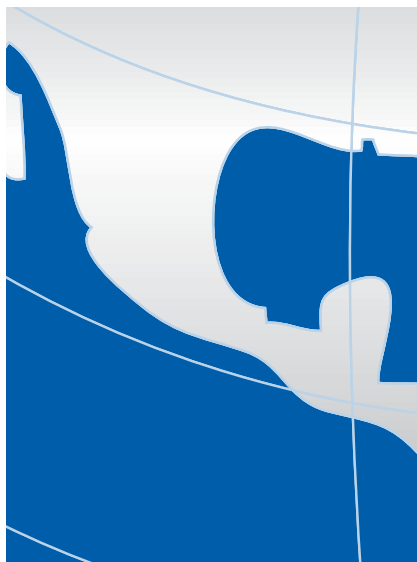




Alberta Economic Development

2005-06 Annual Report



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## Preface

The Public Accounts of Alberta are prepared in accordance with the *Financial Administration Act* and the *Government Accountability Act*. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 26, 2006 contains the Minister of Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the *Measuring Up* report.

This annual report of the Ministry of Economic Development contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results set out in the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

## Minister's Accountability Statement

The Ministry's annual report for the year ended March 31, 2006, 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 September 6, 2006 with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

*[Original signed]*

Clint Dunford  
Minister of Economic Development



## Message From The Minister

Alberta continues to prove that it is the best place in the world to live, visit, and do business. Our province has the highest rate of growth in Canada, has one of the most dynamic economies in the world, and Albertans now lead the nation with the highest average weekly incomes. Combine these strengths with our high quality of life and you have the Alberta Advantage. Economic Development is committed to capitalizing on our advantages during this surge in economic growth to preserve our prosperity for generations to come.

One of the ways Economic Development has enhanced the Alberta Advantage over the past year is through the implementation of a provincial tourism levy. Created in consultation with industry stakeholders, this 4% levy replaced the 5% hotel tax on April 1, 2005. The new levy is now a significant and sustainable source of funding for tourism marketing and development projects for every region of Alberta. More revenue means that Alberta will be more competitive with other tourist destinations, both in terms of promotions and in the development of new and improved tourism products.

Tourism is a major component of Economic Development's mandate, but there are also many other programs we are working on. Many of these programs will help to alleviate the challenges we now face in our thriving economy. The need for more workers in many industry sectors is an immediate concern, and Economic Development is working through the Provincial Nominee Program to assist businesses unable to find Albertans to fill positions. Another challenge is to ensure that Albertans get the best returns possible for our natural resources. Through the Alberta government's value-added strategy, *Securing Tomorrow's Prosperity*, and in conjunction with industry partners, Economic Development is assessing ways to use our natural resources to create finished products worth far more than the raw materials from which they are made.

There is no denying that all eyes are on Alberta. Whether it is a *60 Minutes* feature on our oil sands, Alberta cowboys promoting the province in New York, or our stunning scenery showcased in film, Alberta is drawing worldwide attention. With our heightened profile, this is no time to be complacent. We have a golden opportunity: we have large supplies of a precious natural resource, a stable economic climate, and the skilled people and the technology to succeed in competitive world markets. We are on track to secure tomorrow's prosperity.

*[Original signed]*

Clint Dunford  
Minister of Economic Development

## Management's Responsibility for Reporting

The Ministry of Economic Development includes the Department of Economic Development.

The executives of the department have the primary responsibility and accountability for the department. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

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

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Economic Development. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including financial statements and performance results. The financial statements and the performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

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

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the Province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Economic Development any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the *Government Accountability Act*.

In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives of the department.

*[Original signed]*

Rory Campbell  
Deputy Minister  
Ministry of Economic Development

September 6, 2006





# Overview

## Ministry Entities

The Ministry of Economic Development includes the Department of Economic Development as the reporting entity for budget purposes. The Ministry receives advice from a number of advisory bodies. The two major advisory bodies are the Alberta Economic Development Authority (AEDA) and the Strategic Tourism Marketing Council (STMC). AEDA represents the Alberta private sector and works in partnership with government to help shape policy by providing advice on business and economic development issues. The STMC includes both government and private sector representation and provides guidance regarding tourism marketing strategies.

## Vision

Alberta is the best place in the world to live, visit and do business.

## Mission

To facilitate business and community prosperity.

### Ministry of Economic Development

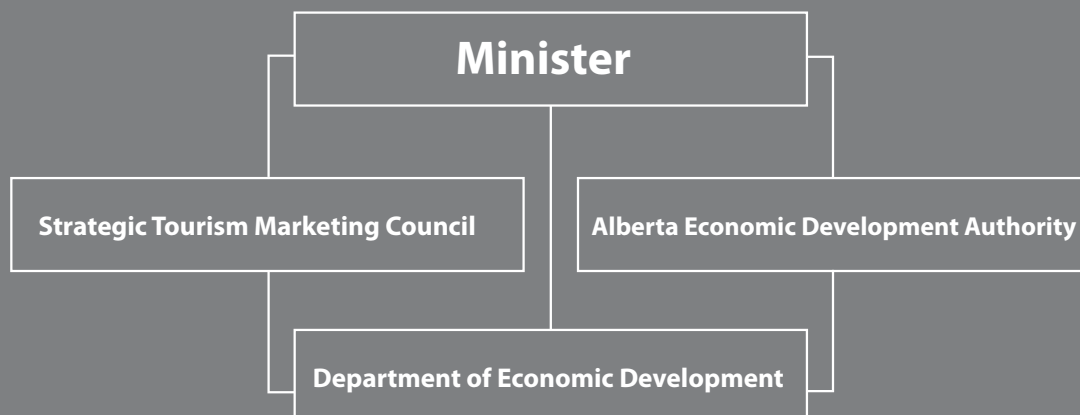
- Visit <http://www.alberta-canada.com> for more information.
- Call (780) 427-0458

#### Alberta Economic Development Authority (AEDA)

- AEDA is a private sector, volunteer advisory body that works in partnership with the government to help shape policy and economic strategies by providing advice on business and economic development issues.
- Visit <http://www.alberta-canada.com/aeda/index.cfm> for more information about the Authority, including AEDA's annual Activity Report.

#### Strategic Tourism Marketing Council (STMC)

- The STMC is an advisory body with both government and private sector representation.
- It provides guidance to the Travel Alberta Secretariat regarding tourism marketing.
- It also develops the Strategic Tourism Marketing Plan, which is available online at <http://industry.travelalberta.com/strategicplan/>.



## Operations

Economic Development works in partnership with business, industry associations, other provincial ministries and other governments to:

- provide quality information and intelligence,
- increase the growth and competitiveness of value-added sectors,
- expand export and trade,
- facilitate regional economic development,
- attract investment and
- promote tourism.

Corporate offices are located in Edmonton and Calgary, and operations are also carried out regionally and internationally. Regional economic development offices are located in Grande Prairie, Peace River, St. Paul, Edson, Camrose, Red Deer, Lethbridge, Pincher Creek, and Medicine Hat. International offices in China, Hong Kong, Japan, South Korea, Taiwan, Mexico, Germany and the United Kingdom focus on attracting new investment, creating partnerships, networks and alliances, providing strategic market intelligence, showcasing Alberta and promoting Alberta's established and emerging industries to the world. More information about the activities and results of the international offices may be found in the *Alberta Economic Development 2005-06 International Offices Activity Report*.

The China National Petroleum Corporation – Alberta Petroleum Centre (CAPC), located in Beijing, China, is an international partnership between the China National Petroleum Corporation and the Government of Alberta. The Board of Directors, which is composed of representatives of both China's and Alberta's energy sectors, oversees the strategic management of the CAPC. The focus of the CAPC is to enhance and promote the training and exchange of petroleum science technology between China and Alberta, offering advanced petroleum technology and information to the oilfields of China, and facilitating China-Alberta trade and investment in the energy sector.

Tourism marketing initiatives are carried out through Travel Alberta, located in Calgary. The Strategic Tourism Marketing Council provides guidance to Travel Alberta and develops the *Strategic Tourism Marketing Plan*. In turn, Travel Alberta manages contracts with agencies for in-province, national and international tourism marketing. Along with destination awareness campaigns, tourism marketing projects are carried out in partnership with the private sector. Travel Alberta also provides tourism marketing support to six Tourism Destination Regions throughout the province.

In support of tourism marketing, the department provides tourism services through a centralized contact centre, 10 visitor information centres and the TravelAlberta.com website. In addition, Economic Development works with tourism operators, investors, developers and other stakeholders to develop, enhance and expand Alberta's tourism product base. The Aboriginal Tourism Advisory Council, established in 2005, provides advice to Economic Development regarding the development and marketing of Aboriginal tourism products.

The department also houses the Alberta Film Commission, which markets Alberta as a filming location, assists filmmakers with location information and scouting, and operates as a liaison with facilities, services, businesses and government. The Film Commission Advisory Council provides advice to government on the direction and strategies for the growth and sustainability of the film industry. It is comprised of industry representatives, including unions, guilds, producers, industry associations and provincial and municipal film commissions.

The Agri-Food Industry Advisory Group, composed of senior executives in the Alberta Food Processing Industry, provides insight on challenges and issues in the food processing industry to the Minister. Specifically, the Group provides feedback and advice on international trade and competitiveness issues.

The Alberta-Canada.com website provides a broad range of client-driven economic and business information for Alberta companies and organizations, and delivers strategic intelligence to business clients via the Electronic Business Intelligence Service (EBIS). The department also supports AlbertaFirst.com, a provincial-local government partnership to help promote business investment and attraction in Alberta municipalities.



# Results Analysis



## Deputy Minister's Message



Alberta is the place to be. We continue to experience unprecedented economic expansion, leading the nation in GDP growth in 2005, and the future looks bright. Here at Economic Development it is our job to support this growth by promoting our advantages at home and abroad, providing information and strategic advice to businesses, and working with regions throughout the province to identify and pursue economic development opportunities. The achievements highlighted in this annual report demonstrate some of the successes we have enjoyed this year.

Economic Development is proud of its many contributions to our growing prosperity. One contribution has been to help attract more visitors to the province. To help increase visits from key tourism markets like British Columbia and Saskatchewan, Travel Alberta has launched the Holiday Card program. More than 100,000 travelers have already signed up for the program and receive special offers and holiday packages from tourism operators across the province.

Another area where Economic Development is supporting expansion is through the implementation of *Securing Tomorrow's Prosperity*, the value-added strategy. One key component was the *Alberta Bitumen Processing Integration Study*, which was developed jointly with Energy and industry partners. The study is part of the work of the Hydrocarbon Upgrading Task Force, which is an industry/government partnership examining opportunities for extracting the maximum value from Alberta's oil sands. Economic Development is also collaborating with other departments and the private sector to promote Alberta's heavy oil and oil sands technologies and expertise to other countries with similar resource deposits. A comprehensive guidebook and directory were developed for international distribution.

As our department works to enhance important sectors of the economy, we are keenly aware of the labour shortage facing our province. Along with Human Resources and Employment, Economic Development has co-lead responsibility for immigration policy. Working with a number of departments, we contributed to the development of a new immigration policy for the Government of Alberta, which is now part of the province's labour force development strategy, *Building and Educating Tomorrow's Workforce*. Within Economic Development, we expanded the Provincial Nominee Program, which is an employer-driven program that allows companies to recruit foreign skilled workers if Canadians are not available to fill the jobs. We also developed an Immigration Marketing Strategy and assisted in the recruitment of workers through international missions such as Euromission to the United Kingdom, France, Germany, and Belgium.

Although Alberta is on course for sustained economic growth, our province faces a number of challenges such as the labour crunch, improving productivity, and encouraging more value-added industry. Economic Development is committed to addressing these and other issues to ensure that Alberta remains the best place to live, visit, and do business.

*[Original signed]*

Rory Campbell  
Deputy Minister  
Ministry of Economic Development

# Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Economic Development's 2005-2006 Annual Report*. My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

## Completeness

1. Performance measures and targets matched those included in Budget 2005. Actual results are presented for all performance measures.

## Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information that the Ministry used to calculate the actual results.
3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

## Comparability and Understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As this examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

*[Original signed by Fred J. Dunn, FCA]*

Auditor General

Edmonton, Alberta  
August 1, 2006

## Discussion and Analysis of Results

This section provides a discussion and analysis of financial and non-financial results focusing on information related to expenditures, key achievements and performance measures for the Ministry's three core businesses.

Financial information for each core business is given in the table below. It states the budget and the actual spending for the year ended March 31, 2006.

### Ministry Expense by Core Business Year Ended March 31, 2006

	Budget	Actual Before Allocation of Support Services and Valuation Adjustments	Support Services and Valuation Adjustments Allocated	Total Actual
<b>(in thousands)</b>				
Core Business				
1. Strategic Economic Leadership and Business Intelligence	\$ 6,780	\$ 5,810	\$ 405	\$ 6,215
2. Industry and Regional Development, Trade Promotion and Investment Attraction	28,053	26,261	1,828	28,089
3. Tourism Marketing and Development	44,917	42,027	2,927	44,954
Support Services		4,739	(4,739)	
Valuation Adjustments and other provisions		421	(421)	
Total Ministry Expense	\$ 79,750	\$ 79,258	\$ 0	\$ 79,258

There was one significant variance between the budget and actual spending for 2005-2006. Underspending in core business one of \$565,000 was used to cover unbudgeted capital expenditures of \$407,000. These capital expenditures included the purchase of new trade show booths and computer equipment.

The total ministry expense of \$79,258,000 was dedicated to one expense function of the Government of Alberta: Agriculture, Resource Management and Economic Development.

The following section reports on performance results for each of the three core businesses. It outlines the key achievements and performance measure results for each goal. Where appropriate, external factors affecting performance measures have been identified.

