards (fire, drought, flood, pests) on people, property and resources.

Ministry Performance Measures

- ◆ Timber sustainability

Goal 3 To protect and manage Alberta's natural heritage for present and future generations.

- Strategies**
- 3.1 Establish acceptable levels of protection for natural resources and ecosystems.
 - includes developing policies, legislation and management frameworks for protection based on sound science
 - 3.2 Monitor, assess and take action to protect natural resources and ecosystems.
 - includes evaluating major projects, regulating activities and ensuring compliance in the context of protection

Ministry Performance Measures

- ◆ Species at risk
- ◆ Areas of parks and natural reserves in Alberta
- ◆ Pulp production versus amount of substances discharged

Performance Measurement

Performance measurement is increasingly important for performance improvement and for Ministry resource allocation decisions. Measuring performance focuses attention on the Ministry's key results providing the link between our business plan goals (what we say we will do) and our results (what we accomplish). Achievement of our goals contributes to the success of our business plan, as well as to the government's overall performance.

Seven key performance measures are presently used to indicate our success in accomplishing our goals. A description of each of the seven performance measures follows, along with the target to be achieved. In addition to these seven measures, the Ministry also contributes to several government measures reported in "Measuring Up". These measures include: Resource Wealth, Resource Sustainability, and Air, Water and Land Quality. The Ministry is continually looking for ways to improve how we measure the effectiveness of our activities. This may result in the development of new performance measures in future business plans.

¹ The Ministry of Environmental Protection worked with the Regulatory Reform Task Force, chaired by Gary Friedel, MLA for Peace River, to develop the Ministry of Environmental Protection's Regulatory Reform Action Plan.

An implementation plan has also been prepared. The plan provides that the majority of the Ministry's regulations are scheduled to expire, unless re-enacted by 1998. The majority of Ministry regulations were under review in 1996; all but two regulations will be reviewed by 1998. As regulations are reviewed by the Regulatory Reform Task Force in the next three years, the inclusion of an additional sunset clause must be addressed.

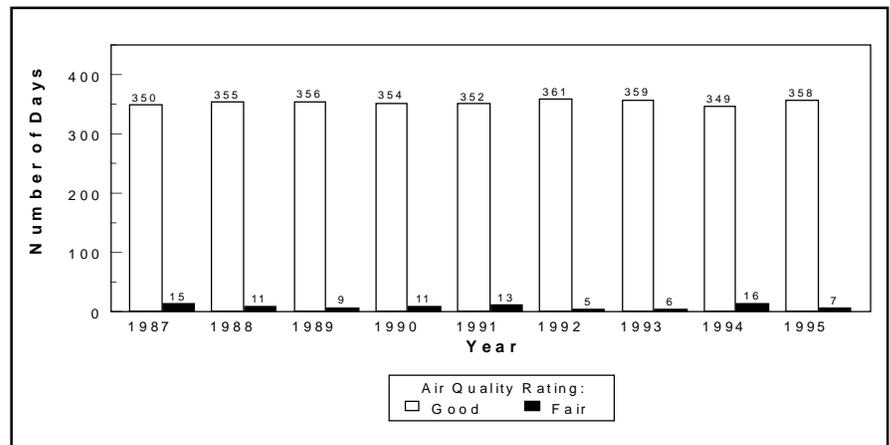
The Ministry's Regulatory Reform Action Plan is available to the public.

Relationship of Ministry Goals and Strategies to Ministry Program Areas

Ministry Goals	Goal 1: Quality of Life, Health				Goal 2: Prosperity			Goal 3: Natural Heritage	
	1.1	1.2	1.3	1.4	2.1	2.2	2.3	3.1	3.2
Ministry Strategies									
Program Areas:									
Land & Forest Service									
Forest Management	✓	✓	✓	✓	✓	✓		✓	✓
Forest Protection			✓				✓	✓	
Land Administration					✓	✓			
Fire Suppression							✓		
Regional Operations		✓	✓	✓	✓		✓	✓	✓
Natural Resources Service									
Water Resources Management	✓	✓	✓	✓	✓	✓	✓	✓	✓
Fish & Wildlife Management	✓	✓		✓	✓	✓	✓	✓	✓
Recreation and Protected Areas			✓	✓	✓			✓	✓
Regional Operations		✓	✓	✓			✓	✓	✓
Corporate Management Service									
Strategic & Regional Support	✓	✓	✓	✓	✓	✓	✓	✓	✓
Resource Data			✓	✓	✓	✓		✓	✓
Information Management			✓	✓	✓	✓			
Human Resources	✓	✓	✓	✓	✓	✓	✓	✓	✓
Special Places 2000			✓	✓	✓			✓	✓
Regional Operations			✓	✓	✓	✓		✓	✓
Environmental Regulatory Service									
Air & Water Approvals	✓	✓	✓	✓		✓		✓	✓
Chemicals Assessment and Management	✓	✓	✓	✓	✓	✓		✓	✓
Environmental Assessment and Waste Management Assistance	✓	✓	✓	✓		✓			✓
Land Reclamation	✓	✓		✓		✓		✓	
Pollution Control			✓			✓			✓
Regional Operations		✓	✓	✓		✓		✓	✓
Natural Resources Conservation Board	✓		✓	✓	✓	✓		✓	✓
Environmental Appeal Board		✓	✓	✓	✓	✓	✓	✓	✓

Air Quality Index

This measure provides an indication of the quality of air in Alberta throughout the year at selected locations in the province, including Edmonton, Calgary, Fort Saskatchewan, and Fort McMurray. The target is to maintain air quality levels which are considered “good” or “fair” at all times.



Surface Water Quality Index

This measure provides an indication of river water quality for recreation, aquatic life, and agriculture uses upstream and downstream of major Alberta centres. The target is to bring river water quality downstream of developed areas in line with upstream conditions.

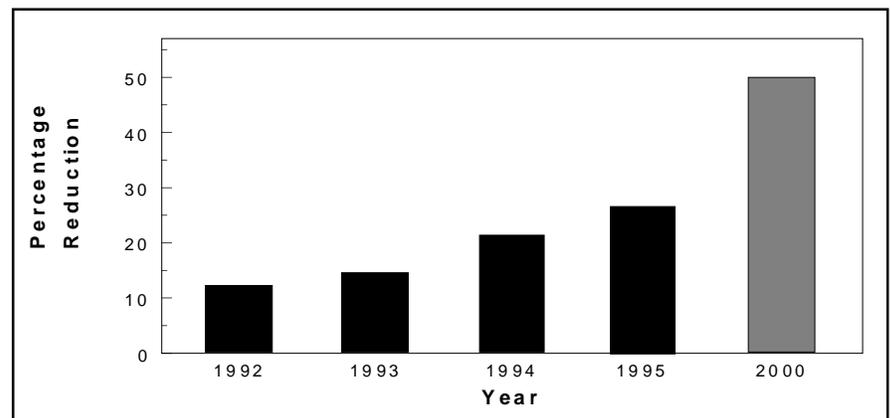
Location	Recreation	Aquatic Life	Agriculture	Issues-Concerns
SMOKY/PEACE RIVER				
at Watino	Poor	Fair	Good	pulp and municipal inputs
at Ft Vermilion	Poor	Fair	Good	
ATHABASCA RIVER				
at Athabasca	Fair	Good	Good	pulp and municipal inputs
at Old Fort	Fair	Fair	Fair	
NORTH SASKATCHEWAN RIVER				
Upstream Edmonton	Good	Good	Good	municipal and non-point pollution sources
Downstream Edmonton	Not Acceptable	Fair	Fair	
RED DEER RIVER				
Upstream Red Deer	Fair	Good	Good	municipal and non-point pollution sources
Downstream Red Deer	Not Acceptable	Fair	Good	
BOW RIVER				
Upstream Calgary	Fair	Good	Good	municipal & non-point pollution sources; reduced flow due to water withdrawal
Downstream Calgary	Not Acceptable	Fair	Good	
OLDMAN RIVER				
Upstream Lethbridge	Poor	Fair	Good	municipal and non-point pollution sources
Downstream Lethbridge	Not Acceptable	Fair	Good	

Based on percentage of compliant tests in 1993

Good water quality	very few tests not meeting guidelines	(100 - 96% compliance)
Fair water quality	guidelines not met occasionally	(95 - 86% compliance)
Poor water quality	guidelines often not met	(85 - 71% compliance)
Not Acceptable water quality	guidelines frequently not met	(70% compliance and lower)

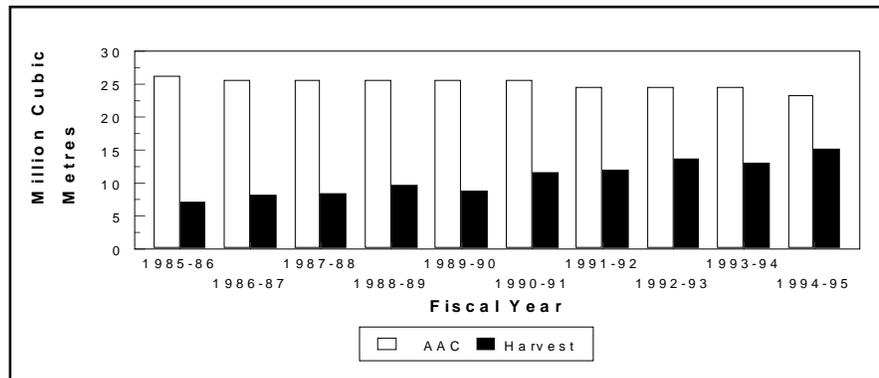
Reduction of Municipal Solid Waste to Landfills

This measure provides an indication of Alberta’s progress towards meeting a municipal solid waste reduction target of 50% of 1988 levels by the year 2000.



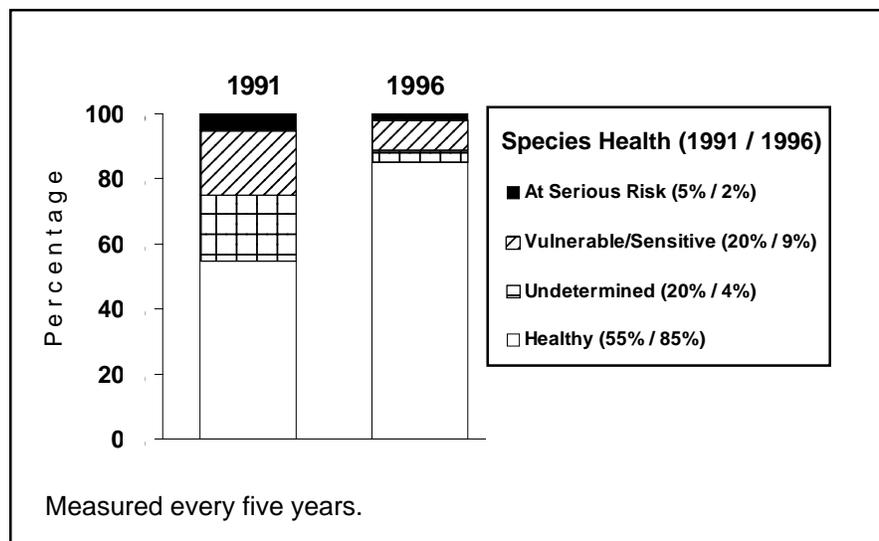
Timber Sustainability

This measure compares the actual annual timber harvest to the approved annual allowable cut (AAC) of timber set by the province. The target is for Alberta's annual timber harvest to be no greater than the AAC, ensuring a timber supply for the future.



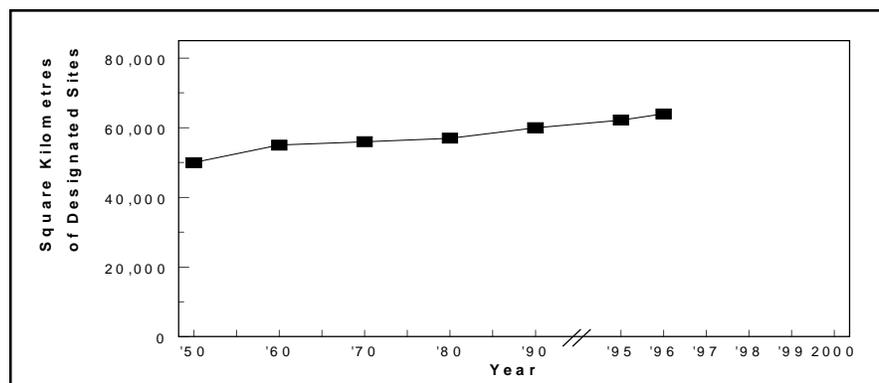
Species at Risk

This measure shows the health of Alberta's fish and wildlife populations, based on data in the Ministry's report "Status of Alberta Wildlife" (December 1996). The target is to keep the percentage of species at serious risk below 5 percent.



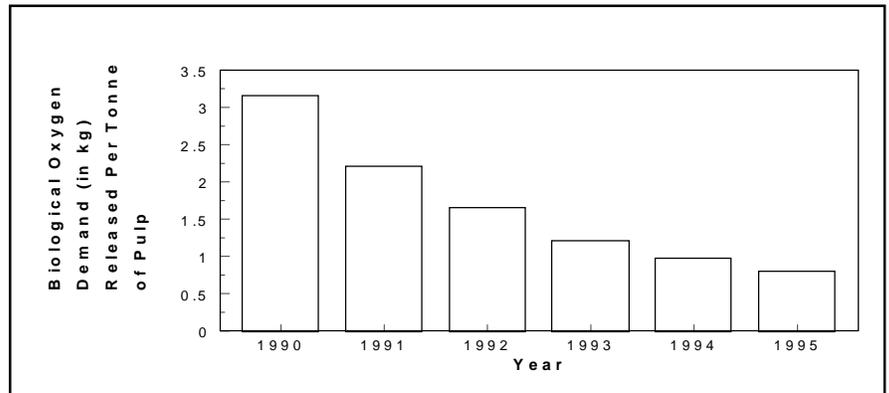
Area of Parks and Natural Reserves in Alberta

This measure reports the area designated as parks, natural reserves and related sites (including national parks) in Alberta. The target is to have 81 000 square kilometres of Alberta designated by the year 2000. This would meet the four goals identified for the Special Places 2000 initiative—preservation; outdoor recreation; heritage appreciation; and tourism/economic development.



Pulp Production Versus Amount of Substance Discharged

Oxygen is required in the breakdown of pulp mill waste water. This breakdown may decrease the amount of oxygen available to aquatic organisms. Oxygen is necessary to keep aquatic ecosystems healthy. Keeping the levels of biochemical oxygen demand below the maximum allowed in rivers receiving pulp mill waste water (3.02 kg), means that pulp mills are below their limits and that the aquatic ecosystem is being protected.



**Environmental Protection
Ministry Consolidated Income Statement**
(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	70,297	67,935	61,365	60,792	56,268	56,168	55,968	55,968
Environmental Protection Revolving Fund	4,518	5,111	14,640	20,332	29,782	25,860	25,868	25,868
Environmental Protection and Enhancement Fund	1,194	10,573	64,808	63,498	43,717	44,056	42,203	42,323
Fish and Wildlife Trust Fund	10,104	9,169	9,849	9,474	9,829	-	-	-
Alberta Special Waste Management Corporation	33,485	54,566	34,055	169,162	-	-	-	-
Natural Resources Conservation Board	1,780	932	1,244	920	1,086	1,397	1,233	1,233
Tire Recycling Management Board	4,142	8,811	9,549	10,103	5,214	-	-	-
Consolidation Adjustments	(38,226)	(57,763)	(45,220)	(181,301)	(18,829)	(20,606)	(20,450)	(20,450)
Consolidated Revenue	87,294	99,334	150,290	152,980	127,067	106,875	104,822	104,942
EXPENSE								
Program								
<i>Voted</i>								
Department	405,349	387,408	336,984	465,663	275,569	272,057	253,732	254,272
<i>Statutory</i>								
Environmental Protection Revolving Fund	4,601	4,665	14,142	18,892	28,853	25,367	25,375	25,375
Environmental Protection and Enhancement Fund	953	1,415	4,753	40,309	34,506	32,586	29,809	29,806
Fish and Wildlife Trust Fund	8,017	9,657	9,357	10,409	9,025	-	-	-
Alberta Special Waste Management Corporation	29,981	28,173	239,032	21,813	-	-	-	-
Natural Resources Conservation Board	1,631	1,439	1,239	998	1,023	1,422	1,253	1,250
Tire Recycling Management Board	858	2,335	2,593	6,467	5,802	-	-	-
Consolidation Adjustments	(45,158)	(57,743)	(230,524)	(187,025)	9,743	(20,606)	(20,450)	(20,450)
Consolidated Expense	406,232	377,349	377,576	377,526	364,521	310,826	289,719	290,253
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS AFTER CONSOLIDATION ADJUSTMENTS								
	70	30	15	(40)	4	(968)	-	-
NET REVENUE (EXPENSE)	(318,868)	(277,985)	(227,271)	(224,586)	(237,450)	(204,919)	(184,897)	(185,311)

Executive Council

Business Plan 1997-98 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Ralph Klein
Premier
April 12, 1997

Introduction

Programs within Executive Council that report to the Premier include Office of the Premier/General Administration, Northern Development, Public Affairs and the Chief Information Officer.

Office of the Premier/General Administration

The Office of the Premier/General Administration will continue to provide responsive support to the Office of the Premier, while maintaining open communication between the Office and Albertans. Administrative services to the Executive Council, its Members and Committees will be provided with a focus on cost and service effectiveness. Administrative, secretarial and clerical services will be provided for the Lieutenant Governor.

Northern Alberta Development Council Business Plan

Mission

Our mission is to contribute to economic development in northern Alberta by leveraging our resources in partnership with the private sector and community-based organizations.

The mandate of the Northern Alberta Development Council (NADC) is to “investigate, monitor, evaluate, plan and promote practical measures to foster and advance general development in northern Alberta”.

Northern Alberta covers 60% of Alberta's land mass and has 10% of the province's population. It is resource rich, with 90% of Alberta's forests, all of Canada's oil sands development, 1/3 of Alberta's conventional oil and gas activity, and 20% of Alberta's agricultural land.

Vision

Northern Alberta has tremendous potential for economic growth. The NADC supports government's commitment to prosperity by facilitating the development of a thriving and progressive northern economy. For the next three years, we will focus on the economic development portion of our mandate. We will address key opportunities and constraints: capturing local benefits from industrial growth, training northerners to take advantage of employment opportunities, expanding value-added businesses, and addressing economic barriers which impede development.

Core Businesses

The NADC is not involved in the direct delivery of programs. Instead, we work in partnership with the private sector, community-based organizations and government agencies to develop and implement regional economic development strategies. The NADC conducts research and sponsors workshops and conferences in conjunction with these groups. The NADC meets with representatives of key northern organizations to determine their development priorities and identify areas of cooperation. Northerners are kept informed of our activities through meetings, a regular newsletter and updates on our web page.

Goals, Objectives, and Strategies

Our objectives are not static. Objectives may be strengthened and refined through the consultation and discussion process. Only those objectives which are supported by northern organizations will be pursued.

Goal 1: To promote emerging development opportunities in northern Alberta.

Objective/Timing	Strategy
Identify emerging economic development opportunities 1997 through 2000	<ul style="list-style-type: none"> ◆ Consult with key economic groups in northern Alberta
Raise awareness and encourage uptake of northern opportunities 1997 through 2000	<ul style="list-style-type: none"> ◆ Conduct or co-sponsor events and activities ◆ Compile key northern economic data ◆ Disseminate information
Encourage expansion of value-added agriculture in the north 1997 through 2000	<ul style="list-style-type: none"> ◆ Research the feasibility of a regional facility in the northeast ◆ Produce and distribute a regional (northeast) prospectus to stimulate outside investment ◆ Work with Alberta Agriculture, Food and Rural Development to raise regional awareness of value-added opportunities ◆ Work with local organizations to assess interest in developing an agriculture value-added strategy in northwestern Alberta
Encourage greater aboriginal and local business participation in heavy oil development spin-offs 1997	<ul style="list-style-type: none"> ◆ Consult with local communities and industry to identify and pursue strategies to increase local economic benefits from development in the northeast

Goal 2: To strengthen northern Alberta's economic competitiveness.

Objective/Timing	Strategy
Lead and coordinate efforts by the Peace region agriculture industry to reduce transportation costs 1997 and 1998	<ul style="list-style-type: none"> ◆ Assist producers to explore transportation alternatives and costs ◆ Work with rail, transportation and Port officials to identify ways to improve efficiency
Increase access and reduce telecommunication costs 1997	<ul style="list-style-type: none"> ◆ Support the activities of a northern telecommunications society to examine the feasibility and cost-benefit analysis of shared electronic conferencing systems ◆ Assist communities to gain access to the Internet
Assess Alberta Environmental Protection's permit wood program 1997	<ul style="list-style-type: none"> ◆ Review and evaluate the program ◆ Make recommendations for improvement

Goal 3: To increase northern skill levels to take advantage of economic opportunities.

Objective/Timing	Strategy
Achieve a 75% minimum return rate among NADC bursary recipients 1997 through 2000	<ul style="list-style-type: none"> ◆ Continue student bursaries in occupations where there is a northern shortage
Expand private and public sector participation in the Bursary Partnerships program 1997 through 2000	<ul style="list-style-type: none"> ◆ Market the Bursary Partnerships program to attract new private and public investment in northern student skill development ◆ Seek new private and public sector funds for increased financial support for students from remote communities
Assist northern advanced education institutions to develop training programs that match employment opportunities 1997	<ul style="list-style-type: none"> ◆ Co-sponsor an information clearinghouse with five northern colleges which provides timely information on northern economic and employment trends
Improve educational attainment and preparedness for post-secondary education and employment in northern Alberta 1997	<ul style="list-style-type: none"> ◆ Identify and facilitate the development of stay-in-school strategies in the Regional Municipality of Wood Buffalo ◆ Coordinate a review of factors contributing to low educational attainment levels in northern Alberta

Performance Measures

We survey our partners and clients as well as representatives of other northern economic groups to determine client satisfaction. Eighty-four percent of respondents indicated they were satisfied with the NADC contribution to economic development in the north. Our target for the upcoming year is 100%.

We also measure our performance in leveraging funding from community and industry organizations for our Bursary Partnerships Program. The program levered \$63,000 in 1995/96. The target for 1996/97 is \$110,000, and \$130,000 in 1997/98.

Public Affairs Bureau Business Plan

Mission / Vision

The Public Affairs Bureau supports the government in its ongoing dialogue with Albertans by providing quality, coordinated and cost-effective communications and consulting services.

We do our job by making optimum use of our people's skills; finding new ways to use technology to help government communicate with Albertans; and listening to clients, while adapting our services to meet their changing needs. We measure our performance by surveying our clients regularly.

Core Businesses

The core businesses of the Public Affairs Bureau are:

- ◆ **providing communications professionals to government departments**, to coordinate, plan and implement communications programs;
- ◆ **providing communications planning and consulting** support to government;
- ◆ **coordinating government communications** to and from Albertans on emerging government initiatives, and during public emergencies;
- ◆ **providing specialized writing and editing services** to government;
- ◆ **delivering information**, and using information technology to help communicate with Albertans; distributing news releases province-wide (Alberta Communications Network); and providing technical support for major government news conferences and announcements;
- ◆ **publishing and selling Alberta laws** and other government materials, and operating the Queen's Printer Bookstores in Edmonton and Calgary;
- ◆ **managing the Regional Information Telephone Enquiries (RITE) system**, to provide Albertans with toll-free access to government; and
- ◆ **helping government departments purchase communication support services**, including advertising, printing and graphic design.

Goals and Strategies

Goal 1 **Make government information more accessible to Albertans**

Get more timely information to the public

- ◆ Study where and how Albertans get information from government, and find ways to make it more easily available.
- ◆ Improve access to government information on the Internet.

Goal 2 Provide better coordinated communications across government

Improve services government-wide through staff training and flexible targeting of resources

- ◆ Develop examples of best practices for government communications professionals.
- ◆ Provide specialized training for employees, including offering communications training to departmental staff across the province.

Goal 3 Improve the efficiency of communications across government

Improve links between Albertans and government, and among government employees, and cut costs

- ◆ Improve RITE to allow Albertans calling the toll-free system to dial their number directly rather than having an operator do so for them.
- ◆ Improve the government's internal communications through *In-Site*, a site on the Intranet for government employees.

Goal 4 Develop new products and services

Improve Albertans' access to legislation and other government information

- ◆ Provide specialized subscription services for topic-specific legislation to industry, including updates on changes to pertinent legislation.
- ◆ Provide convenient on-line access to, and purchasing of, Alberta statutes, regulations, Alberta Gazette and the Queen's Printer catalogue.

We're listening: Our new directions

In response to the needs of our clients, we're continuing to change how we do business in four key ways:

- ◆ We are playing a more consultative and strategic role by training our staff as consultants and by providing more support for, and coordination of, communications across government through the Bureau's central office.
- ◆ We are delivering more services on a corporate, government-wide basis, like providing information on the Internet for the public, and on the Intranet for government employees.
- ◆ We are using new technologies to find faster and less costly ways to communicate with Albertans.
- ◆ We are providing more flexible services, by delegating more authority to our communications branches in the departments, and by allocating additional resources to projects with the greatest need.

Performance Measures

The Public Affairs Bureau serves four distinct groups: Albertans, public customers, government departments and private sector suppliers. We evaluate our work by measuring the satisfaction rate within each group.

Government information for Albertans

- ◆ In a survey of 1002 adult Albertans, 69 percent indicated their overall satisfaction with the information they were getting from their government, up from 65 percent last year, and just below the target of 70 percent. As well, most respondents expressed their satisfaction with areas like the accessibility, timeliness and usefulness of provincial government information.
- ◆ The target for 1997 is an overall satisfaction rate of 75 percent.

Public customers

- ◆ In a survey of 500 randomly selected users of RITE and 500 customers of the Queen's Printer Bookstores, a combined average of 97 percent of respondents expressed satisfaction with the service they received, exceeding last year's figure and the target, both 95 percent.
- ◆ The target for 1997 is a satisfaction rate of 98 percent.

Government departments

- ◆ In a survey of 600 executive committee members and directors across government, 86 percent of respondents expressed their satisfaction with the services provided by communications branches in the departments, and by the Bureau's central offices — matching last year's total of 86 percent, but slightly below the target of 90 percent.
- ◆ Respondents identified their top five priorities as advice on communications strategies; strategic communications planning; news releases; media relations; and communications project management.
- ◆ The target for 1997 is a satisfaction rate of 90 percent.

Private sector suppliers

- ◆ In a survey of 141 suppliers of print and graphic design services, 91 percent of the respondents expressed their satisfaction with their dealings with the Bureau when it purchases products and services on behalf of government — above last year's total of 88 percent, and the target of 90 percent.
- ◆ The target for 1997 is a satisfaction rate of 92 percent.

Changes suggested by survey respondents

The Bureau has already made some of the changes recommended by our clients. New initiatives include: offering communications training to departmental staff across the province; simplifying the purchasing of government advertising; ensuring more timely government telephone directory updates, including listings on the Internet; and increasing efforts to improve coordination of cross-government and internal communications.

Office of the Chief Information Officer Business Plan

Mission

The office of the CIO is to champion the effective creation, use and sharing of information and supporting systems within government and with stakeholders.

Vision

Our vision is an Alberta where effective use and application of information contributes to the economy and the quality of service provided to Albertans by the public sector.

Core Businesses

The core businesses of the Office of the CIO:

- ♦ working with departments, the federal government and industry on matters relating to telecommunications and information technology policies;
- ♦ directing the development of a corporate framework for ministries information resource strategic plans;
- ♦ coordinating the implementation of a government-wide information resource strategic plan; and
- ♦ directing, with ministries, the development of government-wide information resource policies and standards.

Goals and Strategies

Goal 1 Create a culture of collaboration and cooperation on matters relating to information resource management

- ♦ Develop an information resource strategic plan that provides a planning framework for ministry initiatives.
- ♦ Create a coordinating structure for government and stakeholder decisions.
- ♦ Facilitate initiatives requiring public and private sector collaboration and cooperation.

Goal 2 Promote the sharing of information resources between the government and its stakeholders

- ♦ Develop and deploy a framework for the equitable access and use of government data, systems, and networks by ministries and their stakeholders, respecting the need to protect personal information.

Goal 3 Raise the awareness and understanding of the strategic importance of information resources to the businesses of government and to the economy of Alberta

- ◆ Work with private sector to make Albertans aware of the strategic importance of information resources to the economic prosperity and social well being of Alberta.

Performance Measures

The Office of the CIO is a catalyst. In 1997-98 there will be performance measures implemented which have been developed in consultation with all government ministries.

Executive Council Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Office of the Premier/General Administration	-	-	3	-	5	-	-	-
Northern Alberta Development Council	3,034	1,655	1,356	682	470	232	45	45
Public Affairs Bureau	1,044	1,313	1,411	1,719	1,640	1,525	1,525	1,525
Office of the Chief Information Officer	-	-	-	-	-	-	-	-
Consolidated Revenue	4,078	2,968	2,770	2,401	2,115	1,757	1,570	1,570
EXPENSE								
<i>Voted</i>								
Office of the Premier/General Administration	3,776	3,272	3,021	3,073	2,870	2,870	2,870	2,870
Northern Alberta Development Council	7,058	5,699	3,783	2,359	2,130	1,399	965	965
Public Affairs Bureau	12,465	10,044	9,708	9,342	9,029	8,745	8,019	8,019
Office of the Chief Information Officer	-	-	-	50	500	500	500	500
Consolidated Expense	23,299	19,015	16,512	14,824	14,529	13,514	12,354	12,354
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	(19,221)	(16,047)	(13,742)	(12,423)	(12,414)	(11,757)	(10,784)	(10,784)

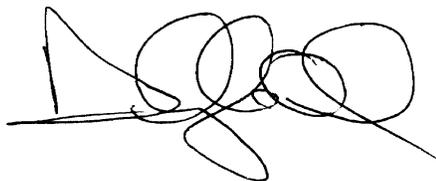
Family and Social Services

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Dr. Lyle Oberg
Minister of Family and Social Services
April 12, 1997

Mission

Family and Social Services

Help families to be responsible and accountable, help adults to be independent, and keep children safe.

Vision

The Ministry will fulfil its mission by:

- ◆ Continually striving to improve the quality of services and the results experienced by clients, while reducing the overall costs of operation.
- ◆ Working with the community using planned collaborative processes to govern, design, manage and/or deliver services.

The Ministry of the future will consist of four components:

- ◆ A delivery system for income and employment programs that is fully coordinated with complementary provincial and federal programs and systems.
- ◆ An integrated, community-based delivery system for services to children and families.
- ◆ A responsive and coordinated community-based delivery system for services to developmentally disabled adults, such that people with disabilities have the opportunity to participate as fully productive members of society.
- ◆ Six small regional service centres that provide administrative support for all three systems. A small centralized team will provide governance and ensure the accountability of these delivery systems.

Core Businesses and Goals

Help individuals be independent

- ◆ Provide a level of income support to those people unable to provide for their own basic needs.
- ◆ Help welfare clients to regain independence.
- ◆ Provide or facilitate the provision of guardianship services for dependent adults.
- ◆ Ensure the basic services needed by persons with developmental disabilities are provided so that they can live and participate in the communities of their choice.
- ◆ Encourage and support preventive social programming in communities.

Keep children safe

- ◆ Intervene on behalf of children who are reported to be in need of protection.
- ◆ Provide satisfactory care for children who cannot be cared for in their families.
- ◆ Provide services to victims of family violence.
- ◆ Regulate and monitor day care providers to assure an acceptable standard of care.
- ◆ Help parents of children with disabilities access the resources they need to care for their children.
- ◆ Make day care affordable to low-income families.

Strategies

Income and Employment Programs

Advanced Education and Career Development (AECD) and Family and Social Services (FSS) will redesign the provincial labour market and income support programs and delivery systems as appropriate with a view to improving their efficiency and responsiveness to Albertans.

- ◆ Integrate labour market and income support programs and services currently delivered by AECD and FSS. This integration will provide improved services at a lower cost to Albertans.
- ◆ Continue to refine employment and training programs to increase the independence of clients who are expected to work.
- ◆ Redesign provincial financial benefits to support the labour market efforts of those clients expected to work, and to better integrate benefits with those available to other Albertans.
- ◆ Redesign benefits for those Albertans who are not expected to work and who require ongoing financial support.

Services to Persons with Disabilities

Reforms to Services to Persons with Disabilities will transfer the management of services for adults with developmental disabilities to community management boards. The purpose of this initiative is to give communities more opportunities to plan and deliver services which meet local and regional needs. The majority of the services will continue to be provided by community agencies.

The transfer to community management is occurring in three stages:

- ◆ A management board for Michener Centre in Red Deer was established in September 1996.
- ◆ Under the Persons with Developmental Disabilities Foundation Act, a Board of Directors will be appointed by the Minister in early 1997, and the foundation will begin to operate in the spring of 1997. The foundation will assume title to and manage the land and assets of provincially operated facilities currently used by the Services to Persons with Disabilities Program. The foundation will also raise funds for capital projects, pilot projects and research.
- ◆ The final step will be the establishment of a provincial board and six regional community management boards in the fall of 1997. These boards will be responsible for managing the delivery of all services to adults with developmental disabilities. The provincial board will also oversee the operations of Michener Centre. Legislation allowing for the creation of these boards will be introduced in the spring of 1997.

The Ministry will continue to be responsible for setting program direction, establishing standards, monitoring outcomes, and allocating funding.

Services to Children and Families

The Ministry is continuing to work with communities, individuals and families to redesign services to children and families. The new system will be community-based, more preventive in nature, and will be characterized by the integration of selected services that have been traditionally provided by different government departments such as Family and Social Services, Health, Justice and Education.

- ◆ Steering Committees in each of the 18 planning regions are overseeing the planning and preparation of preliminary service plans for their areas, using information from working groups and specialized focus groups set up across the province. To date eight of the regions have completed their preliminary service plans.
- ◆ Following government's approval of a region's service plan, a Child and Family Services Authority will be established for the region.
- ◆ Once established, the Authority will prepare a business plan based on the approved service plan, and will enter into agreements with the Ministry for the gradual transfer of responsibility for the delivery of services.
- ◆ The Ministry will continue to support communities in the planning process and will transfer responsibilities only as communities become ready to take them on.
- ◆ The Ministry will maintain its overall accountability for services to children and families, and will continue to set province-wide policy, provide funding, monitor and evaluate services, and develop provincial standards in consultation with communities.