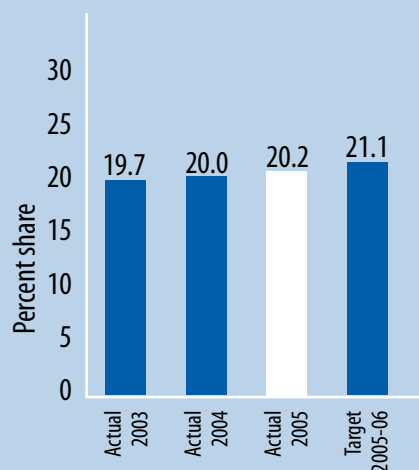


## Core Business 1: Strategic Economic Leadership and Business Intelligence

Expenditures on core business one were about \$6.2 million in 2005-06. This core business combines ministry functions of policy development, economic research and analysis (including the publication of regular economic and business reports), support to the Alberta Economic Development Authority, information management, business planning and performance measurement. It includes two goals. Key achievements for these two goals demonstrate the broad strategic direction the department provided towards achieving economic growth and diversification in Alberta, as well as specific economic and business intelligence required by businesses.

## Performance Measures

1. Percent share of GDP in manufacturing and business and commercial services (constant 1997 dollars)<sup>1</sup>



Source: Statistics Canada, Provincial Economic Accounts

Note: Historical data have been revised based on the most recent Statistics Canada data as of May 2006.

<sup>1</sup> This measure has been changed from *Percentage share . . . to Growth in manufacturing and business and commercial services (Real GDP in chained 1997 dollars, billions)* in the 2006-09 Business Plan. A growth measurement more clearly reflects how well individual sectors perform over time, whereas *Percentage share* is a measure of the relative weight of individual sectors against the entire economy, and can therefore be obscured by relatively strong or weak performances of other sectors of the economy such as a dominant energy sector.

## Goal 1

### Facilitate Economic Growth and Diversification Through Collaborative Strategic Planning and Policy Development

#### Key Achievements

- Continued to lead *Securing Tomorrow's Prosperity* (STP), including development of a report monitoring progress being made on the outcomes and targets of this long-term economic value-added strategy. This strategy is aimed at keeping Alberta's economic base competitive, sustainable and driven by knowledge and innovation by raising awareness within industry and government of the importance of continued productivity gains.
- Developed the *Alberta Bitumen Processing Integration Study* in collaboration with Energy and industry partners. The study supports the work of the Hydrocarbon Upgrading Task Force by providing a tangible example of how petroleum and petrochemical producers can integrate into an eco-industrial complex to extract maximum value from oil sands bitumen in Alberta.
- Developed a policy framework, in collaboration with Human Resources and Employment, Advanced Education and International and Intergovernmental Relations, for a more coordinated and active government-wide immigration policy. Data was provided in support of the economic need for changes to immigration policies and is now one element of the labour force development strategy, *Building and Educating Tomorrow's Workforce*. The immigration policy framework is one of three strategies adopted by the Alberta government to address skill shortages. It complements other strategies such as increasing the skills and knowledge of Albertans and enhancing opportunities for other Canadians to work in Alberta. The policy includes attraction and retention of immigrants in Alberta, working with the federal government to improve the processing time for foreign credential recognition and offering more training to address skills gaps and enhance language training.

## Analysis

- Performance indicators of Alberta's economy provide guidance in assessing Economic Development's performance where there are no direct measures for the Ministry's contribution to the economy. The percentage share of GDP gives an indication of economic growth annually for the priority sectors on which the ministry focuses.
- In 2005, the share of GDP in manufacturing and business and commercial services grew by 0.2 percentage points to 20.2 %. The share of the manufacturing sector rose by 0.3 percentage points due to high growth of Alberta's manufacturing industry, whereas the business and commercial services' share dropped by 0.1 percentage points because of weak growth in professional, scientific and technical services. The overall increase in the percent share of GDP in manufacturing, business and commercial services is attributed to Alberta's booming economy, especially the oil and gas construction sectors.
- Statistics Canada has revised the historical data for the *Percent share of GDP in manufacturing and business and commercial services*. Because of the downward revisions to results for manufacturing, professional, scientific and technical services, and an upward revision to total Alberta GDP, the target of 21.1% was unattainable.

## Goal 2

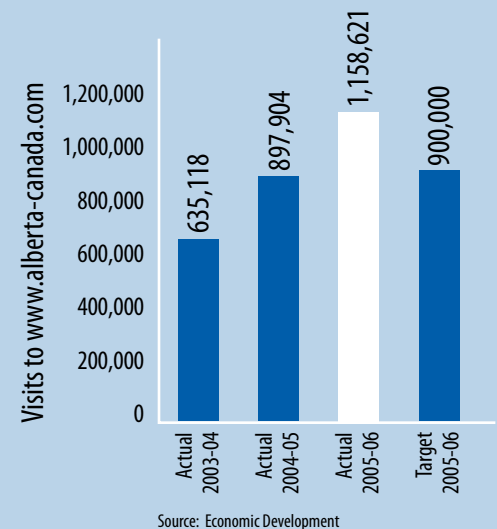
### Provide Client-Driven Economic and Business Information and Intelligence

#### Key Achievements

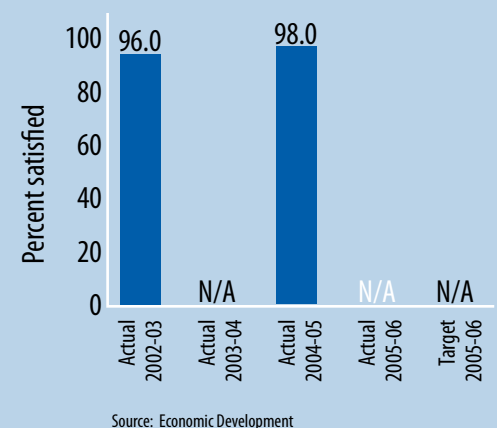
- Conducted the *2005 Place-to-Place Price Comparison Survey for Selected Alberta Communities* in collaboration with Finance and Education. This report provides individuals, businesses, and other organizations with cost-of-living type information and analysis across various Alberta communities. This survey will provide information that will help individuals and businesses determine the most cost-efficient communities for relocation options, establishment of businesses, and with parties involved in labour contract negotiations.
- Completed the *Economic Outlook* presentations available at <http://www.alberta-canada.com/statpub/economicOutlook/>. The presentations were updated on a quarterly basis and provide an overview of the recent performance and short-term outlook for the Alberta and Canadian economies and their major trading partners, such as the U.S., China, Japan and the European Union. It also includes submissions from Alberta's international offices and Economic Development's sector teams reporting on specific international markets along with industry opportunities and challenges. These reports assist Alberta businesses to gauge business opportunities within Alberta, along with their major export markets' economic outlook.
- Published *Highlights of the Alberta Economy*. This annual publication includes significant highlights of the Alberta economy, and documents the advantages of locating or operating a business in Alberta. Comparisons to other provinces and states are also presented. It includes sections on the structure of the Alberta economy and its major industries; corporate and personal tax comparisons; industrial cost competitiveness; and provincial debt and assets.

#### Performance Measures<sup>2</sup>

2. Number of visits to the website  
[www.alberta-canada.com](http://www.alberta-canada.com)



3. Percent satisfied with Economic Development publications (biennial survey)<sup>3</sup>



<sup>2</sup> A new measure: Demand for business information delivery through the Business Link and the Calgary Business Information Centre: Walk-in/Phone/E-mail has been added to the 2006-09 Business Plan.

<sup>3</sup> Results for this measure are obtained from a biennial survey. In 2005-06, the survey was not conducted; therefore no new results are available.

## Analysis

- The number of visits to the department's website increased to 1,158,621, well above the target of 900,000. While Internet traffic continues to grow in general, the increase may also be attributed to rising interest in Alberta's economy in the global marketplace and ongoing marketing of the website by department staff and through department publications. The Alberta Oil Sands program segment broadcast by *CBS News* in the U.S. contributed to higher traffic to the website.

## Core Business 2: Industry and Regional Development, Trade Promotion and Investment Attraction

The \$28.1 million expended on core business two was allocated to trade development (\$14.1 million) and investment, industry and regional development (\$14.0 million). Trade development expenditures include support for the international offices, as well as trade development and relations activities emanating from Alberta and are primarily directed toward goal four: *increase exports of Alberta value-added goods and services*. Investment, industry and regional development expenditures are the focus of goals three, five and six. Key achievement and performance measures for all four goals of this core business are discussed in the following pages.

## Goal 3

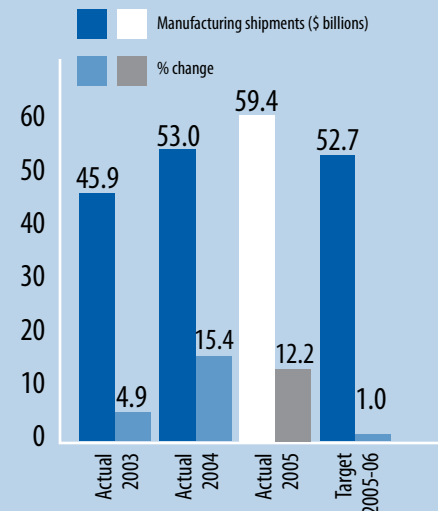
### Increase the Growth and Competitiveness of Alberta's Value-Added Sectors

#### Key Achievements

- Facilitated technology awareness missions to Europe for the building products and metal fabrication sectors. These missions provided participating Alberta companies with opportunities to network, exchange information, and learn about world-class manufacturing technologies and best practices. Companies that have attended these missions are actively pursuing technology acquisition and realising increased productivity and revenue.
- Coordinated industry networking sessions. For example, partnered with the Canadian Manufacturers and Exporters on the 6<sup>th</sup> Annual Alberta Buyer / Seller Forum, which brought together members of the oil and gas and services industries to learn about supply chain development and how best to access the bid lists for Alberta's oil and gas projects and developments. This year's event was held in Calgary, with nearly 300 industry representatives in attendance.
- Worked with the Alberta industry, federal government and other provincial governments to identify and promote opportunities across Canada that would increase the manufacturing capacity for oil sands development through strategic partnering. For example, the Ministry facilitated a mission of New Brunswick-based metal fabricators to Alberta to discuss supply chain partnership opportunities with local metal fabrication firms. New Brunswick companies highlighted their operations and have discussed sub-contracting work from Alberta businesses to address issues of local capacity shortages.
- Undertook initiatives to support the adoption of business improvement practices. Thirty-five lean manufacturing assessments were conducted for Alberta industry and "improvement plans" were prepared resulting in production increases, reduced cycle times, cost savings and anticipated increased total sales. The department also partnered with industry associations, economic development agencies and other manufacturing industry stakeholders to deliver Alberta's Innovative Manufacturing Week. Industry events were organized across the province showcasing industry innovation and capabilities, and encouraging industry to pursue continuous improvement.
- Conducted a High Definition (HD) training seminar, which involved all key stakeholders in the Alberta film industry along with SAIT, NAIT and the Banff Centre. More than 500 participants attended the events, which took place in both Edmonton and Calgary, with 34 presenters from across North America. HD is the emerging worldwide production technology trend. The training seminar provided ensures that the Alberta film industry has the technical capabilities and knowledge to compete with international film producers using the new technology.
- Facilitated the International Financial Institution (IFI) Bootcamp, in collaboration with Western Economic Diversification Canada, Calgary Economic Development, Saskatchewan Trade and Export Partnership, Manitoba Trade and Investment, and other private sector partners. Twenty companies participated in the 5-day workshop held in Kananaskis in October 2005, which focused on improving business development skills. The IFI Bootcamp focused on how to write winning proposals for international financial institutions. The five-day program gave participants insight into the mandates of the financial institutions for funding of projects and also an opportunity to participate in a combination of classroom study and real world application.

## Performance Measures<sup>4</sup>

4. Manufacturing shipments (\$ billions) - Annual value of all manufacturing shipments by Alberta companies within Alberta, and to other provinces and countries.



Source: Statistics Canada, CANSIM, Tables 304-0014 and 304-0015  
 Note: Historical data have been revised based on the most recent Statistics Canada data as of May 2006.

<sup>4</sup> A new measure: Business investment in machinery and equipment in Alberta as percent of GDP (Real GDP in chained 1997 dollars) has been added to the 2006-09 Business Plan.

## Analysis

- This performance indicator provides guidance in assessing performance where causal links are not necessarily obvious. It measures revenue generated/earned by Alberta companies through the sale of goods (not services) domestically and internationally and is used as a general indicator of competitiveness.
- Manufacturing shipments increased from \$53.0 billion in 2004 to \$59.4 billion in 2005, significantly exceeding the target of \$52.7 billion. Most of the growth was volume related and the result of Alberta's booming economy. Strongest growth revealed: machinery up 31.0% because of higher volumes, especially to the oil sands; refined petroleum up 27.4% due to higher fuel prices; non-metallic minerals up 21.5% mostly because of higher volumes in construction materials; primary metals up 17.9% due to higher volumes of steel products for Alberta's oil and gas sector and for export markets; and plastics up 23.8% mostly because of higher volumes.

## Goal 4

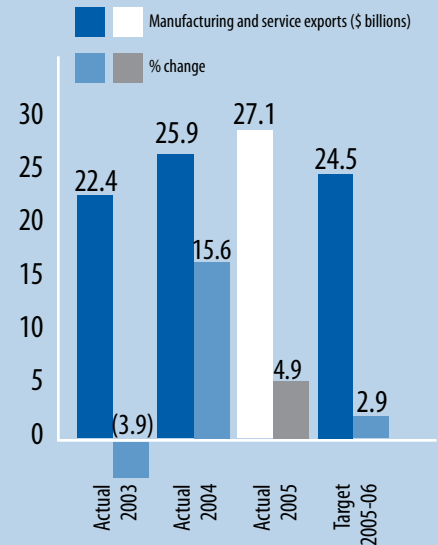
### Increase Exports of Alberta Value-Added Goods and Services

#### Key Achievements

- Organized Premier- and Minister-led missions to international markets to strengthen trade relations and support market entry by Alberta companies, including Premier Klein's mission to New York in June 2005 and Minister Dunford's to Houston and Austin, Texas, and Denver, Colorado in May 2005. Premier Klein's mission featured meetings with Wall Street investors and analysts, local site-selectors, a full-day Alberta Day celebration at the New York Stock Exchange and media sessions with the *Wall Street Journal*, *Business Week* and *Forbes Magazine*. In addition, the Premier, Murray Smith, Alberta film producers, representatives from the City of Calgary and the Ministry met with agency representatives and commercial producers from the New York area to explore short format films and commercial ventures. Minister Dunford's mission included a number of meetings with American and international energy and information and communications technology companies. The Premier- and Minister-led missions resulted in heightened U.S. and international awareness of Alberta as an attractive investment location and supplier of energy and technology solutions.
- Participated in trade shows and outgoing missions to increase potential exports of Alberta's value-added goods and services by increasing awareness of Alberta products, services and capabilities as well as providing an opportunity for buyers and sellers to meet. For example, the department recruited 10 Alberta companies to participate in the Hong Kong Natural Products Expo; organized a mission to match a German investor with an Alberta food processing facility and create export routes into the European Union; and participated in the Seoul Housing Brand Fair introducing eight Alberta companies to the Korean market. This resulted in attracting a Korean value-added building products import company to Alberta. The Ministry also organized the participation of 16 Alberta companies, research institutes, and government agencies in the Combined Exhibition of Advanced Technologies (CEATEC) conference in Japan to showcase Alberta's information and communications technology expertise and facilitated Alberta's presence at BIO 2005, the largest industry gathering for the biotechnology sector, in Philadelphia. Ten Alberta exhibiting organizations and companies conducted various business forums. See Table 1 in the Other Information section for details on other trade shows and missions.
- Coordinated the Canadian Stand for the Canadian Association for the World Petroleum Congress (WPC) in the Global Business Opportunities Centre in Johannesburg, South Africa. The Canada Stand was extremely well received by all those in attendance and was presented with a Bronze Award for its design and the extent of information available on the opportunities available in Canada and more specifically Alberta. The WPC drew 400 exhibitors, 2500 executives and high-level public officials, and 25,000 visitors. Showcase Alberta also undertook the production of the Canada Networking Reception during the WPC, which was attended by Premier Klein and Energy Minister Melchin.
- Organized 12 mission participants on the Alberta Microsystems and Nanotechnology Mission to Germany and the Netherlands. Alberta's capabilities in nanotechnologies attracted major European multinational corporations and key research institutes to meet with the Alberta participants. The 12 participants included representatives from Alberta micro-systems and nanotechnology businesses as well as the National Institute for Nanotechnology (NINT) and the University of Alberta. During the mission, the NINT signed a Memorandum of Understanding (MOU) with the MESA+ Institute in the Netherlands. The MOU provides an opportunity for the two institutions to work together on a variety of initiatives such as joint projects and staff exchanges, and will benefit the nanotechnology industries in both countries through increased collaboration and partnership.

## Performance Measures<sup>5</sup>

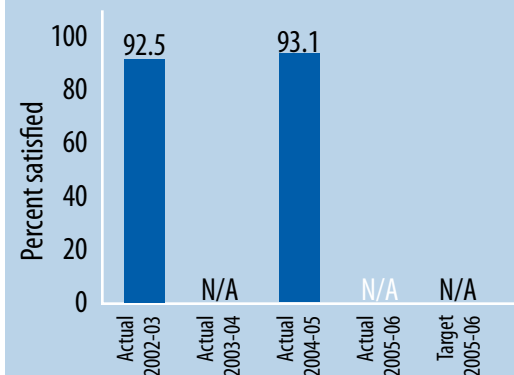
5. Manufacturing and service exports (\$ billions)  
- The value of Alberta's international exports of manufactured goods and services



Source: Statistics Canada, Economic Development

Note: Data has been restated due to a change in the methodology for the estimation of service exports, which improves the alignment of total estimates for goods and services combined with Statistics Canada estimates.

6. Percent satisfied with the services of international offices (biennial survey)<sup>6</sup>



Source: Economic Development

<sup>5</sup> A new measure: *Percent satisfied with support provided to outgoing trade shows and missions* has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

<sup>6</sup> Results for this measure are obtained from a biennial survey. In 2005-06, the survey was not conducted; therefore new results are not available.

- Delivered seminars and training sessions to promote Alberta products to export markets. For example, a series of six workshops entitled "Beyond Chopsticks" were delivered to Alberta agri-food exporters interested in the Chinese market. Additionally, food buyers from a number of U.S.-based cruise lines participated in an information and networking session with Alberta agri-food companies. The department also delivered the Alberta-Canada Energy Efficient Building System seminars in both Beijing and Shanghai where 10 Alberta companies participated in the mission and met with key Chinese developers and building officials at networking events to discuss potential partnership opportunities.

- Produced a comprehensive guidebook and directory, as part of the Heavy Oil Alberta Project consortium, to promote Alberta's heavy oil and oil sands technologies and expertise in the global marketplace. The guidebook features profiles of Alberta's heavy oil experience and homegrown technologies along with a directory of industry stakeholders. The guidebook and directory are being distributed internationally to promote the Alberta heavy oil industry and create business opportunities in international markets, which require our specialized heavy oil knowledge, expertise, and innovative technologies.

- Worked with Alberta Agriculture, Food and Rural Development to design and implement the \$30 million Alberta International Beef Market Development Fund (AIMBDF). The fund assists the beef industry to recover international markets for beef that were negatively impacted as a result of the BSE crisis. An industry stakeholder consultation was conducted and a 10-year strategy was developed for reclaiming and expanding markets for Canadian beef in the international marketplace. From the consultation, the Canadian Cattlemen's Market Development Council was formed to manage the AIMBDF and to manage the Legacy Funds, which includes the federal, provincial and producer funds, to support the industry in achieving its goals over the next ten years.

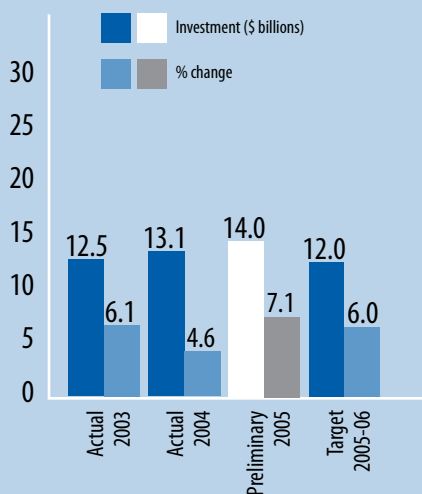
## Analysis

- Value-added exports grew by 4.9% in 2005 to \$27.1 billion, exceeding the target of \$24.5 billion. The contributing factors to this increase were: advantageous global economic conditions such as high commodity prices and strong growth in world trade volumes, increased demand for oil and gas field equipment caused by high oil and gas prices, and several actions taken by Economic Development, such as: the implementation of the Alberta International Marketing Strategy and support provided to Alberta companies in promoting value-added exports in key sectors including information and communication technologies, health and bio-industries and aerospace. Manufacturing exports rose by 6.5%, while service exports grew by 0.9%. The strongest export growth in the manufacturing sector occurred in: petroleum and coal products (27.5%), transportation equipment (22.6%), and chemicals (21.0%).



## Performance Measures<sup>7</sup>

7. Manufacturing and service industry investment (\$billions) – The value of new capital expenditures on construction, machinery, and equipment in Alberta's manufacturing and services industries.



Source: Statistics Canada (Cat. No. 61-205)  
Note: The figure for 2005 is preliminary

<sup>7</sup> A new measure: Number of provincial nominations forwarded to the federal government has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

## Analysis

• Manufacturing and service industry investment increased to \$14.0 billion in 2005, a 7.1% increase over 2004 and well above the target of \$12.0 billion. Very strong growth for manufacturing investment resulted from overall strong economic conditions in Alberta, including substantial investment growth for the energy sector, which had an indirect impact on the machinery and fabricated metals industries that supply the energy sector's investment in goods and services. High global demand and prices for commodities, such as chemicals and refinery products, were additional factors accelerating the growth. Moreover, the decline of the U.S. dollar versus the Canadian dollar made machinery investment and equipment more affordable.

## Goal 5

### Increase the Awareness of Alberta to Potential Investors in Our Primary International Markets

#### Key Achievements

- Attracted more foreign investment by major Chinese oil companies into the Alberta oil sands sector. For example, China National Offshore Oil Corporation invested in MEG Energy Corporation, a privately held Canadian oil sands company, and China Petroleum and Chemical Corporation invested in Synenco Energy Inc.'s Northern Lights oil sands project.
- Developed an Immigration Marketing Strategy as part of the Alberta government's immigration policy, *Supporting Immigrants and Immigration to Alberta*, and labour strategy, *Building and Educating Tomorrow's Workforce*. The labour strategy encourages immigration and attraction of temporary foreign workers to fill skill shortages in Alberta not met by Albertans and Canadians.
- Coordinated an immigration marketing and recruitment mission to the United Kingdom, France, Germany and Belgium, promoting Alberta as a destination for foreign nationals. The German job fair attracted more than 1200 skilled workers who met with 45 Canadian companies, which resulted in job offers being made by Alberta employers. Employment opportunities for skilled workers were showcased to foreign nationals in the United Kingdom, France, Belgium, and Germany as part of the immigration promotional activities with 1500 related job postings on the [www.alberta-canada.com/jobs](http://www.alberta-canada.com/jobs) website. Foreign worker readiness sessions were also delivered to 540 Alberta employers that are interested in hiring foreign nationals.
- Increased the number of skilled workers in Alberta through the Provincial Nominee Program, a program that allows employers to recruit and retain foreign skilled workers based on an approved business case. The program recruits foreign skilled workers only if Albertans and Canadians could not fill the skill shortage. For 2005-06, the number of candidates nominated increased by 149% (from 211 to 525) and the number of candidate landings increased by 48% (from 140 to 208).
- Promoted Alberta as an attractive location for film production and investment by participating in a number of key international film and television events in the United States and Europe. For example, events were organized in conjunction with the Alberta Japan Office in Tokyo, to market Alberta Film to Japanese film producers and film production companies. The success of the Alberta-filmed *Brokeback Mountain* and the television series *Into the West* were leveraged by placing advertisements in key industry publications in the United States.
- Secured a plant placement and a plant expansion based on successfully promoting Alberta's advantage as a cost competitive place to do business. Subsequently, a leading commercial and industrial products manufacturer decided to expand its Innisfail plant.
- Collaborated with the Alberta Japan Office, Canadian Embassy, Canadian Tourism Commission and Travel Alberta, to market Alberta to Japan as an attractive film location through the Alberta Film Location Seminar (nearly 80 Japanese film producers attended), a viewing of the Banff Mountain Film Festival including an Alberta Film Production Promotion Video (viewed by approximately 1,800 viewers) and one-on-one meetings.



## Goal 6

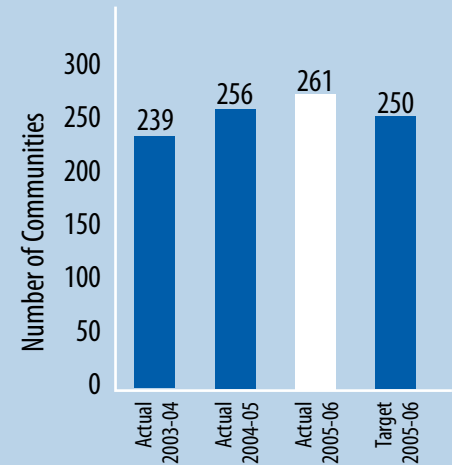
### Provide Regional Economic Development Support to Alberta Communities

#### Key Achievements

- Provided financial support and management advisory services to 12 regional economic development alliances (REDAs). All alliances completed strategic, multi-year business plans and annual operational plans. Performance management training sessions were held, REDA profiles updated, and other marketing tools such as the 2004-2005 REDA Annual Review publication entitled *Building Powerful Partnerships*, were created to facilitate regional economic sustainability in the global marketplace. As a result, over 250 communities are working together at a regional level to address economic development priorities.
- Completed economic indicator profiles for 14 regions in Alberta, which will support strategic planning by REDAs and other organizations. The profiles are available at <http://www.alberta-canada.com/regionalDev/regionalEconomicDevAlliances/> or through copies of Alberta Venture's *Alberta Market Facts Directory 2006*. The website provides economic information and business information in support of Goal 2. The profiles present snapshots of the regions' economies and trends to support strategic planning by REDAs and other organizations.
- Supported the development and implementation of the Western Economic Partnership Agreement's Rural Community Economic Development Project in collaboration with Western Economic Diversification Canada and the Community Futures Network Society of Alberta. This project provides funding to the community economic development (CED) project, available over three years, and resources for recruitment of three CED specialists for Alberta communities. The CED specialists facilitate community economic development initiatives, such as strategic planning and establishing organizations.
- Provided advisory assistance and financial support to the Métis Nation of Alberta Association (MNAA) for development and implementation of its annual economic development work plan. The funding assists the development of economic capacity for Métis people in Alberta and provides the opportunity for MNAA to participate in initiatives and project activities specific to economic development. Eight Aboriginal communities have been recruited as REDA members through support activities such as Aboriginal awareness training for REDA members.
- Conducted a management skills training session to 51 Aboriginal entrepreneurs in collaboration with NAIT. As well, the department partnered with The Business Link to update the *Aboriginal Albertans in Business Series*, five self-help business guides and to host an Aboriginal entrepreneurship conference involving over 150 participants.