Family and Community Support Services

The Province and municipalities are working together to redesign the program. A renewed program will be implemented in 1997/98.

Supporting Government Goals

The Ministry strategies support the following government goals:

- ◆ Albertans will be independent.
- ◆ Albertans not expected to support themselves fully will receive help.
- ◆ Our children will be well cared for and safe.

Regulatory Reform

The Ministry's Regulatory Reform Work Plan sets out the schedule for the review and revision of approximately 17 regulations. With only a couple of exceptions, most of the Ministry's regulations do not regulate businesses and will not require extensive public consultation. Many regulations will be reviewed in the context of a larger program redesign. This review will be undertaken to ensure that regulations are still necessary and relevant and are written in a clear and concise manner.

Performance Measures

Expected to Work Clients per 1,000 working age population

- ◆ This performance measure is defined as the number of clients per 1,000 working age population who are expected to work and are receiving benefits.
- ◆ Provides a standardized measure of the extent of dependency on welfare by working age Albertans.
- ◆ Relates to helping welfare clients to regain independence.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
33	22	19	19	16	16	15

Proportion of Employment Initiative Graduates not receiving welfare benefits 12 months after graduation or placement

- ◆ This performance measure is defined as the percentage of graduates who are not receiving welfare benefits 12 months after completing a placement in a work experience, training or employment program.
- ◆ The intent of employment initiatives is to assist the client's entry/re-entry into the competitive labour market. This measure provides an indication of success.
- ◆ Relates to helping welfare clients to regain independence.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
70.9%	66.0%	70.0%	70.0%*	70.0%*	70.0%*	70.0%*

* Targets are constant due to the Ministry now having a higher proportion of clients who are not job ready.

Duration of welfare for Clients Expected to Work

- ◆ This performance measure is defined as the average length of time Expected to Work clients receive assistance.
- ◆ Welfare is intended as a temporary source of income for clients who are expected to work. The average duration is an indication of how long it takes these clients to become independent.
- ◆ Relates to helping welfare clients to become independent.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
10.4 months	8.7 months	7.5 months	7.5* months	7.5* months	7.5* months	7.5* months

* Targets are constant due to the Ministry now having a higher proportion of clients who are not job ready.

Proportion of welfare cases remaining closed after 12 months

- ◆ This performance measure is defined as the percentage of cases that closed and received no assistance one year later.
- ◆ The measure reflects the extent of client independence and provides an indication of the duration of ex-clients' self-sufficiency.
- ◆ Relates to helping welfare clients to regain independence.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
58.4%	61.8%	58.0%	60.0%**	60.0%**	60.0%**	60.0%**

** Targets are constant due to the rapidly changing nature of the labour market and increasing proportion of clients without appropriate job skills.

Proportion of Single-Parent Welfare cases with Child Support Orders or Agreements

- ◆ This performance measure is defined as the percentage of single-parent welfare recipients for whom support is received from the non-custodial parent.
- ◆ This measures the client's access to alternative sources of financial support and the commitment of non-custodial parents to pay support for their children.
- ◆ Relates to helping welfare clients to regain independence.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
49.0%	54.8%	57.6%	58.0%	60.0%	62.0%	65.0%

Percentage of service providers serving persons with developmental disabilities with policies that meet Ministry Core Standards

- ◆ This performance measure reflects the annual self-assessment by service providers on the existence of policies which comply with the basic standards for physical safety, service planning and program monitoring set by Ministry Core Standards.
- ◆ All service providers receiving contract funding through the Services to Persons with Disabilities program are expected to complete this annual self-assessment. Follow-up by the Ministry occurs through on-site reviews (see next measure).
- ◆ Relates to ensuring that basic services needed by persons with developmental disabilities are provided so they can live and participate in the community of their choice.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
not available	94.0%	97.0%	98.0%	99.0%	100.0%	100.0%

Percentage of service providers serving persons with developmental disabilities in compliance with Ministry Core Standards

- ◆ This performance measure indicates the percentage of service providers who have been evaluated as meeting 70% or more of the basic standards for physical safety, service planning and program monitoring set by Ministry Core Standards.
- ◆ Recognizing that there can be variations between policy documentation and actual practice, the Ministry in partnership with the Alberta Association of Rehabilitation Centres conducts on-site reviews on a sample of service providers.
- ◆ Relates to ensuring that basic services needed by persons with developmental disabilities are provided so they can live and participate in the community of their choice.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
not available	not available	77.0%	80.0%	80.0%	85.0%	85.0%

Percentage of children who stay free from abuse or neglect while in the Ministry's care

- ◆ This measures the success of the Ministry in meeting the safety and security needs of children while they are receiving services from Child Welfare.
- ◆ Relates to providing satisfactory care for children who cannot be cared for in their families.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
97.0%	97.1%	98.4%	100.0%	100.0%	100.0%	100.0%

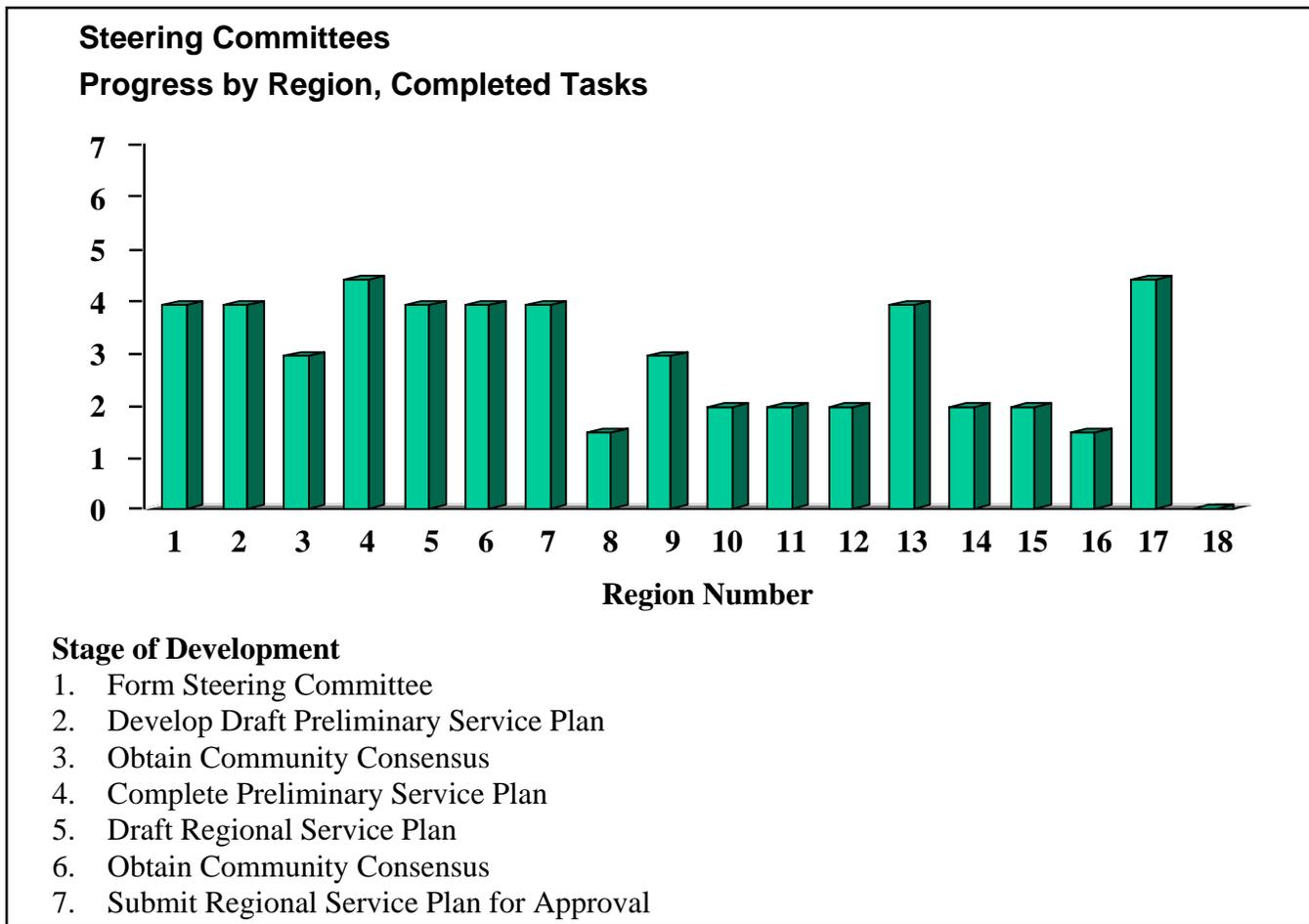
Percentage of day care centres meeting critical government standards

- ◆ This performance measure is defined as the percentage of day care centres meeting government standards for staff/child ratios, supervision, staff qualifications, discipline and developmental needs.
- ◆ Critical standards refer to those standards where non-compliance is most likely to place children at risk. Compliance to critical standards is used as a measure due to its relationship to the health, safety and well being of children. Instances of non-compliance must be rectified within a certain time period or further action is taken.
- ◆ Relates to regulating and monitoring day care providers to assure an acceptable standard of care.

1993-94	1994-95	Target 1995-96	Target 1996-97	Target 1997-98	Target 1998-99	Target 1999-2000
64.0%	76.0%	83.0%	85.0%	90.0%	95.0%	100.0%

Progress towards integrated, community-based services for children and families

- ◆ This measure shows milestones that have been accomplished in implementing a new delivery system for services to children and families.
- ◆ The new system will be characterized by the integration of selected services traditionally provided by Family and Social Services, Health, Justice and Education.



Family and Social Services Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	689,486	699,974	573,740	585,449	481,684	389,710	378,273	368,867
Services to Persons with Disabilities								
Foundation	-	-	-	-	-	270	270	270
Consolidation Adjustments	-	-	-	-	-	(270)	(270)	(270)
Consolidated Revenue	689,486	699,974	573,740	585,449	481,684	389,710	378,273	368,867
EXPENSE								
Program								
<i>Voted</i>								
Department	1,678,251	1,554,867	1,308,451	1,306,493	1,342,572	1,357,149	1,350,610	1,350,681
<i>Statutory</i>								
Services to Persons with Disabilities								
Foundation	-	-	-	-	-	270	270	270
Consolidation Adjustments	-	-	-	-	-	(270)	(270)	(270)
Consolidated Expense	1,678,251	1,554,867	1,308,451	1,306,493	1,342,572	1,357,149	1,350,610	1,350,681
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	(988,765)	(854,893)	(734,711)	(721,044)	(860,888)	(967,439)	(972,337)	(981,814)

Federal and Intergovernmental Affairs

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



David Hancock
Minister of Federal and Intergovernmental Affairs
and Responsible for Aboriginal Affairs
April 12, 1997

Our Business

In today's interdependent world, intergovernmental relations are more complex and significant than ever before. Alberta must stay ahead of constantly changing domestic and international dynamics.

The Ministry of Federal and Intergovernmental Affairs develops government-wide policy and strategies for Alberta's relations with other Canadian governments and the international community. Our goals are pursued in close cooperation with other ministries and through strategic partnerships with businesses and organizations. Depending on the nature of the task at hand, the department acts as advisor, coordinator or lead representative.

Aboriginal Affairs develops government-wide policy and strategic recommendations to guide the province's relationship with Aboriginal people in a manner that benefits Aboriginal people and balances the interests of all Albertans, and also coordinates the province's participation in Indian land claim negotiations.

Mission

Our **vision** is an Alberta that plays a strong role in a prosperous and unified country.

Our **mission** is to support the Government of Alberta in achieving social and economic well-being by:

- ◆ advancing Alberta's interests in the Canadian federal system and within the international community;
- ◆ coordinating Alberta's intergovernmental activities where a cross-government approach is needed; and
- ◆ enhancing the province's relationship with Aboriginal people in a manner that balances the interests of all Albertans.

Goals/Strategies

Goal 1: A more effective federal system – *a fair deal for Alberta*

OUTCOME	STRATEGIES
<p>A restructured federal system that:</p> <ol style="list-style-type: none"> 1) more clearly defines the roles of federal and provincial governments, 2) reduces intergovernmental overlap and duplication, and 3) provides greater clarification of responsibility and accountability 	<p>As agreed by Premiers at the 1996 Annual Premiers' Conference, develop a workplan for rebalancing federal and provincial responsibilities.</p>
<p>A new federal-provincial-territorial partnership approach to social policy renewal that:</p> <ul style="list-style-type: none"> - promotes more effective, efficient, accountable and sustainable social programs - develops national, not federal standards - includes a new approach to the use of the federal spending power - demonstrates and supports intergovernmental cooperation 	<p>As agreed by Premiers at the 1996 Annual Premiers' Conference, develop a new provincial/territorial council on social policy renewal as well as a federal/provincial/territorial council. The councils will address social policy issues of national significance and will support the work of the Ministers involved in specific social policy initiatives.</p>
<p>Effective Alberta participation in high-level intergovernmental meetings: First Ministers' Conferences, Annual Premiers' Conferences, Western Premiers' Conferences and major Ministerial meetings involving priority intergovernmental issues for Alberta</p>	<p>Develop briefings and strategy for Alberta's participation, as well as coordinating input from other Alberta departments to ensure that Alberta delegations are well-briefed. Provide follow-up as directed by the Premier and Ministers.</p>
<p>A coordinated Alberta approach to intergovernmental relations</p>	<p>Coordinate Alberta's strategies and advance its objectives with the federal government in priority areas (e.g. social policy reform, agriculture, trade, environmental management, resource tax policy)</p> <p>Work toward renewed fiscal arrangements that are fair and transparent</p> <p>Review and approve priority agreements entered into by the Alberta government which have major intergovernmental impacts</p> <p>Work with other provincial governments in achieving western and national objectives</p>

Goal 2: Effective strategies for strengthening national unity

OUTCOME	STRATEGIES
Strengthened National Unity	<p>Constantly and vigorously assert Alberta's long-term interests as an equal partner in Confederation</p> <p>Develop policy recommendations and strategies on national unity, constitutional issues and Canadian governance issues as they arise</p> <p>Continue discussions as they arise with federal, provincial and territorial governments and Aboriginal leaders on initiatives related to Aboriginal self-government</p>

Goal 3: An open domestic and world trading system

OUTCOME	STRATEGIES
Improved domestic and international market access for Albertans	<p>Reduce barriers to trade through direct negotiation and by working with the federal government in its negotiations to ensure there is attention to Alberta's needs</p> <p>Coordinate all departmental priorities and interests within the Alberta government in negotiating new agreements</p> <p>Increase provincial participation in Canada's negotiation of international agreements that may affect provincial jurisdictions or interests</p>
A coordinated Alberta response to trade agreements and related responsibilities	<p>Manage government-wide implementation of the North American Free Trade Agreement (NAFTA), the World Trade Organization (WTO) agreement and the Agreement on Internal Trade (AIT)</p> <p>Coordinate Alberta's participation in WTO negotiations on new issues involving provincial jurisdiction such as environment, labour, competition and business regulation, industrial assistance programs and services</p>

OUTCOME	STRATEGIES
Improved efficiency, enhanced competitiveness and increased investment in the Canadian market	Negotiate enhanced mobility for professions and occupations, promote international and national rules on incentives to business, clarify rules for regional development assistance, and promote rules for elimination of agricultural export subsidies
Results in trade disputes that benefit Albertans	<p>Manage disputes and defend Alberta's interests in domestic and international issues under AIT, NAFTA, the WTO agreement and other trade agreements</p> <p>Work with other government departments and business to anticipate and prevent disputes</p> <p>Use dispute settlement procedures effectively to ensure Albertans receive the benefits of an open market</p>
Well-informed public and private sectors	Inform line departments, the broader public sector, business organizations and Albertans of the rights, obligations and opportunities arising from domestic and international agreements
An effective private sector-government partnership	Work with business, professional and other organizations to pursue the benefits of freer trade

Goal 4: An active, targeted international role for Alberta

OUTCOME	STRATEGIES
Canadian foreign/trade policies and positions which reflect Alberta's priorities and interests	<p>Advance Alberta's positions on selected issues in Ottawa and internationally, especially for emerging problem areas (e.g. Cuba sanctions)</p> <p>Develop ministerial letters and position papers and prepare representations</p>
Greater positive awareness of the Alberta Advantage among international decision-makers in priority markets	<p>Create a reverse marketplace in Alberta:</p> <ul style="list-style-type: none"> - identify and bring key contacts to Alberta - plan and coordinate visitor programs which focus on economic opportunities - ensure follow-up to these high-level visits <p>Plan and implement Premier's missions and follow-up with AEDA and other departments</p>
Strengthened Alberta relations with key trading partners through international twinnings which create economic opportunities for the province. (Active twinnings include Argentina, China, Japan, Korea, Mexico, Russia, South Africa and the United States)	<p>Refocus our formal relationships more toward economic co-operation, trade and investment by:</p> <ul style="list-style-type: none"> - posting foreign representatives in Alberta - assisting Alberta companies and institutions with advice and introductions <p>Provide briefings on Alberta practices for senior foreign government officials and business representatives</p> <p>Evaluate economic potential of proposals for new twinnings from foreign governments or interested Albertans</p>
Increased use of Alberta's expertise in intergovernmental projects in foreign countries	<p>Participate in Canadian international assistance projects, particularly in the governance area, on a cost-recovery basis. Current examples:</p> <ul style="list-style-type: none"> - Russia: Yeltsin Fellowships - Ukraine: Legislative Project - South Africa: Good Governance Project
Improved transportation infrastructure for Alberta exports	<p>Work with Alberta Transportation and Utilities to convince decision-makers in Washington, D.C. and 6 Western states to launch the CANAMEX Trade and Transportation Corridor from Alberta to southern California.</p>

Goal 5: Enhanced Aboriginal participation in government processes and the economy

OUTCOME	STRATEGIES
<p>Effective representation of Aboriginal views and interests in the processes of government</p>	<p>Evaluate current consultative mechanisms involving Aboriginal communities and organizations.</p> <p>Identify opportunities and develop strategies for additional constructive mechanisms.</p>
<p>Increased responsibility of Aboriginal communities for the delivery of programs and services</p>	<p>Develop, or support provincial departments in the development of, policies and strategies for the delivery of programs and services by Aboriginal communities.</p> <p>Ensure that policies and strategies respect the special relationship between the federal government and First Nations, including jurisdictional and fiscal responsibilities.</p>
<p>Co-ordinate and effectively participate in Aboriginal self-government discussions</p>	<p>Develop, in conjunction with provincial departments and agencies, parameters for Alberta's participation in self-government discussions.</p> <p>Maintain the federal government's primary responsibility for the negotiation and implementation of self-government arrangements for Aboriginal people.</p> <p>Ensure affected third parties have opportunities for input into self-government discussions.</p>
<p>Increased Aboriginal participation in the economy</p>	<p>In conjunction with provincial departments, the federal government and the private sector, identify opportunities for Aboriginal communities to participate in regional economics (e.g. arrangements for co-operative management of natural resources).</p>

OUTCOME	STRATEGIES
	<p>Implement, monitor, and evaluate the Community Liaison Office for Employment and Economic Promotion Program for economically disadvantaged, predominantly Aboriginal communities.</p> <p>Increased utilization of grant funds to enhance economic and educational opportunities.</p>

Goal 6: Fulfil the Province's constitutional responsibility regarding Indian treaty land entitlement claims, pursuant to the Natural Resources Transfer Agreement

OUTCOME	STRATEGIES
<p>Settlement of Indian treaty land entitlement claims, in a way which is fair and equitable to all parties</p>	<p>Act as the province's representative in land claims negotiations and co-ordinate the participation of relevant provincial departments in the negotiation process</p>

Goal 7: Helping Metis Settlements Become Self-Reliant Communities

OUTCOME	STRATEGIES
<p>Metis Settlements which are as self-reliant as other local government jurisdictions in Alberta, in accordance with the Metis Settlements legislation</p>	<p>Assist the Metis Settlements General Council implement their current Business Plan and in the development of future business plans with the General Council.</p> <p>Annually evaluate the Metis Settlements Transition Commission to determine if all, or part, of its functions are still required.</p> <p>Recommend amendments to the Settlements legislation necessary to implement the Business Plan.</p> <p>Recommend amendments to other provincial acts to provide Settlements with powers, rights and duties equivalent to other local governments in Alberta.</p> <p>With the General Council and relevant provincial department identify and implement mechanisms for greater federal government contributions to programs and services for Settlements.</p>

Protocol and Translation Services

In addition to its intergovernmental objectives, the ministry also provides a number of government-wide services in the following areas: providing interpretation and translation services; organizing Alberta Government ceremonial events (e.g., Remembrance Day ceremonies, legislature openings); providing protocol advice; and overseeing administration of Government House Operations in Edmonton.

Performance Measures

The ministry continues to focus on client surveys as its performance measures. As a department that works in close cooperation with other Alberta ministries, other Canadian governments and foreign governments, Federal and Intergovernmental Affairs has a variety of clients: the Premier and Ministers; MLAs; Deputy Ministers; ministries and agencies, and organizations and businesses which are affected by intergovernmental issues.

The ministry conducted a comprehensive client survey in 1995 and developed baseline data for future surveys. Based on a satisfaction scale of 1 to 5, overall client satisfaction was rated at 3.9 and a target of 4.0 was established.

Since then, the ministry has conducted individual client surveys on its coordination of social policy reform and the 1996 Annual Premiers' Conference in Alberta. Through the survey on the social policy reform initiative, client departments rated their satisfaction at 4.3 out of 5. The survey was also used to determine whether continued coordination was necessary. Client departments supported the ministry's continued work, ranking its importance at 4.3 out of 5.

The ministry conducted two surveys on the coordination of the Annual Premiers' Conference. The first survey indicated a satisfaction rating of 4.3 out of 5 with the coordination of the conference. The second survey measured FIGA's contribution to the private sector/government volunteer committee. The over satisfaction rating was 4.7 out of 5 with comments provided by volunteers that the partnership of private sector and government employees worked very well.

Because the ministry is involved in a wide range of issues which are coordinated with various other departments, it will continue to conduct ongoing and timely client surveys on priority issues. Client satisfaction will remain a critical performance measure for this ministry.

Meeting Intergovernmental Priorities

Alberta's intergovernmental agenda is continually reassessed to reflect the core businesses of this government and the changing intergovernmental environment.

The ministry's goals and activities are focused on the priorities of the Government Business Plan — PEOPLE, PROSPERITY AND PRESERVATION. In particular, the ministry's activities support *Goal 17: Alberta will work with other governments and maintain its strong position in Canada.* The ministry's outcomes and strategies relate to a number of core government performance measures, such as Job Creation, Cost of Government, Taxation Load, Transportation to Markets and Export Trade.

Restructuring and Refocusing the Department

In the course of the coming year, the ministry will be moving towards greater integration of the goals of Federal and Intergovernmental Affairs and Aboriginal Affairs.

The Federal and Intergovernmental Affairs part of the ministry has undergone significant restructuring over the last four years to refocus its operations on the core businesses of government. Staffing levels have been reduced by 38 per cent and the 1997/98 budget has been cut by 34 per cent compared to 1993. Administrative services are now shared with three other ministries and, as a result, FIGA's administration costs have been reduced by 55 per cent. The Alberta Government office in Ottawa has been downsized with the elimination of the Executive Director position.

The department operates on a flexible team approach, which allows for the quick assembly of teams to deal with fast-breaking issues. This smaller and more responsive organization is concentrating on those intergovernmental issues which will have major consequences for Alberta. The refocusing of departmental activity means an emphasis on support for ministerial-level strategic initiatives that require cross-government coordination (e.g. social policy renewal, trade negotiations, national unity).

Federal and Intergovernmental Affairs Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	216	26	128	50	-	-	-	-
Consolidated Revenue	216	26	128	50	-	-	-	-
EXPENSE								
Program								
Voted								
Department	20,896	19,108	20,257	18,756	17,684	27,140	26,050	25,350
Statutory								
Metis Settlements Legislation	30,000	30,000	30,000	30,000	30,000	10,000	10,000	10,000
Consolidated Expense	50,896	49,108	50,257	48,756	47,684	37,140	36,050	35,350
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	(50,680)	(49,082)	(50,129)	(48,706)	(47,684)	(37,140)	(36,050)	(35,350)

Health

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Halvar C. Jonson
Minister of Health
April 12, 1997

For additional copies of this Business Plan, or further information about Alberta Health, contact:

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You can find this document on Alberta Health's Internet web site - <http://www.health.gov.ab.ca>

Minister's Message

The past four years have been a time of rapid change in Alberta's health system as we moved quickly and decisively to control costs, reduce administration, reduce overlap and duplication, expand programs in homes and communities, and restructure how the health system is organized.

Some Albertans have expressed concerns about whether or not such dramatic change was necessary. The answer is yes. Costs in health were spiralling virtually out of control. The health system was not well organized and there was costly duplication of services. Two hundred separate health and hospital boards added to administrative costs and meant that people often were not working closely together to meet Albertans' needs. The system was focused almost totally on hospitals and hospital care.

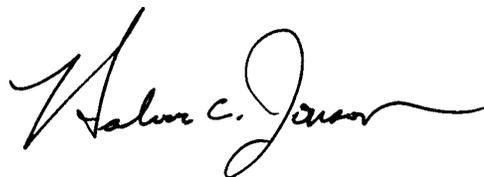
We now have the foundation for a restructured health system in place. Seventeen regional health authorities are in place to coordinate and deliver a full range of health services. More services are provided in homes and communities. And we're beginning to expand the focus on preventing illness and injuries and promoting good health.

At the same time, we understand that Albertans and health providers have serious concerns about the health system. In November 1996, government responded with a comprehensive package called **Action on Health**. It will take time for many of those actions to be fully implemented and to have an impact on improving services to Albertans. But almost immediately, Albertans should see shorter waiting times and more front-line health workers there at the bedside, in long-term care facilities or providing home care.

Our message to Albertans is that health reform will continue. As outlined in the overall business plan for the Alberta Government, health is one of our government's top three priorities. Over the next three years, our priority in health will be to ensure that Albertans have access to quality health services when they need them.

This business plan builds from the government business plan and the initiatives outlined in **Action on Health**. It sets out our plans for promoting and protecting good health, ensuring that accurate, timely and comparable information is available and used to improve decisions in health, improving communication with Albertans and responding to a number of issues that affect the health of Albertans. It expands our focus on measuring performance, setting standards and ensuring that all components of the health system have clear responsibilities and are accountable for results.

Albertans can now expect more stability in health, an end to continuous crisis management, and careful, deliberate actions to improve health.



Halvar C. Jonson
Minister of Health

Vision

Our vision is **healthy Albertans in a healthy Alberta**. It's a broad and long-term vision that reflects not only quality health care services, but also promoting and protecting good health for individuals and for our province as a whole.

With changes over the past few years, Albertans often ask, "What's health reform all about and what are we trying to achieve? What will Alberta's future health system be like?"

In fact, much about Alberta's health system will not change. We'll continue to be part of a publicly-administered health system that guarantees universal access to medically necessary hospital and medical services without user fees or extra billing. Hospitals will continue to provide a full range of acute care services. Alberta will continue to provide services beyond the basic requirements of the Canada Health Act. A common set of core services will be available in every region of the province but highly specialized treatments will be provided primarily in Edmonton and Calgary. Long-term care facilities will continue to provide care for Albertans whose health care needs can't be met at home. Research will continue as we search for new treatments and cures. And a wide range of health providers will continue to work together to provide the kind of care Albertans expect.

In addition, Alberta's health system of the future will have these key features:

- ◆ Albertans will have access to a full range of timely, quality health services.
- ◆ All components of the health system will have clear responsibilities and be accountable for the results they achieve.
- ◆ There will be more emphasis on encouraging people to live healthy lifestyles, promoting good health, protecting health and controlling disease.
- ◆ Standards will be in place province-wide and Albertans will receive regular information on whether those standards are being met.
- ◆ Regional health authorities will plan and deliver most health services in communities.
- ◆ A common base of core health services that meet provincial standards will be available in all regions of the province. More services will be available in homes and in communities, not just in hospitals.
- ◆ Community members will be involved in decisions and plans for local health services.
- ◆ Regional health authorities will work with other organizations in their communities to address health issues and improve health.
- ◆ Health services will be integrated. That means there will be better linkages between hospital care, home care, community programs, mental health programs, long-term care, rehabilitation services and public health programs.
- ◆ Research, technology and telecommunications will be used to improve information and develop new prevention programs and treatments.
- ◆ Alternative approaches to health will be considered in addition to traditional medical treatments.
- ◆ There will be reduced administrative costs.
- ◆ The roles of health providers will change and they will work together to provide a broad range of services.
- ◆ New options for paying physicians and other health providers will be tested through pilot projects.
- ◆ The supply of doctors, especially in rural areas, will be sufficient to meet communities' needs.
- ◆ Funding will be provided to regions through a solid, predictable funding formula. Funding will be equitable and affordable.

- ◆ There will be regular and understandable information available to Albertans about the health of Albertans and the performance of the health system.
- ◆ Better information and an ongoing evaluation of programs and services will lead to ongoing improvements in health.

We also know that the health of Albertans depends on more than simply the quality of our health system. A strong economy, a clean environment, good education, healthy families, and active, healthy lifestyles, all contribute to the health of Albertans. The health system is just one of the many players involved in keeping Albertans healthy.

This is the kind of health system we expect for the future. The basic components are in place. Now work will focus on stabilizing the system, assessing the impact of changes, improving accountability and results, and providing Albertans with a health system they can count on.

Government's Commitment to Health

- ◆ Albertans will have access to quality health care services when they need them.
- ◆ High standards will be set, results will be measured and monitored, and Albertans will receive regular reports about outcomes in health.
- ◆ Control of Alberta's health system will continue to be in the public sector, with leadership by the provincial government, managed by regional health authorities, delivery by health care providers and accountability at every level.
- ◆ Albertans will be insured for medical and hospital services. Medically necessary health services will be available to all Albertans without user fees, extra billing or other barriers to reasonable access.
- ◆ A solid base of resources will be available to support Alberta's health system . . . people, dollars, equipment, facilities, research and ongoing education.
- ◆ Alberta's health system will balance the need to provide quality care for those who are ill or injured with strategies to keep people healthy and well.
- ◆ Decisions about changes in Alberta's health system will be based on the best information available and will have a single objective: to improve health care and the health of Albertans.
- ◆ Albertans will be well informed and involved in decisions about their own health, their community's health care system, and directions for ongoing health reform in the province.

Change, Achievements and Challenges in Health

Over the past four years, there have been major changes in Alberta's health system. Regional health authorities now are in their third year, community health councils are operating in every region, funding has been shifted to support more home care and community services, a new population-based approach to funding has been developed, and administration has been reduced.

At the same time, change has happened quickly and Albertans have a number of concerns about the health system. Many of those concerns were identified in the Provincial Health Council of Alberta's **Health Checkup**, released in December 1996. The Provincial Health Council identified areas for improvement, but concluded overall that Albertans want health reform to continue. They don't want to go back to the old ways.

On November 25, 1996, the Minister of Health announced **Action on Health** — a comprehensive package of actions to be taken over the next few years. **Action on Health** forms the core of the business plan.

As we look ahead to the next three years, there are a number of important challenges in health:

- ◆ **Ensuring access** - Regional health authorities have been provided with additional funds to increase front-line staff and reduce waiting times. The impact of these additional funds will be carefully monitored and Albertans will be provided with information about improved access and reduced waiting times for key services.
- ◆ **Communication** - Albertans want to be well informed about what is happening in our health system. Both Alberta Health and regional health authorities need to focus more of their efforts on ensuring that Albertans understand changes in the health system.
- ◆ **Stability** - Change has happened quickly in health. Major changes now are in place and a stable, predictable funding base will be provided. It is now time to assess the impact of those changes and take action where it is needed.
- ◆ **Measuring performance** - Action will be taken in 1997 and throughout the term of this business plan to improve the management, collection and use of information to assess the performance of the health system. At the same time, legislation will be developed to protect the privacy of individual health information.
- ◆ **Addressing issues affecting Albertans' health** - A number of issues have been identified that have a negative impact on Albertans' health. Low birth weight, high incidences of preventable illness, and disparities in the health of Albertans due to income and education, need to be addressed through joint action by Alberta Health, health authorities and health providers, and by a variety of government departments and community agencies.
- ◆ **Optimal use of the health workforce** - Work will continue on making the best use of the collective skills and expertise of the health workforce. That involves looking at the roles and responsibilities of different categories of health providers and how their skills can best be used to meet Albertans' health needs.

Key Directions

The Government of Alberta has stated that one of their core businesses is "People" and part of that business is "helping people to be self-reliant, capable and caring through a healthy society and accessible health care".

The following key directions for Alberta Health reflect the strategies presented in the Government's Business Plan to achieve the government goal that "Albertans will be healthy":

- ◆ to ensure that all Albertans, young and old, have access to quality health services when they need them.
- ◆ to streamline and simplify the system, with reduced duplication and people working together in a coordinated system.
- ◆ to get the best value for public dollars through reduced administration and effective and efficient management.