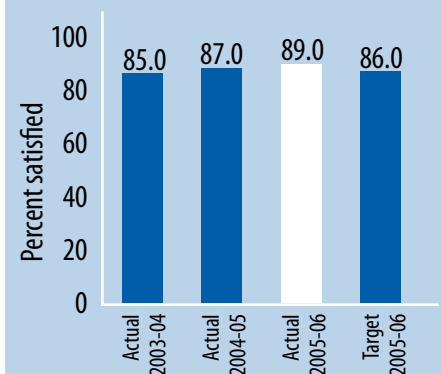
#### Performance Measures

8. Number of Alberta communities participating in regional economic alliances and partnerships.



Source: Economic Development

9. Percent of REDA board members satisfied with Economic Development staff.



Source: Economic Development

#### Analysis

- Two hundred and sixty-one communities participated in regional economic development alliances (REDAs), an increase of 2.0% over the previous year and above the target of 250 communities. From year to year, the number of communities participating in REDAs is growing as working together increases the competitiveness of Alberta's communities and regions, enhances local economic development capacity, helps meet labour challenges, and expands the innovation network.
- Eighty-nine percent of REDA management boards were satisfied with department staff support to alliances, exceeding the target of 86%. Economic Development staff assisted REDA management boards with business planning, communications, financial management, and project management. It also provided investment and administrative support.

## Core Business 3: Tourism Marketing and Development

Of the \$45.0 million that was spent on tourism marketing and development, \$36.9 million was spent on tourism marketing, and \$8.1 million on tourism services and development. The goal for tourism development is to facilitate the growth and expansion of marketable tourism product. The goal for tourism marketing is to increase visitation in and to Alberta and to increase tourism revenue. Achieving the first goal required the provision of information and advice for entrepreneurs seeking to enter the tourism industry, as well as advocating for the tourism industry and promoting development through a variety of mechanisms, often involving stakeholders, other provincial government departments, municipalities and the federal government. The key achievements and performance measures for the second goal demonstrate the government's success in promoting Alberta destinations and providing excellent service to visitors.

## Goal 7

### Facilitate the Growth and Expansion of Marketable Tourism Product

#### Key Achievements

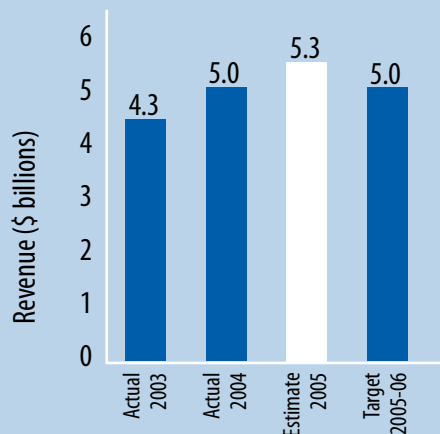
- Created film tourism marketing campaigns for several Alberta-filmed movies. For example, Alberta Film collaborated with Travel Alberta to leverage the worldwide recognition and success of *Brokeback Mountain* and to attract visitors to the province where the film was shot. It also coordinated the initial meeting between Travel Alberta and Warner Bros. setting the stage for a marketing campaign around the release of *The Assassination of Jesse James by the Coward Robert Ford*.
- Collaborated with Alberta Community Development on an assessment of a provincial web-based reservation system and the creation of learning and enrichment travel opportunities associated with parks and historic sites. A centrally coordinated reservation system was created to allow users access to more tourist destination information. In addition, the department provided assistance in assessing the economic impact of provincial historic facilities on the provincial economy and facilitated the development of a unique Alberta Parks economic impact model.
- Supported the activities of the Aboriginal Tourism Advisory Council and worked with aboriginal communities and entrepreneurs to develop new and enhanced marketable aboriginal tourism products.
- Coordinated the inaugural province-wide Tourism Investment Symposium. Ten communities from across Alberta showcased investment-ready tourism development opportunities. Over 70 industry stakeholders attended the symposium. Prior to the event, investment opportunity packages were sent to 110 targeted investors, hotel franchisers, and developers in Canada and the United States. Investment opportunity packages were also sent to all Alberta International Offices to be distributed to potential international investors. In addition, a website (<http://www.alberta-canada.com/tourism/tourisminvestment>) dedicated to tourism investment in Alberta was developed to provide further exposure to Alberta's tourism investment opportunities.
- Facilitated ongoing activities in the development of the Canadian Badlands as a tourist destination through the Canadian Badlands Steering Committee. Two community strategies were completed along with a series of six regional driving tours. Displays and a supporting brochure profiling Alberta's dinosaur resources were designed for two provincial visitor information centres, profiling Canadian Badlands resources, as well as dinosaur resources throughout the province including Grande Prairie and Grande Cache. These activities support the developing role of the Canadian Badlands as an icon destination in Alberta.

## Performance Measures<sup>8</sup>

<sup>8</sup> A new measure: *Percent of tourism sector representatives satisfied with services related to tourism development* has been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

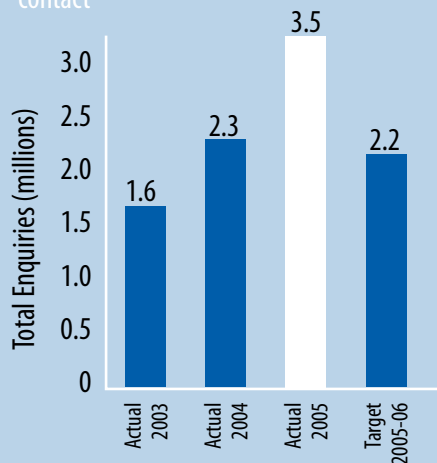
## Performance Measures<sup>9</sup>

### 10. Total tourism revenue (\$billions)



Sources: Statistics Canada, Canadian Travel Survey, International Travel Survey and Economic Development  
 Note: Historical data have been revised based on the most recent Statistics Canada data.

### 11. Effectiveness of tourism marketing – Total enquiries to Travel Alberta (millions) – Visits to TravelAlberta.com, enquiries to the Travel Alberta contact centre and other methods of contact<sup>10</sup>



Source: Economic Development

## Goal 8

### Increase Tourism Visitation from Targeted Canadian and International Tourism Markets

#### Key Achievements

- Supported the launch of new direct air service from New York with an innovative on-the-street promotion in New York involving Alberta cowboys and participation in the New York Times Travel show in March 2006.
- Coordinated and supported the destination marketing campaign of West Edmonton Mall, Economic Development Edmonton, the City of Edmonton and Economic Development in the West Edmonton Mall Grand Prix of Edmonton Marketing Program. The Inaugural Edmonton Grand Prix was held July 15 – 17, 2005, with a worldwide viewing audience of over 14.5 million households. The exposure from this event promotes Edmonton as a key travel destination for Grand Prix fans.
- Provided timely and effective tourism information to consumers and industry partners through the 10 Travel Alberta visitor information centres, the Travel Alberta contact centre, and the TravelAlberta.com website. The *Official Alberta Vacation Guide* was produced and distributed. Accommodation and campground guides were distributed on behalf of the Alberta Hotel and Lodging Association.
- Generated increased media coverage in all key markets to increase consumer awareness of Alberta as a tourism destination. Significant coverage included the hit Mexican television drama "Rebelde," which drew 10 million viewers in 60 countries, and a segment on ABC-TV's *Good Morning America*, which drew over 3.5 million viewers.
- Launched the Travel Alberta Holiday Card, a web-based marketing program aimed at four distinct regional marketing segments to better service the needs of potential visitors to Alberta. The Holiday Card program generated a database of more than 100,000 registered vacation planners who received coupons and information from various tourism industry operators via e-mail.
- Delivered one million copies of the *Centennial Summer Magazine* to residents of Alberta, British Columbia and Saskatchewan to raise awareness of the province's 100<sup>th</sup> birthday to complement the launch of the Travel Alberta Holiday Card Program.
- Delivered enhanced training to visitor information centre and contact centre travel counsellors. Based on surveys conducted in 2005, 98% of information centre visitors and 98% of callers to the contact centre were satisfied with the services provided.

<sup>9</sup> Two new measures: Percent satisfied with overall service received through the Travel Alberta Contact Centre and Percent of website visitors satisfied with their experience on the TravelAlberta.com website have been added to the 2006-09 Business Plan. Results will be disclosed in the 2006-07 Annual Report.

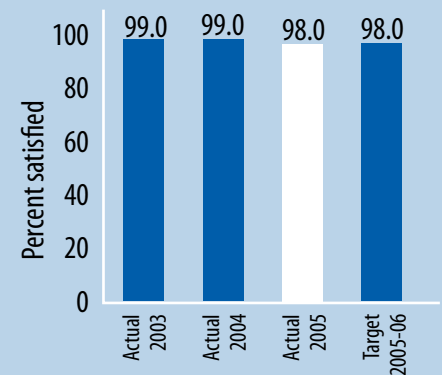
<sup>10</sup> The three indicators included in the 2004-05 Annual Report (contact centre telephone enquiries handled, other methods of contact and number of visitors to www.TravelAlberta.com) have been combined in the 2005-08 Business Plan as all three represent points of contact for tourism information.

## Analysis

- Tourism industry revenue was an estimated \$5.3 billion, up from \$5.0 billion in 2004. In 2004, tourism visitation increased after a decline in visitors in 2003 resulting from BSE, SARS, significant forest fires in British Columbia and the war in Iraq. Preliminary 2005 data from Statistics Canada indicate 4% growth in visitation from other parts of Canada, a 2.5% decline in travel by U.S. residents and 6.4% growth in overseas visitation. An increased number of visitors and tourism revenues are attributed to a number of factors: the Alberta centennial year, and recovery of confidence and a willingness by Japanese visitors to travel after the SARS outbreak was brought under control.
- The total enquiries to Travel Alberta rose by 52.2% to 3.5 million in 2005, significantly exceeding the target of 2.2 million. This increase was driven by growing visitation to the TravelAlberta.com website resulting from: an increase in information (packages, tour, travel stories, etc.) on the website, greater e-marketing activity related to purchasing keywords in major search engines, online banner advertising and deployment of an e-mail newsletter. Increased total enquiries to Travel Alberta also resulted from the addition of specialty websites to "other methods of contact." The specialty websites promote niche tourism products and services available in Alberta and attract many visitors.
- Users of the Travel Alberta visitor information centres (VICs) continued to report high satisfaction: 98% of visitors who responded to the survey stated they were satisfied with their experience at VICs in 2005. Visitors either acquire new information about attractions or events, or they learn more about previously known destinations. The information is provided through brochures, displays and by travel counsellors.

## Performance Measures

12. Tourism information and counselling  
– Percent satisfied with experience with  
Travel Alberta visitor information centres<sup>11</sup>



Source: Economic Development

<sup>11</sup> This measure has been reworded to: *Percent satisfied with overall experience at Travel Alberta Visitor Information Centres in the 2006-09 Business Plan.*



# Financial Information

# Financial Information

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## Auditor's Report

The official version of this Report of the Auditor General, and the information the Report covers, is in printed form.

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Economic Development as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*[Original signed by Fred J. Dunn, FCA]*

Auditor General

Edmonton, Alberta  
May 18, 2006

# Statement of Operations

## Year Ended March 31, 2006

(in thousands)	2006		2005
	Budget (Schedule 4)	Actual	Actual
<b>Revenues</b> (Schedule 1)			
Internal Government Transfers	\$ -	\$ -	\$ 14,100
Other Revenues	120	89	153
	120	89	14,253
<b>Expenses - Directly Incurred</b> (Note 2b and Schedule 8)			
<b>Voted</b> (Schedules 3 and 5)			
Ministry Support Services	4,895	4,739	4,415
Industry and Regional Development, Trade and Investment	26,331	26,261	23,337
Tourism Marketing and Development	42,160	42,027	24,256
Strategic Economic Leadership and Business Intelligence	6,364	5,810	5,407
	79,750	78,837	57,415
<b>Statutory</b> (Schedules 3 and 5)			
Valuation Adjustments			
Provision for Vacation Pay	-	421	51
	79,750	79,258	57,466
<b>Net Operating Results</b>	<b>\$ (79,630)</b>	<b>\$ (79,169)</b>	<b>\$ (43,213)</b>

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

# Statement of Financial Position

As at March 31, 2006

(in thousands)	2006	2005
<b>Assets</b>		
Cash	\$ 1,983	\$ 1,975
Accounts Receivable (Note 3)	171	195
Advances (Note 4)	676	712
Tangible Capital Assets (Note 5)	437	60
	<b>\$ 3,267</b>	<b>\$ 2,942</b>
<b>Liabilities</b>		
Accounts Payable and Accrued Liabilities	\$ 9,497	\$ 8,616
	<b>9,497</b>	<b>8,616</b>
<b>Net Liabilities</b>		
Net Liabilities at Beginning of Year	(5,674)	(6,677)
Net Operating Results	(79,169)	(43,213)
Net Transfer from General Revenues	78,613	44,216
Net Liabilities at End of Year	<b>(6,230)</b>	<b>(5,674)</b>
	<b>\$ 3,267</b>	<b>\$ 2,942</b>

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

# Statement of Cash Flows

Year Ended March 31, 2006

(in thousands)	2006	2005
<b>Operating Transactions</b>		
Net Operating Results	\$ (79,169)	\$ (43,213)
Non-cash items included in Net Operating Results:		
Amortization of Tangible Capital Assets (Schedule 3)	30	5
Valuation Adjustments	421	51
	<b>( 78,718)</b>	(43,157)
Decrease in Accounts Receivable	24	101
Decrease (Increase) in Advances	36	(28)
Increase (Decrease) in Accounts Payable and Accrued Liabilities	460	(1,154)
Cash Applied to Operating Transactions	<b>(78,198)</b>	(44,238)
<b>Capital Transaction</b>		
Acquisition of Tangible Capital Assets	<b>(407)</b>	(65)
<b>Financing Transactions</b>		
Net Transfer from General Revenues	<b>78,613</b>	44,216
<b>Increase (Decrease) in Cash</b>	<b>8</b>	(87)
<b>Cash, Beginning of Year</b>	<b>1,975</b>	2,062
<b>Cash, End of Year</b>	<b>\$ 1,983</b>	\$ 1,975

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

## Notes to the Financial Statements

### Year Ended March 31, 2006

#### NOTE 1: Authority and Purpose

The Ministry of Economic Development operates under the authority of the *Government Organization Act*, Chapter G-10, Revised Statutes of Alberta 2000.