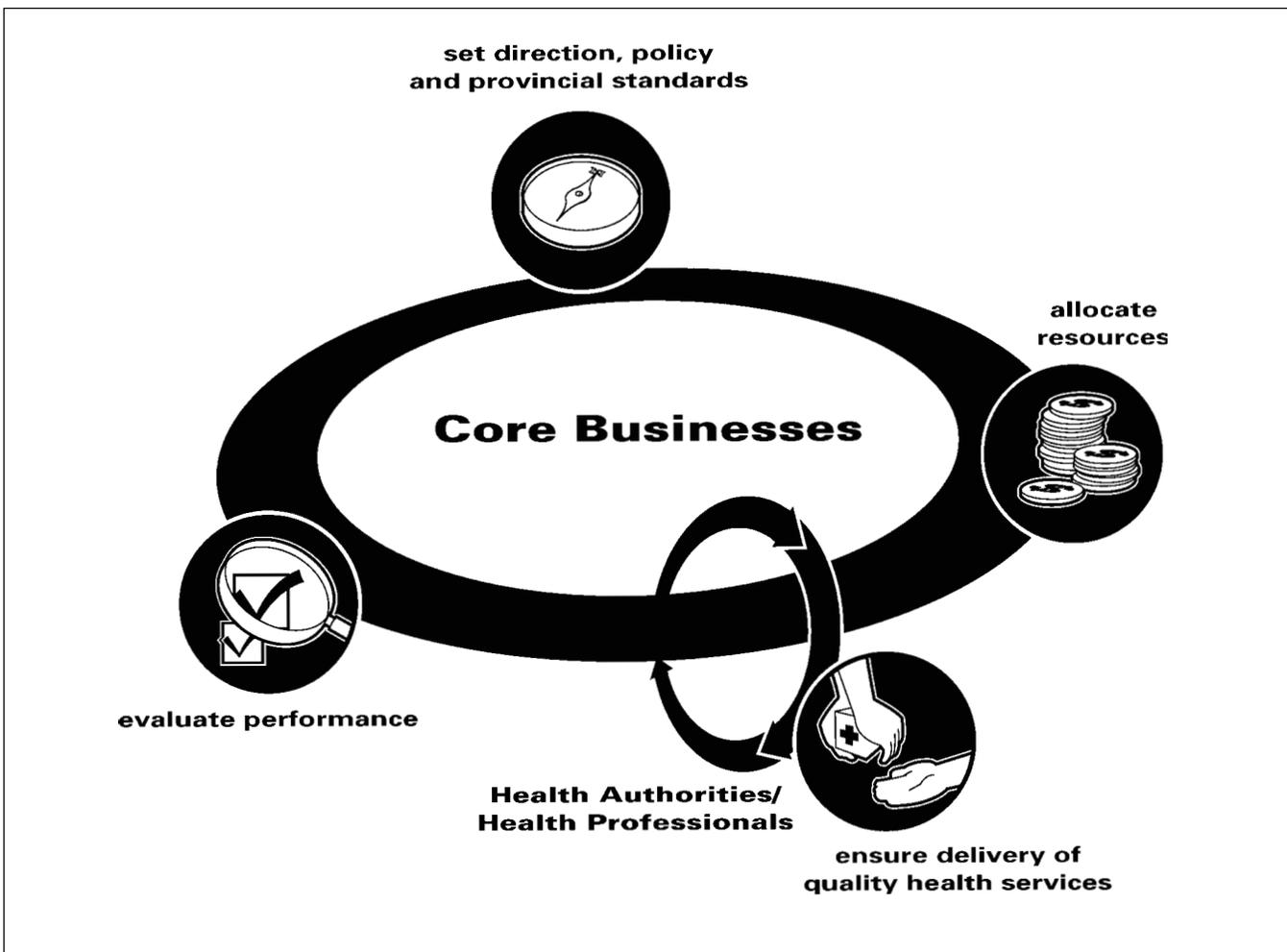
- ◆ to provide more services in communities and in people's homes.
- ◆ to measure results and report regularly to Albertans.
- ◆ to provide more emphasis on education, prevention of illness and injury and promotion of healthy lifestyles.
- ◆ to continually improve health through education, leading edge treatments, research, information and technology.

Alberta Health's Mission and Core Businesses

The mission of Alberta Health is to improve the health of Albertans and the quality of the health system.

We work to achieve that mission by concentrating on four core businesses:

- ◆ setting direction, policies and provincial standards.
- ◆ allocating resources.
- ◆ ensuring delivery of quality health services.
- ◆ evaluating performance.



Goals and Strategies

This business plan focuses our efforts on responding to challenges in health, achieving clear goals and measuring results. While a number of specific goals are identified in this business plan, they all relate to a single overriding goal for the Government of Alberta — **Albertans will be healthy.**

The goals and strategies for each of the four core businesses are outlined in the following charts.

Core Business 1: Set Direction, Policies and Provincial Standards

Albertans expect high standards for Alberta's health system. Through its overall leadership role, Alberta Health is responsible for developing policy and standards that contribute to improving health and health care for Albertans. Strategic direction is provided by the Minister of Health to the health system through the annual Ministry of Health Business Plan and through setting requirements for health authority business plans and reviewing and approving them.

Goals	What Albertans Can Expect to See	Strategies and Actions
Overall directions for the health system are clear, coordinated, and understood by Albertans and by those in the health system.	<ul style="list-style-type: none"> ◆ opportunities to be involved in setting directions for health reform 	<ul style="list-style-type: none"> ◆ involve Albertans and health providers in reviewing and refining the directions for future reform in the health system ◆ expand efforts to communicate with Albertans and those in the health system
Clear, measurable expectations are in place for all components of the health system.	<ul style="list-style-type: none"> ◆ a clear understanding of who is responsible and for what ◆ consistent high standards for health services 	<ul style="list-style-type: none"> ◆ establish an accountability framework outlining responsibilities and reporting results ◆ develop performance measures and standards, and support development of clinical practice guidelines
Public policy promotes the health of Albertans.	<ul style="list-style-type: none"> ◆ expanded actions to protect and promote good health 	<ul style="list-style-type: none"> ◆ provide leadership and act as a catalyst for actions to address health concerns, protect and promote good health, and prevent disease and injury. ◆ work with other ministries and organizations to improve health for children and seniors
Appropriate policies are in place to guide the management of the health system.	<ul style="list-style-type: none"> ◆ a common base of quality health services available in all regions, specialized services available in major centres, and the most complex, highly specialized services in Edmonton and Calgary ◆ new legislation protecting the privacy of individual health information 	<ul style="list-style-type: none"> ◆ review core health services and other key policy areas ◆ establish policy and legislation to protect the privacy of individual health information ◆ work with Alberta Labour on a new Health Professions Act ◆ continue to review and reform regulations under the Regulatory Reform Workplan ◆ review existing policy and administrative arrangements for publicly funded drug programs

Core Business 2: Allocate Resources

A key role of Alberta Health is to determine the scope of resources required to sustain the health system and meet Albertans' health needs on an ongoing basis within available resources. Alberta Health also is responsible for allocating resources in a manner that is fair and reflects health needs in different parts of the province.

Goals	What Albertans Can Expect to See	Strategies and Actions
Sufficient resources — both people and money — are available to meet changing health needs.	<ul style="list-style-type: none"> ◆ more front-line health workers ◆ better decisions about funding programs and preparing for future health needs 	<ul style="list-style-type: none"> ◆ develop a process for projecting health needs as a means for forecasting future resource requirements ◆ use information about the effectiveness of programs and services to guide decisions about resource requirements
All parts of the health system have a stable base of predictable funding that is fair, meets needs, and promotes efficiency and effectiveness.	<ul style="list-style-type: none"> ◆ consistent and predictable funding for health services ◆ ongoing support for complex, highly specialized services ◆ pilot projects on different ways of delivering and paying for medical services 	<ul style="list-style-type: none"> ◆ implement a new funding formula for regional health authorities ◆ implement plans for funding complex, highly specialized services ◆ develop options for paying health professionals that encourage ongoing improvements in health and the performance of the health system ◆ provide ongoing support to the Alberta Heritage Foundation for Medical Research, Alberta Cancer Board and Alberta's two faculties of medicine. ◆ realign Alberta Health operations to maximize efficiencies and effectiveness

Core Business 3: Ensure Delivery of Quality Health Services

Albertans want access to health services on a timely basis. Health services should meet people's needs, meet high standards, achieve positive health outcomes and improve health.

Goals	What Albertans Can Expect to See	Strategies and Actions
<p>Health services are accessible, appropriate and well managed to achieve the best value.</p>	<ul style="list-style-type: none"> ◆ shorter waiting times ◆ more front-line health providers ◆ clear and simple processes for expressing concerns and appealing decisions ◆ a well-managed health system that reflects best practices from around the world ◆ more emphasis on programs preventing illness and injury, protecting and promoting good health ◆ more programs and services provided in communities ◆ components of the Alberta Aids to Daily Living program move to regional health authorities ◆ improved mental health services in communities 	<ul style="list-style-type: none"> ◆ monitor impact of additional funding on shorter waiting times and increased front-line staff ◆ establish simpler processes for Albertans to express concerns and appeal decisions ◆ involve health providers in a review of best practices in organizing and delivering health services ◆ provide ongoing orientation sessions on leading management practices for boards and senior administration ◆ review future needs for long-term care so seniors can get the care they need ◆ where appropriate, move programs from Alberta Health to regional health authorities ◆ continue plans for improving mental health services in communities ◆ work with regional health authorities and other partners to develop plans and actions for addressing health issues such as low birth weight babies, suicide and injuries ◆ work with the College of Physicians and Surgeons, regional health authorities, universities and others on actions to attract and keep doctors in rural Alberta and ensure an appropriate balance of general practitioners, family physicians and specialists ◆ establish a new management structure for reviewing province-wide services
<p>Albertans are well informed and able to make decisions about their health and health services.</p>	<ul style="list-style-type: none"> ◆ a special focus on good health in young families 	<ul style="list-style-type: none"> ◆ implement a two-year health promotion project targeted to young Alberta families
<p>Community members have opportunities to participate in decisions about the health system in their community.</p>	<ul style="list-style-type: none"> ◆ opportunities to be involved in decisions about health in communities 	<ul style="list-style-type: none"> ◆ ensure that Community Health Councils are in place in every regional health authority ◆ set clear expectations for communication with community members as part of the business plan process for regional health authorities

Core Business 4: Evaluate Performance

An important responsibility of Alberta Health is to measure performance, assess the impact of decisions, programs and actions, monitor the overall health of Albertans and factors that affect health, and ensure that information is used to improve future decisions and improve health.

Goals	What Albertans Can Expect to See	Strategies and Actions
Relevant, accurate and timely information is available and used to improve health.	<ul style="list-style-type: none"> ◆ decisions are based on the best information about what works well and what doesn't 	<ul style="list-style-type: none"> ◆ develop and implement an information management strategy for the health system ◆ define, collect, analyze and share information about trends in selected diseases, injuries and disabilities, and utilization of the health system ◆ implement a Health Research Business Plan in consultation with the Alberta Science and Research Authority ◆ develop and support testing of new technology and new models for service delivery
The performance of the health system and indicators of the health of Albertans are measured, evaluated and reported regularly to Albertans.	<ul style="list-style-type: none"> ◆ regular reports on the performance of Alberta's health system and the health of Albertans ◆ ongoing evaluation of services and practices in health 	<ul style="list-style-type: none"> ◆ collect information related to performance measures, targets and benchmarks ◆ develop approaches for evaluating service delivery ◆ provide comprehensive reports on the health of Albertans and the performance of the health system and use that information to take appropriate actions

Measuring Performance

Alberta Health collects a wide range of information about the health of Albertans and our health system. From this information, a small number of key performance measures have been selected and will be reported on regularly to Albertans. The following set of measures was selected based on these criteria:

- ◆ consistency with directions set for the health system
- ◆ a focus on areas needing improvement
- ◆ a focus on public concerns
- ◆ a mix of short and longer-term measures
- ◆ availability of data
- ◆ national or international recognition as a measure of health
- ◆ technical merit including validity and reliability of the measures.

This set of measures can be used to judge the performance of the health system and to assess our progress in achieving the goals of this business plan. Regular reports will be provided to Albertans through **Measuring Up** (government's overall report on performance), the **Alberta Health Annual Report**, the annual report on the **Public Survey about Health and the Health System in Alberta**, and regular updates to the **Report on the Health of Albertans**.

For this business plan, the measures have been divided into three categories:

- ◆ those that measure access and answer questions like "do Albertans get access to services they need when they need them?"
- ◆ those that measure health outcomes and answer questions such as "how healthy are we?" or "are we making progress in preventing illness and injury?"
- ◆ those that measure the quality of the health system and address questions like "how do Albertans rate the quality of health care they receive?" and "are we allocating resources where they're needed?"

This list of key measures will change as new issues arise. For example, because of Alberta's aging population, measures need to be developed to track trends and the availability of long-term care both in facilities and in the home. New measures will be developed over the next year and added to the business plan.

Health Access — Are Services Available When People Need Them?

- 1. Albertans' ratings of access to health services**
Target (1998): 80% rate access as easy or very easy.

This measure reflects Albertans' views about how easy or difficult it is to get the health services they need when they need them. In 1996, 75.8% of Albertans rated access as easy or very easy.
- 2. Percentage of Albertans reporting failure to receive needed care**
Target (1998): 3%

Through public surveys, Albertans are asked, "Over the past twelve months, were you ever unable to obtain health care services when you needed them?" In 1996, 7% reported failure to receive needed care.
- 3. Waiting time for cardiac surgery**
Target (1998): 5 - 7 days for urgent in-patients, 2 - 3 weeks for urgent out-patients and up to 3 months for planned out-patients.

This measure reports on how long Albertans wait before receiving necessary cardiac surgery. The targets are based on recommended practice and will be refined in consultation with physicians and health professionals involved in cardiac programs.
- 4. Volume and rates for cardiac surgery related to population**
Target (1998): benchmarks to be determined based on comparison with other provinces and countries.

This measure will show whether Alberta's volumes and rates of cardiac surgery are high, low or about the same compared with other provinces and countries. Population figures will be adjusted for age and gender for comparison purposes. This measure will help us evaluate our cardiac surgery needs and the appropriateness of services provided in Alberta.

- 5. Length of stay in emergency after hospital admission** Target (1998): benchmarks to be established in comparison with other provinces and countries.
- This is one measure of hospital efficiency. It measures how long patients must wait in emergency before they are moved to an in-patient bed.
- 6. Percent of general practitioner services obtained within Albertans' home region** Target (2000): 95% for Capital and Calgary regions; 85% for all other regions.
- This measure shows the extent to which Albertans obtain primary health services from a general practitioner in the region where they live. For 1995/96, Capital and Calgary residents obtained 95.2% of their primary health services in their home region. Residents in all other parts of the province obtained 81.4% of primary services within their home region.

Health Outcomes — How Healthy Are We?

- 7. Life expectancy at birth (in years)** Target (2000): 77 years for males and 83 years for females.
- Life expectancy at birth is an internationally recognized indicator of the general health of the population. The objective is to be the best in Canada and among the best in the world. The latest information on life expectancy for Albertans (1994) is 75.5 years for males and 81.4 years for females. Among Canadian provinces, Alberta ranks third in life expectancy, behind Saskatchewan and British Columbia.
- 8. Percent of Albertans rating their own health "excellent" or "very good" by age group** Target (1998): 75% (ages 18-64) and 50% (age 65 and older).
- This measure reports how Albertans describe their own health. It is a general indicator of the health of the population. Current ratings are 68.1% for Albertans aged 18-64 and 37.2% for Albertans 65 and older.
- 9. Percent of low birth weight newborn babies** Target (1998): maximum 5.5% of babies weighing under 2500 gm.
- Low birth weight is often associated with life long health problems. A low percentage of low birth weight newborns indicates good prenatal care provided by the health system and expectant mothers and their families. In 1995, 6% of Alberta newborns weighed less than 2500 grams. Overall, Alberta's rate is poor compared with other provinces. Only Nova Scotia and Ontario have worse rates of low birth weight babies.
- 10. Provincial rate of injury deaths including suicide** Target (1999): reduced standardized mortality rate from all injuries, including suicide, to 45 per 100,000 Albertans; reduced suicide rate to 13 per 100,000 Albertans.

This measure tracks the death rates for injuries and suicide. These are major causes of premature deaths in Alberta, particularly among younger Albertans. Alberta's suicide rate (18.1 per 100,000 in 1992) is among the highest in Canada. In 1992, Alberta had the highest rate of death due to injury among the provinces, exceeded only by the Northwest Territories and Yukon. The standardized mortality rate for injury deaths in Alberta was 57 per 100,000 in 1992.

11. Childhood immunization coverage

Target (1998): 95% of two year olds appropriately immunized.

This measure reports the percentage of two year olds who have been immunized to prevent several serious childhood diseases. The latest information (1995) shows that 86% of two-year-olds are appropriately immunized, a decrease from the early 1990s.

12. Number of deaths due to cervical cancer

Target (2000): 0

Deaths from cervical cancer can potentially be eliminated through effective use of PAP tests every three years for all Alberta women over the age of 15. There were 40 deaths due to cervical cancer in 1995.

13. Percent of Albertans who do not smoke

Target (1998): 75% of Albertans age 12 and over do not smoke.

Smoking is known to affect health. It is estimated that tobacco use contributes to the death of several thousand Albertans each year. This measure shows the proportion of Albertans making a choice which has a direct impact on their health. In 1994/95, an estimated 72% of Albertans age 12 and over did not smoke.

Health System Quality — Is the Health System Providing Quality Services to Albertans?

14. Albertans' ratings of the quality of care they received

Target (1998): 90% rate the care they received as excellent or good.

Albertans' views about the quality of care they received are an important measure of the overall quality of Alberta's health system. In the 1996 survey, 85.8% of Albertans reported receiving excellent or good care.

15. Health providers' ratings of health system reform

Target (2000): continued improvement in ratings.

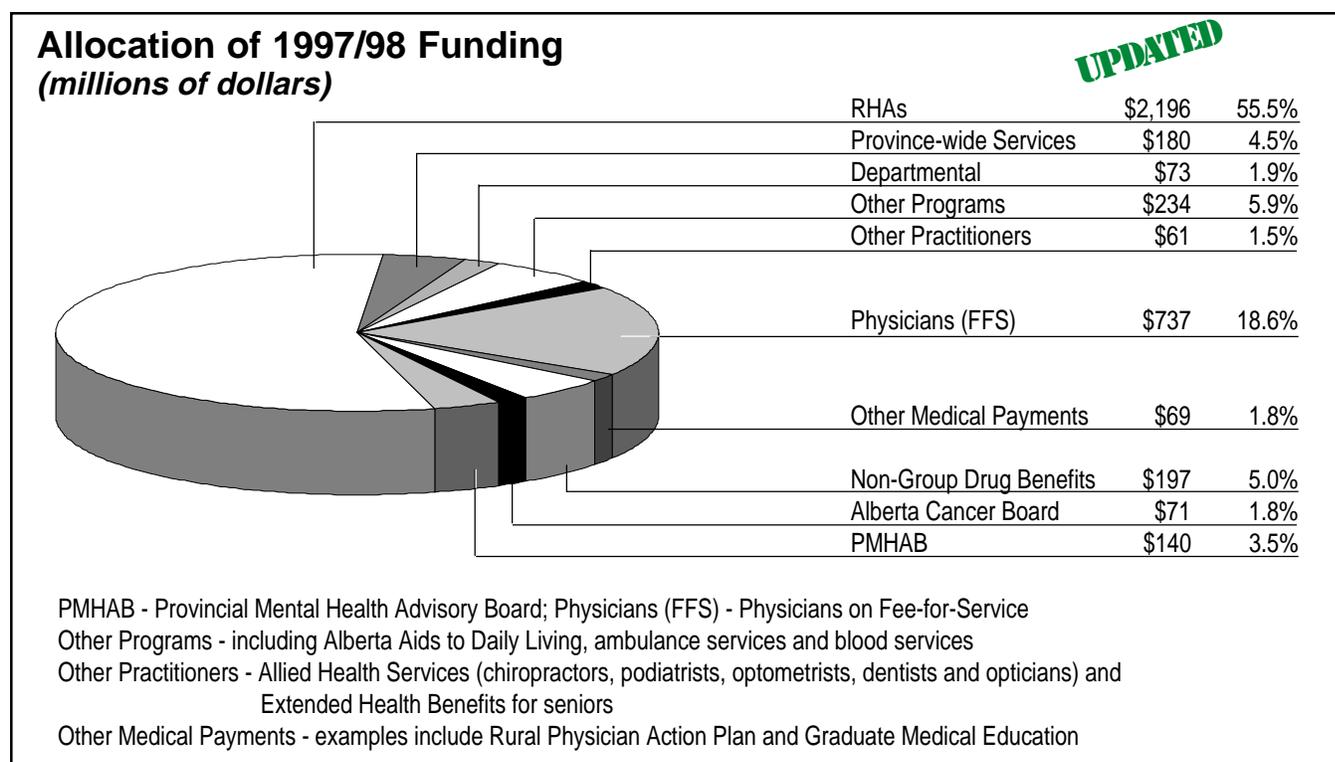
Health providers see changes in the health system first hand and they are in an excellent position to assess the impact, effectiveness and efficiency of Alberta's health system. Currently, no information exists on the overall views of health providers. Measures will be developed to report on the views of a wide range of health providers including doctors, nurses, licensed practical nurses, therapists and allied health professionals.

- 16. Breast screening rates** Target (1999): 75% of women over 50 receive mammograms every two years.
- Mammograms are recommended for women over the age of 50. Early detection of breast cancer can increase the chances of survival. For 1994/95, 62% of women over 50 reported receiving a mammogram during the previous two-year period.
- 17. Percent change in expenditure on community and home services** Target (1999): benchmarks to be set based on comparisons with other provinces and countries.
- Moving more programs and services to communities and to people's own homes is an important direction for Alberta's health system. By measuring the percent change in expenditure on these services, we can track whether community and home care programs and services are increasing as planned.
- 18. Rates for hospital-acquired infection** Target (1998): benchmarks to be set based on comparisons with the best provinces and health maintenance organizations in the U.S.
- The rate of infection following surgery is an indicator of the quality of care provided by hospitals.
- 19. Avoidable hospitalization for selected conditions** Target (1998): benchmarks to be set based on comparison with the best provinces and health maintenance organizations.
- This measure reports the extent to which care for certain long-term health conditions such as asthma, diabetes and depression is successfully managed in the community without the need for hospitalization.
- 20. Utilization rates for selected surgeries and procedures** Target (2000): benchmarks to be set in comparison with other provinces.
- This measure compares the rates for selected types of surgeries and procedures with rates in other provinces. The information will be used to identify potential areas of over-service and under-service.
- 21. Trends in fee-for-service expenditures for doctors as a percentage of total health spending and of total spending on doctors' services** Target (2000): benchmarks to be set in comparison with other provinces.
- This measure will track overall spending on doctors' services as well as the extent to which alternative approaches to paying doctors are being used. Alternative approaches to paying doctors can be used to encourage ongoing improvements in health and the quality of the health system.

Funding Health Services

One objective of this business plan is to ensure that there is a stable and predictable base of funding in place for health services. A new population-based funding formula will be implemented, taking into account not only the size of the population in each region but also a number of factors that affect health, such as age, gender and socio-economic factors. Factors that affect costs of services in remote and sparsely populated areas will also be taken into account. Actions have also been taken to expand the base of funding provided for highly specialized province-wide services such as cardiac surgeries, transplants, kidney dialysis and intensive trauma care.

For the next three years, we expect funding to grow at a modest rate of 3.4% in 1997-98, 1.9% in 1998-99 and 1.8% in 1999-2000 [*Update: 3.8% in 1997-98, 1.4% in 1998-99 and 1.8% in 1999-2000*]. Government spending on health in 1997-98 will total \$3.942 billion [*Update: \$3.958 billion*]. The following chart outlines the targetted allocation of health funding in 1997-98.



Premier's Council on the Status of Persons with Disabilities

The mission of the Premier's Council on the Status of Persons with Disabilities is to enhance and promote the opportunity for full and equal participation of persons with disabilities in the life of the province. The Council's role is to ensure the needs of Albertans with disabilities are understood so they can be addressed. The Council consults with provincial and local agencies, businesses and organizations and advises government on matters relating to the status of persons with disabilities. The ten-year mandate of the Council expires July 1, 1998. This mandate will be reviewed and recommendations made to ensure that public policy continues to promote full and equal participation of persons with disabilities.

Health Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	Comparable 1997-98 Estimates	Comparable 1998-99 Target	Comparable 1999-2000 Target
REVENUE								
Department	1,249,857	1,229,165	1,346,605	1,334,655	1,212,139	1,156,891	1,134,008	1,130,226
Edmonton Region Health Facilities Planning Council	87	329	-	-	-	-	-	-
Consolidation Adjustments	(35)	(35)	-	-	-	-	-	-
Consolidated Revenue	1,249,909	1,229,459	1,346,605	1,334,655	1,212,139	1,156,891	1,134,008	1,130,226
EXPENSE								
Program								
<i>Voted</i>								
Department	4,133,168	4,001,617	3,798,559	3,618,262	3,813,450	3,957,602	4,013,982	4,087,982
<i>Statutory</i>								
Edmonton Region Health Facilities Planning Council	82	311	-	-	-	-	-	-
Consolidation Adjustments	(35)	(35)	-	-	-	-	-	-
Consolidated Expense	4,133,215	4,001,893	3,798,559	3,618,262	3,813,450	3,957,602	4,013,982	4,087,982
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	(35)	61	-	-	-	-
NET REVENUE (EXPENSE)	(2,883,306)	(2,772,434)	(2,451,989)	(2,283,546)	(2,601,311)	(2,800,711)	(2,879,974)	(2,957,756)

Action on Health Checklist

	Getting Started	Underway	In Place
Set direction, policies and provincial standards			
◆ establish a new accountability framework	✓		
◆ set standards and performance measures for health services		✓	
◆ introduce legislation to protect privacy of individual health information	✓		
◆ review core services		✓	
◆ involve Albertans and health providers in setting directions for health reform		✓	
Allocate resources			
◆ implement a new funding formula		✓	
◆ provide targeted funding for complex, highly specialized province-wide services		✓	
◆ implement pilot projects on alternative ways to deliver and pay for health services	✓		
◆ provide ongoing support for health research		✓	
Ensure delivery of quality health services			
◆ monitor waiting times and increases in front-line staff	✓		
◆ initiate review of best practices	✓		
◆ review future needs for long-term care	✓		
◆ move key components of the Alberta Aids to Daily Living programs to regional health authorities	✓		
◆ improve mental health services in communities		✓	
◆ implement a two-year health promotion program targeted at young families		✓	
◆ take action on issues affecting Albertans' health		✓	
◆ establish new appeal mechanisms	✓		
◆ implement a new management structure for complex, highly specialized province-wide services	✓		
◆ take action to attract and keep doctors in rural Alberta		✓	
◆ ensure Community Health Councils are active in all regions		✓	
Evaluate performance			
◆ measure performance and report to Albertans		✓	
◆ implement an information management strategy	✓		
◆ collect and share information about trends in health		✓	
◆ evaluate delivery of services		✓	

Justice

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Jon Havelock, Q.C.
Minister of Justice and Attorney General
April 12, 1997

Introduction

The stated commitment of Alberta Justice is to foster safer, more secure communities and administer justice effectively. Our 1997 - 2000 Business Plan (including the Research Business Plan, the Information Technology Plan and the Regulatory Reform Review) builds on the framework developed in previous years and supports the Government of Alberta's three core businesses:

People

Through our social programs, we provide support and protection to some of our most vulnerable citizens: victims of crime, families who depend on court ordered maintenance payments, individuals unable to protect their financial interests, and individuals who cannot afford legal counsel;

Prosperity

Maintaining law and order and building safer communities are key to a prosperous Alberta where families, communities and businesses can flourish. Continued public confidence in the justice system is essential to ensure Alberta's prosperity in the future;

Preservation

A key theme of our Business Plan is to focus our efforts on dealing with serious and violent crime, and preserving our quality of life. We will work with our partners in the justice system to examine our handling of less serious offences, continue our efforts to better identify and manage violent offenders, and ensure the continued vigorous prosecution of serious offences.

Mission Statement

Our mission is to ensure equality and fairness in the administration of justice in Alberta.

Goals

The Ministry of Justice has five core business functions: policing, prosecution and trial, sanctions, legal services and social programs — six key goals have been developed:

1: To maintain law and order in Alberta communities

Albertans should have safe and secure communities with peace and good order so they can live, work and raise families without fear of crime or victimization. This goal is achieved by providing a broad range of services including adequate and effective policing, crime prevention programs, support for initiatives that address the problem of family violence, fatality investigations, consultations with and training for police commissions and committees, investigations of complaints against police, and the promotion of diversion and alternative measures. Other services provided in support of this goal include the protection of officials and public property, firearms control, and the incarceration of offenders dangerous to the public.

2: To conduct criminal and civil proceedings in a fair and effective manner

Maintaining a high standard of criminal prosecutions in Alberta courts is essential to ensure public confidence in the judicial system. Court time should be used effectively to ensure fairness in access and resolution of cases. This goal is achieved through the provision of court resources, scheduling mechanisms, and the fair and effective prosecution of criminal matters. In addition, the Ministry is responsible for regulating the activities of private bailiffs, establishing diversion programs, implementing a victim impact statement program, providing pre-sentence reports and pre-disposition reports, and being responsive to the public's needs for information and access.

3: To carry out the sentences of the court in a fair and effective manner

It is the mandate of prisons to carry out the most serious sanction of the court — incarceration — in a manner that protects public safety. In carrying out the sanction of the court, an opportunity is provided for the rehabilitation of offenders — a responsibility which is shared among many stakeholders and the community at large. This goal is achieved by providing for the care and control of offenders and administering community-based corrections programs for low-risk offenders.

4: To provide effective legal services to the Government of Alberta

The legal interests of the Government must be protected. This is accomplished by providing legal advice to Government and representing the Government in litigation.

5: To provide access to social programs administered by Alberta Justice

Justice social programs protect the interests of vulnerable Albertans, enhancing the quality of life in the province. This goal is achieved through the enforcement of maintenance orders, the administration of the estates of dependent adults, decedents and minors, and the provision of support for programs and services for victims of crime.

6: To provide access to legal aid to those persons who are eligible

Legal aid provides individuals with legal services they would not otherwise be able to acquire. To achieve this goal, the Ministry provides grants to the Legal Aid Society of Alberta.

Issues

The Ministry of Justice faces a number of issues that must be addressed to meet the core business goals. Many of these issues represent longer term challenges that the Ministry recognizes as fundamental to its role in society. However, not all issues can be resolved in any one Business Plan; approaches must be developed to ensure that these issues are dealt with in a progressive way.

Legislation

Changes to federal and provincial legislation impact the Ministry, often with direct financial consequences. For example, changes to the administration of sentences, the *Young Offenders Act* and the registration and control of firearms will have a significant impact on the Ministry's resources.

Accessibility to Justice Services

If fairness and equity are cornerstones of the social fabric, it is essential that the public have access to these fundamental justice programs when needed. Over the next few years, the Ministry must continue to develop ways to ensure those who need justice services can access them in a timely way that is also cost effective and fair. A particular concern is ensuring that the developmental needs of youth at risk for involvement in the criminal justice system are addressed through interdepartmental planning and a community focus on prevention.

Public Safety

The reported crime rate has decreased in each of the last four years; however, the fear of crime continues to be a concern of the public that must be addressed. Accordingly, programs must be developed so that deterrence, education, community involvement and the reinforcement of social values maximize the safety of the public.

Cost Effectiveness

Programs must not only exemplify excellence in the level of service delivery, they must do so at a reduced cost. The Ministry must control costs without compromising services or the public's confidence in the administration of justice.

Managing the Prison Population

The public has become increasingly concerned about violent crime and expects the justice system to deal firmly with serious offenders. As sentences increase in length and higher risk offenders spend longer periods of time in custody, accommodating prisoners becomes a greater challenge. In order to avoid capital building costs, a coordinated approach must be taken among all components of the criminal justice system to identify, monitor, and supervise the highest risk offenders while providing community based alternatives for selected low risk offenders. In implementing these initiatives, public security must remain a priority.

First Nations

A good deal of public attention has been focussed on the disproportionate involvement of Aboriginal people with the justice system. A continuing theme for the Ministry is to develop culturally sensitive programs that recognize the needs of the Aboriginal community, while ensuring public safety.

Complexity of the Justice System

For many citizens, the justice system is complex and forbidding. The Ministry recognizes that a major challenge is to provide greater clarity regarding how the justice system operates, how it can be accessed, and the public's role and options in the justice system.

Central Agency Requirements

Some government functions and costs, such as telecommunications and financial and human resource systems processing, were centralized responsibilities in the past but are now being delegated to Ministries. The funds transferred to the Ministry to handle these new responsibilities must be at an appropriate level to maintain services. Therefore, it is essential that the Ministry develop approaches that meet central agency requirements, while still supporting the Ministry's core businesses.

Strategies and Initiatives

To accommodate the expectations of the public in the administration of justice, a number of strategies are proposed for the next three years. These strategies are general approaches that will be taken to ensure our programs continue to meet Ministry goals.

1. To Re-focus the Resources of Alberta Justice on Serious and Violent Crime

A highlight of last year's business plan was the Ministry's commitment to address the public's concerns about serious and violent crime. This strategy, which has yielded a number of positive changes, will continue in the present business plan. Through cooperation with key stakeholders in the criminal justice system, the Ministry will focus resources on those crimes which pose the greatest risk to public safety. The following initiatives reflect an increased commitment to deal with those crimes in a way that reinforces deterrence, while respecting the traditions of fairness and equity.

Initiatives:

- ◆ Develop and implement, under the auspices of the Ministry's Serious and Violent Crime Committee and in conjunction with the police, strategies whereby Alberta Justice resources can be appropriately focussed on serious and violent crime.
- ◆ Hire additional crown prosecutors.
- ◆ Implement the approved recommendations of the Task Force Report on the administration of the *Young Offenders Act*.
- ◆ Place on the agenda for the Heads of Corrections a strategy for the development of national recidivism data.

2. To Prevent Crime Through Community Policing

The public continues to express great concern regarding crime despite the fact that the reported crime rate has dropped for the fourth consecutive year. This has been attributed to innovative ways in how the police are handling their responsibilities, including community based and problem-solving approaches. The Ministry will seek to encourage police services to continue and expand community policing so that they become even more successful in mobilizing communities to address law enforcement issues. A key strategy of the Ministry will be to better inform the public on the incidents of crime and the level of citizen safety.

Initiatives:

- ◆ Support and work with police services to further the concepts of community policing and develop measurements to identify its effectiveness.
- ◆ Further develop First Nations policing initiatives in cooperation with First Nations, Canada and the RCMP.

3. To Increase Public Awareness and Consult with Justice Stakeholders

A number of initiatives will focus on educating the public, particularly to changes in the administration of justice, but also in other areas where a need has been identified. It is anticipated that this will result in greater citizen involvement and support of the justice system.

The Ministry has traditionally solicited the views of its stakeholders. This will continue, both to inform them of our plans, and to solicit advice on re-engineering programs to meet their needs. In addition, we will continue dialogue with Aboriginal communities to address their needs to the greatest degree possible.

Initiatives:

- ◆ Provide police commissions and police committee members the opportunity to broaden their knowledge of their role in the justice system and law enforcement community.
- ◆ Review with Aboriginal groups their involvement in the administration of criminal justice.
- ◆ Produce brochures and meet with special interest groups to explain the role of the Public Trustee.
- ◆ While retaining responsibility for the administration of criminal justice programs, ensuring public safety and offender accountability, work cooperatively with departments serving children and

families, and bring increased focus to ensuring the availability of appropriate prevention/early intervention programs for children who are at risk for future criminal involvement.