The Ministry of Economic Development's vision of *Alberta is the best place in the world to live, visit and do business* and its mission to *facilitate business and community prosperity* will be accomplished by continuing to build strong teams, partnerships, and alliances with Alberta businesses and communities in facilitating industry and trade development, investment attraction, and tourism.

We work to achieve our mission by concentrating on the following three core businesses:

1. Provide Strategic Economic Leadership and Business Intelligence;
2. Increase Industry and Regional Development, Trade Promotion and Investment Attraction; and
3. Facilitate Tourism Marketing and Development.

#### NOTE 2: Summary of Significant Accounting Policies and Reporting Practices

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

##### **(a) Reporting Entity**

The reporting entity is the Ministry of Economic Development for which the Minister of Economic Development is accountable. The Department of Economic Development is the only reporting entity in the Ministry of Economic Development for the year ended March 31, 2006. The Ministry annual report provides a comprehensive accounting of the financial position and results of the Ministry's operations for which the Minister is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer to/from General Revenues is the difference between all cash receipts and all cash disbursements made.

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

##### REVENUES

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

## NOTE 2: Summary of Significant Accounting Policies and Reporting Practices (continued)

### INTERNAL GOVERNMENT TRANSFERS

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

### DEDICATED REVENUE

Dedicated revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Department may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses of the initiative. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

### EXPENSES

#### *Directly Incurred*

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

Grants are recorded as expenses when authorized and when all eligibility criteria have been satisfied.

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

- Amortization of tangible capital assets.
- Pension costs which comprise the cost of employer contributions for current service of employees during the year.
- Valuation adjustments represent the change in management's estimate of future payments arising from obligations relating to vacation pay.

#### *Incurred by Others*

Services contributed by other entities in support of the Ministry's operations are disclosed in Schedule 8.

### ASSETS

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is \$100,000 and the threshold for all other tangible capital assets is \$5,000.

## NOTE 2: Summary of Significant Accounting Policies and Reporting Practices (continued)

### LIABILITIES

Liabilities represent all financial claims payable by the Ministry at fiscal year end.

### VALUATION OF FINANCIAL ASSETS AND LIABILITIES

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

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

### NET ASSETS/NET LIABILITIES

Net assets/net liabilities represents the difference between the carrying value of assets held by the Ministry and its liabilities.

### FOREIGN CURRENCY TRANSACTIONS

The Ministry uses the temporal method to translate foreign currency transactions as follows:

- Monetary items are translated at the rate of exchange in effect at the balance sheet date; and
- Expense items and non-monetary items are translated at the rate of exchange in effect in the period they occur.

## NOTE 3: Accounts Receivable

(in thousands)	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Accounts Receivable	\$ 171	\$ -	\$ 171	\$ 195

Accounts receivable are unsecured and non-interest bearing.

## NOTE 4: Advances

(in thousands)	2006	2005
	Net Realizable Value	Net Realizable Value
Travel and Other Advances	<b>\$ 676</b>	\$ 712

## NOTE 5: Tangible Capital Assets

(in thousands)	2006				2005
	Estimated Useful Life	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Equipment	5 Years	\$ 659	\$ 327	\$ 332	\$ -
Computer Hardware and Software	3 Years	666	561	105	60
		<b>\$ 1,325</b>	<b>\$ 888</b>	<b>\$ 437</b>	<b>\$ 60</b>

## NOTE 6: Contractual Obligations

(in thousands)	2006	2005
Contracts	<b>\$ 61,222</b>	\$ 51,345
Grants	<b>19,110</b>	5,815
Leases	<b>96</b>	-
	<b>\$ 80,428</b>	<b>\$ 57,160</b>



## NOTE 6: Contractual Obligations (continued)

As at March 31, 2006, the aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

(in thousands)	Contracts	Grants	Leases	Total
2007	\$ 30,194	\$ 6,095	\$ 51	\$ 36,340
2008	28,883	5,920	32	34,835
2009	1,495	5,895	10	7,400
2010	650	600	3	1,253
2011	-	600	-	600
	<b>\$ 61,222</b>	<b>\$ 19,110</b>	<b>\$ 96</b>	<b>\$ 80,428</b>

## NOTE 7: Contingencies

As at March 31, 2006, there were no claims or possible claims involving the Ministry. (2005 - Nil).

## NOTE 8: Payment Under Agreement

The Ministry entered into agreements to deliver programs and services that are partially funded by industry stakeholders. Payments under these agreements are made by the Ministry under the authority of the *Financial Administration Act*, Section 25. Amounts receivable from or payable to these stakeholders are reflected in the Statement of Financial Position and are as follows:

(in thousands)	2006			2005
	Motion Picture Industry Stakeholders	Community Tourism Planning Initiative	Total	Total
Opening Receivable (payable) balance	\$ -	\$ (25)	\$ (25)	\$ 1
Add: Expenses incurred during the year	6	25	31	26
	6	-	6	27
Less: Collections received during the year	6	-	6	52
Closing receivable (payable) balance	\$ -	\$ -	\$ -	\$ (25)

## NOTE 9: Other Business Relationships

(in thousands)

**(a) Travel Alberta International (TAI)**

The Ministry has three agreements with Travel Alberta International Inc. (TAI), a not-for-profit Corporation jointly owned by Economic Development Edmonton and Calgary Convention and Visitors Bureau, to carry out international tourism marketing on behalf of the Ministry. The primary agreement, which expires March 31, 2008, provides for general marketing services worldwide. The two secondary agreements, which expired March 31, 2006, focused on providing industry relations, creating awareness and identity for Alberta and the development of a high quality database for U.S. Meetings, Conventions & Incentive Travel (MCIT) market. The nature of these arrangements is such that the Ministry exercises significant influence over the strategic operating, capital, investing and financing activities of TAI. During the year the Ministry acquired tourism marketing services totalling \$19,306 (2005 – \$9,111) from TAI, of which \$2,396 (2005 – \$1,662) was payable to TAI as at March 31, 2006. These amounts are included in the Ministry's financial statements under the element "International Marketing" (Schedule 5).

**(b) The Business Link Business Service Centre**

The Business Link Business Service Centre (the "Centre") is incorporated as a not-for-profit organization under Part 9 of the *Companies Act*. Its mission is to deliver business information and information related assistance to entrepreneurs in the Province of Alberta, and reduce service overlap and duplication among its members. The members of the Centre consist of representation from the Province of Alberta and the Government of Canada, which share control of decisions related to the financial and operating policies of the Centre. The current agreement with the Centre expires March 31, 2011. During the year the Ministry contributed \$591 (2005 – \$527) towards the Centre's operations. These amounts are included in the Ministry's financial statements under the element "Regional Development" (Schedule 5). Additionally, \$127 (2005 – \$127) was incurred by the Ministry of Infrastructure and Transportation to support accommodation costs of the Centre.

**(c) CAPC**

Effective February 2004, the Province of Alberta renewed the agreement with the China National Petroleum Corporation (CNPC), for a further five-year period, expiring in February 2009, to jointly operate and manage the CNPC-Alberta Petroleum Centre (CAPC) located in Beijing, People's Republic of China. The main purpose of the CAPC is to promote the transfer of advanced petroleum and environment related science and technology between CNPC and Alberta. The CAPC Board of Directors includes up to eight Alberta directors appointed by the Province of Alberta and up to ten CNPC appointed directors. As at March 31, 2006, the Province had appointed eight Alberta directors to the CAPC Board. During the year, the Ministry contributed \$671 (2005 – \$668) towards operations and training programs, and \$156 (2005 – \$95) towards upgrading the Centre's equipment. These amounts are included in the Ministry's financial statements under the element "International Trade Representation" (Schedule 5).

## NOTE 10: Defined Benefit Plans

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense for these pension plans is equivalent to the annual contributions of \$2,066 for the year ended March 31, 2006 (2005 – \$1,588).

#### NOTE 10: Defined Benefit Plans (continued)

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of \$165,895 (2004 – \$268,101) and the Public Service Pension Plan reported a deficiency of \$187,704 (2004 – \$450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of \$10,018 (2004 – \$9,404).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of \$8,699 (2005 – \$11,817) and the Management, Opted Out and Excluded Plan reported an actuarial surplus of \$8,309 (2005 – \$3,208). The expense for these two plans is limited to employer's annual contributions for the year.

#### NOTE 11: Subsequent Events

Effective April 1, 2006, the Alberta Film Development Program will be transferred from the Ministry of Community Development to the Ministry of Economic Development, along with a budget of \$13.5 million.

#### NOTE 12: Comparative Figures

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

#### NOTE 13: Approval Of Financial Statements

The Financial Statements were approved by the Senior Financial Officer and the Deputy Minister.

# Schedule to the Financial Statements - Schedule 1

## Revenues

Year Ended March 31, 2006

(in thousands)	2006		2005
	Budget	Actual	Actual
<b>Internal Government Transfers</b>			
Transfers from the Lottery Fund	\$ -	\$ -	\$ 14,100
	-	-	14,100
<b>Other Revenues</b>			
Refund of Expenditure	-	82	144
Other Revenue	120	7	9
	120	89	153
<b>Total Revenues</b>	<b>\$ 120</b>	<b>\$ 89</b>	<b>\$ 14,253</b>

# Schedule to the Financial Statements - Schedule 2

## Dedicated Revenue Initiatives

Year Ended March 31, 2006

(in thousands)	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenue <sup>(a)</sup>	(Shortfall)/ Excess <sup>(c)</sup>
Lean Manufacturing Program <sup>(b)</sup>	\$ 20	<b>\$ 3</b>	\$ (17)
	\$ 20	<b>\$ 3</b>	\$ (17)

(a) Revenue from this dedicated initiative is included in the Ministry's revenues in the Statement of Operations.

(b) Under the Lean Manufacturing Program, the Ministry charges business clients for Lean Training Kits, training its employees on the principles of Lean Thinking and assisting in the facilitation of Lean Implementations. Expenses associated with this initiative are included in the Statement of Operations under the Industry and Regional Development, Trade and Investment Program.

(c) Shortfall is deducted from current year's authorized budget, as disclosed in Schedules 4 and 5 to the financial statements.

# Schedule to the Financial Statements - Schedule 3

## Expenses - Directly Incurred Detailed by Object

Year Ended March 31, 2006

(in thousands)	2006		2005
	Budget	Actual	Actual
<b>Voted</b>			
Salaries, Wages and Employee Benefits	\$ 24,983	<b>\$ 23,458</b>	\$ 20,819
Supplies and Services	44,194	<b>43,549</b>	26,825
Supplies and Services from Support Service Arrangements with Related Parties <sup>(a)</sup>	2,006	<b>2,077</b>	2,071
Grants	8,429	<b>9,611</b>	7,592
Financial Transactions and Other	91	<b>112</b>	103
Amortization of Tangible Capital Assets	47	<b>30</b>	5
Total Voted Expenses	<u>\$ 79,750</u>	<u><b>\$ 78,837</b></u>	<u>\$ 57,415</u>
<b>Statutory</b>			
Valuation Adjustments			
Provision for Vacation Pay	<u>\$ -</u>	<u><b>\$ 421</b></u>	<u>\$ 51</u>

<sup>(a)</sup> The Department receives financial and administrative services from the Department of Restructuring and Government Efficiency.

# Schedule to the Financial Statements - Schedule 4

## Budget

Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments <sup>(a)</sup>	2005-06 Budget	Authorized Supplementary	2005-06 Authorized Budget
<b>Revenues</b>					
Other Revenue	\$ 120	\$ -	\$ 120	\$ -	\$ 120
	120	-	120	-	120
<b>Expenses - Directly Incurred</b>					
Ministry Support Services	4,895	-	4,895	-	4,895
Industry and Regional Development, Trade and Investment	26,331	-	26,331	-	26,331
Tourism Marketing and Development	42,160	-	42,160	-	42,160
Strategic Economic Leadership and Business Intelligence	6,364	-	6,364	-	6,364
Dedicated Revenue Shortfall (Schedule 2)	-	(17)	(17)	-	(17)
	79,750	(17)	79,733	-	79,733
<b>Net Operating Results</b>	\$ (79,630)	\$ 17	\$ (79,613)	\$ -	\$ (79,613)
<b>Equipment/Inventory Purchases</b> (Schedule 5)	\$ -	\$ -	\$ -	\$ -	\$ -

(a) Adjustments include dedicated revenue shortfalls.

# Schedule to the Financial Statements - Schedule 5

## Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments <sup>(a)</sup>	2005-06 Authorized Budget	2005-06 Actual Expenses <sup>(b)</sup>	Unexpended (Over Expended)
<b>Voted Expense and Equipment/Inventory Purchases</b>					
<b>1. Ministry Support Services</b>					
1.0.1 Minister's Office	\$ 320	\$ -	\$ 320	\$ 309	\$ 11
1.0.2 Deputy Minister's Office	383	-	383	446	(63)
1.0.3 Corporate Services	3,846	-	3,846	3,615	231
1.0.4 Communications	346	-	346	369	(23)
	4,895	-	4,895	4,739	156
<b>2. Industry and Regional Development, Trade and Investment</b>					
<b>2.1 Trade Development</b>					
2.1.1 Operations	451	-	451	391	60
2.1.2 International Trade Representation (Note 9c)	5,732	-	5,732	5,602	130
2.1.3 Trade Development and Relations					
Operating Expense	7,176	-	7,176	7,147	29
Equipment/Inventory Purchases	-	-	-	238	(238)
	13,359	-	13,359	13,378	(19)
<b>2.2 Investment, Industry and Regional Development</b>					
2.2.1 Operations	325	-	325	336	(11)
2.2.2 Investment and Industry Development	6,033	-	6,033	6,554	(521)
2.2.3 Regional Development (Note 9b)	6,614	-	6,614	6,231	383
	12,972	-	12,972	13,121	(149)
	26,331	-	26,331	26,499	(168)

(a) Adjustments include dedicated revenue shortfalls.

(b) Includes achievement bonus of \$888.