4. To Streamline the Process

The administration of justice must be streamlined in order for it to be as effective as possible. Accordingly, the Ministry will undertake initiatives to simplify the justice process while ensuring that the system remains accessible, effective, equitable and understandable by the public.

Initiatives:

- ◆ Working with the Federal Government and other provinces to reclassify offences to facilitate the administration of criminal cases.
- ◆ Develop a management information system for each court and work with the judiciary to improve case management and trial coordination services.
- ◆ Increase the monetary jurisdiction and access to small claims court.
- ◆ Maintain the effective and efficient operation of the Court of Appeal, the Court of Queen's Bench, and the Provincial Court.
- ◆ Conduct a joint planning process with Public Works, Supply and Services to redevelop court facilities in Calgary.
- ◆ Implement the approved recommendations of Correctional Services' Efficiency Review initiative.
- ◆ Review and amend Department Regulations according to the Government's Regulatory Review Plan.
- ◆ Streamline the administrative and financial processes of estate administration services.
- ◆ Streamline the administration and service delivery of the Maintenance Enforcement Program.

5. To Develop Appropriate Dispute Resolution Mechanisms

The administration of justice is largely concerned about the resolution of disputes. Over time, procedures were developed to balance fairness and equity between the parties involved in these disputes. In some cases, the formalization of these procedures has become an impediment to a speedy, equitable and effective discharge of justice. The Ministry will develop mechanisms that lead to quick and cost effective dispute resolution. On the criminal side, this will entail greater use of diversion programs for less serious crimes. On the civil side, increased use of mediation and shortened trial type procedures will facilitate the objective of obtaining timely and equitable resolutions to disputes.

Initiatives:

- ◆ Implement Bill C-41 amendments to the Criminal Code.
- ◆ Implement an Alternative Measures Program for adult offenders and expand the Alternative Measures Program for young offenders.
- ◆ Assess the options available for the implementation of alternative dispute resolution in civil cases.
- ◆ Promote the use of appropriate dispute resolution techniques as a means of resolving legal disputes involving the government.

6. To Examine Program Delivery Alternatives

Several innovative approaches in service delivery will be employed to address many of the issues facing the Ministry. These alternatives will ensure the same high level of service to the public, albeit in a different and more cost effective way.

Initiatives:

- ◆ Work with police services and employers of special constables to examine the role of special constables in policing and determine if they can be made more cost effective and efficient in delivering policing services.
- ◆ Expand the partnership with the RCMP in the administration of the provincial policing agreement to enhance accountability, improve cost effectiveness and citizen satisfaction.
- ◆ Monitor federal government implementation of the federal *Firearms Act*.
- ◆ Review the *Provincial Offences Procedure Act* to find ways to make it more effective.
- ◆ Review transcription services to determine if transcripts can be provided on a more cost effective basis.
- ◆ Expand the adult community based correctional programs.
- ◆ Explore the issues regarding the development of an Aboriginal open custody young offender work camp operated by an Aboriginal organization.
- ◆ Refocus the adult inmate education/vocational program to emphasize employment and provide an adult education model.
- ◆ Develop enhanced programs and services for victims of crime under the new *Victims of Crime Act*, which is to be proclaimed in 1997.
- ◆ Review non core estate administrative sources for opportunities for privatization.
- ◆ Undertake the administration of estates for dependent persons having nominal assets who are in need of trusteeship.
- ◆ Review the future of the Legal Aid Staff Counsel Pilot Project in consultation with the Legal Aid Society and the legal community.

7. To Conduct Cost Sharing Reviews

Many of the Ministry's programs are cost shared with the federal government. Because of restraint and restructuring at the federal level, there has been a need to review and re-negotiate agreements between governments to deal with such matters as young offenders and the exchange of services agreement for the housing of federal prisoners in provincial facilities. In addition, a number of new federal initiatives such as child support guidelines and impending changes to proceeds of crime legislation necessitate a vigorous dialogue on behalf of our citizens to ensure our financial entitlements are respected.

Initiatives:

- ◆ Liaise with the federal government with respect to amendments to the *Young Offenders Act*, issues significant to the juvenile justice system and the federal/provincial cost sharing agreement.
- ◆ Review the existing agreement between Alberta and Canada and develop a strategy regarding the housing of selected federal offenders in provincial correctional centres.
- ◆ Implement federal legislation regarding child support guidelines and the tax treatment of child support.
- ◆ Develop protocols between the levels of government for the sharing of the proceeds of crime.

8. To Integrate Justice Systems

More than ever, the administration of justice requires better coordination of activities among stakeholders. A multi-disciplinary view of the justice system requires an effective exchange of information so that the work of the justice system, social services system and private sector will be facilitated. The initial focus will be on integrating the systems internal to the Ministry. This will be accomplished through the development of information and communication networks and the establishment of better administrative systems between stakeholders.

Initiatives:

- ◆ Complete a feasibility study to combine the Criminal Justice Information System (CJIS) and the Court Automation Project (CAP) computer systems.
- ◆ Participate in the national consultations for the Federal/Provincial/Territorial Working Group on Integrated Justice.

9. To Participate in Central Agency Initiatives

Alberta government central agencies continue to delegate responsibilities to the ministries. As a general strategy, the Ministry will work closely with those central agencies to ensure the impacts of their actions are understood and procedures are modified to fit the Ministry's needs.

Initiatives:

- ◆ Implement the government financial and human resource systems.
- ◆ Participate in the requirements of the Chief Information Officer.
- ◆ Develop an approach to deal with delegated authority for support of the Ministry's telecommunications.
- ◆ Review the administration of the Motor Vehicle Accident Claims Program.

Performance Measures

To monitor the Ministry's progress in achieving its six goals, the Ministry has come up with 43 Performance Measures. For each Goal, one or two Performance Measures were selected for publication. Although one or two performance measures cannot fully reflect the success of the Ministry in achieving its goals, we are confident that each performance measure will provide a reasonable perspective of the Ministry's performance.

Key Measure for Goal 1: Public satisfaction with the justice system which is defined as the percentage of Albertans who are satisfied with the justice system and the Department of Justice. This measure is a gauge of the public's confidence in the system and the Department and is one way to assess how well the Department is doing in maintaining law and order.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
n/a	n/a	n/a	49%	55%	60%

Key Measure for Goal 1: Public safety which is defined as the percentage of Albertans who have reported being a victim of crime in the past year. The victimization rate tells us how Albertans compare to the rest of Canada (**average 24%**) and gives us an historical perspective of victimization. This measure is a gauge of public safety and is another way to assess how well the Ministry is doing in maintaining law and order.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
n/a	n/a	n/a	21%	21% or less	21% or less

Key Measure for Goal 2: Court delays which is measured by the availability of Provincial Criminal Court for trial in Calgary and Edmonton. It is defined as the average number of weeks in the future a trial date is available. The Ministry must ensure that there is access to the courts in a reasonable amount of time. This is one measure of fair and effective court proceedings.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
11.0	11.4	11.6	12.2	13.0	13.0

Key Measure for Goal 3: Escapes from secure custody which measures how effective Alberta Justice is at keeping incarcerated offenders in custody. It is defined as the number of escapes from secure custody. This is one measure of how effective we are in carrying out the sentences of the court.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
1	0	0	0	0	0

Key Measure for Goal 3: Per diem cost per offender which measures how efficiently correctional facilities are operated. It is defined as the per diem cost per offender in adult custody. This measures how efficient we are at keeping offenders incarcerated.

92/93	93/94	94/95*	95/96	96/97 Target	97/98 Target
\$79.07	\$73.30	\$68.76	\$64.63	lower than Canadian average of \$107.26	lower than Canadian average of \$107.26

* The 1994-95 Canadian average was \$107.26

Key Measure for Goal 4: Client satisfaction with legal services which measures how satisfied client departments are with the Ministry's provision of legal services. It is defined as the level of client satisfaction from a survey conducted by Civil Law. This is one way to measure the effectiveness of legal services provided by the Ministry.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
n/a	n/a	n/a	On average, all client departments were "more than satisfied" to "very satisfied"	Majority of client departments are "more than satisfied" to "very satisfied" and all client departments are at least "satisfied".	Majority of client departments are "more than satisfied" to "very satisfied" and all client departments are at least "satisfied".

Key Measure for Goal 5: Client satisfaction with the Maintenance Enforcement Program which, when developed, will measure client satisfaction on services provided by the Program. This measure, when developed, will gauge the effectiveness of the Program and measure how well the Program is in providing access to its services.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
n/a	n/a	n/a	n/a	to be developed	to be developed

Key Measure for Goal 5: Client satisfaction with the Public Trustee's Office which measures client satisfaction with services provided by the Public Trustee's Office. It is defined as the percentage of "satisfied" and "very satisfied" clientele from a survey conducted by the Public Trustee's Office. This will monitor how well the Public Trustee is doing in providing its services and is one measure of access.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
n/a	n/a	86.2%	82.4%	80%	80%

Key Measure for Goal 6: Legal Aid volume which measures the demand for legal aid. It is defined as the number of eligible people receiving legal aid services.

92/93	93/94	94/95	95/96	96/97 Target	97/98 Target
95,181	85,313	84,703	80,514	to be developed	to be developed

Justice

Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	109,813	113,950	132,428	112,631	101,680	98,810	96,940	94,785
Victims of Crime Fund	977	662	631	540	435	4,500	6,465	6,465
Consolidation Adjustments	(114)	(53)	(43)	-	-	-	-	-
Consolidated Revenue	110,676	114,559	133,016	113,171	102,115	103,310	103,405	101,250
EXPENSE								
Program								
<i>Voted</i>								
Department	411,289	393,004	343,546	336,363	332,891	337,362	337,601	335,101
<i>Statutory</i>								
Department	13,940	19,578	21,735	24,140	27,500	26,750	27,250	27,750
Victims of Crime Fund	596	666	894	823	805	4,500	6,465	6,465
Consolidation Adjustments	(114)	(53)	(43)	-	-	-	-	-
Consolidated Expense	425,711	413,195	366,132	361,326	361,196	368,612	371,316	369,316
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	(20)	-	-	-	-
NET REVENUE (EXPENSE)	(315,035)	(298,636)	(233,116)	(248,175)	(259,081)	(265,302)	(267,911)	(268,066)

Labour

Business Plan 1997-98 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Murray Smith
Minister of Labour
April 12, 1997

Mission and Mandate

The mission of Alberta Labour is to work in partnership with Albertans to promote safe and healthy workplaces, a quality working life, and comprehensive safety systems — key components of the Alberta Advantage.

As a result of previous business plans the department has moved from direct services delivery to issues and public policy management, from intervention to facilitation in the workplace. The restructuring of the department through the use of 3rd option alternatives has resulted in significant enhancements in access to services with a renewed emphasis on customer service and satisfaction.

To focus our activities and resources on our future business the department has identified its six “Core Businesses”. These core businesses will focus departmental resources and effort on client needs with the goal of increased customer service and client satisfaction. The following six core businesses form the base on which our business plan for 1997-2000 has been developed:

- ◆ Promotion of Alberta as a good workplace for business and labour.
- ◆ Long term workplace planning and issues management.
- ◆ Encouragement of cooperative approaches in the workplace.
- ◆ Promotion of appropriate workplace, safety and professional standards.
- ◆ Effective adjudication of workplace and safety issues.
- ◆ Establishment of health and safety systems.

These core businesses reflect the functions and activities that the department will focus on in the future to ensure that our mission and mandate are successfully achieved.

Major Goals and Strategies 1997-2000

The goals of Alberta Labour during the next plan period are to:

- ◆ Assist the province’s economic development and the Alberta Advantage by promoting high standards in the workplace in terms of organization, operation, safety systems and health and safety.
- ◆ Develop and maintain a strong customer focus with an emphasis on service.
- ◆ Establish the core business of the department centred on determining strategic issues and how we can address them, and on program and policy audit.
- ◆ Develop strategic public policy and audit processes in conjunction with and in support of client needs.
- ◆ Complete the move from intervention to facilitation and partnership in current areas of service delivery.
- ◆ Provide effective administration of the Freedom of Information and Protection of Privacy legislation.

In furthering the objective of making Alberta Labour an effective leader in workplace issues such as labour relations and workplace organization, health and safety policy the following major strategies will be used during the plan period:

- ◆ Our primary strategy focuses on the provincial government’s themes of jobs and the economy and on supporting individuals, families and communities to deal with change. The strategy will continue to utilize what we have previously defined as the 3rd option in restructuring government. The first two options involve either eliminating services or privatization. The third option is primarily concerned

with three things: reducing resource requirements by developing partnerships outside government; maintaining current levels of service and standards; and at the same time creating employment opportunities outside of government for which existing staff can compete. This option forms the framework for the strategic direction we have established for the department to 2000. This option has, to date, created twice as many jobs in the private sector as have been abolished in the department.

We will pursue the development of Delegated Administrative Organizations (DAOs) where appropriate. DAOs are industry-funded and operated administrative bodies accountable to the Minister. In addition other 3rd option initiatives such as the development and utilization of accredited agencies will be encouraged.

There will also be privatization, where appropriate, of certain services and functions that will create viable business opportunities in the private sector. Examples of this are mediation services; educational functions related to safety; employment standards and occupational health and safety, and the former Occupational Health and Safety Laboratory.

- ◆ Other strategies that relate to the theme of "jobs and the economy" include the elimination of those services for which there is little or no demand or for which no clear regulatory need exists and the simplification of legislation, regulation, policy and service.
- ◆ Other strategies that support "individuals, families and communities to deal with change" include an emphasis on self reliance in all program activities, a concern for public safety and high standards, and a continued client focus through the use of client surveys and consultation.
- ◆ Strategies that address the need for "strong financial management" include discussions with other departments on the co-ordination or consolidation of services, a focus on restructuring that delegates or devolves activities not consistent with the basic policy/audit role of the department, an ongoing emphasis on cost reduction, the continuation of results-based budgeting, the use of program specific business plans (e.g., Occupation Health and Safety, Safety Services, and Employment Standards) and the continuation of innovative management and personnel practices.
- ◆ Implement Freedom of Information and Protection of Privacy (FOIP) legislation for local public bodies by establishing policy and guidelines, implementing a training program, establishing a directory of records and providing policy advice and guidelines.
- ◆ Facilitate the review of the FOIP Act. Enhance communications and increase the awareness of the legislation and policies. Develop a business plan for the program.

Annual Action Plans

In order to implement the strategies outlined above detailed action plans have been developed. These plans highlight those significant initiatives that are to be undertaken during the life of this plan. Many of these initiatives require significant stakeholder consultation and require a multi-year phased approach to implementation to ensure a smooth transition and coordinated completion schedule.

1997/98:

Many of the initiatives that will be undertaken in the 1997/98 fiscal year are centred on the consolidation of units and the streamlining of processes. These initiatives will focus on client need and the achievement of a high level of customer satisfaction. Service delivery will be provided primarily

through alternate service delivery mechanisms. Savings will be offset by funding for a new contaminated tank site remediation program and the provision of Employment Pension services and the Alberta Fire Training School as dedicated revenue initiatives. The target reflects additional FTE reductions of 54, due primarily to the early achievement of 1998/99 targets. By 1997/98 there will be a need to accommodate increased demands for service. During this time it is anticipated that revenues will continue to fall as a result of moving from a role of direct delivery to managing and auditing the delivery of services by the private sector and others. Total revenue reductions for the 1997/98 fiscal year of \$2.8 million are anticipated. This is an additional reduction of \$0.2 million over that originally forecast for 1997/98.

Specific initiatives planned for 1997/98 include:

- ◆ Strengthening of our audit capability and initial devolution of some program audit functions to the Safety Codes Council.
- ◆ Consideration of alternate delivery mechanisms for certain non-regulatory OH&S services.
- ◆ Continued refocusing on enhancing the Occupation Health and Safety Partnerships program with an emphasis on stakeholder needs.
- ◆ Further restructuring as a result of the continuing implementation of the safety services business plan.
- ◆ Initiation of discussions related to consolidation of professional and labour legislation in the department.
- ◆ Rationalization of the department's regional service delivery capability to reflect the move away from service delivery to a role of policy development and audit.
- ◆ Initiation of public consultation aimed at re-focusing the department around a new vision to carry the department into the future.
- ◆ Reduction in administrative cost as a percentage of costs to 12.71%.
- ◆ Continued downsizing of Finance and Administration.
- ◆ Privatization of the Systems Branch.
- ◆ Continuation of discussions regarding the transfer of the Alberta Fire Training School to Advanced Education and Career Development (Lakeland College).
- ◆ Initiation of employment standards partnerships as a preventive strategy.
- ◆ Review of the operations of the International Qualifications Assessment Service to determine appropriate resourcing levels and maximum self-funding potential.
- ◆ Re-examination of the role and resourcing level of the Professions and Occupations Service.
- ◆ Adjustment of revenue projections to reflect continued devolution of responsibilities.
- ◆ Establish Employment Pensions as a dedicated revenue service funded entirely through self-generated revenue.
- ◆ Establishing, in partnership with Alberta Environmental Protection and the Petroleum Tank Management Association of Alberta, a customer-focused one-window approach to dealing with the remediation of contaminated tank sites.

1998/99:

The 1998/99 fiscal year will see Alberta Labour continue to emphasize customer service while entering a period of relative organizational stability. The department will have achieved a transformation to a role focused on issues and public policy management, except possibly in Occupational Health and Safety, and Employment Standards where a legislative need for compliance monitoring and investigation is still appropriate and necessary.

Through a continued emphasis on the 3rd option, direct service delivery for the most part will be provided by entities outside of the department. The new role for the department will be one of: public policy management; management of relationships to ensure the availability of appropriate services and service levels; the auditing of service delivery to ensure compliance with policy; and ensuring high standards in the workplace.

Initiatives for 1998/99 will focus on improving customer service through reduced waiting periods and shorter processing times. Specific actions planned for the 1998/99 fiscal year will result in savings totalling \$1.8 million. Reductions will be offset by a planned enhancement to the contaminated tank site remediation program. This will leave the department with resources totalling \$34.8 million and 399.0 FTEs. Revenues are expected to continue to decrease with additional reductions of \$2.6 million from 1997/98, representing a decrease of \$2.1 million more than originally anticipated.

Initiatives include:

- ◆ Continued enhancement and refinement of OH&S Partnership Program based on stakeholder input.
- ◆ Continued restructuring of Employment Standards with the goal of proactive prevention of complaints through partnerships and education.
- ◆ Continued restructuring resulting from further implementation of the safety services business plan.
- ◆ Continued restructuring of Personnel to reflect restructuring and downsizing occurring in the department.
- ◆ Further devolution of program audit functions to the Safety Codes Council.
- ◆ In depth examination and review of the privatization of Mediation Services to determine the extent to which the original objectives have been fulfilled.
- ◆ In depth examination and review of the former OH&S Laboratory to determine extent to which the original objectives of this privatization have been achieved.
- ◆ Administrative cost savings resulting in an administrative cost percentage of 10.06%, with a final goal of 10%.
- ◆ A downward adjustment of revenue projections to reflect continued devolution of responsibilities.
- ◆ Enhancement of the contaminated tanks site remediation program.

1999/2000:

The 1999/2000 fiscal year will see the department focus its attention on formalizing and strengthening relationships with industry partners and clients. Attention will be directed towards streamlining functions and activities in an effort to consolidate service delivery in DAOs and other 3rd option alternatives outside the department. This consolidation of services will focus on maintaining a high degree of customer service and satisfaction. As a result resources — with the exception of those associated with the contaminated tanks sites remediation program — will remain constant in comparison with 1998/99. Any savings will be reinvested in activities identified by clients and partners. It is anticipated that revenue will continue to fall with reductions totalling approximately \$0.9 million as a result of the impact of the last of the devolution of service responsibilities to the private sector planned for 1998/99. Expenditures will increase by \$5 million as a result of continued support for the contaminated tanks sites remediation fund. The 1999/2000 resourcing level of \$39.8 million and 399.0 FTEs represents a decrease of \$21.9 million (42%) from the 1992/93 actual expenditure (excluding \$10 million related to the tanks site remediation fund). Reductions in funding of this magnitude have resulted in the abolishment of 311.0 FTEs, 44% of the total number of FTEs in the department since 1992/93.

Specific initiatives planned for 1999/2000 include:

- ◆ Fine tuning the organization to ensure the department remains responsive to the needs of clients and partners.
- ◆ In depth examination and review of the Alberta Boilers Safety Association to determine the extent to which the original objectives have been achieved.
- ◆ In depth examination and review of the Safety Codes Council to determine the extent to which the original objectives have been fulfilled.
- ◆ In depth examination and review of Employment Standards to determine the extent to which the objectives of increased customer focus and service have been achieved.
- ◆ Continued review of administrative functions with the intent of reducing overall percent of resources committed to these activities.
- ◆ Final devolution of program audit responsibilities to the Safety Codes Council, leaving only policy audit functions to the department.
- ◆ Evaluation of the success of the transfer of the Alberta Fire Training School to Lakeland College to ensure that objectives of continued high customer satisfaction and national accreditation have been fully achieved and maintained.
- ◆ Continued enhancement of the contaminated tanks site remediation program.

Labour Relations Board

The Labour Relations Board is responsible for administration of the *Labour Relations Code*, the *Public Service Employee Relations Act*, and the *Police Officer's Collective Bargaining Act*.

The goals and responsibilities of the Labour Relations Board are to:

- ◆ provide fair, impartial and efficient resolution to matters that come before it,
- ◆ encourage dispute resolution and settlement,
- ◆ provide clear, consistent and timely adjudication,
- ◆ act, and be seen to act, independently and impartially, and
- ◆ continually upgrade the skills and abilities of its members and staff

The Labour Relations Board, recognizing the need to carry out its functions in a manner consistent with the fiscal policies of the Government of Alberta, will implement cost reduction strategies in 1997/98 that reflect the directions outlined in the Alberta Labour business plan for 1997-2000.

Performance Measures and Results

The department has developed the following performance measures and indicators that provide a more concise assessment of results being achieved. These measures and indicators, for the most part, provide an assessment of the department's contribution to the Alberta Advantage by making Alberta a desirable and prosperous place for both business and labour. In the summary table, performance measures have been assigned a success factor ("score") based on the results achieved as portrayed by the performance indicators. This table also provides a link back to core businesses to portray the relative degree of success that the department is achieving in delivering customer focused services.

Core Business	Performance Measure	Success Factor^{2,3}	Indicator Score	Description - Performance Indicator
Promotion of Alberta as a good workplace for business and labour	Economic Development	83%	1.00 1.00 1.00 1.00 0.00 1.00	Number of issues identified and addressed Number of person days lost as a result of labour disputes which involve work stoppages Number of workplace days lost to injury/illness Private sector employment resulting from 3rd Option alternatives and from contracting out of service delivery Private sector employment resulting from contracting out of service delivery The number of collective bargaining agreements annually which require mediation or arbitration to settle
Long-term workforce planning and issues management	Innovation Model	83%	0.67 1.00	Number of 3rd Option alternatives in place (annual and cumulative year-to-date) Number of clients who implement workplace innovation initiatives annually
Encouragement of cooperative approaches in workplace	Partnerships Facilitation	98% 67%	0.97 1.00 NA* 0.71 1.00 0.00 0.00 1.00 1.00 1.00	Average scores on the General Client Survey Number of partners in Health and Safety at the end of the year Overall satisfaction of clients with DAOs and other 3rd Option alternatives for service delivery Number of appeals of decisions made under relevant legislation Number of clients who implement workplace innovation initiatives annually Number of complaints registered with Employment Standards annually Number of repeat offenders under employment standards legislation Number of issues identified and addressed Number of person days lost as a result of labour disputes which involve work stoppages The number of collective bargaining agreements annually which require mediation or arbitration to settle
Promotion of appropriate workplace safety and professional standards	Public Policy Policy/Audit	100% 75%	1.00 1.00 0.10 0.67 1.00 1.00 NA*	Number of national and provincial policies which have been influenced by Alberta Labour % audits which result in the entity retaining accreditation or certification (Safety Services) % of entities which are audited annually (safety services, other) Number of 3rd option alternatives in place (annual and cumulative year-to-date) Number of services which have been devolved to the private sector Ratio of successful audits to all audits (policy; program) The number of new participants in the safety system

Core Business	Performance Measure	Success Factor ^{2,3}	Indicator Score	Description - Performance Indicator
Effective adjudication of workplace and safety issues	Client Satisfaction	84%	0.97 NA*	Average scores on the General Client Survey Overall satisfaction of clients with DAOs and other 3rd Option alternatives for service delivery
	One Window	67%	0.71 0.67	Number of appeals of decisions made under relevant legislation Degree to which a one-window approach to service has been developed
Establishment of health and safety systems	Overall Safety	94%	0.87	Municipal and private sector participation rate in Safety Codes Act administration
			1.00 NA*	Ratio of successful audits to all audits (policy; program)
			NA*	The number of accidents or incidents involving regulated activities The number of new participants in the safety system

Selected Performance Indicators

Selected Performance Indicators	Score ⁴	Target/Goal	Result
◆ Number of person days lost as a result of labour disputes	1.00	◆ 0	◆ Person days lost due to work stoppages in 1995 were 0.72/10,000 days worked (18% decrease from 1994-95)
◆ Number of workplace days lost to occupational injury/illness	1.00	◆ 0	◆ There were 830,924 persons days lost due to occupational injury/illness in 1995 (4% decrease over 1994-95)
◆ Reduction of FTEs and overall administrative costs due to the implementation of regulatory reform initiatives	1.00	◆ 95-96 Target FTE total of 596; Administrative costs target 18.5% of total budget	◆ Achieved both targets with the final FTE count of 603 (94-95 = 636) and administrative cost ratio of 14.98% (94-95 = 19.0%)
◆ Private sector employment resulting from 3rd Option alternatives and from contracting out of service delivery	1.00	◆ 2.5 times the total positions abolished within the department	◆ Over 550 jobs have been created to date by the department devolving activities to the private sector (94-95 cumulative total was 300)
◆ Number of issues identified and successfully addressed.	1.00	◆ No target (dependent on factors beyond our control)	◆ Five issues were identified and addressed.
◆ Number of planned initiatives achieved	1.00	◆ 95%	◆ All planned initiatives either complete or on schedule for completion with exception of a Delegated Administrative Organization for Professions and Occupations. This has been deferred

* Indicator under development - data not yet available.

¹ This is an abbreviated description. For a full description, contact the department.

² The success Factor is the average of success scores for each of the measure's indicators. Indicator scores represent the proportion of targets achieved for those indicators.

³ Indicators for which no success score is available are excluded from the Success Factor calculation.

⁴ The Indicator Score reflects the proportion of targets for the given indicator that were achieved, either wholly (1.00), partially (0.01 - 0.99) or not at all (0.00). If there are multiple targets, the score is averaged over the number of targets. Targets for which data are not available do not count toward a score.

Selected Performance Indicators	Score ⁴	Target/Goal	Result
<ul style="list-style-type: none"> ◆ Achievement of financial targets ◆ Number of services which have been delegated to the private sector ◆ Number of 3rd Option alternatives in place ◆ Policy audits of targeted 3rd Option alternatives which meet specified criteria ◆ Participation rate in Safety Codes Act administration ◆ Percent of entities which are audited annually in Safety ◆ Percent of audits which result in the Safety Services entity retaining accreditation 	<p>0.74</p> <p>1.00</p> <p>0.67</p> <p>1.00</p> <p>0.87</p> <p>0.10</p> <p>1.00</p>	<ul style="list-style-type: none"> ◆ 100% as specified in the department business plan. ◆ 3 major services and 9 minor services ◆ 9 services ◆ 100% ◆ 100% Ultimately Alberta Labour will not have responsibility for providing services under the Safety Codes Act in any municipalities) ◆ 10% annual increase in the number of agencies accredited by discipline ◆ 10% annual increase in the number of corporations accredited by discipline ◆ 25% ◆ 100% 	<ul style="list-style-type: none"> ◆ Achieved a self-funding ratio of 42.9% (target = 49.8%); an administrative cost ratio of 14.98% (target = 18.5%); actual expenditures of \$34.8 million (estimate = \$38.9 million); and revenues of \$14.6 million (target = \$18.9 million); with a net draw on the GRF of \$20.2 million (target = \$19.9 million) ◆ 10 minor services and 6 major services delegated ◆ 6 out of 9 3rd Option alternatives are in place ◆ Target achieved ◆ Building: Alberta Labour has responsibility for 38% of municipalities ◆ Fire: Alberta Labour has responsibility for 20% of municipalities ◆ Electrical, Gas, Plumbing: Alberta Labour has responsibility for 56% of municipalities ◆ The increase in the number of accredited agencies by discipline has exceeded targets in most cases, with an overall increase of 860%. ◆ The increase in the number of accredited corporations by discipline has exceeded targets in all cases, with an overall increase of 513%. ◆ 5% of entities were audited in the Authorized Contractors Program. ◆ Target achieved. All audits conducted to date have resulted in retention of accreditation
<ul style="list-style-type: none"> ◆ Overall average score on the General Client Survey ◆ Overall satisfaction of clients with Delegated Administrative Organizations and other 3rd Option alternatives for service delivery 	<p>1.00</p> <p>N/A</p>	<ul style="list-style-type: none"> ◆ Decrease in number of dissatisfied clients based on a satisfaction score of 6.1 out of 7.0 ◆ At a minimum 6.1 out of 7.0 	<ul style="list-style-type: none"> ◆ Not available this fiscal year. Next survey in April, 1997. However, in 1995 the the department attained an overall satisfaction score of 5.9 out of 7.0 ◆ This is a new measure. No surveys have been conducted to date

Selected Performance Indicators	Score ⁴	Target/Goal	Result
<ul style="list-style-type: none"> ◆ Degree to which a one-window approach to service has been developed ◆ Consolidation of legislation 	0.67 0.83	<ul style="list-style-type: none"> ◆ 100% ◆ 100% for Employment Standards ◆ OH&S ◆ Safety Services 	<ul style="list-style-type: none"> ◆ OH&S - under review ◆ Safety Services - complete ◆ Review and redraft of Code complete. Changes to simplify completed Spring 1996 session. Review of regulations ongoing ◆ Review complete - 2 Acts and 5 regulations ongoing ◆ 50% complete
<ul style="list-style-type: none"> ◆ The number of new participants in the safety system ◆ Decrease in the number of incidents involving regulated activities 	N/A N/A	<ul style="list-style-type: none"> ◆ 10% annually ◆ annual decrease 	<ul style="list-style-type: none"> ◆ indicator not yet developed ◆ indicator no yet developed
<ul style="list-style-type: none"> ◆ Number of complaints registered with Employment Standards annually ◆ Number of repeat offenders under employment standards legislation ◆ The number of collective bargaining agreements annually which require mediation or arbitration to settle ◆ Number of partners in Health and Safety at the end of the year 	0.00 0.00 1.00 1.00	<ul style="list-style-type: none"> ◆ 10% decrease ◆ 56% decrease ◆ annual decrease ◆ 185 cumulative 	<ul style="list-style-type: none"> ◆ There were 5,555 complaints registered for investigation (5% increase 1994-95) ◆ There were 535 employers with more than one claim registered (and established) against them (25% increase from 1994-95) ◆ There were 73 collective bargaining agreements which required mediation or arbitration to settle (54% decrease from 1994-95) ◆ There were 64 partners in Health and Safety at the end of 1995-96 (OHS Business Plan was 60)

Labour Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	15,858	18,935	21,381	14,618	9,835	10,118	7,493	6,593
Workers' Compensation Board*	31,597	299,209	356,954	-	-	-	-	-
Consolidation Adjustments	(6,297)	1,506	(76,954)	-	-	-	-	-
Consolidated Revenue	41,158	319,650	301,381	14,618	9,835	10,118	7,493	6,593
EXPENSE								
Program								
<i>Voted</i>								
Department	51,709	44,731	39,521	34,840	29,527	32,967	34,809	39,809
Consolidation Adjustments	-	-	-	-	-	-	-	-
Consolidated Expense	51,709	44,731	39,521	34,840	29,527	32,967	34,809	39,809
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	-	-	-	-	-	-
NET REVENUE (EXPENSE)	(10,551)	274,919	261,860	(20,222)	(19,692)	(22,849)	(27,316)	(33,216)

* This entity is a commercial enterprise or a Crown-controlled corporation that is reported in revenue on a net profit or loss basis (revenue less expense). Thus, it does not appear in the expense portion of the income statement.

Municipal Affairs

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Iris Evans
Minister of Municipal Affairs
April 12, 1997

Mission

Municipal Affairs enables local decision-makers and individuals to provide good local government, basic shelter for those most in need, and a fair marketplace.

Municipal Affairs also guarantees high-quality registry information and accessible service for Albertans and is committed to effectiveness and affordability.

Goals

- ◆ To ensure that the department's programs, legislation and policies are adequate and fair, and that services and grants are targeted to those citizens, municipalities and organizations in greatest need.
- ◆ To change the role of the department from service deliverer to that of facilitator.
- ◆ To maintain high quality and increase accessibility of registry and information services, at the lowest possible cost to the government and the public.
- ◆ To involve the private sector and other agencies in the delivery of services and in the administration and enforcement of legislation.
- ◆ To strive for more efficient administration and improved productivity within the department and in dealings with other levels of government.
- ◆ To encourage consumer awareness and self-reliance, and foster a fair marketplace.
- ◆ To provide municipalities and housing management bodies with greater administrative flexibility to direct their activities.

Core Businesses, Goals and Strategies

Core Business #1 - Enabling local governments to provide good local government

The key program area that supports this core business is the Local Government Services Division. This division facilitates partnership and greater cooperation among municipalities to enable them to formulate the best solutions for themselves. It provides fair, equitable and efficient services to all Albertans in the adjudication of duties mandated under the Municipal Government Act. The division also ensures that property assessments, which are the basis of the municipal and school tax system in the province, are fair and equitable.

This core business directly supports the government's core business of Preservation through preserving the Alberta tradition of strong communities, and the broader government goal and strategy under Prosperity which states that Alberta will have a prosperous economy by continuing to promote the Alberta Advantage.

Goal 1: To provide efficient access to accurate, relevant, and timely advisory services and information to municipalities

Strategies

- ◆ Focus Municipal Corporate Review Program on areas of greatest need.
- ◆ Maintain information on the Bulletin Board System.
- ◆ Revise and maintain the Municipal Administrator's Handbook.

Goal 2: To actively review the quality of assessments and their compliance with provincial standards for all Alberta municipalities

Strategies

- ◆ Complete assessment audits on an annual basis as part of the assessment audit program.
- ◆ Develop procedures and reporting mechanisms for the assessment audit program.
- ◆ Measure and report assessment uniformity to the Minister, municipalities and government officials.
- ◆ Investigate assessment issues as requested by the municipality, Minister or the Municipal Government Board.

Goal 3: To prepare uniform and equitable assessments for linear property province-wide

Strategies

- ◆ Provide uniform and equitable linear property assessments in a cost efficient manner.
- ◆ Provide an optional assessment delivery service of major plant assessment to municipalities requiring the expertise.
- ◆ Develop a system to utilize electronic data to facilitate a more current inventory of linear property.

Goal 4: To achieve equity and fairness in the assessment of industrial and farm property

Strategies

- ◆ Complete the regulated assessment review to examine the assessment of industrial and farm property.
- ◆ Implement recommended changes to the industrial and farm property assessment system.

Goal 5: To assist municipalities to investigate their financial viability, restructure or dissolve municipal governments, create viable new municipal governments, and ensure accountability

Strategy

- ◆ Support inter-municipal efficiencies through restructuring studies and the promotion of inter-municipal cooperation.

Goal 6: To phase in the implementation of the new education property tax system

Strategy

- ◆ Administer the implementation of the transition to a uniform education tax system over a multi-year period to minimize the impact on individual ratepayers.

Goal 7: To provide support to municipalities through the provision of grant assistance, the ongoing review of legislation and regulations, and by searching for new and creative ways for service delivery.

Strategies

- ◆ Phase out the municipal assistance grant portion of the Unconditional Municipal Grant Program.
- ◆ Investigate and recommend changes to improve and streamline municipal-related legislation and regulations.

Core Business #2 - Ensuring Albertans most in need have access to basic shelter

The key program area that supports this core business is the Housing and Consumer Affairs Division. This division ensures that Albertans most in need have access to basic shelter through:

- ◆ providing and maintaining basic housing accommodation for families, individuals and senior citizens
- ◆ facilitating and supporting delivery of housing services through management bodies, private market sources and direct delivery
- ◆ providing the regulatory framework for operating social housing
- ◆ operating the Alberta Social Housing Corporation.

This core business directly supports the government's core business of People and the broader government goals which state that Albertans will be independent and Albertans not expected to support themselves fully will receive the help. The ministry will ensure Albertans most in need have access to basic shelter through providing and maintaining housing accommodation for families, individuals and senior citizens.

Goal 1: To target housing assistance programs to Albertans in greatest need

Strategies

- ◆ Develop an Alberta model for determining social housing need.
- ◆ Negotiate changes to cost-sharing arrangements with Canada Mortgage and Housing Corporation to provide increased flexibility to address community needs.

Goal 2: To minimize the cost of delivering and administering social housing

Strategies

- ◆ Rationalize further the social housing inventory, selling units that are inappropriate or costly to maintain, and redirecting funds to areas of greatest need.
- ◆ Reduce overlap and duplication with Canada Mortgage and Housing Corporation.
- ◆ Work with management bodies to consolidate projects within their responsibility, to identify economies of scale, and to implement volume purchasing, open and group tendering and other cost-saving measures.
- ◆ Encourage further consolidation of agencies and management bodies, where appropriate.

Goal 3: To encourage the use of social housing as temporary accommodation until tenants become self-sufficient

Strategies

- ◆ Promote among stakeholders the understanding that social housing is transitional.
- ◆ Investigate and implement initiatives to develop tenant self-reliance by encouraging transitional use of subsidized accommodation.

Goal 4: To facilitate opportunities for more direct involvement of the private and non-profit sectors in meeting social housing needs

Strategies

- ◆ Demonstrate both a need and a viable market for low-income housing to be provided by the private sector.
- ◆ Facilitate and support private-sector initiatives providing low-income housing.
- ◆ Facilitate partnerships between the private sector and private non-profit sector.

Goal 5: To ensure social housing inventory meets community needs and is operated and maintained at an appropriate standard

Strategies

- ◆ Conduct an ongoing review of housing inventory to ensure it meets the needs of the community.
- ◆ Implement approved operating standards for lodges and ensure the standards are met.
- ◆ Implement management body operational reviews.
- ◆ Monitor activities of management bodies to ensure three-year maintenance inspections and property condition reporting is carried out as required by the Alberta Housing Act.

Goal 6: To ensure effective coordination with other governments, departments and agencies in delivering social housing to minimize overlap, duplication and service gaps

Strategies

- ◆ Review the provincial social housing mandate to reflect changes in federal government policy.
- ◆ Develop provincial direction with respect to seniors housing and related services.
- ◆ Continue to improve working relationships with other governments, departments and other organizations.

Core Business #3 - Fostering a fair marketplace for Albertans

The key program area that supports this core business is the Housing and Consumer Affairs Division. This division fosters a fair marketplace through:

- ◆ providing timely, effective enforcement mechanisms to deter dishonest market practices
- ◆ encouraging consumer awareness and self-reliance
- ◆ facilitating and supporting delivery of consumer related services through delegated responsibility to external service providers
- ◆ providing a balanced and appropriate regulatory framework for consumers and business.

This core business directly supports the government's core business of People through helping people to be self-reliant and the broader government goal under Preservation which states that Alberta will be a safe place to live and raise families. To assist the government in achieving this goal, the ministry will provide a balanced and appropriate regulatory framework for consumers and business.

Goal 1: To ensure timely and effective fulfillment of regulatory responsibilities

Strategies

- ◆ Improve staff skills and case management processes on a continuous basis.
- ◆ Develop and implement a plan to investigate those contraventions that are having a significant impact on the marketplace.
- ◆ Develop and implement an effective consumer relations information system to support case management and enforcement intake activities.
- ◆ Coordinate activities with regulatory and law enforcement agencies.
- ◆ Facilitate provision of consumer services, where appropriate, through delegated administrative or other organizations.

Goal 2: To foster consumer awareness and self-reliance

Strategies

- ◆ Work in partnership with the federal government to create a national depository of consumer marketplace information and a data bank for consumer complaint tracking information using electronic communications.
- ◆ Establish cooperative working relationships with other governments, business, community and consumer groups to facilitate provision of relevant consumer information.
- ◆ Provide housing and consumer information on the internet.

Goal 3: To ensure the provision of improved and more accessible consumer debt repayment services to Albertans

Strategies

- ◆ Assist in implementation of a charitable foundation concept and transition of services.
- ◆ Monitor services and accomplishments of the foundation.
- ◆ Propose necessary legislative changes to the federal government.

Goal 4: To streamline, consolidate and update legislation to reduce impediments and costs to business

Strategies

- ◆ Review and make appropriate amendments to all consumer statutes to ensure an effective and appropriate framework exists for a fair marketplace.
- ◆ Establish cooperative enforcement agreements with other Canadian jurisdictions through provisions set out in the Agreement on Internal Trade.
- ◆ Harmonize legislation in the areas of cost of credit disclosure and other areas that may be agreed to under the terms of the Agreement on Internal Trade.

Core Business #4 - Providing support for the delivery of high-quality licensing and registration services to Albertans

The key program area that supports this core business is Registries. This division supports the delivery of registry services to Albertans through the private sector.

This core business directly supports the government's core business of Prosperity which promotes prosperity for Alberta through an effective government that lives within its means. It also supports the broader government goal which states that Alberta will have a financially stable, open and accountable government.

Goal 1: To ensure trusted, high-quality, and accessible registration, licensing and information services are available

Strategies

- ◆ Maximize the number of registry services available through the private sector by upgrading existing technology, where applicable.
- ◆ Enhance information systems to ensure the integrity of registry data.
- ◆ Establish and maintain service delivery requirements that will ensure high-quality services to Albertans. Contract only with registry agents who meet these standards.
- ◆ Allow the opening of additional registry agent outlets when needed, based on transaction levels in the area and public demand.

Goal 2: To deliver additional registration, licensing and information services through the registry agent network, to enhance the "one-window" approach to services

Strategies

- ◆ Develop partnerships with the private sector and other levels of government to ensure additional products, such as the Single Business Registration Number initiative, are available through the agent network.
- ◆ Develop the legislative changes required to transfer responsibility for direct service delivery to the private sector.

Goal 3: To provide services at the lowest possible cost to government and the public

Strategies

- ◆ Continue to improve Registries' systems technology, in keeping with overall government standards, to allow the private sector to deliver additional services.
- ◆ Continue to streamline the organization and employ the most cost-efficient and effective business practices to realize maximum cost savings.
- ◆ Achieve internal efficiencies by further restructuring, consolidating functions, automating manual processes, and outsourcing administrative services where practical and cost-efficient.
- ◆ Explore alternate service-delivery channels, such as the Internet, for cost efficiency and convenience to the customer.

Key Performance Measures

Client Satisfaction - Local Government Restructuring Process (*Preservation*)

		1995-96	1996-97	Target
Client satisfaction with the department's role in the local government restructuring process	New program - historical data not available	93%		80%

This performance measure reflects client satisfaction with the department's role in the restructuring process. The role of the department is to facilitate and provide advisory services to municipalities in the restructuring of existing municipalities and regional services commissions. A client satisfaction survey was undertaken for the first time in Spring 1996 to determine the level of satisfaction with the department's role in this restructuring process. Surveys will continue to be conducted as further restructuring occurs.

Property Assessments (*Preservation and Prosperity*)

		1996-97	Target
Percentage of municipal assessments that comply with regulations and fall within quality standards and guidelines	New program commenced April 1, 1996 - historical data not available	55%	75%

This performance measure indicates the percentage of municipal assessments that comply with regulations contained in the Municipal Government Act and fall within regulated quality standards and guidelines. The department's role in this process is to monitor the quality of property assessments carried out by municipalities and to work with municipalities to meet the required standards.

Housing Assistance Directed to Low-Income, High-Need Clients (*People*)

	1992-93	1993-94	1994-95	1995-96	1996-97	Target
Percentage of housing units provided to Albertans in need	90.9%	90.9%	91.7%	91.6%		92% ¹
Percentage of grants provided to Albertans in need	51.7%	51.5%	100% ²	100% ²		100%

¹ The target accommodates the Senior Citizens Lodge Program, which is not income based.

² Non-income tested grants were replaced by the Alberta Seniors Benefit Program.

This performance measure represents the percentage of housing units and grants that are directed to those Albertans most in need.

Cost of Social Housing (*Prosperity*)

	1992-93	1993-94	1994-95*	1995-96*	1996-97	Target
Total cost	\$119,978,164	\$110,918,866	\$106,038,384	\$103,782,250		\$110,000,000
Cost per unit	\$2,950	\$2,615	\$2,559	\$2,598		\$2,653

* Target was met in 1994-95 and 1995-96 due to management body consolidations and lower interest rates; however, cost per unit may increase as the portfolio serves more lower income tenants who will require higher subsidies.

This performance measure shows the total cost of delivering and administering social housing on a per unit basis. Local management bodies have been provided with the necessary flexibility to operate more efficiently which has contributed to lowering the cost. Other factors affecting operational costs, however, include the disposal of inappropriate properties, the reallocation of funding, taxes, and utility costs.

Customer Satisfaction - Registry Services (*Prosperity*)

	1992-93	1993-94	1994-95	1995-96	1996-97	Target
Satisfaction level	N/A	N/A	96%	97%		90%
Cost per transaction	\$5.03	\$4.62	\$3.55	\$3.39		\$3.25

This performance measure reflects the level of customer satisfaction with the registration and licensing services provided to Albertans by the private sector, and the average government cost per transaction. Surveys will be conducted as required to ensure high-quality services.

Human Resource Strategies

The department is committed to supporting those employees affected by work force reductions. Position abolishment will be used as a last resort to achieve staff reductions. The department will continue to foster practices that:

- ◆ link employee contributions to achievement of our business plan goals
- ◆ encourage continuous learning to develop highly-skilled staff
- ◆ recognize individual and team performance
- ◆ support a highly-skilled and diversified work force to meet the future needs of the department.

The chart below sets out the department's actual staffing levels for 1992-1993 to 1999-2000.

	Actuals				Budgeted		Projected			%change
	92-93	93-94	94-95	95-96	95-96	96-97	97-98	98-99	99-00	
Local Government	399	328	236	119	128	124	123	123	123	- 69%
Housing and Consumer Affairs	507	363	227	181	209	177	176	166	166	- 67%
Registries	851	738	453	371	418	340	311	239	239	-72%
Support Services	367	278	206	159	181	165	158	138	138	- 62%
Total FTEs supported by General Revenue Fund	2,124	1,707	1,122	830	936	806	768	666	666	- 69%

Regulatory Reform Plan

As a result of legislative initiatives undertaken since 1994, the department has reduced the number of Acts it administers from 87 to 52. The department's regulatory sunset plan for 1997 to 1999 outlines the department's intent to reduce the number of regulations it administers from 266 to about 150 in 1999 — a reduction of approximately 40 percent. This regulatory reform is intended to implement the business plan objective of reducing regulatory burden on municipalities, housing management bodies, businesses and general consumer public.

Municipal Affairs

Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	235,794	245,212	247,038	238,001	250,643	243,297	246,017	248,051
Alberta Planning Fund	12,164	9,828	7,003	6	-	-	-	-
Alberta Educational Communications Corporation	19,008	17,723	19,199	2,805	-	-	-	-
Alberta Social Housing Corporation	324,358	343,506	292,692	166,006	124,377	105,661	101,538	99,743
Consolidation Adjustments	(185,504)	(226,559)	(213,284)	(146,849)	(111,377)	(91,961)	(88,038)	(86,243)
Consolidated Revenue	405,820	389,710	352,648	259,969	263,643	256,997	259,517	261,551
EXPENSE								
Program								
<i>Voted</i>								
Department	636,822	588,805	487,397	333,974	278,239	277,690	237,979	230,061
<i>Statutory</i>								
Department	199,936	48	1	34	40	400	400	400
Alberta Planning Fund	11,474	10,265	8,020	501	-	-	-	-
Alberta Educational Communications Corporation	18,929	17,543	17,434	5,254	-	-	-	-
Alberta Social Housing Corporation	115,586	186,164	123,685	71,810	72,505	69,600	67,505	66,754
Consolidation Adjustments	(146,231)	(139,056)	(120,445)	(97,524)	(88,077)	(79,761)	(71,338)	(62,743)
Consolidated Program Expense	836,516	663,769	516,092	314,049	262,707	267,929	234,546	234,472
Debt Servicing Costs								
Gross Debt Servicing Costs	203,342	172,088	145,449	123,441	106,972	100,061	91,674	84,289
Recoveries	(71,616)	(71,601)	(77,870)	(81,820)	(74,200)	(73,400)	(71,641)	(72,100)
Consolidated Debt Servicing Costs	131,726	100,487	67,579	41,621	32,772	26,661	20,033	12,189
Consolidated Expense	968,242	764,256	583,671	355,670	295,479	294,590	254,579	246,661
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	7,429	17,441	(21,219)	(5,249)	1,900	-	-	-
NET REVENUE (EXPENSE)	(554,993)	(357,105)	(252,242)	(100,950)	(29,936)	(37,593)	4,938	14,890

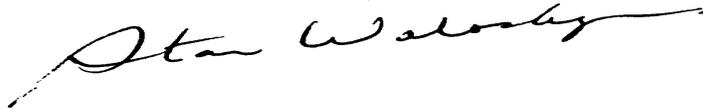
Public Works, Supply and Services

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Stan Woloshyn
Minister of Public Works, Supply and Services
April 12, 1997

Vision

To be recognized as an innovative, professional service organization that consistently adds value.

Mission

To facilitate government program delivery by providing quality, cost effective common services and professional expertise.

Introduction

Public Works, Supply and Services (PWSS) is a central agency responsible for providing capital infrastructure, accommodation, property management, information technology, information management and procurement services to support government program delivery. As a common service department, PWSS touches on all three core businesses of government:

- ♦ **facilitating services to people** by providing government facilities, major water management projects and upgrading social housing required to deliver government programs and services
- ♦ **promoting prosperity** by providing cost effective common services to government, ensuring a fair and accessible procurement system for goods and services, providing innovative information technology services and ensuring their availability
- ♦ **preserving the Alberta tradition** of pride in Alberta by directly providing or funding the upgrading, construction and maintenance of quality public facilities, such as health care facilities, courthouses and museums

Core Businesses

Information Technology and Supply provides leadership in managing information and exploiting information technology and telecommunications for government ministries; operates the government computing centres; manages shared telecommunication networks for voice, data and mobile radio communications services; administers information management legislation and policies; and acts as the central procurement and surplus disposal agency for the government.

Property Development works with client departments, boards, agencies and other stakeholders to provide the government capital infrastructure. This includes government and health facilities, social housing, and major water management projects. Services include planning, project management, professional/technical expertise and air transportation.

Property Management operates and maintains government properties, acquires and administers leased space, buys property for government use and sells surplus property.

Operating Principles

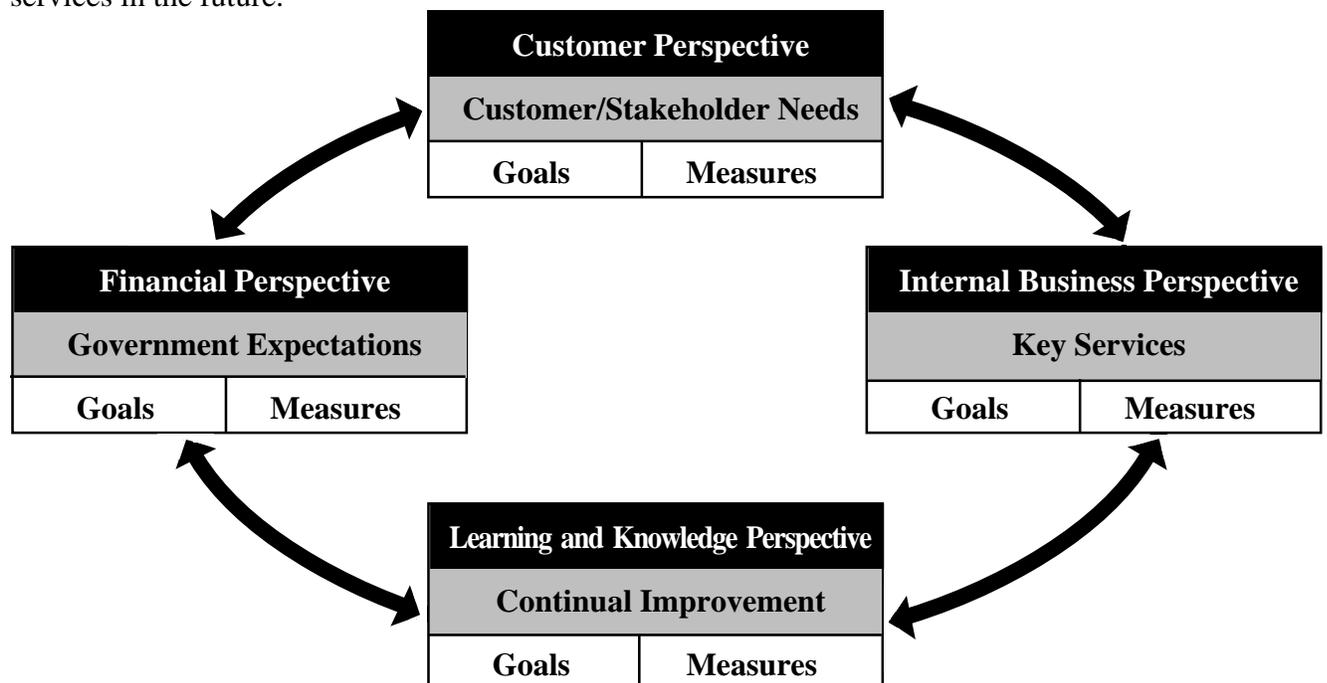
PWSS is guided by the following values, beliefs and principles:

- ◆ The achievement of our goals depends on the knowledge, skills, ability, attitude and commitment of our employees.
- ◆ We invest in our employees, promoting personal growth and development to meet the changing needs of the department and our customers.
- ◆ Customers, stakeholders and staff are partners in developing solutions and evaluating performance.
- ◆ Continual improvement is achieved through creative and innovative approaches to business.
- ◆ Resources are managed in an environmentally responsible manner.
- ◆ Business operations are conducted with openness, honesty and fairness.
- ◆ We are results oriented and accountable for our performance.
- ◆ Safe working conditions are provided and continually promoted.

Goals, Strategies and Measures

The goals, strategies and measures were developed by reviewing PWSS from four different perspectives shown in the model below. Financial measures are complemented with operational measures for customer satisfaction, internal business processes and learning and knowledge, the foundation for future performance.

In 1997/98 to 1999/2000, PWSS will continue to identify and pursue opportunities to reduce costs across government. The ministry will also focus on streamlining key processes to enhance customer service and improve accountability. Increased personnel development and investment in our people, systems and procedures will ensure we continue to provide value-added professional services in the future.



Goal 1: Train and develop our employees to meet business needs.

- ◆ ensure the organization is positioned to meet future business requirements by implementing a human resource strategy that will include the following components:
 - ◆ job competency profiles
 - ◆ employee competency profiles
 - ◆ training and development programs
 - ◆ succession planning
 - ◆ performance measurement
 - ◆ employee feedback

Goal 2: Refine the responsibility and accountability framework for common services.

- ◆ allocate and report property development and operations costs by ministry to raise awareness of costs incurred, facilitate joint planning and improve decision making
- ◆ involve our customers in cost-reduction strategies and incentive-based programs
- ◆ continue shift in emphasis to policy and standards development
- ◆ transfer appropriate budgets and responsibilities related to the utilization of shared telecommunication services to ministries
- ◆ ensure business plan goals and targets are met by implementing department-wide methods of tracking performance on a quarterly basis
- ◆ support continual improvement activities by participating in annual benchmarking studies to compare operating costs, space utilization and standards with the private sector and other governments

Goal 3: Continue effective administration of records and information management.

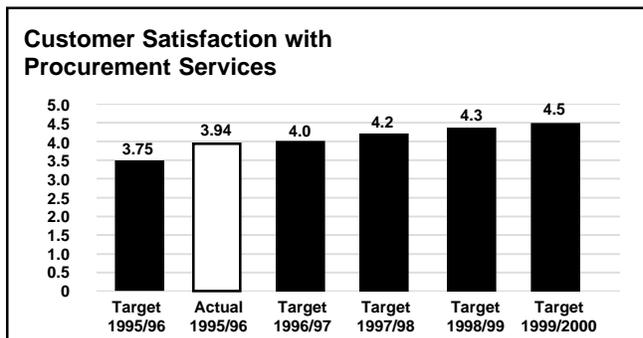
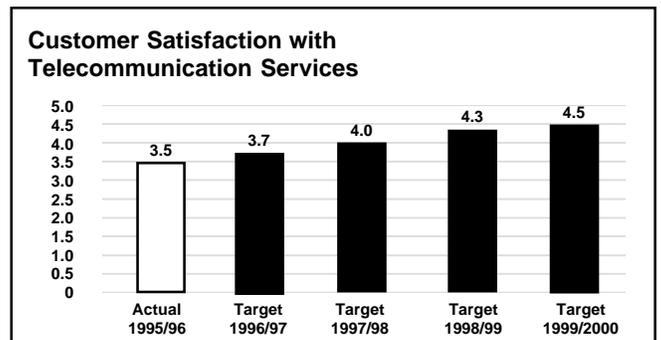
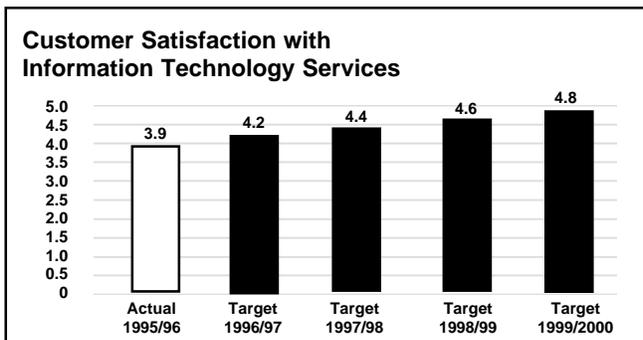
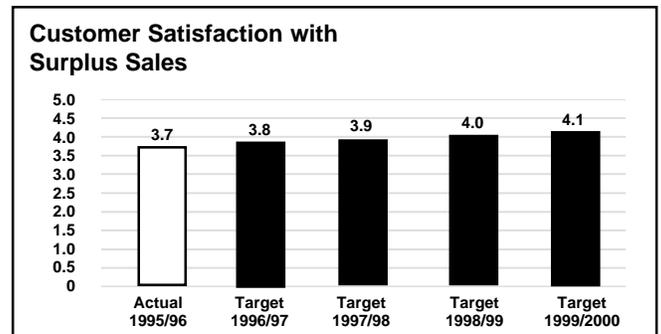
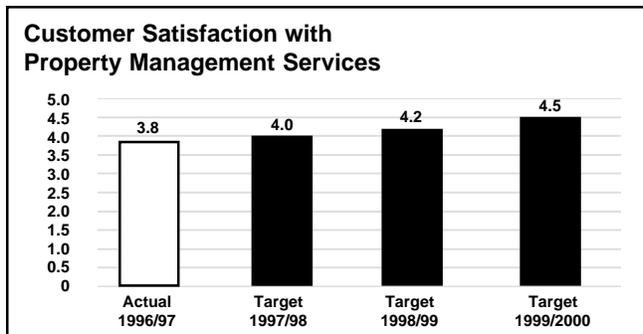
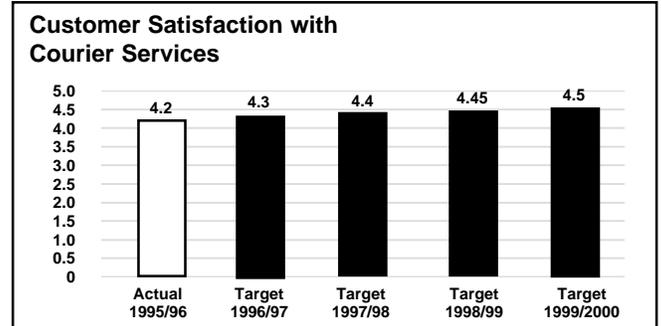
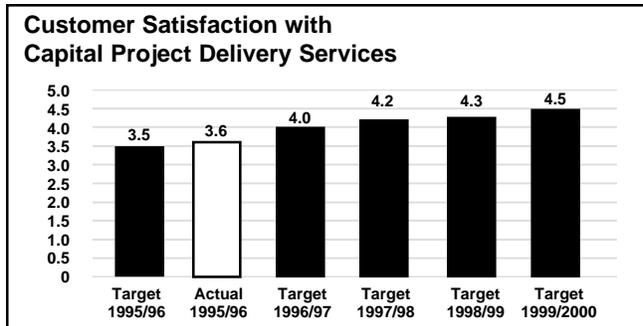
- ◆ improve efficiencies by streamlining the government's records scheduling and disposition processes
- ◆ develop information management policies to address emerging issues such as the sale of government information, electronic records and information security

Goal 4: Provide services that meet or exceed customer requirements.

- ◆ meet annually with customers to ensure program department business plan priorities are addressed in PWSS plans
- ◆ improve project performance by reducing project delivery time frames and ensuring appropriate client involvement in project planning, decision-making and implementation
- ◆ update the government furniture program to offer a range of products that will accommodate computers, improve space utilization and meet customer needs

Performance Measures:

- The following performance measures indicate customer satisfaction with PWSS services as reported through customer surveys. The scale is from 1-5, with 5 being very satisfied.



Goal 5: Facilitate effective government program delivery by developing, managing and maintaining the government infrastructure.

Property Development

- ◆ in conjunction with Health and the Regional Health Authorities, improve planning and maintenance for health facilities by piloting an inventory and evaluation system to support forecasting of maintenance needs, and by updating provincial health facility capital project rating guidelines
- ◆ continue to implement the capital upgrading plan for seniors lodges to address life safety, building codes, mechanical, electrical and building envelope requirements
- ◆ develop and implement a long-term upgrading and rehabilitation plan for the major water resource infrastructure, in conjunction with Environmental Protection
- ◆ where appropriate, establish agreements with institutions moving to board governance to continue providing infrastructure services and capital development
- ◆ construct Pine Coulee Project, replace St. Mary Spillway and plan and design East Arrowwood Syphon replacement
- ◆ proceed with the Little Bow River Project subject to obtaining required regulatory approvals

Information Technology Development

- ◆ improve public access to information by implementing PWSS web pages on the Internet
- ◆ implement an improved government-wide electronic mail facility
- ◆ complete development of information technology architecture standards and guidelines for government in conjunction with the office of the Chief Information Officer
- ◆ establish a coordinated and comprehensive data backup and recovery system for departmental servers, local area networks and other government information
- ◆ consolidate functions of existing central computing centres and establish an independent disaster recovery site for government
- ◆ implement a program to facilitate the delivery of telecommunications services to ministries and approved extended stakeholders

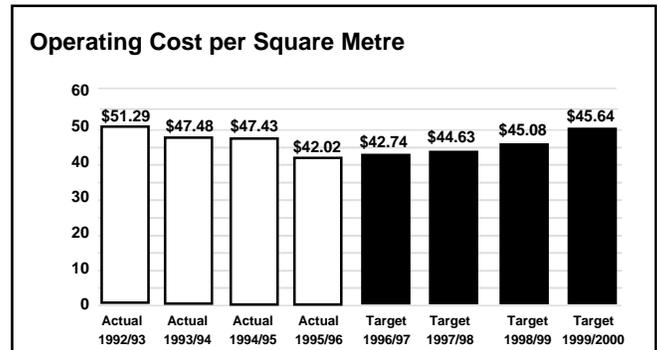
Portfolio Management

- ◆ maintain and operate government property to support program delivery and protect asset value and integrity
- ◆ increase space utilization, in cooperation with client departments, by consolidating space, disposing of surplus property and piloting alternative approaches to office accommodation
- ◆ minimize environmental impact of operations by reducing natural gas and power consumption

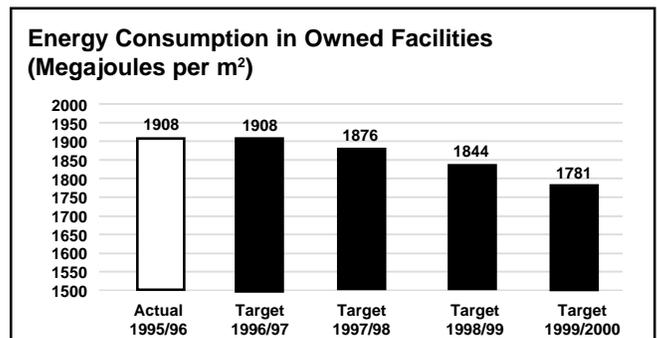
Performance Measures:

- ◆ Taken in conjunction with the measures for customer satisfaction with PWSS services, the following measures are indicators of effective management and maintenance of the government infrastructure.

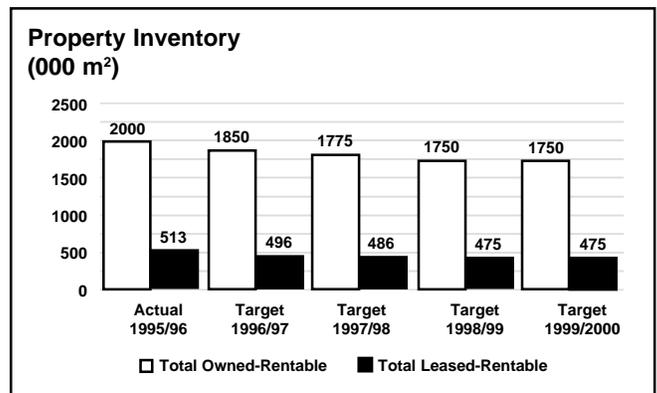
- ◆ This performance measure is defined as the annual average operating cost for owned space managed by PWSS. To be consistent with industry practice, this measure has been refined to include all direct property management costs associated with the day-to-day operation and maintenance of facilities divided by rentable area. Future targets reflect reinvestment in the government infrastructure to continue to maintain facilities at an acceptable level.



- ◆ This measure shows the average energy consumption in owned facilities over a 12-month period. This is an indicator of how effectively PWSS is minimizing the environmental impact of operations.



- ◆ This measure shows property inventory achieved through initiatives to consolidate government accommodation, and indicates effective management of the government property portfolio. To be consistent with industry practice, the inventory is reported in rentable area.



Future Measures:

- ◆ Building Condition Rating Distribution
- ◆ Office Space Utilization

Goal 6: Ensure a fair and accessible procurement system.

Foster Opportunities for Alberta Businesses

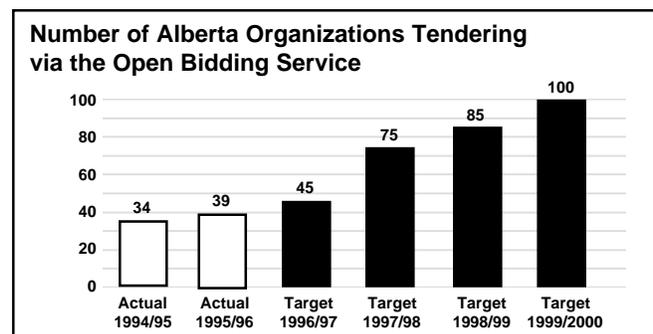
- ◆ as the government's central purchasing agent, foster opportunities for Alberta businesses to provide goods and services to the Alberta government
- ◆ lead initiatives for the Government Procurement Chapter of the Agreement on Internal Trade to provide Alberta businesses broader access to government procurement across Canada
- ◆ facilitate implementation of the Agreement on Internal Trade through consulting sessions with the representatives of the Alberta MASH sector

Streamline the procurement process

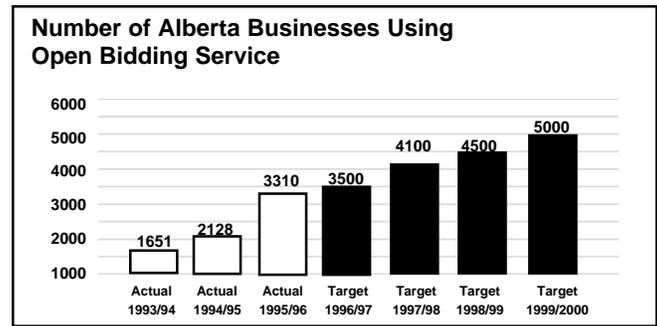
- ◆ re-engineer the procurement process in conjunction with the introduction of the new cross-government financial software and the changing business environment
- ◆ minimize cost and improve suppliers' access to government procurement by facilitating the introduction of a new electronic tendering system to Alberta vendors, the MASH sector and ministries through seminars and workshops
- ◆ reduce administrative costs and provide ministries with increased access to suppliers by ensuring effective use of standing offers
- ◆ continue to work with program departments to improve uniformity and consistency of construction contracts and contract administration

Performance Measures:

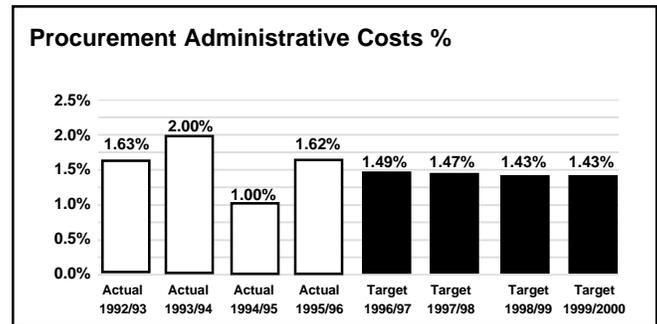
- ◆ Taken in conjunction with measures for customer satisfaction with procurement services, these measures are indicators of an effective and efficient procurement system.
- ◆ This measure shows the number of Alberta government departments, agencies and other public sector organizations posting their purchasing and contracting opportunities for the private sector on the Open Bidding Service (OBS). The OBS is a one-window service, accessible to all businesses.