# Schedule to the Financial Statements - Schedule 5

## Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget (continued) Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments <sup>(a)</sup>	2005-06 Authorized Budget	2005-06 Actual Expenses <sup>(b)</sup>	Unexpended (Over Expended)
<b>3. Tourism Marketing and Development</b>					
3.1 Tourism Marketing					
3.1.1 Aboriginal Marketing Initiatives	200	-	200	<b>187</b>	13
3.1.2 In-Alberta/Regional Marketing	6,184	-	6,184	<b>6,414</b>	(230)
3.1.3 International Marketing (Note 9a)	19,664	-	19,664	<b>20,272</b>	(608)
3.1.4 Tourism Destination Regions	5,300	-	5,300	<b>5,015</b>	285
3.1.5 Research	1,100	-	1,100	<b>1,045</b>	55
3.1.6 Alberta Photo and Video Services	1,732	-	1,732	<b>1,541</b>	191
	34,180	-	34,180	<b>34,474</b>	(294)
3.2 Tourism Services and Development					
3.2.1 Operations	400	-	400	<b>372</b>	28
3.2.2 Travel Alberta Secretariat	1,704	-	1,704	<b>1,709</b>	(5)
3.2.3 Tourism Services					
Operating Expense	2,913	-	2,913	<b>2,649</b>	264
Equipment/Inventory Purchases	-	-	-	<b>100</b>	(100)
3.2.4 Tourism Development	2,963	-	2,963	<b>2,823</b>	140
	7,980	-	7,980	<b>7,653</b>	327
	42,160	-	42,160	<b>42,127</b>	33
<b>4. Strategic Economic Leadership and Business Intelligence</b>					
4.0.1 Policy and Economic Analysis	1,932	-	1,932	<b>1,790</b>	142
4.0.2 Information Management					
Operating Expense	2,098	-	2,098	<b>2,259</b>	(161)
Equipment/Inventory Purchases	-	-	-	<b>69</b>	(69)

(a) Adjustments include dedicated revenue shortfalls.

(b) Includes achievement bonus of \$888.

# Schedule to the Financial Statements - Schedule 5

## Comparison of Expenses - Directly Incurred, Equipment/Inventory Purchases and Statutory Expenses by Element to Authorized Budget (continued) Year Ended March 31, 2006

(in thousands)	2005-06 Estimates	Adjustments <sup>(a)</sup>	2005-06 Authorized Budget	2005-06 Actual Expenses <sup>(b)</sup>	Unexpended (Over Expended)
4.0.3 Business Planning and Knowledge Management	1,310	-	1,310	<b>985</b>	325
4.0.4 Alberta Economic Development Authority Operations	415	-	415	<b>340</b>	75
4.0.5 Emerging Opportunities	609	-	609	<b>436</b>	173
	6,364	-	6,364	<b>5,879</b>	485
<b>Dedicated Revenue Shortfall</b> (Schedule 2)	-	(17)	(17)	-	(17)
	\$ 79,750	\$ (17)	\$ 79,733	<b>\$ 79,244</b>	\$ 489
Operating Expense	79,750	(17)	79,733	<b>78,837</b>	896
Equipment/Inventory Purchases	-	-	-	<b>407</b>	(407)
	\$ 79,750	\$ (17)	\$ 79,733	<b>\$ 79,244</b>	\$ 489
<b>Statutory Expenses</b>					
Valuation Adjustments	\$ -	\$ -	\$ -	<b>\$ 421</b>	\$ (421)

(a) Adjustments include dedicated revenue shortfalls.

(b) Includes achievement bonus of \$888.

# Schedule to the Financial Statements - Schedule 6

## Salary and Benefits Disclosure

Year Ended March 31, 2006

	2006			2005	
	Base Salary <sup>(1)</sup>	Other Cash Benefits <sup>(2)</sup>	Other Non-cash Benefits <sup>(3)</sup>	Total	Total
Deputy Minister <sup>(4)</sup>	\$ 189,337	\$ 36,500	\$ 61,159	<b>\$ 286,996</b>	\$ 229,542
Other Executives:					
Assistant Deputy Minister, Tourism Marketing and Development	146,055	29,228	31,255	<b>206,538</b>	170,504
Assistant Deputy Minister, Industry and Regional Development	148,588	33,787	32,678	<b>215,053</b>	183,166
Assistant Deputy Minister, International Offices and Trade	137,094	20,953	29,628	<b>187,675</b>	156,107
Executive Director, Policy and Economic Analysis	123,464	18,562	26,830	<b>168,856</b>	152,869
Executive Director, Business Planning and Knowledge Management	110,162	16,721	25,702	<b>152,585</b>	130,275
Senior Financial Officer	116,350	17,631	28,013	<b>161,994</b>	139,019

(1) Base salary includes regular base pay.

(2) Other cash benefits include bonuses, vacation payouts and lump sum payments.

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

(4) Automobile provided, no dollar amount included in other non-cash benefits.

# Schedule to the Financial Statements - Schedule 7

## Related Party Transactions

Year Ended March 31, 2006

Related parties are those entities consolidated or accounted for on a modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Ministry.

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

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

(in thousands)	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Revenues				
Transfer from the Lottery Fund	\$ -	\$ -	\$ -	\$ 14,100
Expenses				
Other services	\$ -	\$ -	\$ 116	\$ 115

The above transactions do not include support service arrangement transactions disclosed in Schedule 3.

The Ministry also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These amounts are not recorded in the financial statements but are disclosed in Schedule 8.

(in thousands)	Entities in the Ministry		Other Entities	
	2006	2005	2006	2005
Expenses - Incurred by Others				
Accommodation	\$ -	\$ -	\$ 5,802	\$ 4,983
Legal and other	-	-	80	86
	\$ -	\$ -	\$ 5,882	\$ 5,069

The Ministry receives services under contracts managed by the Ministry of Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by the Ministry of Restructuring and Government Efficiency (RGE).

The Ministry also had transactions with three entities over whom it exercises significant influence. These amounts are recorded in the Ministry's Statement of Operations and disclosed in Note 9.

# Schedule to the Financial Statements - Schedule 8

## Allocated Costs

Year Ended March 31, 2006

(in thousands)	2006				2005	
	Expenses <sup>(1)</sup>	Expenses Incurred by Others		Valuation Adjustments	Total Expenses	Total Expenses
		Accommodation Costs	Legal and Other	Vacation Pay		
Program:						
Ministry Support Services	\$ 4,739	\$ 564	\$ 25	\$ 73	<b>\$ 5,401</b>	\$ 5,076
Industry and Regional Development, Trade and Investment	26,261	3,612	10	256	<b>30,139</b>	26,378
Tourism Marketing and Development	42,027	1,250	35	54	<b>43,366</b>	25,279
Strategic Economic Leadership and Business Intelligence	5,810	376	10	38	<b>6,234</b>	5,802
	<b>\$ 78,837</b>	<b>\$ 5,802</b>	<b>\$ 80</b>	<b>\$ 421</b>	<b>\$ 85,140</b>	<b>\$ 62,535</b>

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments.



# Other Information



# Supplementary Tables

## Table 1 - Trade Shows and Missions

Event	Achievements
Canadian International Development Agency (CIDA) Development Days Halifax, Nova Scotia April 20 - 22, 2005	Initiated and maintained working relationships with CIDA representatives, international financial institutions, and Alberta companies and organizations, attending the conference. Worked with Alberta's private sector to showcase Alberta's strength and advocated for Alberta firms and industry for CIDA business opportunities.
Offshore Technology Conference (OTC) Houston, Texas, USA May 2 - 5, 2005	Promoted Alberta engineering, procurement and construction, manufacturing and service companies and their capabilities at the OTC and at meetings with engineering, procurement and construction firms. OTC draws over 50,000 oil and gas leaders from over 80 countries. Also, networked, gathered intelligence and matched numerous international companies with Alberta companies to further procurement discussions.
Western Aerospace Conference Vancouver, British Columbia May 25 - 27, 2005	Organized and executed a mission involving 11 Alberta delegates to the conference. An agreement was reached with the Italian firm Alenia Aeronautica to conduct a supplier development Industrial Regional Benefit mission to Alberta. The mission involved possible procurement contracts for a new Fixed Wing Search and Rescue (FWSAR) aircraft to be used by the Canadian Armed Forces. This visit created an opportunity for Alberta aerospace and related firms to present their capabilities.
Alimentaria Food and Beverage Show Mexico City and Monterrey, Mexico May 28 - June 7, 2005	Facilitated matchmaking with Alberta companies and Mexican buyers/importers. Identified partners and media contacts for incoming media missions and gathered information on emerging trends for strategic planning.
UVS International/ UV Europe Conference & Exhibition/ Paris Air Show/ London Meetings France, United Kingdom June 7 - 22, 2005	Enabled Alberta's aerospace and aviation industry to network, gather information and build industry relationships in France and the UK. The mission identified business opportunities, established contacts and showcased Alberta's Unmanned Vehicle Systems (UVS) technology.
Mission to Moscow, Russia, Prague, Czech Republic, and Warsaw, Poland June 15 - 29, 2005	Developed strategic market intelligence, information and sources. Strengthened foreign contacts, identified projects and opportunities, and promoted the Alberta Advantage to the oil and gas industry in the three countries.



# Supplementary Tables

## Table 1 - Trade Shows and Missions (continued)

<p>Bio 2005 Philadelphia, Pennsylvania, USA June 19 - 22, 2005</p>	<p>Enhanced exposure of Alberta's biotechnology companies to international markets and facilitated partnerships and access to competitive intelligence.</p>
<p>BSE Beef Recovery Mission Las Vegas, Nevada, USA June 20 - 24, 2005</p>	<p>Participated and supported the Beef Information Centre (BIC) in presenting the Canadian Beef Advantage to targeted Las Vegas foodservice beef buyers. Held seminars for two targeted groups – culinary students and professionals, and regional beef foodservice buyers.</p>
<p>Association for Unmanned Vehicles Systems International (AUVSI) Unmanned Systems North America 2005 Baltimore, Maryland, USA June 28 - 30, 2005</p>	<p>Coordinated delegates from 13 Alberta companies to attend the industry's premiere event. An estimated 300 delegates stopped at the Alberta exhibit, and over 160 qualified contacts were made, which will be distributed to mission participants. AUVSI has been very supportive of Alberta's unmanned vehicle industry (UVI). Alberta is becoming well positioned as the lead province in Canada in advancing this sector. Distributed 250 copies of the recently produced UVS Alberta CD-Rom to pre-qualified delegates during the event.</p>
<p>Pacific Northwest Economic Region (PNWER) Annual Summit Seattle, Washington, USA July 14 - 18, 2005</p>	<p>Supported the Minister in his new role as Co-Chair of the Trade and Economic Working Group as part of PNWER Annual Summit. Increased awareness of Alberta as a strong member of the PNWER as Alberta will host the 2006 Annual Summit. Discussion topics included: trade barriers, the Oregon business plan, and an update on the 2010 Olympics regional tourism strategy.</p>
<p>Portland Retail Mission Portland, Oregon, USA September 21 - 23, 2005</p>	<p>Provided networking opportunities for Alberta companies to present their products to several U.S. retailers, buyers, brokers and distributors.</p>
<p>Mission to Japan and South Korea Tokyo and Nagoya, Japan, Seoul, South Korea September 27 - October 15, 2005</p>	<p>Introduced 16 Alberta companies, research institutes, and government agencies from the information and communication technology (ICT) industry to prospective clients, at the Combined Exhibition of Advanced Technologies (CEATEC) conference in Japan. Identified trade and investment opportunities for building products, health and bio-industries, and ICT industry sectors in Japan and Korea.</p>
<p>18th World Petroleum Congress (WPC) Johannesburg, South Africa September 26 - 29, 2005</p>	<p>Coordinated the production of the Canada Networking Reception attended by Premier Klein and the Honourable Greg Melchin, Minister of Energy. Supported Premier Klein's and Minister Melchin's business missions during the WPC. Promoted Alberta as the best place in the world to live and do business.</p>

## Supplementary Tables

### Table 1 - Trade Shows and Missions (continued)

Alberta Environmental Technical Solutions Showcase (AETSS) and Enviro-Pro 2005  
Monterrey and Mexico City, Mexico  
October 10 - 14, 2005

Facilitated an Alberta environmental delegation of six export-ready Alberta companies to participate in the AETSS and in the Trade Team Canada Environment (TTCE) Enviro-Pro 2005 Mission to Mexico. At Enviro-Pro the companies introduced products, services, and technologies to qualified Mexican contacts. Six technical presentations were delivered by Albertan companies during the AETSS along with presentations during the Enviro-Pro conference at the Canadian Seminar.

ANUGA Food Show and International Meat Congress  
Germany, Italy  
October 8 - 12, 2005

Attended ANUGA, the largest international food trade show with over 6300 exhibitors from 108 countries. Networked with valued European Union (EU) contacts including meat producers, trade commissioners, and industry contacts. Gained exposure to local EU retail markets and food marketing approaches.

Rio Pipeline Show 2005  
Rio de Janeiro, Brazil  
October 17 - 20, 2005

Facilitated an Alberta delegation, with 15 export-ready Alberta companies, to participate in the Rio Pipeline Show. Hosted an exhibit within the Canadian Pavilion to introduce products, services, and technologies to potential Brazilian clients. Met with senior officials of the Brazilian oil and gas industry including government, Petrobras, and private sector companies to promote the Alberta Advantage.

Food and Development Mission  
China, Vietnam  
October 22 - November 2, 2005

Participated in the Swine Genetics Seminar to support Alberta swine genetics market development initiatives in China. Took part in the Shanghai Food and Hotel Show. Met with Vietnamese government officials interested in expanding agri-food trade with Alberta in swine, seed potatoes, and Alberta beef.

China WOOD Markets Export and Import Conference  
Guangzhou and Dongguan, China  
October 25 - November 5, 2005

Coordinated networking opportunities for Alberta-based companies aiming to enter the Chinese market. Gathered market intelligence regarding Chinese policies that may impact trade and investment opportunities.