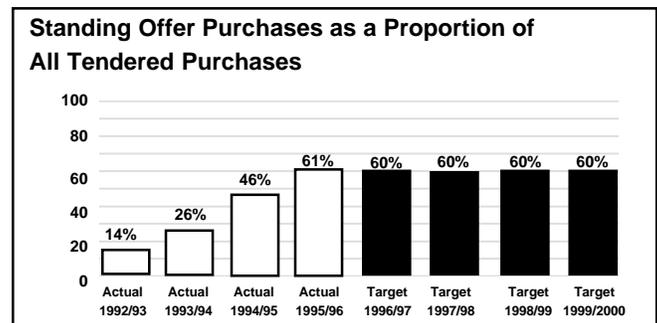
- ◆ This measure shows the number of Alberta businesses using the Open Bidding Service (OBS) to access tender documents and other sales opportunities posted by the federal government and a growing number of provincial and local governments across Canada.



- ◆ This performance measure is defined as the administrative costs for procurement services expressed as a percentage of total goods and services purchased. Lower values indicate improved efficiency, achievable by reducing operating costs in proportion to the value of purchases.



- ◆ This measure shows the value of purchasing done by standing offer in relation to total tendered purchases. Standing offer purchases are more economical to administer and provide ministries with direct access to suppliers, in comparison to the alternative of individually tendering for each purchase. Generally, standing offers are tendered every one to three years.



Goal 7: Minimize the cost of common services.

Government Streamlining

- ◆ implement the departmental regulatory reform work plan
- ◆ facilitate the implementation of new corporate finance and human resource applications across government
- ◆ continue to identify and pursue opportunities to reduce administration, duplication and costs across government

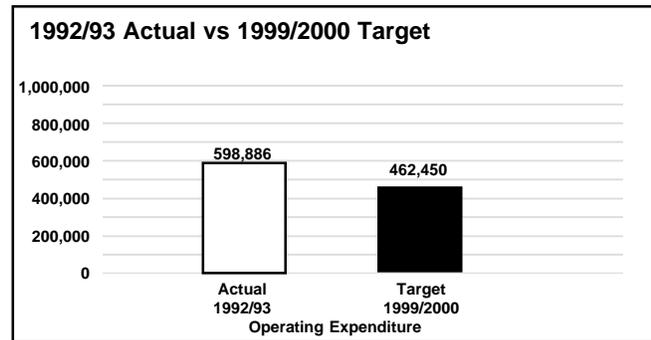
PWSS Streamlining

- ◆ support improved decision making and increase productivity by implementing a new human resource and financial information system
- ◆ identify and implement further cost-effective outsourcing opportunities for departmental services

Financial Performance:

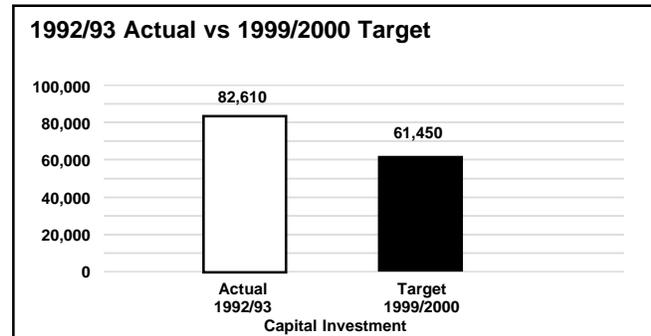
◆ Operating Expenditure Reductions Achieved:

- Between 1992/93 Actual to 1999/2000 Target, operating expenditures will have been reduced by \$136.4 million (22.8%)



◆ Capital Investment Reduction Achieved:

- Between 1992/93 Actual to 1999/2000 Target, capital investment will have been reduced by \$21.1 million (25.6%)



Public Works, Supply and Services Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	Comparable 1997-98 Estimates	Comparable 1998-99 Target	Comparable 1999-2000 Target
REVENUE								
Department	(12,264)	41,484	26,155	228	23,430	16,430	13,030	10,940
Public Works, Supply and Services Revolving Fund	61,198	58,485	40,601	34,131	54,629	56,400	55,745	55,995
Consolidation Adjustments	(2,778)	(1,905)	(1,548)	(2,369)	(26,741)	(27,645)	(27,620)	(27,625)
Consolidated Revenue	46,156	98,064	65,208	31,990	51,318	45,185	41,155	39,310
EXPENSE								
Program								
<i>Voted</i>								
Department	543,928	512,287	437,732	453,423	433,072	435,210	433,280	434,080
<i>Statutory</i>								
Public Works, Supply and Services Revolving Fund	57,736	55,055	40,138	30,421	54,700	56,400	55,745	55,995
Consolidation Adjustments	(2,778)	(1,905)	(1,548)	(2,369)	(26,741)	(27,645)	(27,620)	(27,625)
Consolidated Expense	598,886	565,437	476,322	481,475	461,031	463,965	461,405	462,450
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	(31,404)	(14,994)	(10,934)	(22,745)	900	(6,000)	(6,000)	(6,000)
NET REVENUE (EXPENSE)	(584,134)	(482,367)	(422,048)	(472,230)	(408,813)	(424,780)	(426,250)	(429,140)

Science, Research and Information Technology

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Dr. Lorne Taylor
Minister Responsible for Science, Research
and Information Technology
April 12, 1997

Vision

The vision of the Ministry Responsible for Science, Research and Information Technology is that “science, research and information technology will contribute to prosperity and quality of life for Albertans”.

Introduction

The Science and Research Innovation System includes not only research and development (R&D), but also all components of the dissemination, commercialization, and application of knowledge and technology and consists of three major sub-systems:

1. **Research and Development** - institutions and individuals engaged in R&D that results in creation of new knowledge. The R&D activities of the sub-system occur primarily in universities. Other participants in the sub-system include individual inventors, R&D groups in corporations, and R&D institutes.
2. **Technology Linking** - institutional mechanisms that actively transition ideas, technology and people from the Research Sub-system to the Commercialization/Application sub-system (i.e., Alberta Research Council, TR Labs).
3. **Commercialization/Application** - converts ideas and technologies into outputs of marketable technology-based products and services, thus creating socio-economic benefits for Alberta.

Although government and the universities are major players in the Science and Research Innovation System, especially in the initial stages, the largest role is played by the many companies and organizations in the private sector that convert technology into products and services that produce socio-economic benefits for Albertans.

Science, research and information technology are critical in achieving many of the goals in all three of the Government’s core businesses, *people*, *prosperity*, and *preservation*. The primary contribution of science and research is to the government's goals of “Alberta will have a prosperous economy”, and “Our businesses will capitalize on research”.

The Ministry for Science, Research and Information Technology is composed of two separate agencies, the Alberta Science and Research Authority (ASRA) and the Alberta Research Council (ARC).

ASRA advises the Minister Responsible for Science, Research and Information Technology on policy and priorities to enhance the effective utilization of the Government’s investment in science and research. ASRA, whose responsibilities were defined by the Science and Research Authority Act (1995), acts as an advisor and influencer to stimulate science and research and encourage a strong economy. ASRA is composed of a Board of Management of as many as 20 members and is supported by a small secretariat. The Chairman of the Board reports directly to the Minister Responsible for Science, Research and Information Technology.

ARC undertakes technology development and commercialization in co-operation with the private sector. The ARC, which employs approximately 500 staff (following the merger of the Alberta Environmental Centre), was created in 1921 and is established under the authority of the Alberta

Research Council Act. It is composed of a Board of Directors of as many as 15 members. The ARC is managed by a Managing Director and CEO who reports to the Board of Directors. The Chairman of the Board of Directors reports to the Minister Responsible for Science, Research and Information Technology.

Alberta Science and Research Authority - 1997-2000 Business Plan

Mission

The mission of ASRA is to enhance the contribution of science and research to the sustainable prosperity and quality of life of all Albertans.

Core Businesses

The Alberta Science and Research Authority (ASRA) is an independent Board of members of the business and research communities in Alberta, appointed by Cabinet, who promote the accomplishment of the mission for science and research through two core businesses.

- ◆ Develop and promote informed and practical recommendations to the Government related to science and research policies and priorities, provincial government investments in science and research, and science and research infrastructure;
- ◆ Facilitate the identification, development, and implementation of strategic, high-value, science and research initiatives;

Goals

The over-arching goal for the Alberta Science and Research Authority is to increase the value of the socio-economic benefits to Albertans from science and research investments in Alberta.

ASRA achieves this over-arching goal by:

- ◆ maximizing the direct contribution of science and technology to diverse social, economic, and environmental goals,
- ◆ encouraging an adequate level of investment in science to support future prosperity, and
- ◆ fostering the acceptance by Albertans of science and technology as critical to future prosperity.

ASRA plays its role very much in concert with the Government philosophy of “steering”, rather than “rowing” by ensuring that Government investment in science and research is both effective and efficient. ASRA also acts as a catalyst role in influencing the investment and management of R&D funded and performed by the private sector.

A new \$5 million Science and Research Fund will be established under the direction of ASRA to help kick-start strategic, high-value science and research initiatives.

Performance Measures

In the long term, ASRA's success will be measured by the degree to which the province achieves the over-arching goal. At present, the framework of intermediate goals that will guide progress toward this over-arching goal is still under development. A major ASRA initiative for 1997/98 will be to formalize a framework of goals and measures progressing toward this over-arching goal.

Strategies and Plans

ASRA has developed a comprehensive set of eight strategies that collectively are designed to achieve the over-arching goal for science and research. ASRA pursues these strategies through a series of task forces commissioned by the Board to develop and promote recommendations relating to issues that advance one or more of the strategies. The discussion that follows lists the initiatives planned by ASRA within the context of the eight strategies.

Strategy 1. Promote the establishment of a policy environment that encourages research and development and the application of technology for the economic and social development of the province.

- ◆ The ASRA Board considers the existing policy framework to be adequate for the present. No activities are planned at this time.

Strategy 2 Define key science and technology priorities and approaches to achieve the economic and social objectives of the Government.

- ◆ ASRA will identify and promote high impact strategic initiatives for Alberta's Science and Research Innovation System within Research Activity Areas, identified for strong emphasis by the R&D Priority Consultation, completed in 1996/97.

Strategy 3 Encourage the development and implementation of new high-value strategic science and research opportunities.

- ◆ Encourage and facilitate the development of strategic R&D initiatives by responding in a timely manner to opportunities that arise and by providing due diligence to evaluate potential investments from the Science and Research Fund.

Strategy 4 Monitor and evaluate all government supported science and research to ensure that it is addressing the key priorities and balances short, medium and long term provincial economic and social needs.

- ◆ ASRA will continue to improve the process used to review ministry R&D business plans. Lessons learned from the 1996/97 review will be incorporated into the 1997/98 review.

Strategy 5 Recommend improved operational and strategic management of science and research activities to minimize duplication, address fragmentation and ensure maximum coordination and collaboration with industry, other provincial governments, and federal departments and agencies.

- ◆ Pursue the implementation of the recommendations in the “Health Research: A Strategic Opportunity for Albertans” Report, in particular the recommendations related to:
 - ◆ health care informatics
 - ◆ health services research
- ◆ Continue to pursue implementation of the recommendations in the report, “Commercialization of Biotechnology in Alberta”.
- ◆ Deal with the issue of goals and performance measures for science and research.
- ◆ Develop practical recommendations to improve the performance of the province’s science and research infrastructure by conducting detailed investigations of priority elements of the infrastructure.
- ◆ Develop practical strategies to remedy the province’s aging science and research infrastructure.

Strategy 6 Promote an increase in application and commercialization of science and technology-based products, processes, and services for the creation of jobs and wealth.

- ◆ Pursue the implementation of the recommendations of the “Barriers to Technology Commercialization in Alberta” Report.
- ◆ Deal with the issue of commercialization and/or application of technologies developed with public investments.

Strategy 7 Support and encourage excellence in the science and research community and infrastructure in Alberta to attain international excellence.

- ◆ ASRA will continue to work with Advanced Education and Career Development in the development and refinement of key performance indicators for scholarly excellence.

Strategy 8 Increase public awareness, understanding, and appreciation of the importance of science and research to both the economy and quality of life.

- ◆ ASRA intends to facilitate the science promotion efforts of public and private organizations that enhance the science and innovation culture in Alberta.
- ◆ ASRA will continue to publish “Selected Success Stories”, a series of stories illustrating the benefits of research in Alberta.

Alberta Research Council (ARC) Business Plan 1997-2000

Mission and Vision

The Alberta Research Council, with its valued customers and partners, will advance the economy of the province by promoting technology development and application, performing applied research and development, and providing expert advice, technical information and infrastructure.

The Alberta Research Council is an internationally recognized technology corporation, a valued and important partner in the emergence of a globally competitive Alberta.

In July, 1996 responsibility for the Alberta Environmental Centre (AEC) was transferred, by an Order in Council, from Alberta Environmental Protection (AEP) to the ARC. The AEC is Alberta's primary facility for conducting research and developing technology related to environmental protection and renewable resource management. The combined facilities, people and expertise of ARC and AEC have greatly enhanced research capabilities within the province, resulting in a world-class team with an added focus on environmental technology advances.

Core Businesses

The ARC has been supporting the economic development of the Province of Alberta for 75 years by promoting technology development and its application. The combined ARC and AEC employs over 475 people and annually works with more than 800 companies ranging from start-up firms to large multi-national corporations. The ARC acts as a catalyst in creating effective partnerships, bringing investor consortia and agencies together with our client companies. ARC is a leader in North America in commercializing technology through joint venture arrangements.

ARC is widely recognized for its capabilities and contributions in six major market sectors of the Alberta economy: biotechnology, information, manufacturing, natural resources, environment and agriculture.

- ♦ **Biotechnology** - ARC houses one of the largest process engineering, fermentation, and scale-up facilities in North America, attracting the interest of national and international biotechnology companies, including many Fortune 500 companies. It is internationally renowned for its world class expertise in carbohydrate research.

ARC's work as the interface between research and industrial application is crucial to ensure that maximum value is added in Alberta to the world-class biotechnology research being conducted at Alberta universities. ARC has a successful track record in bridging the research commercialization gap, evidenced through the biopharmaceutical research originating from the University of Alberta making its way to commercial practice via ARC's strategic alliance with Synsorb Biotech Inc.

- ♦ **Information** - ARC is a leader in the development of knowledge-based systems for industry. Specific areas of expertise include: expert systems and neural networks, products and services for distributed systems, learning and collaborative systems, 3-D visualization and interaction, software engineering, and software for manufacturing.

Alberta's information technology companies have received a 'kick-start' through ARC's collaborative work with private sector companies. For instance, Merak Projects Inc., a Calgary based software company, following its joint venture with ARC is now Canada's tenth fastest growing company.

- ◆ **Manufacturing** - ARC's manufacturing business provides product, process and equipment development for the manufacturing and energy services sectors. Capabilities and expertise include fluids processing, physical and computations modelling, fluids separation, materials processing, advanced industrial process modelling and automation.

For example, ARC's leadership in the manufacturing sector has helped Edmonton-based Poly-Pacific Inc. develop a new plastic pellet stripping technology which is being marketed world-wide. The company has found a new use for plastic once destined for Alberta landfills and created 14 new jobs as a result of this development.

- ◆ **Natural Resources** - ARC has international expertise in heavy oil and environmental technologies, forest products and pulp and paper. Specific programs include engineered wood products, pulp and paper technology, products and process improvement for energy related industries, monitoring and remediation services and processes for the environmental industry, and energy breakthrough technologies for recovery and upgrading heavy oil and bitumen.

For instance, a consortium agreement with Forintek Canada Corp. offers delivery of a national engineered wood composites program to Alberta panel product manufacturers. ARC, already regarded as a leader in oriented strandboard development with the best independent pilot plant in North America, has expanded its panel development facilities improving access and providing faster turnaround for clients for medium density fibreboard, overlays, oriented strandboard and large scale pilot runs of all panel products.

- ◆ **Environment** - the combined people, know-how and facilities of the ARC and the Alberta Environmental Centre will result in one of the strongest environmental technology organizations in Canada. Specific expertise includes pollution control, land reclamation and sustainable renewable resource management.

Development of native grass varieties for use in restoring high elevation disturbed sites is expected to play a role in allowing industrial, and oil and gas operations in sensitive ecosystems.

- ◆ **Agriculture** - The AEC has established world class research facilities and expertise for conducting research and developing technology related to pest management, toxicology of environmental pollutants, and the impact of industrial (including agriculture and food) activities on air, water and land resources essential to sustainable agriculture.

AEC's work is expected to reduce the use of pesticides by 15-25 per cent over the next 10 to 15 years in Alberta through effective ecological and biological approaches to pest management, and save Alberta farmers millions of dollars in lost revenues.

Corporate Business Goals, Performance Measures and Targets

The success of ARC is measured by the success of its partners and benefit to society. ARC's partners create economic impact through the generation of new sales and jobs. A 1996 performance audit of representative client companies, determined ARC's investment to impact ratio to exceed 5 - more than \$5 of economic impact was created for each \$1 invested by the government in ARC. The ARC is also a catalyst for increasing private sector R&D investments in targeted high-risk technology developments. The ratio of private sector R&D investment to core grant is about 0.8. In addition, ARC's work, especially in the environmental area, yields social or indirect benefits, which contribute to the quality of life of Albertans.

Another survey measured ARC's clients' satisfaction rating on a number of relevant criteria. Over 85 per cent of ARC's clients are satisfied or very satisfied with the corporation's performance.

The ARC will continue to increase its impact on the economy of the province through the following goals, performance measures and targets.

ARC: Business Goals, Performance Measures and Targets

Business Goals	1995/96	1996/97	1997/98	1998/99	1999/2000
Economic Impact (\$M)	90*	103	116	128	141
Job Creation (direct jobs)	700	800	900	1000	1100
R&D Funding from Private Sector (\$M)	15.7	16.2	20.4	23.4	26.7
Government Investment (\$M)	20.3	19.2	19.2	19.2	19.2
Ratio of Private R&D/Gov't Investment \$	0.8	0.8	1.1	1.2	1.4
Mission Effectiveness ^S (Econ. Impact/Gov't Funds)	4.5	5.4	6.0	6.7	7.4
Customer Satisfaction, % satisfied or very satisfied	85%	—	—	—	100%
* It is estimated that approximately \$10 million of provincial corporate and personal tax revenue derives from ARC's partners and clients in 1995/96.					

Key Strategies

The Alberta Research Council will achieve its goals and targets through the following key strategies:

- ♦ **Development of our human resources and intellectual capital** - the strength of ARC is in its people. Skills at creating, acquiring and transferring knowledge to the benefit of ARC customers will continually be enhanced. Human resource strategies include: maintain the number of employees at approximately the same level to provide leading edge core competencies and expertise in key areas; enhance technical and marketing skills through intensified training, coaching and mentoring

practices; encourage spin out of staff and technologies to private sector ventures; aggressive recruitment of the best and brightest new talent; increase use of leading edge external professional and technical services to augment in-house resources; and enhance the image of ARC as the premier organization for obtaining technology focussed entrepreneurial work experience.

- ◆ **Market focus** on technology development and commercialization initiatives to increase economic impact in the province in six sectors: biotechnology, information, manufacturing, natural resources, environment and agriculture. Environment and agriculture have been added as new sectors to ensure that the province achieves socio-economic benefits from the increased capability resulting from the AEC/ARC merger.
- ◆ Encourage **private sector R&D** investments in targeted technology development to keep pace with Alberta's international competitors and to generate economic impact and jobs in the province.
- ◆ **Effectiveness and efficiency** in delivering programs and activities will be achieved through the following strategies: increase focus on customers and value provided; improve project selection and management through the implementation of a staged-gating process; reduce corporate overheads; and increase financial leverage on government grants.

This strategy meets the expectations of ARC's customers and partners to receive the highest value for their work with ARC. ARC is committed to increase financial leverage on government funds through improved project selection (risk/reward analysis) and investment and management practices (gating). The new corporate model and other efficiency measures introduced in 1996 have reduced ARC's overhead cost by about 10% compared to 1995/96. ARC's current facilities consolidation program has increased its space utilization efficiency by 30% and saved the government about \$2 million per year of facilities costs.

- ◆ Develop **Innovative Strategic Partnerships and Alliances** that will enhance ARC's capabilities and effectiveness in accessing, developing, financing and commercializing technology regionally and internationally by bringing together external investors, financing partners and entrepreneurs; lead to the creation of new spin off businesses through strategic partnerships; create major new business opportunities for ARC and Alberta companies by sourcing applicable technologies world-wide and, adapting and applying these to the needs of local companies; and strengthen Alberta's international competitiveness by creating foreign market opportunities for Alberta companies.

It is important to also develop innovative strategic alliances and partnerships with potential breakthrough impacts for the province and return on investment. For example, ARC is currently seeking a partnership with a private sector company to create a unique GMP (Good Manufacturing Practices) capability for human health biopharmaceuticals using ARC's large scale fermentation piloting facilities.

- ◆ Develop **new initiatives** that will have significant university and industry involvement (bridging the gap), promote synergy among the components of Alberta and Canada's science and technology infrastructure, and bring major benefits to Alberta. ARC has the capability to catalyze industry/ARC/government/university partnerships in the following two areas: (1) **Sustainable Fibre Utilization:** Stimulate the continued development of a sustainable fibre utilization industry in Alberta through support to the forest industry. (2) **Agri-Food Technology:** Increase the competitiveness of

Alberta's agricultural industries by working in partnership with industry to foster research and development and commercialization of innovative technologies, and by focussing on value-added products in agri-food and non-food applications, and environmental technology for sustainable development and animal health care products. This work will be carried out in collaboration with and funding from the newly established Agri-Food and Fibre Value-Added Initiative.

Science, Research and Information Technology Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Minister's Office	-	-	-	-	-	-	-	-
Alberta Science and Research Authority	-	-	-	-	-	-	-	-
Science and Research Fund	-	-	-	-	-	5,000	5,000	5,000
Alberta Research Council	50,347	46,244	39,656	36,459	47,704	49,124	55,451	61,072
Consolidation Adjustments	(26,555)	(23,220)	(21,333)	(20,322)	(23,766)	(27,938)	(30,072)	(31,572)
Consolidated Revenue	23,792	23,024	18,323	16,137	23,938	26,186	30,379	34,500
EXPENSE								
Program								
<i>Voted</i>								
Minister's Office	-	-	270	234	250	250	250	250
Alberta Science and Research Authority	26,857	23,538	21,609	20,681	25,247	29,446	31,586	33,086
<i>Statutory</i>								
Science and Research Fund	-	-	-	-	-	5,000	5,000	5,000
Alberta Research Council	47,273	45,516	40,481	37,863	47,229	48,861	55,339	60,906
Consolidation Adjustments	(26,555)	(23,220)	(21,333)	(20,322)	(23,766)	(27,938)	(30,072)	(31,572)
Consolidated Expense	47,575	45,834	41,027	38,456	48,960	55,619	62,103	67,670
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	(730)	(1,313)	-	-	-	-
NET REVENUE (EXPENSE)	(23,783)	(22,810)	(23,434)	(23,632)	(25,022)	(29,433)	(31,724)	(33,170)

Transportation and Utilities

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Walter Paszkowski
Minister of Transportation and Utilities
April 12, 1997

Our Mission

Alberta Transportation and Utilities (AT&U) contributes to Alberta's prosperity and economic development by ensuring the provision of:

- ◆ an effective transportation system
- ◆ essential utility services to rural areas
- ◆ disaster and emergency services

Our Vision

Alberta Transportation and Utilities supports the Government's theme of strong financial management. We are a smaller organization, focused on ensuring the provision of the best value transportation and utility services and infrastructure. We are doing this by:

- ◆ using innovative partnerships to provide services and infrastructure;
- ◆ using sound business principles and technologies to assess investment and set priorities;
- ◆ providing leadership to produce the greatest return for transportation and utility investments;
- ◆ using objective performance measures to manage our own activities as well as those of our partnerships; and
- ◆ developing new skills to deliver our new role, ensuring that we have capable and motivated staff.

Our Core Businesses and Programs

Three core businesses contribute to the Alberta Advantage and guide the department in the achievement of its mandate: ensuring public safety; preserving the public's investment in the transportation infrastructure; and supporting Alberta's economic development and prosperity.

Eight key program areas support AT&U's mission, vision and core businesses:

- ◆ **Road, Driver and Vehicle Safety:** monitoring motor transport compliance with commercial weight, dimension and mechanical safety requirements; motor vehicle standards and safety; driver education and testing; license enforcement; and impaired driving programs.
- ◆ **Dangerous Goods Control:** setting standards and monitoring the safe in-transit storage and shipment of dangerous goods within Alberta.
- ◆ **Disaster and Emergency Services:** providing support to ensure municipalities are prepared, trained and ready to deal with emergencies and disasters; and managing provincial response programs to real event disasters.
- ◆ **Primary Highway System:** managing the design, construction, operation and maintenance of primary highways and bridges.

- ◆ **Transportation Partnerships:** providing financial support to municipalities to ensure well developed and integrated urban highway and truck routes, secondary highways and local roads.
- ◆ **Partnerships for Municipal and Rural Utilities:** providing financial support through loan and grant programs for essential utility services (water/wastewater, rural gas and electric).
- ◆ **Efficient Multi-Modal Transportation:** influencing national and international policy in rail, air, passenger, ports/marine operations, and border crossing services.
- ◆ **Ancillary Programs:** managing the construction, operation and maintenance of rest areas and vehicle inspection stations, which complement the primary highway system.

New Business Directions, Goals and Strategies

In our previous business plan, our key strategies focused substantially on a number of major organizational and operational changes that were underway at that time; strategies that would significantly impact the way our department carries out its mandate and delivers its programs. For the 1997-2000 business plan, these changes are now essentially in place. We are utilizing the private sector to a greater degree for the hands-on delivery of many programs and services, and our organization has been re-engineered and streamlined to enhance its operational efficiency and cost-effectiveness.

AT&U as an organization now concentrates its staff resources and efforts on the setting of standards, the development of policy, the management of contractors and partnerships, and the regulation of safety in the transportation and natural gas distribution industries. Our new business directions and key strategies will harness the talents of our staff and combine these with the efficiencies provided by information technologies to ensure that AT&U's core businesses and programs are delivered in a highly effective manner.

Our goals for 1997-2000 include:

Goal #1 - Reinvesting in Strategic Highway Improvements

Alberta's economy is growing as a result of the Alberta Advantage. Tourism is increasing, export trade under the North American Free Trade Agreement is growing, and trade initiatives involving Asia and other regions of the world are fuelling increased overseas exports for Alberta. To handle the resulting increase in the movement of people and goods on Alberta's highway system, strategic improvements will be made to key highway corridors that serve trade and tourism.

Our 1997-2000 business plan carries forward the initiative announced in 1996 to improve Alberta's primary North-South Trade Corridor, and it also continues to have a strong emphasis on improvements to primary highways throughout Alberta. For the first time, a three-year plan for primary highway improvements is included in the expanded version of this business plan and will be distributed separately to all of the department's clients and stakeholders.

Continued development of the North-South Trade Corridor, which extends from the British Columbia border west of Grande Prairie to the United States border at Coutts, will be a primary focus in our strategic highway improvements initiative. Over the next 10-15 years, the efficiency of this corridor will be substantially enhanced through the twinning of existing two-lane sections and the construction of key interchanges along the corridor. These improvements will take place in high-priority rural sections of the corridor, and in urban bottlenecks within Grande Prairie, Edmonton, Calgary and Lethbridge. For 1997-2000, some of the key projects along this key trade and tourism corridor will be:

- ◆ Continued twinning of Highway 3 between Fort Macleod and the City of Lethbridge, and twinning of Highway 4 between the United States border and the City of Lethbridge.
- ◆ Extension of the Deerfoot Trail in the City of Calgary from Highway 22X to Highway 2.
- ◆ Completion of the three remaining median widening projects on Highway 2 between Airdrie and Red Deer, and various other improvements on Highway 2 between Fort Macleod and Edmonton.
- ◆ Extension of Anthony Henday Drive from Highway 16 to Highway 16X within the City of Edmonton.
- ◆ Continued twinning of Highway 43 between Gunn and Valleyview, and continued twinning of Highways 2 and 34 around Grande Prairie.

Funding for this initiative will be derived primarily from internal administrative savings within AT&U that will be re-allocated to our capital and operating budgets for primary highways and to our budget for the Alberta Cities Transportation Partnership.

Other proposed strategic highway improvements to support increased trade and tourism include:

- ◆ Twinning of Highway 3 from the Town of Coaldale to the junction of Highway 36 (northbound) just east of Taber, consisting of three projects.
- ◆ Development of the Northwest Calgary Bypass Road to relieve traffic congestion on 16th Avenue.
- ◆ Construction of the Whitemud Interchange on Highway 14 to coincide with the City of Edmonton's extension of the Whitemud Freeway.

Goal #2 - Strengthening Rural Transportation Partnerships

In our 1996-99 business plan, we committed that there would be no additional reductions above those outlined in the 1995-96 plan in the level of funding for our rural transportation partnerships. For 1997-2000, we are not only continuing that commitment, but will in fact provide increased funding to support special needs in rural municipalities as outlined below.

Alberta's extensive system of secondary highways and local roads supports interprovincial and international trade and tourism, as well as the intra-provincial movement of people and goods for Alberta's agricultural, resource and manufacturing industries. Alberta's secondary highways and local roads provide critical links for our communities, enhancing not just the local economy but also the quality of life of our rural citizens.

AT&U's partnerships with rural municipal governments support needed improvements to this system; improvements that increase efficiency in the movement of people and goods, and also ensure the continued inter-connectivity and quality of this infrastructure. AT&U works closely with rural municipal governments and their association, the Alberta Association of Municipal Districts and Counties, to develop these partnerships. This working relationship strives to achieve maximum efficiency in program administration by avoiding duplication of effort and resources, while ensuring that both partners have clear responsibilities and full accountability for the use and expenditure of provincial and municipal tax dollars that fund rural road projects.

We mentioned earlier that Alberta's economy is growing. This growth not only impacts the primary highway system, but it also increases the demands on secondary highways and local roads. Alberta's resource industries, particularly the forestry and energy sectors, continue to haul more products on rural municipal roads. In addition, ongoing rationalization of grain-dependent rail lines and grain elevators, as well as increased value-added processing of agricultural products, will change the way agricultural products are transported in rural areas. While this increased activity in these industries is good for Alberta's economy, increased trucking activity in rural areas will obviously accelerate wear and tear on rural roads.

Consequently, AT&U has enhanced its support for rural municipal roads through the Resource Roads Improvement Program. This new program, announced in mid-1996 as part of the government's Reinvestment Plan, will make available \$21 million in funding assistance for local roads impacted by resource industry and intensive agricultural traffic. This level of funding will be in place for fiscal years 1997-98 and 1998-99, and will be derived from internal savings generated by AT&U, Alberta Municipal Affairs and Alberta Economic Development and Tourism. In addition to the Resource Roads Improvement Program, rural municipal governments will receive \$86 million in provincial funding under the Secondary Highways Partnership Program and \$50 million in funding for local road systems.

Goal #3 - Supporting Urban Transportation Partnerships

The commitment to maintain funding levels for our transportation partnerships was also made to our urban partners. Funding under the Alberta Cities Transportation Partnership will continue on the basis of \$25 per capita for basic capital grants, and the formula used to calculate the level of funding assistance for primary highway maintenance within cities will be continued. AT&U will also continue its contractual commitments to cities for major primary highway construction projects, although the budgeted amount for these projects will decrease in relation to the 1996-97 level to reflect additional funding provided to the cities in 1996-97 for improvements to portions of the North-South Trade Corridor that are under the jurisdiction of these cities.

In addition, funding for local roads and streets in towns, villages and summer villages under the Streets Improvement Program will increase to \$10 million for 1997-98 and 1998-99 from \$5.6 million in 1996-97. This program will be renewed in 1997 as part of the government's Reinvestment Plan.

Goal #4 - Improving Traffic Safety

During 1996, we consolidated responsibility for road safety programs within AT&U. In addition, we kicked off a major Traffic Safety Initiative in conjunction with a number of public and private sector

partners who have an inherent interest in improving road safety in Alberta. For 1997-2000, the Traffic Safety Initiative will continue to be a major focus for AT&U. This initiative has three primary thrusts, all of which are aimed at the vehicle driver: education, awareness and enforcement. The intent is to make drivers more conscious of their responsibilities on the road.

We will also continue to work with our stakeholders and partners to review traffic safety legislation, regulations and policies, in order to identify changes that enhance safety and provide Albertans with ideal “rules of the road”. Ultimately, we propose to streamline and consolidate road safety legislation, in order that Alberta’s 1.9 million registered drivers better understand and appreciate their rights and responsibilities in the areas of driver, vehicle and road safety.

Goal #5 - Managing the Primary Highway System

During 1996, AT&U outsourced functions related to the engineering and maintenance of the primary highway system to the private sector. This outsourcing has been successfully completed, and we are now working with our private sector partners to preserve the value and quality of the system, and to continually improve the cost effectiveness of system engineering, construction, rehabilitation and maintenance. Albertans have made a considerable investment in Alberta’s primary highway system, an asset that is currently valued at approximately \$4 billion. AT&U recognizes its responsibility to protect the value of this asset, and to maintain the quality of the system for the future.

For the 1997-2000 period, AT&U will continue to develop and apply optimum standards for all aspects of the primary highway system. We will also continue to develop and use computer systems, new technologies and other tools to ensure cost-effective management and decision-making for the primary highway system. These tools will, for example, assist us in determining whether continued patching of the surface of a particular portion of highway is the best option, or whether surface repaving would be a more cost-effective alternative in the long run.

Goal #6 - Supporting Cost-Effective Government

AT&U has made a significant contribution to cost-effective government through its recent initiatives to outsource major functions and to re-engineer all remaining functions. Since 1995, our staffing levels have reduced from 2,150 to the current staff complement of 780. For 1997-98, proposed spending on programs will increase while program delivery and administration spending will decrease. In fact, spending on administration and program delivery will be reduced by 8 percent, in addition to the 23 percent reduction achieved in 1996-97.

AT&U is now a flatter organization with a reduced number of levels and wider spans of control for individual managers. We will be fully accountable for the effective operation of our core businesses and for the effective delivery of our programs, and we will measure our effectiveness and our productivity to demonstrate our accountability to the government and to Albertans. A strong level of investment is required in information system technologies to support sound decision making and the provision of key information for our partners and stakeholders.

In addition, we will actively support the government’s regulatory reform initiative. AT&U is in the process of reviewing all of its 71 primary regulations to meet the requirements of the Alberta Regulatory

Reform Task Force. We will retain only those regulations that are necessary in the public interest, and we will demonstrate that regulations repealed or amended will result in reduced costs for both business and government. In addition, the department is reviewing the 21 acts which enable these regulations.

During 1996, 26 regulations were comprehensively reviewed. After consolidation, streamlining and rescindment, there are expected to be 12 regulations instead of 26. During 1997, a further 27 regulations are scheduled for review, with the remaining 18 to be reviewed in 1998. At the end of the program, we anticipate a 59 percent reduction (from 71 to 29) in the number of regulations under AT&U's jurisdiction.

Goal #7 - Supporting Responses to Major Disasters and Emergencies

Included in AT&U's mandate is the responsibility to support Alberta municipalities in planning for and responding to major disasters and emergencies faced by their communities. For 1997-2000, we will continue to work with our municipal partners to develop and test their emergency plans and enhance their preparedness for unforeseen disasters and emergencies. We will also facilitate the readiness and reliability of the Government Emergency Operations Centre, and ensure staff respond quickly and effectively to assist Albertans in the event of real-life disasters and emergencies.

Goal #8 - Monitoring the Motor Carrier Industry

An efficient and cost-effective motor carrier industry is important for Alberta's export industry and for the shipment of goods within the province. Where possible, AT&U will support industry initiatives that improve motor carrier efficiency and enhance our province's export competitiveness. However, the safety of trucks and buses on Alberta's roads will continue to be AT&U's top priority for the motor carrier industry. This applies to carriers hauling dangerous goods within the province, trucks carrying commodities or manufactured goods, and buses.

For 1997-2000, AT&U will continue to encourage and support initiatives that focus on the motor carrier industry taking on increased responsibility for self regulation and monitoring, education and training, and other safety related matters. For example, the Partners In Compliance Program supports the self regulation of carriers with exemplary safety records. We will continue to monitor all carriers, in particular those carriers not willing or ready to take on responsibility for self regulation, and we will enforce appropriate safety measures as needed. In addition, through permitting and other initiatives, we will strive to ensure that industry makes an appropriate financial contribution towards the development and upkeep of Alberta's road network, where vehicle weights and dimensions have impacted the integrity of the infrastructure.

Goal #9 - Supporting Safe and Cost-Effective Utility Services

Through its Municipal Water/Wastewater Partnership, Rural Gas Program, and Rural Electrification Program, AT&U will continue to support Albertans residing in rural areas and small communities to obtain basic utility services that Albertans living in major urban centres are able to take for granted. In addition, AT&U will continue to set standards for and monitor the safety of natural gas distribution systems in urban and rural areas throughout the province.

Summary

In the preceding text, we have outlined AT&U's commitment to its mandate and its contribution to cost-effective government. We have also outlined the new business directions we are taking following the successful completion of our outsourcing and re-engineering initiatives. These new directions will focus on core functions and programs that are appropriate to the government's new way of doing business, and that support the government's core businesses of people, prosperity and preservation.

Our new business directions also reflect our continued commitment to our clients and our stakeholders, including industry, our municipal and utility partners, and all Albertans who rely on our programs and services for their business, for their safety, and for their quality of life. AT&U is committed to cost-effectiveness and quality in the delivery of these programs and services, using the talents of our dedicated staff and the efficiencies provided by innovation and technology.

The following outlines the key performance measures we will use from 1997 to 2000 to confirm our effectiveness, and also outlines our three-year budget plan for the period. Additional measures in support of a number of our goals are being developed for consideration in future business plans.

Key Performance Measures

Mechanical Safety of Commercial Vehicles - This measure is defined as the percentage of commercial vehicles that did not meet one or more of the criteria used nationally (Commercial Vehicle Safety Alliance) when inspected by department staff at roadside checks. "Minor" adjustments are those that can be made on site without the attention of a mechanic.

	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
Requires minor adjustments	32%*	31%*	26%	25%	25%	25%
Requires mechanic's attention			6%	6%	5%	5%

* No breakdown of the 1995/96 target and results is shown as the data are not available. The percentages shown represent the combined totals for both categories for the 1995/96 fiscal year.

North-South Trade Corridor - This measure is defined as the percentage of the North-South Trade Corridor that is twinned.

Baseline 1994/95	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
N/A*	N/A*	N/A*	47.4%	49.7%	55.3%	60.1%

* The North-South Trade Corridor Initiative was announced in 1996/97, therefore prior targets and results are not available.

Road Safety (Highway Collision Rates) - This measure is defined as the number of reported collisions occurring annually (by calendar year) on Alberta's highways and roads per 1,000 licensed drivers.

Baseline 1994	Target 1995	Results 1995	Target 1996	Business Plan Targets		
				1997	1998	1999
43.0	N/A*	42.7	42.7	42.2	41.7	40.7

* No target is shown for 1995 as the methodology for representing highway collision rates has changed since the previous business plan.

Transportation of Dangerous Goods - This measure is defined as the percentage of on-road dangerous goods incidents with the potential for significant harm or loss to the public.

Baseline 1994/95	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
N/A*	N/A*	21%	20%	17%	15%	15%

* No data are available for 1994/95 and 1995/96 as this measure has recently been defined.

Primary Highway Pavement Condition - This measure is defined as the percentage of the primary highway system that provides desirable driving standards (i.e., pavement smoothness and riding comfort) for the travelling public.

Baseline 1994/95	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
91%	87%	87%	86%	86%	88%	90%

Effectiveness of Emergency and Disaster Response - This measure is defined as the percentage of claims where an assessor arrives on-site within 30 days of a claim being received after a disaster response program has been announced.

Baseline 1994/95	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
N/A*	N/A*	56%	100%	100%	100%	100%

* The baseline for 1994/95 and the target for 1995/96 are not available as this is a new measure.

Reduction in Commercial Vehicle Overloads - This measure is defined as the number of overloaded commercial vehicles as a percentage of total vehicles inspected.

Baseline 1994/95	Target 1995/96	Results 1995/96	Target 1996/97	Business Plan Targets		
				1997/98	1998/99	1999/2000
18%	18%	15%	14%	13%	12%	11%

Transportation and Utilities Ministry Consolidated Income Statement

(thousands of dollars)

	Comparable 1992-93 Actual	Comparable 1993-94 Actual	Comparable 1994-95 Actual	Comparable 1995-96 Actual	Comparable 1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	7,244	32,430	63,212	74,022	38,852	19,612	18,026	15,540
Transportation Revolving Fund	57,487	63,470	40,958	33,411	14,429	5,275	5,587	6,067
Gas Alberta Operating Fund	(2,096)	463	2,711	616	1,048	625	625	625
Alberta Resources Railway Corporation	14,092	12,752	33,173	1,514	-	-	-	-
Consolidation Adjustments	(53,366)	(52,933)	(69,021)	(26,080)	(8,161)	(252)	(252)	(252)
Consolidated Revenue	23,361	56,182	71,033	83,483	46,168	25,260	23,986	21,980
EXPENSE								
Program								
<i>Voted</i>								
Department	690,690	644,341	653,610	630,076	612,522	542,611	542,160	532,160
<i>Statutory</i>								
Transportation Revolving Fund	57,269	62,140	43,018	40,642	15,053	4,644	5,124	5,604
Gas Alberta Operating Fund	1,246	1,114	882	984	742	625	625	625
Alberta Resources Railway Corporation	8,043	4,879	3,159	76	-	-	-	-
Consolidation Adjustments	(50,436)	(52,135)	(33,513)	(25,642)	(8,161)	(252)	(252)	(252)
Consolidated Program Expense	706,812	660,339	667,156	646,136	620,156	547,628	547,657	538,137
Debt Servicing Costs								
Alberta Resources Railway Corporation	3,095	1,680	36	-	-	-	-	-
Consolidated Expense	709,907	662,019	667,192	646,136	620,156	547,628	547,657	538,137
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	1,860	(164,917)	(381,634)	(66,095)	(4,827)	(8,248)	(1,149)	(1,030)
NET REVENUE (EXPENSE)	(684,686)	(770,754)	(977,793)	(628,748)	(578,815)	(530,616)	(524,820)	(517,187)

Treasury

Business Plan 1997-1998 to 1999-2000

Accountability Statement

This Business Plan for the three years commencing April 1, 1997 was prepared under my direction in accordance with the Government Accountability Act and the government's accounting policies. All of the government's policy decisions as at April 10, 1997 with material economic or fiscal implications of which I am aware have been considered in preparing the Business Plan.

The Ministry's priorities outlined in the Business Plan were developed in the context of the government's business and fiscal plans. I am committed to achieving the planned results laid out in this Business Plan.



Stockwell Day
Provincial Treasurer
April 12, 1997

The Province of Alberta's Vision

A vibrant and prosperous province where Albertans enjoy a superior quality of life and are confident about the future for themselves and their children.

Treasury's Mission

To provide excellence in financial management, services and advice to achieve a healthy and sustainable financial condition for the province with the lowest possible taxes for Albertans.

Treasury Goals for 1997-2000

1. To keep our province's finances in order.
2. To ensure government is accountable to Albertans for its business plan and finances.
3. To ensure a fair, competitive, simple and efficient provincial tax revenue system.
4. To maximize investment returns and minimize borrowing costs subject to acceptable risk.
5. To ensure an efficient, fair and competitive capital market and regulatory environment for financial institutions.
6. To deliver quality financial services to Albertans through Alberta Treasury Branches, Alberta Municipal Financing Corporation, and Alberta Pensions Administration Corporation.

Goals, Strategies and Outputs, Outcomes, and Performance Measures

In support of the goals 1 to 6, following are the:

- ◆ strategies and outputs (how we are going to go about achieving the goals),
- ◆ outcomes (the expected results), and
- ◆ performance measures (how we will know if we have achieved the goals and what the target expectations are).

Note: The Treasury Ministry's Goals, Strategies and Outputs, Outcomes, and Performance Measures include: Alberta Treasury Branches, Alberta Pensions Administration Corporation, Alberta Insurance Council, Alberta Securities Commission, Credit Union Deposit Guarantee Corporation, Alberta Municipal Financing Corporation, Alberta Government Telephones Commission, N.A. Properties (1994) Ltd., Alberta Intermodal Services Ltd., and Chembiomed Ltd. Additional details for these organizations are contained in the supplementary information to the Ministry Plan.

Goal 1: To keep our province's finances in order

Related Core Government Measures: Net Debt, Provincial Credit Rating, Cost of Government

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Plan to balance consolidated revenue and expenditure and then pay down the province's net debt in accordance with the Balanced Budget and Debt Retirement Act. ◆ Advise and support the Provincial Treasurer and Treasury Board on business planning, economic and fiscal policies and prudent forecasts of fiscal and economic conditions. ◆ Coordinate an overall government business plan, including key government-wide performance measures. ◆ Develop common economic and financial assumptions for business planning across government. ◆ Support ministries in the development of business plans consistent with the overall government business plan. ◆ Monitor achievement toward business and fiscal plans/goals. ◆ Establish standards, policies and guidelines for overall government that facilitate sound financial administration within ministries, reduce overlap and duplication and simplify, reduce or eliminate regulation. ◆ Refine business planning processes, financial administration and performance measurement to improve cost effectiveness of government. 	<ul style="list-style-type: none"> ◆ The province's finances are in order and the debt burden for Albertans is reduced. ◆ Meaningful corporate information and plans, financial policies and laws to ensure Alberta's finances are well managed. ◆ Ministry business plans and related performance measures congruent with and linked to the overall government business plan and government performance measures. ◆ The government business plan integrated with the fiscal plan. 	<ul style="list-style-type: none"> ◆ Debt retirement; target: milestones as identified in the Balanced Budget and Debt Retirement Act are met. ◆ Satisfaction of Treasury Board with advice, recommendations, analyses and support received; target: all members satisfied or very satisfied. ◆ Satisfaction of ministries' senior financial officers (SFO's) with standards, policies, and guidelines issued by Treasury; target: 4 out of 5 SFO's are satisfied or very satisfied.

Goal 1: To keep our province's finances in order (continued)

Related Core Government Measures: Net Debt, Provincial Credit Rating, Cost of Government

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Develop and present Alberta's position on federal-provincial fiscal arrangements to the federal government. ◆ Negotiate revisions to the Canada Pension Plan. 	<ul style="list-style-type: none"> ◆ Albertans treated equally. ◆ A Canada Pension Plan that is affordable and sustainable. 	<ul style="list-style-type: none"> ◆ Alberta per capita cash Canada Health and Social Transfer (CHST) from the federal government; target: transfer equal to other provinces. ◆ Contribution in a revised Canadian Pension Plan; target: maximum of 10% of earnings.
<ul style="list-style-type: none"> ◆ Reduce cost of risk management services and increase accountability of departments and agencies for protecting public assets from accidental loss. 	<ul style="list-style-type: none"> ◆ Public assets protected from risk of significant accidental loss. 	<ul style="list-style-type: none"> ◆ Condition of the Risk Management Fund; target: fund revenues and expenditures balance. ◆ Satisfaction of ministries with services provided; target: 4 out of 5 satisfied or very satisfied.

Goal 2: To ensure Government is accountable to Albertans

Related Core Government Measures: Provincial Credit Rating, Cost of Government

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Provide reliable, relevant, understandable and comparable information about the government's: <ul style="list-style-type: none"> - plans and goals - strategies to implement plans - means of measuring performance - audited actual results achieved compared to plans, and; - overall financial picture. 	<ul style="list-style-type: none"> ◆ Public understanding of the government's performance and financial position. ◆ Communication of clear, understandable and reliable information to the public so it may judge government performance and handling of government finances. 	<ul style="list-style-type: none"> ◆ Satisfaction of Albertans with respect to the province's financial performance; target: 4 out of 5 Albertans satisfied or very satisfied.
<ul style="list-style-type: none"> ◆ Facilitate increased ministry responsibility and accountability for financial management, including the reporting of financial results and business outcomes at the ministry level. 	<ul style="list-style-type: none"> ◆ Ministries responsible and accountable for their internal financial management. 	<ul style="list-style-type: none"> ◆ Satisfaction of the Auditor General with the government's accountability system; target: Auditor General satisfied or very satisfied. ◆ Satisfaction of deputy heads with the government's accountability system; target: 4 out of 5 satisfied or very satisfied.
<ul style="list-style-type: none"> ◆ Facilitate full costing of services provided and allocate significant costs to outputs. 	<ul style="list-style-type: none"> ◆ Ministries understand and account for the full cost of all services they provide. 	<ul style="list-style-type: none"> ◆ Significant costs associated with ministries are reported in the ministries' consolidated financial statements; target: a positive observation from the Auditor General that significant costs are attributed fully to ministries.

Goal 3: A fair, competitive, simple and efficient provincial tax revenue system

Related Core Government Measures: Taxation Load, Job Creation, Cost of Government

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Maintain Alberta's personal income tax system to promote self reliance, wealth creation, and fair taxation of Albertans. ◆ Implement Alberta's Tax Plan. ◆ Implement the Family Employment Tax Credit. 	<ul style="list-style-type: none"> ◆ A tax system that encourages Albertans to work and that supports Alberta families. 	<ul style="list-style-type: none"> ◆ Tax load for a family of 4; target: lowest in Canada. ◆ Personal income tax rates; target: lowest in Canada. ◆ Satisfaction of taxpayers with tax system; target: 4 out of 5 satisfied or very satisfied.
<ul style="list-style-type: none"> ◆ Enhance the competitiveness of Alberta's corporate tax systems (including income, capital, insurance, commodity and property taxes) with those of other jurisdictions in Canada and with Alberta's other trading partners. ◆ Implement aviation and locomotive fuel tax reductions. 	<ul style="list-style-type: none"> ◆ A competitive corporate tax regime that attracts businesses and investments. 	<ul style="list-style-type: none"> ◆ Taxes on business; target: the lowest in Canada. ◆ Number of businesses in Alberta; target: net positive growth.
<ul style="list-style-type: none"> ◆ Reduce the cost of tax compliance to both government and taxpayers by simplifying tax systems and expanding the role of electronic commerce. ◆ Examine options to eliminate duplication of tax collection through national or regional agencies. 	<ul style="list-style-type: none"> ◆ Reduced costs to government and increased satisfaction of taxpayers with their costs of compliance and improved level of voluntary compliance. 	<ul style="list-style-type: none"> ◆ Cost to process a tax return; target: reduced by 15% by 1998/99 from the 1994/95 base; current achievement 3.7%. ◆ Increased taxpayer satisfaction with costs of compliance; target: 4 out of 5 satisfied or very satisfied. ◆ Number of initiatives to eliminate duplicate tax collection.
<ul style="list-style-type: none"> ◆ Work with other provinces, Alberta's trading partners, and with the federal government to improve tax regimes and tax systems. 	<ul style="list-style-type: none"> ◆ Increased harmony among jurisdictions and reduced overlap and duplication, resulting in lower costs to Albertans. 	<ul style="list-style-type: none"> ◆ Satisfaction with administration of Alberta tax programs; target: 4 out of 5 Albertans satisfied or very satisfied. ◆ Lower incidence of adverse federal tax changes.

Goal 4: Maximize investment returns and minimize borrowing costs subject to acceptable risk

Related Core Government Measures: Net Debt, Taxation Load, Provincial Credit Rating

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Analyze new investment, liability and other financial products and use those that contribute to investment or liability objectives. ◆ Increase strategic and research capabilities in support of investment and liability objectives. ◆ Create an operations committee to oversee investment management functions. ◆ Implement restructured Alberta Heritage Savings Trust Fund (Heritage Fund). ◆ Continue to use a mix of direct investment and external investment management firms. ◆ Investigate alternatives to improve the quality of performance measurement and client reporting. 	<ul style="list-style-type: none"> ◆ Efficient and prudent management of the province's financial assets and liabilities. ◆ Efficient and prudent management of assets of other funds invested by the Provincial Treasurer. 	<ul style="list-style-type: none"> ◆ Annualized rates of return on investments based on market values. Following is an example of the application to the Heritage Fund: <ul style="list-style-type: none"> - Return on the Heritage Fund Transition Portfolio; target: return at least equal to the costs of our debt portfolio. - Returns on the Heritage Fund Endowment Portfolio; target: return at least equal to the return on a benchmark portfolio. ◆ Total cost of debt, including interest costs and the change in market value of debt outstanding (similar measure to the market rate of return on investments). <ul style="list-style-type: none"> - Target: costs should be equal to or less than the cost of a benchmark debt portfolio. ◆ Market Spreads - Alberta's cost of borrowing, compared to the federal government's cost; target: the lowest spread of any province.
<ul style="list-style-type: none"> ◆ Improve the information provided to investors in Province of Alberta debt issues and to credit rating agencies, in cost effective ways. ◆ Concentrate cash and make disbursements via efficient systems and banking arrangements. 	<ul style="list-style-type: none"> ◆ Investors and credit rating agencies understand the province's financial position. ◆ All cash balances invested. 	<ul style="list-style-type: none"> ◆ Satisfaction of investors and credit rating agency personnel; target: 4 out of 5 satisfied or very satisfied. ◆ Rate of return on Consolidated Cash Investment Trust Fund; target: return equal to or greater than ScotiaMcLeod 91 Day Treasury Bill Index.
<ul style="list-style-type: none"> ◆ Sell and wind-up non-core financial assets including those of the AGT Commission and N.A. Properties. ◆ Manage contingent liabilities under loan guarantees. 	<ul style="list-style-type: none"> ◆ Increasing focus on market investment activity. 	<ul style="list-style-type: none"> ◆ Dollars received; target: better than book value. ◆ Assets remaining to be disposed of; target: zero. ◆ Amount of contingent liabilities under administration; target: zero, excluding ongoing programs.

Goal 5: Maintain an efficient, fair and competitive capital market and an efficient and fair regulatory environment for financial institutions

Related Core Government Measures: Per Capita GDP and Job Creation

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Reduce, simplify and harmonize regulation with other jurisdictions. ◆ Rely on federal and other provincial governments for the solvency regulation of financial institutions incorporated in their jurisdictions pursuant to legislative amendments made in 1996. 	<ul style="list-style-type: none"> ◆ An efficient and fair regulatory environment for financial institutions. 	<ul style="list-style-type: none"> ◆ Satisfaction of financial institutions with the efficiency and fairness of regulatory environment; target: 4 out of 5 satisfied or very satisfied.
<ul style="list-style-type: none"> ◆ Monitor Alberta incorporated credit unions, insurers and loan and trust corporations and enforce the solvency provisions of legislation. 	<ul style="list-style-type: none"> ◆ Sound business practices by provincially incorporated financial institutions. ◆ Protection for depositors and policy holders in provincially incorporated financial institutions. 	<ul style="list-style-type: none"> ◆ Percentage of Alberta Credit Unions that have the legislated minimum equity requirements (greater of 4% of total assets and 8% of risk weighted assets); target: 100% by 1999. ◆ Percentage of directives and recommendations relating to companies, compliance with legislation and sound business practices that are complied with; target: 100% within one year. ◆ Equity in the Credit Union Deposit Guarantee Corporation's Fund as a percentage of credit union assets; target: 1%.
<ul style="list-style-type: none"> ◆ Monitor evolution of electronic financial products and other market innovations; update legislation/regulation. ◆ Work with industry and consumer groups to implement privacy code for personal information stored by financial institutions. ◆ Assist consumers with complaints about insurers and insurance intermediaries through Alberta Insurance Council. 	<ul style="list-style-type: none"> ◆ A fair financial institution marketplace. 	<ul style="list-style-type: none"> ◆ Satisfaction of consumers and insurance intermediaries with the quality of assistance, advice, and information provided; target: 4 out of 5 satisfied or very satisfied. ◆ Satisfaction of consumers with the fairness of the insurance marketplace; target: 4 out of 5 satisfied or very satisfied.
<ul style="list-style-type: none"> ◆ Harmonize regulations across Canada through the Alberta Securities Commission and work with other securities regulators. ◆ Advice as to participation by Alberta in a Canadian Securities Commission. 	<ul style="list-style-type: none"> ◆ A fair and efficient capital market in Alberta and confidence in that market. 	<ul style="list-style-type: none"> ◆ Alberta's market share of investment capital maintained.

Goal 6: To provide financial services through Alberta Treasury Branches, Alberta Municipal Financing Corporation and Alberta Pensions Administration Corporation

Related Core Government Measures: Per Capita GDP and Job Creation

Strategies/Outputs	Outcomes	Performance Measures/Targets
<ul style="list-style-type: none"> ◆ Provide financial services available to all Albertans on sound banking and business principles with a focus on independent business, personal and agricultural lending through Alberta Treasury Branches. 	<ul style="list-style-type: none"> ◆ Profitable operations that meet the commercially viable needs of Albertans. ◆ Financial services available in all areas of the province. 	<ul style="list-style-type: none"> ◆ Annual profitability; specific measures and targets are being developed by the new Alberta Treasury Branches board of directors.
<ul style="list-style-type: none"> ◆ Provide local authorities with funding for capital projects at the lowest possible cost, consistent with the viability of the Alberta Municipal Financing Corporation (AMFC). 	<ul style="list-style-type: none"> ◆ Timely access for local authorities to finance at or near the province's cost of borrowing. 	<ul style="list-style-type: none"> ◆ Market spreads - Cost to Alberta local authorities of borrowing from AMFC compared to the federal government's cost of borrowing; target: Alberta local authorities spread over the federal government's cost is lowest among Canadian municipalities.
<ul style="list-style-type: none"> ◆ Provide quality pension administration services to Alberta's public sector pension employees and employers and to the boards of those plans through Alberta Pensions Administration Corporation. 	<ul style="list-style-type: none"> ◆ Accurate and timely payment of pension benefits. ◆ Pension related information provided to employees, employers and boards. 	<ul style="list-style-type: none"> ◆ Satisfaction of client employees and employers with products and services; target: 4 out of 5 satisfied or very satisfied. ◆ Costs per pension plan member comparable to other public sector pension plans; target: lowest cost per member.

Key Performance Measures

Following are the key performance measures for the Ministry:

Relative Provincial and Municipal tax load on Albertans

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Tax Effort							
	78.0%	77.0%	76.4%	75.7%	74.9%	74.0%**	N/A
Rank							
	One (lowest overall taxes)						

**Forecast

Total Tax Load for 1996-97

Province	% of Canadian Average	Province	% of Canadian Average
Alberta	74.0	Ontario	101.6
Nova Scotia	92.1	Newfoundland	105.5
Prince Edward Island	95.6	Quebec	109.5
British Columbia	98.7	Manitoba	109.8
New Brunswick	99.3	Saskatchewan	119.8

- The government is committed to maintaining Albertans' tax advantage by having the lowest overall taxes of any province in Canada.
- "Tax effort" is defined as the ratio of actual taxes (provincial and municipal) collected by a province to the taxes the province would have collected at the national average rates. This measure is calculated by the federal government and used in determining equalization payments to the provinces.

Alberta's annual surplus (deficit)

Surplus (Deficit) In Millions of Dollars

	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98
Target	—	—	(2,500)	(1,800)	(800)	0	100
Budget	33	(2,289)	(2,444)	(1,550)	(506)	23	154
Actual	(2,629)*	(3,415)*	(1,384)	958	1,132	2,292**	

* Prior to Deficit Elimination Act

**Forecast

Alberta's cost of borrowing relative to Canada's in the Canadian bond market

	5 Year				10 Year			
	Canada Rate (%)	Alberta	B. C.	Ontario	Canada Rate (%)	Alberta	B. C.	Ontario
		(basis point spread)				(basis point spread)		
March 31, 1991	9.39	+60	+61	+61	9.52	+62	+63	+63
March 31, 1992	8.53	+51	+56	+71	8.76	+70	+75	+90
March 31, 1993	6.90	+46	+49	+75	7.52	+58	+61	+84
March 31, 1994	7.64	+30	+30	+50	8.03	+30	+30	+66
March 31, 1995	8.37	+11	+13	+30	8.67	+17	+19	+36
March 31, 1996	7.05	+8	+10	+17	7.67	+14	+17	+28
March 31, 1997	6.04	+5	+11	+11	6.68	+8	+18	+18
Credit Rating								
(Standard and Poor's)		AA	AA+	AA-		AA	AA+	AA-
(Moody's)		Aa2	Aa1	Aa3		Aa2	Aa1	Aa3

Source: Quotes from investment dealers for interest rates on new borrowing in the Canadian bond market.

- ◆ Alberta's cost of borrowing is priced relative to the federal government interest rate (Canada's) for the same term. The difference in the interest rate Alberta would pay on a particular term debt compared to the federal government is called a market spread. The relative market spread for comparable provinces is a reflection of provincial credit ratings, the investor's perception of the provinces' fiscal management and how provincial debt is managed.

Alberta's investment rates of return

HERITAGE FUND	Rates of return to March 31, 1996			
	1 Year	3 Years	5 Years	10 Years
Annualized Returns Based on Market Values		<i>Time-weighted Rate of Return</i>		
	%	%	%	%
Cash and Marketable Securities				
Short-term Marketable Securities	7.4	6.0	6.8	8.8
<i>ScotiaMcLeod 91 day T-bills</i>	7.4	6.0	6.8	8.7
Mid-term Marketable Securities	11.2	7.9	9.0	9.4
<i>ScotiaMcLeod short-term bonds</i>	12.0	8.2	9.8	9.8
Total Returns for Cash and Marketable Securities	8.8	6.7	7.9	9.3
Commercial Investment Division				
Money Market Securities	7.0	6.1	N/A	N/A
<i>ScotiaMcLeod 91 day T-bills</i>	7.4	6.0	6.8	8.7
Canadian Equities	16.3	14.8	9.1	7.6
<i>TSE 100 Index</i>	18.0	14.3	10.1	8.5
Total Returns for Commercial Investment Division	12.9	12.7	7.9	7.2

- ◆ Rates of return have been calculated at market value using the time-weighted method. Market value time-weighted rates of return are the standard investment industry measures of return.
- ◆ Market indices provide a point of reference for the returns of the commercial components of the Heritage Fund. The short-term and mid-term components of the Cash and Marketable Securities portfolio have a slightly different term structure than the indices. Therefore, depending on the movement of interest rates, the components can earn a higher or lower return than the indices.

Value of market capital raised in Alberta compared with previous years and compared to the total value of market capital raised in Canada

	1994-95	1995-96
Alberta - capital raised	\$5.4 billion	\$4.8 billion
Canada - capital raised	\$66.9 billion	\$48.4 billion
Percent of capital raised in Alberta	8.1%	9.9%

- ◆ The value of market capital raised in Alberta on a comparative basis provides a measure of the efficiency, fairness, and competitiveness of Alberta's capital market. Economic, monetary and tax policies have a direct impact on capital investment.

Treasury

Ministry Consolidated Income Statement

(thousands of dollars)

	1992-93 Actual	1993-94 Actual	1994-95 Actual	1995-96 Actual	1996-97 Forecast	1997-98 Estimates	1998-99 Target	1999-2000 Target
REVENUE								
Department	5,589,502	5,829,066	6,074,263	6,438,167	6,506,359	6,428,803	6,633,233	6,520,895
Land Purchase Fund	921	5,870	-	-	-	-	-	-
Treasury Revolving Fund	1,099	3,003	8,618	7,904	7,998	8,517	8,667	8,809
Alberta Heritage Foundation for Medical Research Endowment Fund	52,841	63,578	59,843	66,633	58,900	63,000	60,000	60,500
Alberta Heritage Savings Trust Fund	1,019,562	1,227,530	957,971	1,055,653	894,300	856,800	819,800	761,900
Alberta Heritage Scholarship Fund	17,428	20,296	18,913	20,419	19,135	20,300	19,320	19,350
Alberta Provincial Corporation Loan Fund	13,845	3,144	-	-	-	-	-	-
Alberta Risk Management Fund	3,378	3,888	4,023	6,719	5,370	6,600	6,650	6,650
Utility Companies Income Tax Rebates Fund	176,086	173,134	159,067	15,993	-	-	-	-
Alberta Insurance Council	954	1,048	1,078	1,163	1,141	1,340	1,420	1,420
Alberta Pensions Administration Corporation	6,905	6,748	9,009	8,805	8,382	9,300	9,500	8,900
Alberta Securities Commission	4,454	7,245	9,890	9,369	11,000	7,840	7,840	8,000
Alberta General Insurance Company*	(4)	(5)	(9)	-	-	-	-	-
Alberta Government Telephones Commission*	(131,067)	9,994	23,419	20,024	6,163	4,405	10,088	600
Alberta Intermodal Services Ltd.*	1,646	(2,623)	319	163	136	135	112	112
Alberta Municipal Financing Corporation*	(7,349)	44,013	28,573	17,460	345	(13,517)	(35,364)	(56,104)
Credit Union Deposit Guarantee Corporation*	2,890	3,727	3,251	2,683	3,990	2,000	2,000	2,000
N.A. Properties (1994) Ltd.*	(16,675)	(3,502)	(14,265)	(8,774)	(4,100)	(1,500)	-	-
Treasury Branches Deposits Fund*	18,221	24,461	34,775	36,019	(23,300)	17,058	16,721	26,986
Chembiomed Ltd.*	(1,333)	(1,262)	(3,702)	(1,548)	-	-	-	-
Gainers Inc.*	(22,358)	(114,553)	(1,177)	(1,209)	-	-	-	-
North West Trust Company*	2,918	4,519	-	-	-	-	-	-
Consolidation Adjustments	(827,206)	(1,217,126)	(1,181,500)	(1,101,830)	(759,848)	(848,201)	(790,797)	(466,078)
Consolidated Revenue	5,906,658	6,092,193	6,192,359	6,593,813	6,735,971	6,562,880	6,769,190	6,903,940
EXPENSE								
Program								
<i>Voted</i>								
Department	57,407	51,410	45,297	32,989	31,524	44,365	27,876	27,876
<i>Statutory</i>								
Department	373,516	480,428	311,642	198,046	215,825	214,310	214,100	213,300
Land Purchase Fund	5,151	137	-	-	-	-	-	-
Treasury Revolving Fund	1,099	3,003	8,618	7,810	7,911	8,473	8,554	8,599
Alberta Heritage Foundation for Medical Research Endowment Fund	30,832	26,280	25,355	27,259	30,090	35,290	36,090	39,590
Alberta Heritage Savings Trust Fund	1,104,049	1,298,041	1,007,298	1,055,482	752,300	856,800	819,800	516,900
Alberta Heritage Scholarship Fund	14,020	12,812	13,371	13,375	12,527	12,785	12,824	12,875
Alberta Provincial Corporation Loan Fund	13,845	3,144	-	-	-	-	-	-
Alberta Risk Management Fund	5,434	6,085	4,281	5,573	7,661	6,050	6,350	6,200
Utility Companies Income Tax Rebates Fund	176,086	173,134	159,067	15,993	-	-	-	-
Alberta Insurance Council	1,014	839	849	1,002	1,291	1,410	1,480	1,480
Alberta Pensions Administration Corporation	6,905	6,748	9,009	8,805	8,382	9,300	9,500	8,900
Alberta Securities Commission	5,290	5,344	4,932	5,342	5,949	6,821	7,025	7,264
Consolidation Adjustments	(873,445)	(1,177,056)	(969,797)	(1,051,666)	(755,371)	(876,486)	(824,380)	(521,370)
Consolidated Program Expense	921,203	890,349	619,922	320,010	318,089	319,118	319,219	321,614
Debt Servicing Costs								
Department	1,432,595	1,638,505	1,723,996	1,567,958	1,380,000	1,189,000	1,168,000	1,133,000
Consolidation Adjustments	(138,461)	(118,181)	(111,862)	(39,018)	-	-	-	-
Consolidated Debt Servicing Costs	1,294,134	1,520,324	1,612,134	1,528,940	1,380,000	1,189,000	1,168,000	1,133,000
Consolidated Expense	2,215,337	2,410,673	2,232,056	1,848,950	1,698,089	1,508,118	1,487,219	1,454,614
GAIN (LOSS) ON DISPOSAL OF CAPITAL ASSETS	-	-	(1,929)	(273)	-	-	-	-
NET REVENUE (EXPENSE)	3,691,321	3,681,520	3,958,374	4,744,590	5,037,882	5,054,762	5,281,971	5,449,326

* This entity is a commercial enterprise or Crown-controlled corporation that is reported in revenue on a net profit or loss basis (revenue less expenses). Thus, it does not appear in the expense portion of the income statement.