Private Labels Manufacturers Association (PLMA)  
Trade Show and Chicago Meetings  
Chicago, Illinois, USA  
November 12 -17, 2005

Gathered market intelligence and identified product opportunities and areas of growth for Alberta companies within the U.S. Private Labels sector. Chicago is the largest market in the mid-western United States and presents many opportunities for Albertan food products.

# Supplementary Tables

## Table 1 - Trade Shows and Missions (continued)

<p>Mission to Japan Tokyo, Japan November 21 - December 5, 2005</p>	<p>Increased exposure and awareness in Japan for Alberta's mid-sized beef exporters. Several Alberta companies developed partnerships with Japanese counterparts for product development. Follow-up sessions conducted with previous Japanese clients to continue relationship along with establishing new contacts.</p>
<p>Nanotechnology and Wireless Mission to Europe Germany, Netherlands, Sweden, Finland November 21- December 7, 2005</p>	<p>Led 12 mission participants, including university researchers and the National Institute for Nanotechnology (NINT), on visits with industry leaders. Promoted the capabilities of Alberta companies in the information and communication technology (ICT) and nanotechnology sectors. Partnership agreements were signed between the NINT and MESA+ Institute in the Netherlands and other potential partnerships were identified for Alberta companies.</p>
<p>Mission to Germany Frankfurt and Munich, Germany November 26 - December 9, 2005</p>	<p>Conducted presentations to a German food processing company, EMF, to provide investment attraction support to the Cattlemen's Beef Processors Ltd. (CBPL) for the construction of a European Union certified beef and bison processing facility in Wetaskiwin. As a result of the presentations, an EMF subsidiary invested in the CBPL plant and committed to the marketing of the products of CBPL.</p>
<p>Western Missions and Provinces Annual Planning Meeting Denver, Colorado, USA November 30 – December 2, 2005</p>	<p>Increased the opportunities for Canadian companies to export organics and natural foods, developed trade and investment opportunities for green energy, and marketed Canadian capabilities and investment attraction for the unmanned vehicles industry.</p>
<p>Canada-Mexico Bean Congress Mexico City, Mexico December 9-17, 2005</p>	<p>Partnered with Pulse Canada to attend the second annual congress in Mexico City. Contacts were identified for invitation to the Tri-National Accord in 2006 and strengthened relationship with Pulse Canada.</p>
<p>Wireless Mission to Europe United Kingdom, Spain February 6 -18, 2005</p>	<p>Attended 3GSM event in Spain, the world's largest event focusing on Global System for Mobile Communication (GSM) cellular phone technology, to support two exhibiting Alberta companies. Met with existing and new Spanish partners for business development. Assisted Alberta companies with lead generation, gathered market intelligence, and connected the companies with potential partners.</p>

## Supplementary Tables

### Table 1 - Trade Shows and Missions (continued)

<p>Mission to Korea Seoul and Busan, South Korea February 6 - 20, 2006</p>	<p>Coordinated the showcasing of eight Alberta companies at the Seoul Housing Brand Fair. Gathered information on the building products (BP) sector to identify potential partnerships for Alberta companies. Visited the Korean Bio-Venture Association (KBVA) and introduced opportunities for collaboration in health and bio-industry.</p>
<p>Berlin Film Festival Berlin, Germany February 8 - 18, 2006</p>	<p>Collaborated with the federal government to market Alberta as an attractive film location. Followed-up with the <i>Blue Mountain</i> film producers, a German television series shot in Alberta in 2005 and other German producers. As a result, another four movies of the week will be shot in Alberta.</p>
<p>Canadian Oil and Gas Pipeline Mission Mexico City, Poza Rica, Villahermosa Mexico February 12 - 17, 2006</p>	<p>Organized a business development mission to Mexico with five Alberta companies. Showcased Alberta technology during seminars, introduced companies' services, technology and expertise to market leaders and decision-makers in Mexico. The mission provided information for effective market entry strategies through Pemex and other successful companies already established in Mexico.</p>
<p>Canada-Alberta Agriculture and Food Seminar, Foodex Trade Show Nagoya and Tokyo, Japan March 5 - 20, 2006</p>	<p>Presented Alberta's agri-food industry, focusing on the beef sector, to 100 industry representatives in Nagoya. Japan is a priority market for Alberta beef and the presentation provided valuable information on the Alberta beef industry. Managed the Alberta booth at Foodex, the biggest food trade show in Asia. The department represented four Alberta companies at the show and the booth provided opportunities to interact and network with Japanese and Canadian industry representatives.</p>
<p>Canola Council of Canada Annual Meeting and Conference Newark, New Jersey, USA March 13 - 18, 2006</p>	<p>Attended the general meeting to gather information on export communities, uses, markets, customers, and competition. Networked with Canadian and international canola contacts.</p>
<p>Mission to Russia and London Moscow and Tyumen, Russia London, United Kingdom March 14 - 28, 2006</p>	<p>Participated with Canada Eurasia Russian Business Association, along with four Alberta companies, to promote Alberta's expertise and technological capabilities in the oil and gas industry to Russian organizations. Information gathered will be used for strategic planning for involvement within the Russian market.</p>

## Supplementary Tables

### Table 1 - Trade Shows and Missions (continued)

Mission to Atlanta, Mexico City and Monterrey  
Atlanta, Georgia, USA  
Mexico City and Monterrey, Mexico  
March 18 - 28, 2006

Conducted meetings with Mexican retailers, wholesalers, and food service organizations to promote further exports to Mexico. Identified trade barriers and opportunities for exporting Alberta beef to Mexico and southeastern United States.

Energy Efficient Building Systems Trade Mission  
Shanghai and Beijing, China  
March 20 - 30, 2006

Hosted the Alberta-Canada Energy Efficient Building Systems Seminar in Shanghai and Beijing. Seven site visits were organized between key developers and building officials in Shanghai, with another four in Beijing. Matchmaking sessions between 10 mission participants and attendees were organized and two contracts were signed.

# Supplementary Tables

## Table 2 - Economic and Business Publications

Publication	Description
Economic Update	Updated quarterly, provides an assessment of the economic outlook for Alberta and major international export markets for Canada and Alberta. Includes submissions from Alberta's international offices, regional offices and sector teams. Department website, PowerPoint presentation.
Monthly Economic Review	Monthly and quarterly indicators on the performance of the Alberta economy, e.g. labour force, retail sales, exports, farm cash receipts, etc. Comparisons to other provinces are included.
Highlights of the Alberta Economy	An annual report of significant highlights of Alberta's economy, documenting the advantages of locating or operating a business in Alberta. Comparisons to other provinces and states are included.
Inventory of Major Alberta Projects	Quarterly list of major capital projects in Alberta valued at \$2 million or more, which are planned, under construction, or recently completed. The online version is updated monthly.
Inventory of Alberta Regional Projects	A quarterly list of capital projects in Alberta located outside of Edmonton and Calgary valued at less than \$2 million. Includes planned, under construction and recently completed projects.
Alberta International Trade Review	A report of Alberta's annual international exports of goods and services for the past five years; presented by industry, commodity, region and country. Profiles all countries that receive more than \$10 million in Alberta exports.
Alberta's International Merchandise Exports	Alberta's quarterly and year-to-date exports presented by region, country, industry and commodity. Each quarterly issue includes a U.S. profile, two country profiles and two industry profiles.
Tourism Market Monitor	Monthly report of activity in a variety of tourism-related areas (i.e. hotel occupancy rates, airport passenger traffic, visitor entries into Alberta, etc).
Facts on Alberta	An annual overview of Alberta, including information on the province's economy, infrastructure, and lifestyle. Useful as a basic investment attraction handbook.
Quick Facts Brochures	Brochures updated quarterly: <i>Economy</i> - key statistics on performance of the Alberta Economy, and <i>Tourism</i> - key statistics on performance of Alberta's tourism industry.
2005 Place-to-Place Price Comparison Survey for Selected Alberta Communities	The survey, which began in 2001, is carried out every two years. Measures and compares price levels for a basket of goods and services in 37 Alberta communities. Survey was done in late April – early May 2005.
The Alberta Advantage in Canada CDRom	This marketing tool showcases Alberta's key industry sectors and explains why our province is the best place to live, work and do business. A comprehensive index, two videos and extensive web links provide the viewer with a wealth of information on the Alberta Advantage.

# Supplementary Tables

## Table 2 - Economic and Business Publications (continued)

Publication	Description
Alberta International Marketing Strategy 2005: Mapping Our Future	The Alberta International Marketing Strategy recognizes that Alberta's prosperity depends on attracting new investment and diversifying export markets. It identifies key industry sectors and matches them with international markets where value-added trade and investment opportunities exist for Alberta.
Securing Tomorrow's Prosperity: Sustaining the Alberta Advantage	Securing Tomorrow's Prosperity is the economic component of the Government of Alberta's 20-Year Strategic Plan. It provides strategic direction by which the province can sustain an economy capable of constantly innovating and creating higher value jobs, goods and services.
International Offices Annual Report 2004-05	The 2004-2005 International Offices Annual Report outlines the mission, goals and services provided by Economic Development's international offices. This follows through on Government's commitment to develop performance measures for our international offices.
Alberta. Abundant Energy. Proven Innovation.	This marketing tool promotes Alberta's diverse investment opportunities and showcases the province's energy sector and its innovation track record in knowledge-based and natural resources sectors.
Oil Sands Industry Update	A semi-annual report that provides an overview of the current status of the oil sands industry expansion in Alberta.
Strategic Tourism Marketing Plan	This annual industry plan provides a framework for Travel Alberta and the tourism industry to increase the number of visitors to and within Alberta.

Note: See [www.alberta-canada.com/statpub/](http://www.alberta-canada.com/statpub/) for online publications.

## Supplementary Tables

### Table 3 - Tourism Research

Publication	Description
Festivals and Events: Methodology to Measure Attendance and Economic Impact	Economic Development partnered with the Canadian Tourism Commission and other provinces to sponsor this research. Purpose of the study was to develop a methodology that would provide an acceptable and consistent way of estimating attendance and economic impact for festivals and events.
Travel Activities and Motivation Survey (TAMS)	Major survey of Canadian and U.S. households to determine vacation and activity preferences and factors that would motivate travel. Alberta is a partner with other provinces and the Canadian Tourism Commission. This is a two-year project, covering fiscal years 2004-05 and 2005-06.
Japan Consumer Research	Partnered with the Canadian Tourism Commission, Tourism B.C. and the Ontario Tourism Marketing Partnership. Japanese consumers were surveyed to explore their attitudes and interests in travelling to Canada and Alberta specifically, and their interests in specific activities (e.g. skiing in Alberta). A report will be available in late 2006.
Alberta Residents Travel Intentions Surveys	Alberta residents are surveyed twice yearly to monitor their intentions to take leisure trips in the summer and winter. Focus is on travel within Alberta.
Tourism Operator Surveys, Pre- and Post-Summer	A cross-section of Alberta tourism operators is surveyed (pre-summer) to see what bookings/expectations are for the summer, and (post-summer) to see what actual business levels were achieved and identify any significant changes in the nature of demand.
Summaries of Visitor Numbers, Revenue and Characteristics	Comprehensive visitor statistics for Alberta based on Statistics Canada data. Reports the number of visitors, lists Alberta's major non-resident markets by origin, reason for trip, expenditures in Alberta and the purpose of the entire trip.
Alberta Tourism Market Monitor	A monthly summary of travel related statistics.

Note: See <http://www.alberta-canada.com/statpub/tourismResearch.cfm> for online publications.



## Performance Measures Methodology

### 1 – Percentage share of GDP in manufacturing and business and commercial services.

This information is obtained from the table entitled GDP by Industry in Millions of Dollars, a supplementary table to the *Provincial Economic Accounts, Annual Estimates*, published by Statistics Canada. GDP figures for four industries are added, including manufacturing; information and cultural industries; professional, scientific and technical services; and administrative and support, waste management and remediation services. The total is then divided by the total GDP figure for all industries. This data is in constant 1997 dollars.

### 2 – Number of visits to the website [www.alberta-canada.com](http://www.alberta-canada.com).

WebTrends software is used to analyze log files created on a server and produce a monthly report of website statistics, including number of visits to [www.alberta-canada.com](http://www.alberta-canada.com). Monthly reports are then compiled.

### 3 – Percent satisfied with Economic Development publications (biennial survey).

The biennial satisfaction survey is contracted to a research consulting firm. The study is conducted through a telephone survey for print subscribers of Alberta Economic Development publications and an online survey for online subscribers. The survey was last conducted in 2004-05 and had a response rate of 23.7 % and a margin of error of  $\pm 1.1$  % based on a 95% confidence interval. Because the survey is biennial, a survey was not conducted in 2005-06 but will be conducted in 2006-07.

The following publications are included in the survey: *Inventory of Major Alberta Projects*, *Monthly Economic Review*, *International Trade Review*, *Inventory of Alberta Regional Projects*, and *Highlights of the Alberta Economy*.

The data indicate the percent of respondents that stated that they were very satisfied or somewhat satisfied with Economic Development publications. The satisfaction rating scale for this series included four points (very satisfied, somewhat satisfied, dissatisfied and very dissatisfied).

### 4 – Manufacturing shipments.

Manufacturing shipments are the total annual value of all manufacturing shipments by Alberta companies to other provinces, countries and within Alberta. Statistics Canada surveys the entire manufacturing sector annually. It also surveys the industry monthly. Since a sampling of the total population of manufacturing companies is involved for the monthly surveys, Statistics Canada uses a number of statistical techniques to derive provincial estimates. The annual total manufacturing shipments for Alberta are used for this measure. The data are downloaded directly from the CANSIM database (Tables 304-0014 and 304-0015), no further calculations by Economic Development are involved.

### 5 – Manufacturing and service exports.

Manufacturing and service exports are the value of Alberta's international exports of manufactured goods and services. Economic Development uses Statistics Canada data to monitor the value of goods exported to other countries. Statistics Canada prepares the data monthly and publishes it in Canadian International Merchandise Trade (Cat. No. 65-001).