Appendix

Alberta Heritage Savings Trust Fund Business Plan



BUDGET '97

BUILDING ALBERTA TOGETHER

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*The business plan was reviewed and approved by the Legislature's
Standing Committee on the Alberta Heritage Savings Trust Fund
on January 21, 1997.*

Alberta Heritage Savings Trust Fund Business Plan

Background

- ◆ The Heritage Fund was created in 1976 as a means to provide savings of Alberta's non-renewable resource revenue for future generations. From 1976 to 1987, the Fund grew. A portion of Alberta's oil and gas revenue was deposited into the Fund and, until 1982, the Fund kept its investment income. The size of the Heritage Fund peaked in 1987 at \$12.7 billion and since then has declined in value by the amount of annual Capital Projects Division expenditures (the last year of spending was 1994-95).
- ◆ At December 31, 1996, the net assets of the Heritage Fund (at cost) totalled about \$12 billion. This consisted of:
 - ◆ \$8.0 billion in Cash & Marketable securities;
 - ◆ \$2.5 billion in the Alberta Investment Division;
 - ◆ \$585 million in the Canada Investment Division;
 - ◆ \$459 million in the Commercial Investment Division;
 - ◆ \$10 million in the Capital Projects Division (Vencap Receivable);
 - ◆ \$142 million in amounts due from the General Revenue Fund (the estimated amount of Heritage Fund income which will be retained in the Heritage Fund for inflation proofing in 1996-97 under the new Heritage Fund Act);
 - ◆ balance of \$257 million constitutes accrued interest and accounts receivable, net of accounts payable.
- ◆ The government announced during 1994-95 that a public review of the Heritage Fund would take place.
- ◆ In late 1994, four independent Canadian investment dealers assessed the market value of the Heritage Fund's marketable or potentially marketable securities at \$11.4 billion. This was \$465 million greater than the book value of these securities.
- ◆ The public review culminated in a March 1995 report by an All-Party Review Committee entitled "Future Directions for Alberta's Heritage Fund". The report made 14 recommendations, the first of which was that the government should keep the Fund but not at the status quo. Recommendations on governance of the Fund were also included.

- ◆ The Review Committee based its recommendations on the following five guiding principles:
 1. The Fund should be retained, but not at the status quo.
 2. The management of the Fund should be at arm's length from the political process.
 3. Private sector investment managers should be involved in investment decision making, along with Alberta Treasury staff.
 4. The Fund should be more transparent; the Fund's managers should be more directly accountable to the people of Alberta.
 5. The role of government is to set objectives for the Fund.

- ◆ Taking into account these recommendations, the government announced changes to the Fund in January 1996 which address these principles for change. Changes began in 1996-97 and are reflected in this Business Plan.

- ◆ A new Alberta Heritage Savings Trust Fund Act was passed by the Legislative Assembly during the 1996 Spring session and came into force January 1, 1997. The legislation:
 1. establishes that the Provincial Treasurer is responsible for the management and investment of Fund assets;
 2. sets out the mission of the new Heritage Fund;
 3. describes the new structure of the Fund where the Fund's assets are, over a ten-year period, transferred from a Transition Portfolio to an Endowment Portfolio;
 4. sets out the separate objectives of the Endowment Portfolio and the Transition Portfolio;
 5. requires that each portfolio be managed in adherence to the Prudent Person Rule meaning that the investment manager has a fiduciary responsibility to restrict investment to assets that would have been approved by a prudent investor;
 6. specifies a minimum annual transfer of \$1.2 billion of assets from the Transition Portfolio to the Endowment Portfolio;
 7. provides for the Heritage Fund to retain sufficient income to offset inflation, subject to certain conditions, and
 8. continues the Auditor General as the auditor of the Fund.

Fiscal Context

- ◆ Assets and income of the Heritage Fund are fully consolidated with the assets and revenue of the province. As a result, for fiscal planning purposes and under the Balanced Budget and Debt Retirement Act: (i) consolidated Heritage Fund income is included in the determination of the province's budget surplus and (ii) Heritage Fund assets are netted off gross liabilities in determining the net debt position of the province.

- ◆ Consistent with the Financial Review Commission's recommendation that the province should emphasize reducing the "net debt" (excess of consolidated liabilities over consolidated assets), the Balanced Budget and Debt Retirement

Act requires that the province reduce its net debt to zero by March 31, 2010, beginning in the 1996-97 fiscal year. The net debt can be reduced by applying budget surpluses to either (i) pay down gross debt or (ii) increase assets (for example, by inflation proofing the Heritage Fund).

- ◆ The province has more debt than assets; that is, it has “net debt”. On a consolidated basis the province’s net debt, after deducting Heritage Fund assets, was \$6.2 billion at March 31, 1996 (excludes pension liabilities).

Purpose

- ◆ This is the first business plan for the Heritage Fund. It sets out the broad objectives of the Fund as expressed in the legislation, more specific investment objectives, other goals and strategies to achieve the Fund’s objectives, and performance measures. The business plan was reviewed and approved by the Legislature's Standing Committee on the Alberta Heritage Savings Trust Fund on January 21, 1997.

New Heritage Fund Structure

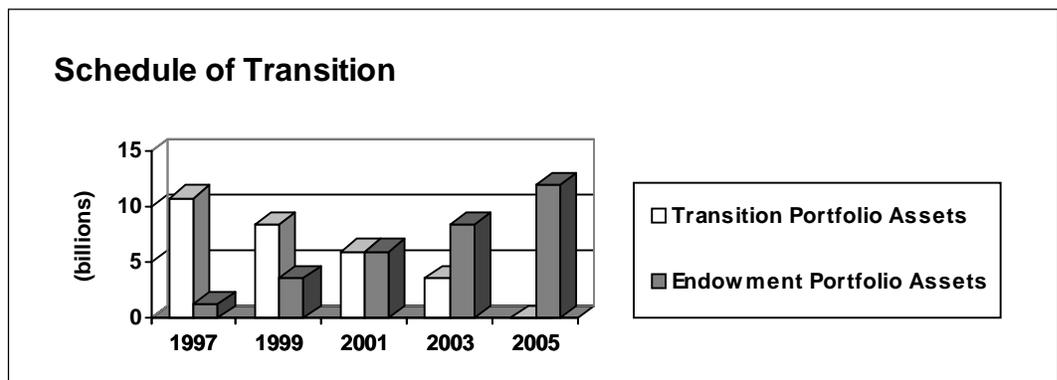
- ◆ The preamble to the new Alberta Heritage Savings Trust Fund Act describes the **mission** of the Heritage Fund as follows:

TO PROVIDE PRUDENT STEWARDSHIP OF THE SAVINGS FROM ALBERTA’S NON-RENEWABLE RESOURCES BY PROVIDING THE GREATEST FINANCIAL RETURNS FOR CURRENT AND FUTURE GENERATIONS OF ALBERTANS.

- ◆ The government’s fiscal plan published in Agenda ’96 included gross annual income from the Heritage Fund of about \$900 million. This was based on a continuation of the existing Heritage Fund investment policy of preserving capital and being positioned for change. It also was based on forecast interest rates at the time. The government keeps its books on a consolidated basis and therefore Heritage Fund income is included in consolidated income for the province. Consequently, the level and variability of Heritage Fund income is important to the government’s fiscal plan.
- ◆ If the Fund were invested solely with the objective of maximising long-term financial returns, it is unlikely that it would generate this level of income over the next three years. Income could vary significantly from year to year for the following reasons:
 1. An investment policy to maximize long-term returns implies a significantly higher weighting towards investments in equities in comparison to the current equity holdings (only about 2% of Fund assets). While equities have historically provided investors with higher total returns (dividends and capital gains) than fixed income investments, dividend rates in general are lower than interest rates thereby providing lower current income. The timing of realizing capital gains is also uncertain.

2. The well-established capital market principle that increased returns, as provided by equity investments, are accompanied with increased risk or volatility, means that the Fund's income would be more variable.

- ◆ In order to provide for an orderly transition between the need for current income and long-term investment goals, the Heritage Fund is being divided into two separate portfolios: a Transition Portfolio and an Endowment Portfolio.
- ◆ Each portfolio will be managed independently to meet its own specific investment objective and measured against its corresponding benchmarks.
- ◆ The Transition Portfolio will be invested primarily in interest-bearing securities with an emphasis on generating current income to support the province's fiscal plan.
- ◆ The Endowment Portfolio will be invested with a long-term return objective in a diversified portfolio including interest-bearing securities, Canadian equities and international securities.
- ◆ The Transition Portfolio will support current income needs in the first few years and then see its role diminish over the transition period as it is reduced in size and the Endowment Portfolio grows.
- ◆ Over a maximum ten-year transition period starting in 1996-97, a minimum of \$1.2 billion in book value of assets will be transferred annually from the Transition Portfolio to the Endowment Portfolio. By the end of 2005, all Heritage Fund assets will be invested in the Endowment Portfolio.



- ◆ Existing Heritage Fund assets that are consistent with the long-term investment objective, or that can readily be disposed of to permit acquisition of appropriate assets, have been allocated to the Endowment Portfolio, with the remainder residing in the Transition Portfolio. The initial allocation of existing Heritage Fund assets on January 1, 1997 was as follows (at cost):

Heritage Fund Net Assets (millions, book value)	Old Structure	New Structure Transition Portfolio	New Structure Endowment Portfolio
Canada Investment Division	585	585	0
Alberta Investment Division			
Provincial corporation debentures	1,893	1,893	0
Project investments (Alpac, Millar Western and Ridley Grain)	464	464	0
Canadian Western Bank shares	1	1	0
Nova Corporation shares	112	112	0
Commercial Investment Division			
Canadian equities	261	0	261
Money market securities	198	0	198
Cash and Marketable Securities			
Short-term	2,152	1,724	428
Long-term	5,893	5,580	313
Vencap Receivable	10	10	0
Due from the General Revenue Fund ¹	142	142 ²	0
Accrued Interest and Accounts Receivable ³	257	257	0
Total³	11,968	10,768	1,200

- ◆ As part of the new framework, the Heritage Fund will be “inflation proofed” by retaining enough of the Fund’s income in order to keep up with inflation. This means that the Fund will begin to grow again. However, until after the 1998-99 fiscal year the Fund will only be allowed to keep some income to offset inflation if the government’s surplus exceeds \$500 million.
- ◆ Foreign investments by both the Transition Portfolio and the Endowment Portfolio will initially be limited by regulation to 20% of each portfolio’s assets (measured at book value). This is similar to the restriction on private and public sector pension funds.

¹ The estimated amount of Heritage Fund income which will be retained in the Heritage Fund for inflation proofing in 1996-97.

² Will be allocated to the Endowment Portfolio.

³ Net of accounts payable of the Fund.

Goals, Strategies and Outputs, Outcomes, and Performance Measures

- ◆ The legislated investment objective of the **Transition Portfolio** is:

Investments shall be made with the objective of supporting the government's short term to medium term income needs as reflected in the government's consolidated fiscal plan.

What is the best approach in achieving this objective?

- ◆ Because the province has net debt, it is important that the Transition portfolio earn a rate of return that exceeds the interest cost on the province's debt. Alberta Treasury, with the assistance of a major international investment dealer, has completed analysis to help determine specific objectives and targets for managing the interest rate risk that exists in the province's liabilities and the Transition Portfolio's assets. This plan establishes an orderly framework which will result in coordinated management of the Heritage Fund Transition Portfolio and the province's debt so as to maximize income over the medium-term and minimize debt costs while constraining the risk to the government's bottom line.

How does this coordinated approach work?

- ◆ The framework described above establishes a "benchmark portfolio". The debt will be managed with the objective of costing no more than it would cost if it were managed exactly like this benchmark. The province will manage its debt to try and achieve a lower interest cost than the benchmark cost. The investment approach for the Heritage Fund Transition Portfolio uses the same benchmark portfolio and will be managed to achieve a rate of return on its assets that is higher than the benchmark cost.
- ◆ The legislated investment objective of the **Endowment Portfolio** is:

Investments shall be made with the objective of maximizing long-term financial returns.

- ◆ Given a long-term investment horizon, investment practice suggests that a mix of equities and interest bearing securities best achieves the objective of maximizing financial returns as it provides enhanced returns and diversifies risk. A long-term investment horizon in this context means at least two business cycles. Emphasis on "long-term" in the investment objective is designed to help the investment manager continue to plan and execute in a long-term context at times when short-term pressures exist.

Goal 1: Earn income to support the government’s consolidated fiscal plan.

Strategies/Outputs	Outcomes	Performance Measures/Benchmarks																		
<ul style="list-style-type: none"> Invest Transition Portfolio assets in accordance with the investment industry standard “Prudent Person Rule” which assigns the investment manager responsibility to restrict investment to assets that would be approved by a prudent investor Invest in interest bearing securities that are rated at time of purchase a minimum of investment grade (BBB or equivalent) by a recognized rating agency or in the absence thereof by Alberta Treasury Maintain an average term to maturity between 3 years and 4 years. (The province’s Canadian dollar liability portfolio is managed within the same range¹) Limit investments to the various categories of interest-bearing securities (% of market value): <table border="0" data-bbox="186 989 548 1266"> <thead> <tr> <th></th> <th style="text-align: right;">Maximum (%)</th> </tr> </thead> <tbody> <tr> <td>Canada & Guaranteed Alberta</td> <td style="text-align: right;">No Limit</td> </tr> <tr> <td>Other Provincial Debt</td> <td style="text-align: right;">27</td> </tr> <tr> <td>Municipal</td> <td style="text-align: right;">40</td> </tr> <tr> <td>Asset-backed</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Private Corporate</td> <td style="text-align: right;">10</td> </tr> <tr> <td>Public Corporate</td> <td style="text-align: right;">20</td> </tr> <tr> <td>Mortgages</td> <td style="text-align: right;">5</td> </tr> <tr> <td>Other Sovereign</td> <td style="text-align: right;">5</td> </tr> </tbody> </table> Reduce the Portfolio’s investment in project investments and, subject to fiscal planning and liability management considerations, reduce investment in Alberta Provincial corporations Reduce investment limit for Alberta once investment in Alberta provincial corporation debt is reduced 		Maximum (%)	Canada & Guaranteed Alberta	No Limit	Other Provincial Debt	27	Municipal	40	Asset-backed	5	Private Corporate	10	Public Corporate	20	Mortgages	5	Other Sovereign	5	<ul style="list-style-type: none"> A high level of income to the government’s fiscal plan without undue variation to the province’s bottom line A higher return on assets than the cost of the province’s debt Investments consistent with the objectives of the Transition Portfolio 	<p><u>Performance Measure</u></p> <ul style="list-style-type: none"> The market value rate of return on the Transition Portfolio <p><u>Benchmark</u></p> <ul style="list-style-type: none"> The market cost of the Canadian dollar portion of the province’s debt portfolio <p>Measuring performance on a market value basis is the accepted standard in the investment industry because it should lead to the best long-term investment and liability management decisions. However, because Heritage Fund income and debt servicing costs are accounted for on a cost basis a comparison of returns on a cost basis will also be reported and explained in relation to the market value results.</p>
	Maximum (%)																			
Canada & Guaranteed Alberta	No Limit																			
Other Provincial Debt	27																			
Municipal	40																			
Asset-backed	5																			
Private Corporate	10																			
Public Corporate	20																			
Mortgages	5																			
Other Sovereign	5																			

¹ Estimated term based on an average duration of 2.4 years to 3.2 years. In practice, the investment industry (and Alberta Treasury) manages investment portfolios by looking at their “duration” (see Glossary for an explanation of duration) as opposed to the average term to maturity since a bond portfolio’s duration better reflects its sensitivity to interest rates .

Goal 2: Make investments in the Endowment Portfolio to maximize long term financial returns.

Strategies/Outputs	Outcomes	Performance Measures/Benchmarks																																											
<ul style="list-style-type: none"> Invest Endowment Portfolio assets in accordance with the investment industry standard "Prudent Person Rule" which assigns the investment manager responsibility to restrict investment to assets that would be approved by a prudent investor To diversify risk and enhance expected returns, allocate the Endowment Portfolio assets among the following asset classes and within the noted ranges (expressed as a % of the Endowment Portfolio's market value): <table border="1" data-bbox="142 716 500 846"> <thead> <tr> <th>Asset Class</th> <th>Holdings (%)</th> </tr> </thead> <tbody> <tr> <td>Interest-Bearing</td> <td></td> </tr> <tr> <td>Securities¹</td> <td>35% to 65%</td> </tr> <tr> <td>Equity²</td> <td>65% to 35%</td> </tr> <tr> <td>Total</td> <td>100% 100%</td> </tr> </tbody> </table> Diversify investments within each subcategory of the asset classes set out above The Operations Committee (see Attachment A) will recommend minimum and maximum holdings for the asset classes and review periodically the benchmark to be used in measuring performance Alberta Treasury will vary the allocation of assets within the above policy ranges based on the outlook for financial markets Restructure the portfolio to be consistent with the above guidelines by June 30, 1997 The Operations Committee will recommend the extent of use of external investment managers to manage portions of the Portfolio, and the criteria for their selection 	Asset Class	Holdings (%)	Interest-Bearing		Securities ¹	35% to 65%	Equity ²	65% to 35%	Total	100% 100%	<ul style="list-style-type: none"> Based on historical financial market statistics, equities have provided an average annual <u>real</u> return of 7% and debt investments approximately 3% (see Glossary for an explanation of Real Rate of Return). The adopted asset mix policy set out under Strategies/Outputs would then result in an expected <u>real</u> return from the Endowment Portfolio of 5.50% per year over the long-term if these historical return patterns continued into the future (assuming an additional 0.5% return from the active management of investments). A market rate of return on the Portfolio higher than the benchmark Volatility of returns and credit risk at prudent levels 	<p><u>Performance Measure</u></p> <ul style="list-style-type: none"> The market value rate of return on the Endowment Portfolio <p>The following benchmark investment portfolio is designed to reflect a neutral weighting in the asset classes listed based on the Endowment Portfolio's investment objective and risk tolerance. The benchmark portfolio represents a completely "passive" investment strategy. Therefore, the difference between the Endowment Portfolio's actual returns and the benchmark portfolio's returns measures how well the investment manager "actively" manages the Endowment Portfolio within the asset mix policy ranges set out in Strategies/Outputs.</p> <p><u>Primary Benchmark</u></p> <ul style="list-style-type: none"> The return that could have been earned by adopting investment strategies designed to replicate the performance of the following benchmark policy mix: <table border="1" data-bbox="976 919 1451 1226"> <thead> <tr> <th>Asset Class</th> <th>Policy</th> <th>Benchmark³</th> </tr> </thead> <tbody> <tr> <td colspan="3"><u>Interest Bearing</u></td> </tr> <tr> <td colspan="3"><u>Securities</u></td> </tr> <tr> <td>Money market</td> <td>3%</td> <td>SCM T-Bills Index</td> </tr> <tr> <td>Bonds</td> <td>47%</td> <td>SCM Universe Index</td> </tr> <tr> <td>Total</td> <td>50%</td> <td></td> </tr> <tr> <td colspan="3"><u>Equity</u></td> </tr> <tr> <td>Canadian stocks</td> <td>30%</td> <td>TSE 300 Index</td> </tr> <tr> <td>Foreign securities</td> <td>15%</td> <td>MSCI World (excluding Canada)</td> </tr> <tr> <td>Real estate</td> <td>5%</td> <td>RCPI</td> </tr> <tr> <td>Total</td> <td>50%</td> <td></td> </tr> </tbody> </table> <p><u>Secondary Benchmark</u></p> <p>The median return of a sample of Canadian pension and endowment funds</p>	Asset Class	Policy	Benchmark ³	<u>Interest Bearing</u>			<u>Securities</u>			Money market	3%	SCM T-Bills Index	Bonds	47%	SCM Universe Index	Total	50%		<u>Equity</u>			Canadian stocks	30%	TSE 300 Index	Foreign securities	15%	MSCI World (excluding Canada)	Real estate	5%	RCPI	Total	50%	
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¹ Includes money market instruments, bonds and mortgages.

² Includes Canadian public and private equities, foreign equities and Canadian real estate. Foreign investments will initially be limited by regulation to 20% of the cost value of the Endowment Portfolio, similar to the restrictions on pension funds.

³ See Attachment B for a description of each benchmark.

Goal 3: To improve Albertans' understanding and the transparency of the Alberta Heritage Savings Trust Fund.

Strategies/Outputs	Outcomes	Performance Measures/Benchmarks
<ul style="list-style-type: none"> • Release quarterly and annual reports on a timely basis • Release summary reports of the Heritage Fund's investment activities and results for Albertans on a timely basis • Publish the Heritage Fund business plan annually • The Standing Committee of MLAs will hold annual public accountability meetings around Alberta to report on the Fund's results and to answer questions on the Fund's performance 	<ul style="list-style-type: none"> • Improved understanding by Albertans of the management, operations and performance of the Heritage Fund 	<p><u>Performance Measure</u></p> <ul style="list-style-type: none"> • Timeliness of reports and public accountability meetings • Satisfaction of Albertans regarding information provided about the Fund <p><u>Performance Measure</u></p> <ul style="list-style-type: none"> • Annual report will be released by June 30 of each year • Quarterly reports will be released within 2 months after the conclusion of the quarter • The Standing Committee will hold public accountability meetings around the province in the fall of each year

Management and Accountability

- ◆ A clear mission statement and new investment objectives for the Heritage Fund have been established in legislation.
- ◆ A Standing Committee of MLAs has been established to provide overall direction, evaluate the performance of the Fund and report regularly to Albertans.
- ◆ An Operations Committee will be established to advise on Alberta Treasury's investment management activities. The Committee will be chaired by the Deputy Provincial Treasurer and include a majority of private sector members with relevant financial and business expertise.
- ◆ Ongoing investment decisions will be made within Alberta Treasury.
- ◆ For each component of the Fund that is externally managed an investment management mandate describing its purpose, goals and constraints will be established.
- ◆ The investment management mandate of external managers will be consistent with this Business Plan.
- ◆ The Auditor General is the auditor of the Fund.
- ◆ There are restrictions on the kind of investments that can be made. Fund assets are to be invested prudently and cannot be used directly for economic development or social investment purposes.

Income and Expenses

- ◆ Over time, the rates of return on the new Heritage Fund should be higher than that of the Fund prior to restructuring because
 1. the Transition Portfolio now has a clear mandate to generate income over the medium-term; and
 2. the Endowment Portfolio has a clear mandate to invest to maximize financial returns over the long-term permitting a greater commitment to equity investments. Over time equity investments should provide higher returns than the predominantly interest-bearing investments of the Fund in the past.
- ◆ The rates of return on, and the income from, the Fund likely will become more volatile as the Endowment Portfolio grows and as equity investments increase. While equity investments have historically, over long periods of time, provided higher rates of return than fixed income investments they are also significantly more volatile. In addition, gains on equity investments are not recognized as income until the investment is sold so strong performance reflected in rates of return may not be reflected in income for some time.
- ◆ Following are current projections of Heritage Fund income based on the assumptions noted. Actual results will vary from projected income depending on the extent to which actual interest rates and equity market returns vary from the assumptions used. Forecast gross investment income decreases over the fiscal plan period due to the lower interest rate environment and the increasing investment in equities in the Endowment Portfolio which contribute lower “current” income.
- ◆ The income projections below include:
 - ◆ interest income
 - ◆ dividend income
 - ◆ capital gains only when an investment is sold
- ◆ The income projections below do not include:
 - ◆ unrealized capital gains

Heritage Fund Income Forecasts and Underlying Assumptions

	1996-97	1997-98	1998-99	1999-00
<u>Forecast Income (\$millions)</u>				
Gross Investment Income	854.4	856.8	819.8	761.9
<u>Assumptions (%)</u>				
1. Interest Rates (nominal)				
Transition Portfolio				
Money Market (3 months)	3.25	4.31	5.00	5.00
Bonds (2-3 year rate)	4.85	5.23	5.35	5.35
Endowment Portfolio				
Money Market (3 months)	3.25	4.31	5.00	5.00
Bonds (5 year rate)	5.65	6.03	6.15	6.15
2. Equities				
Overall rates of return (nominal) ¹				
Canadian equities	8.50	8.50	8.50	8.50
U.S. equities	5.00	7.00	9.00	9.00
International equities	9.00	9.00	9.00	9.00
3. Endowment Portfolio Asset Mix				
Money Market	5%	5%	5%	5%
Bonds	45%	45%	45%	45%
Equities	50%	50%	50%	50%

- ◆ The above income projections for the Heritage Fund are before estimated administrative expenses as outlined below:

	1996-97	1997-98	1998-99	1999-00
	(\$ millions)			
Administrative Expenses	(1.3)	(1.9)	(2.1)	(2.3)

- ◆ The administrative expenses above include both direct and indirect administrative expenses which include staff time, supplies and services and investment transaction and advisory services. Increases in administrative expenses in 1997-98 through 1999-00 are primarily due to the increased volume and more diverse asset classes involved in managing the Endowment Portfolio.

¹ These are total rates of return which include capital gains. The gross investment income figures above only realize a portion of these capital gains annually.

Attachment A

Heritage Fund Allocation of Responsibilities

- ◆ The Heritage Fund Act sets out the new governance structure for the Heritage Fund. In addition the Provincial Treasurer will appoint an Operations Committee, to be chaired by the Deputy Provincial Treasurer and to include a majority of private sector members with business and financial expertise. The general division of responsibilities is described below.

Standing Committee on the Alberta Heritage Savings Trust Fund

(a Committee of the Legislative Assembly)

1. Review and approve annually the Business Plan for the Heritage Fund
2. Receive and review quarterly reports from the Provincial Treasurer on the operation and results of the operation of the Heritage Fund and make them public
3. Approve and release annual report on or before June 30 following the conclusion of the fiscal year for which the annual report was made
4. Review after each fiscal year end the investment activities and the performance of the Heritage Fund and report to the Legislature as to whether the mission of the Heritage Fund is being fulfilled
5. Hold public meetings with Albertans on the Heritage Fund's investment activities and results

Treasury Board

1. Annually review and approve the Business Plan of the Heritage Fund

Provincial Treasurer

1. Approve the Statements of Investment Policy for each portfolio, including any proposed changes thereto
2. Approve and present annual Business Plan of the Heritage Fund to Treasury Board and to the Standing Committee

Operations Committee

1. Review and recommend the Business Plan to the Provincial Treasurer for transmittal to Treasury Board and the Standing Committee
2. Review and recommend the investment policy statements for the Endowment Portfolio and the Transition Portfolio to the Provincial Treasurer
3. Review and approve the financial statements and recommend the annual report
4. Approve the quarterly reports for transmittal to the Standing Committee
5. Advise on the extent of use of external managers and the criteria for selection

Alberta Treasury

1. Serve as investment manager of the assets of the Heritage Fund
2. Prepare and recommend a Business Plan to the Operations Committee and the Provincial Treasurer

3. Prepare and recommend to the Operations Committee and the Provincial Treasurer Statements of Investment Policy for each portfolio and in future years any proposed changes to the investment policies
4. Prepare a quarterly report on the investment activities and results of the Heritage Fund including income forecasts
5. Prepare financial statements for the Heritage Fund
6. Prepare the annual report of the Heritage Fund

Attachment B

Description of Benchmark Indices for the Endowment Portfolio

Scotia Capital Markets 91 day T-Bills Index (SCM T-Bills Index)

Reflects the performance of the Canadian money market as measured by investments in 91 day Treasury Bills.

Scotia Capital Markets Universe Bond Index (SCM Universe Index)

Covers all marketable Canadian bonds with terms to maturity of more than one year. The purpose of this index is to reflect performance of the broad Canadian bond market in a manner similar to the way the TSE 300 represents the Canadian equity market.

Toronto Stock Exchange 300 Total Return Index (TSE 300 Index)

An index of 300 stocks, in fourteen subgroups, listed on the Toronto Stock Exchange designed to represent the Canadian equity market. It is a capitalization-weighted index calculated on a total return basis.

Morgan Stanley Capital International World (excluding Canada) (MSCI World)

An index of over 1,470 stocks on 23 stock exchanges around the world designed to represent an international equity market (excluding Canada). The index is calculated on a total return basis, which includes investment of gross dividends before deduction of withholding taxes. The index covers about 60% of the issues listed on the exchanges of the countries included.

Russell Canadian Property Index (RCPI)

An index comprised of institutionally held real estate investments consisting of over 1,100 properties distributed across Canada.

Attachment C

Glossary

Active Management

Attempts to achieve portfolio returns greater than a specific index while controlling risk, either by forecasting broad market trends or by identifying particular mispriced sectors of a market or securities in a market.

Asset Allocation

The investment process by which the investment manager chooses or allocates funds among broad **Asset Classes** such as stocks and bonds.

Asset-Backed Securities

These are debt instruments collateralized by a pool of assets such as automobile loans or equipment leases.

Asset (or Investment) Class

Refers to a broad category of investments with similar characteristics (the typical asset classes are cash, stocks, bonds and real estate).

Benchmark Index

A statistical yardstick tracking the ups and downs of a particular market by monitoring a representative group of securities over time. For example, the Scotia Capital Markets Universe Bond Index is a Benchmark Index that is designed to reflect the changes in the Canadian bond market.

Bond

A financial instrument representing a debt where the issuer (corporation or government) promises to pay to the holder a specific rate of interest over the life of the bond. On the bond's maturity date, the principal is repaid in full to the holder.

Capital Gain (or Capital Loss)

The market value received on sale of an asset higher (lower) than its purchase price (also called book value). If an asset is bought for \$50 and sold for \$75, the realized capital gain or profit is \$25.

Diversification

The allocation of investment assets within an **Asset Class** and among asset classes. In general, the greater the number of holdings within an asset class and among asset classes, the greater the diversification, which reduces risk.

Dividends

Earnings distributed to shareholders of a company proportionate to their ownership interest.

Duration (or Modified Duration)

Modified duration is a measure of price volatility and is the weighted average term to maturity of the security's cash flows (i.e., interest and principal), with weights proportional to the present value of the cash flows. Bonds with a longer duration are more price sensitive to interest rate changes than bonds with short durations.

Equities

Equities are synonymously called stocks or shares and represent an ownership interest in a company (could be either a public or private firm). The shareholder normally has voting rights and may receive dividends based on their proportionate ownership.

Inflation

Increases in the general price level of goods and services. Inflation is one of the major risks to investors over the long-term as savings may actually buy less in the future.

Inflation Proofing

The Heritage Fund shall retain enough of its income each year starting in 1996-97 to offset the eroding effects of inflation (amount of income retained for inflation proofing = value of the net assets (or "equity") of the Heritage Fund multiplied by the percentage increase for that fiscal year in the Canadian gross domestic product deflator). However, until after the 1998-99 fiscal year the Heritage Fund will only be allowed to keep some income to offset inflation if the government's surplus exceeds \$500 million.

Interest-Bearing Securities

An investment that carries a rate of interest, such as bonds and money market investments (e.g., **Treasury Bills**).

Investment Grade

An investment grade bond is rated a minimum of BBB (or equivalent) by a rating agency, with AAA being the highest grade. Bonds rated below BBB are generally classified as being speculative grade and carry higher levels of credit risk than investment grade bonds (i.e., they have a higher probability of default on interest or principal payments).

Long-Term

A long-term investment horizon in the context of the Endowment Portfolio means a period of time that would include two business cycles, which would generally mean about 10 years.

Market Value Rate of Return

An annual percentage which measures the total proceeds returned to the investor per dollar invested. Total proceeds for market value rates of return = "money in the bank" plus paper profits or losses (paper profits or losses are also called **Unrealized Capital Gains or Losses**). "Money in the bank" means cash interest and dividends and realized capital gains or losses from selling the investment.

Median Return

The median return of a group of investment managers reflects the return associated with the manager ranked at the 50th percentile (the 50th percentile is that point where half the managers had a higher return, and half the managers had a lower return).

Money Market Instruments

Debt instruments such as **Treasury Bills** or corporate paper with a maturity of less than one year.

Mortgage-Backed Securities (MBS)

A debt instrument that has an ownership claim in a pool of mortgages or an obligation that is secured by such a pool.

Mortgage Investment

A debt instrument collateralized by real assets (e.g., a building) and requiring periodic payments consisting of interest and principal.

Nominal Rate of Return

A measure of the earnings performance of a fund measured in current dollars.

Passive Management

Buying or investing in a portfolio that represents a market index without attempting to search out mispriced sectors or securities. The opposite of **Active Management**.

Portfolio

A collection of investments owned by an investor.

Real Rate of Return

The nominal rate of return minus the rate of inflation.

Realized/Unrealized

Terms generally used to describe **Capital Gains** or losses. A gain or loss is realized when an asset is sold; prior to sale the gain or loss is unrealized and it is only a potential or "paper" gain or loss.

Short-Term

Generally an investment with a maturity date of less than one year.

Term (or Term to Maturity)

The time left until the bond matures.

Treasury Bills

Short-term government debt, issued by the Government of Canada (or some provinces or other sovereigns) usually to institutional investors.

Unrealized Capital Gains or Losses

See **Realized/Unrealized**.

Volatility (or Volatility of Returns)

The degree to which a rate of return or a price varies from its average over time.