The total value of Alberta's international goods exports is based on Statistics Canada's published numbers, as of May 2006. For manufactured goods, export data by commodity from Statistics Canada are used to determine industry-specific export values, using Statistics Canada classifications. (A concordance table is obtained from Statistics Canada that allocates each commodity exported into a specific industry. This concordance table is then modified to reflect unique characteristics of Alberta's economy. For example, natural gas liquids are moved from manufacturing to mining.)

In 2005-06, the methodology was changed to simplify the service exports estimation procedure and improve the alignment of total estimates for goods and services-combined with Statistics Canada estimates. Due to the change in the methodology, actual results for 2003 and 2004 were restated. Based on the new methodology, the totals for service exports for the years 2002 and prior are derived from the Trade Flows tables by Statistics Canada's Input-Output Division (available on <http://www.statcan.ca/english/nea-cen/sub/prov.htm>), by taking total service exports and deducting wholesale margins and transport margins (already included in goods exports). For the most recent three years, the growth rates from the Alberta GDP tables for international service exports (same source as above) are applied to the 2002 estimates.

#### 6 – Percent satisfied with the services of international offices (biennial survey).

Data for client satisfaction with the services of the international offices was obtained from the 2004-05 International Offices Client Satisfaction Survey. The survey is contracted to a research firm. The survey is delivered to clients of the international offices who are asked to complete and submit the survey to the research firm, either by mail, fax, or e-mail.

The data indicates the percent of respondents that stated that they were very satisfied or somewhat satisfied with the services of the international offices. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied).

In 2004-05, the response rate of the survey was 29.3% with a margin of error of  $\pm 2.7\%$  based on a 95% confidence interval for this particular question. Because this survey is biennial, the survey was not conducted in 2005-06 but will be conducted in 2006-07.

#### 7 – Manufacturing and service industry investment.

This performance measure is the value of new capital expenditures on construction, machinery, and equipment in Alberta's manufacturing and services industries. Statistics Canada surveys all industries once a year about their actual past years' capital investments, as well as their intended investments for the current year. Data are reported in Statistics Canada's *Private and Public Investment in Canada, Intentions* (Cat. No. 61-205).

Estimates for the manufacturing and utilities sectors are duplicated exactly. For services, the following industries are aggregated: transportation and warehousing, information and cultural industries, wholesale trade, retail trade, finance and insurance, real estate and rental and leasing, professional, scientific and technical services, management of companies and enterprise, administrative and support, waste management, arts, entertainment and recreation, accommodation and food services, utilities, and other services. Excluded are: housing, primary industries (i.e. agriculture and forestry, and mining and oil and gas extraction - including oil sands), construction and institutions (e.g. public administration, health and education).

#### 8 – Number of Alberta communities participating in regional economic alliances and partnerships.

The data for this measure are determined from membership lists maintained by the regional economic development alliances (REDAs) and provided to Economic Development. All member community information for REDAs and partnerships is received by the department from the alliance management and administration. Communities participating in more than one REDA or partnership are counted only once.

REDAs and partnerships include self-selecting communities and supportive partners that utilize a collaborative approach to achieve prosperity. They encompass a defined geographical area based on a shared economic vision for the future. Sub-regional partnerships do not receive funding from AED and are usually ad-hoc in nature. REDAs are supported based on Memoranda of Understanding with the department and through formal grant funding agreements.

#### 9 – Percent of REDA board members satisfied with Economic Development staff.

The survey was conducted from February 13 to March 15, 2006, online using the Opinio survey program, and also by direct distribution to the REDA members. Those members without access to e-mail were faxed the survey. Chairpersons of each alliance were sent a letter in advance by the Executive Director of Regional Development and Economic Immigration, to inform them of the

upcoming survey of their board. AED's regional directors/managers responsible for the respective REDAs provided the appropriate contact information for surveying purposes and increased awareness of the survey with the board members. Six REDAs administered hard copy surveys at their general meetings that were held in February. These hard copy surveys were then entered into the Opinio system.

In order to achieve a higher response rate, two reminders were sent out by e-mail to encourage members to fill out the survey. The survey was re-sent via e-mail or fax to those who requested it, or were unable to fill it out in a form previously received. Out of 132 surveys administered, 75 respondents provided answers to the satisfaction question.

The data indicates the percent of respondents that stated they were overall very satisfied or somewhat satisfied with AED staff support. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neutral, somewhat dissatisfied and very dissatisfied).

#### 10 – Total tourism revenue.

The total value of tourism industry revenue in Alberta is derived by Economic Development from the data published by Statistics Canada in the *Canadian Travel Survey* (renamed in January 2005 to *Travel Survey of Residents of Canada*) (Cat. No. 87-504-XPB) and the *International Travel Survey* (Cat. No. 66-001). Final year-end data for both surveys are usually not available until August of the following year.

The estimate for 2005 is based on travel statistics that provide an indication of demand, such as Customs counts at Alberta's "Ports of Entry", deplanements at Calgary and Edmonton International Airports, anecdotal information from the Pre-Summer Tourism Operator Survey, and gate counts at Banff, Jasper, Waterton Lakes, and Elk Island National Parks. In addition, occupancy rate information collected by Smith Travel Research is also used to determine the demand for fixed-roof lodging in the Mountain Parks, Edmonton, and Calgary. Domestic data produced by the Canadian Tourism Research Institute are also used in estimating demand from Alberta's key domestic markets of British Columbia, Saskatchewan, and Ontario. In addition to indicators of demand, estimates of the Travel Price Index are forecast into the future to assist with tourism revenue projections.

#### 11 – Effectiveness of Tourism Marketing – Total enquiries to Travel Alberta (millions) – Visits to TravelAlberta.com, enquiries to the Travel Alberta contact centre and other methods of contact.

This performance measure includes volume of visitor sessions to TravelAlberta.com, information requests by telephone and other methods of contact. Data on the number of website visitor sessions to www.travelalberta.com are obtained by the Travel Alberta Secretariat from reports by WebTrends (software designed to measure web activity), based on an analysis of the server log files. Contact centre telephone inquiries are obtained from the contact centre contractor. During the current year, visitor sessions to the specialty websites were added to "other methods of contact." After this change, other methods of contact included: phone calls, e-mails, web orders, faxes, mail and the number of visitor sessions to the specialty websites. Data on the number of visitor sessions to the specialty websites are provided by Travel Alberta International (TAI), Travel Alberta In-province (TAIP) and the Alberta Japan Office in Tokyo to the Travel Alberta Secretariat. This data is based on each organization's website management tool. The specialty websites are maintained independently to Travel Alberta and operate under their own domain names and servers, such as www.gocanadianrockies.com or www.greatalbertagatherings.com.

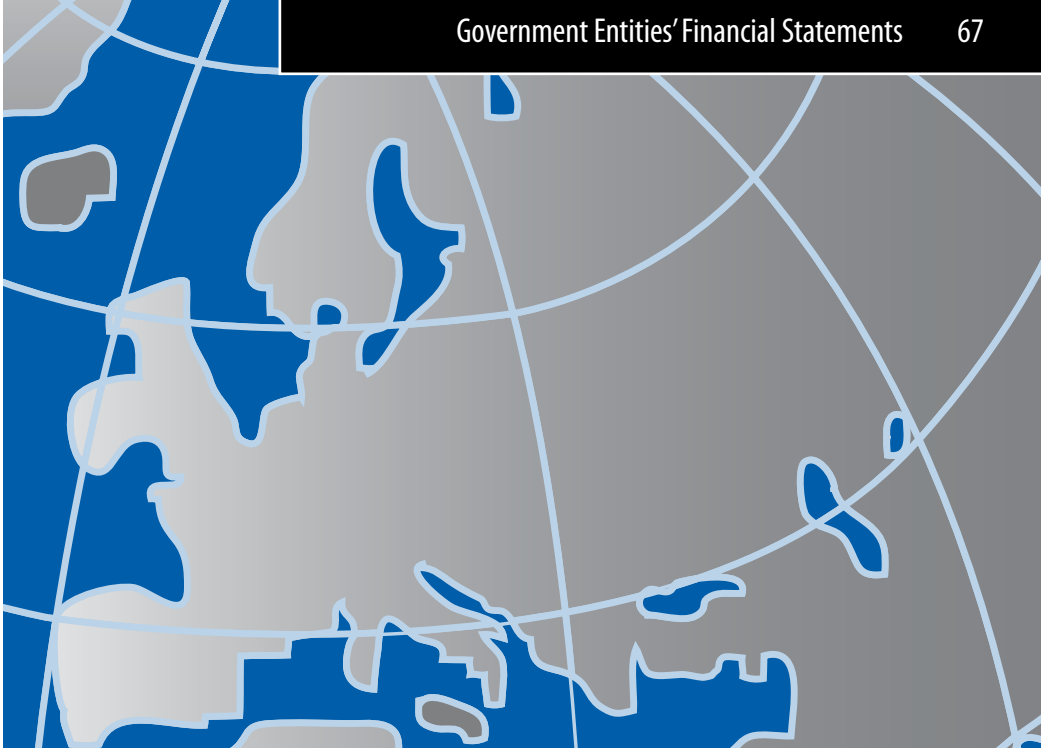

#### 12 – Percent of clients satisfied with visitor information centres overall.

Data is obtained from the visitor information centre (VIC) exit survey conducted by a research firm. The research firm conducted exit interviews at visitor information centres. The surveys were conducted at ten VICs between July and September 2005. The centres include Canmore, Field, Crowsnest Pass, West Glacier, Lloydminster, Oyen, Walsh, Milk River, Hinton, and Grande Prairie.



The data indicates the percent of respondents that stated they were very satisfied or somewhat satisfied with the Visitor Information Centre. The satisfaction rating scale for this series included five points (very satisfied, somewhat satisfied, neither satisfied nor dissatisfied, somewhat dissatisfied and very dissatisfied).

A minimum of 100 interviews were conducted at each centre. To capture a variety of travellers, the interviews were spread across weekends and weekdays, and during both peak and shoulder visitation seasons. A larger sample was gathered from Canmore (392), Field (208), and West Glacier (190) due to the high volume of visitors to these three centres. 1532 interviews were conducted in 2005 from a population of 190,684, which represents an overall margin of error of  $\pm 0.6\%$  based on a 95% confidence interval.





# Alphabetical List of Government Entities' Financial Statements



## Entities Included in the Consolidated Government Reporting Entity

### Ministry, Department, Fund or Agency

Access to the Future Fund<sup>12</sup>  
 Agriculture Financial Services Corporation  
 Alberta Alcohol and Drug Abuse Commission  
 Alberta Capital Finance Authority  
 Alberta Energy and Utilities Board  
 Alberta Foundation for the Arts  
 Alberta Gaming and Liquor Commission  
 Alberta Heritage Foundation for Medical Research Endowment Fund  
 Alberta Heritage Savings Trust Fund  
 Alberta Heritage Scholarship Fund  
 Alberta Heritage Science and Engineering Research Endowment Fund  
 Alberta Historical Resources Foundation  
 Alberta Insurance Council  
 Alberta Local Authorities Pension Plan Corporation<sup>13</sup>  
 Alberta Pensions Administration Corporation  
 Alberta Petroleum Marketing Commission  
 Alberta Research Council Inc.  
 Alberta Risk Management Fund  
 Alberta School Foundation Fund  
 Alberta Science and Research Authority  
 Alberta Securities Commission  
 Alberta Social Housing Corporation  
 Alberta Sport, Recreation, Parks and Wildlife Foundation  
 Alberta Treasury Branches  
 ATB Investment Management Inc.  
 ATB Investment Services Inc.  
 ATB Services Inc.  
 Child and Family Services Authorities:  
     Calgary and Area Child and Family Services Authority  
     Central Alberta Child and Family Services Authority  
     East Central Alberta Child and Family Services Authority  
     Edmonton and Area Child and Family Services Authority  
     North Central Alberta Child and Family Services Authority  
     Northeast Alberta Child and Family Services Authority  
     Northwest Alberta Child and Family Services Authority  
     Southeast Alberta Child and Family Services Authority  
     Southwest Alberta Child and Family Services Authority  
     Métis Settlements Child and Family Services Authority  
 Credit Union Deposit Guarantee Corporation  
 Department of Agriculture, Food and Rural Development  
 Department of Advanced Education  
 Department of Children's Services

### Ministry Annual Report

Advanced Education  
 Agriculture, Food and Rural Development  
 Health and Wellness  
 Finance  
 Energy  
 Community Development  
 Gaming  
 Finance  
 Finance  
 Finance  
 Finance  
  
 Community Development  
 Finance  
 Finance  
 Finance  
 Energy  
 Innovation and Science  
 Finance  
 Education  
 Innovation and Science  
 Finance  
 Seniors and Community Supports  
 Community Development  
 Finance  
 Finance  
 Finance  
 Finance  
 Children's Services  
  
 Finance  
 Agriculture, Food and Rural Development  
 Advanced Education  
 Children's Services

<sup>12</sup> Established July 10, 2005.

<sup>13</sup> Incorporated December 16, 2005

## Ministry, Department, Fund or Agency

Department of Community Development  
 Department of Education  
 Department of Energy  
 Department of Finance  
 Department of Gaming  
 Department of Health and Wellness  
 Department of Innovation and Science  
 Department of Seniors and Community Supports  
 Department of Solicitor General and Public Security  
 Department of Sustainable Resource Development  
 Environmental Protection and Enhancement Fund  
 Gainers Inc.  
 Government House Foundation  
 Historic Resources Fund  
 Human Rights, Citizenship and Multiculturalism Education Fund  
 iCORE Inc.  
 Lottery Fund  
 Ministry of Aboriginal Affairs and Northern Development<sup>14</sup>  
 Ministry of Advanced Education  
 Ministry of Agriculture, Food and Rural Development  
 Ministry of Children's Services  
 Ministry of Community Development  
 Ministry of Economic Development<sup>14</sup>  
 Ministry of Education  
 Ministry of Energy  
 Ministry of Environment<sup>14</sup>  
 Ministry of Executive Council<sup>14</sup>  
 Ministry of Finance  
 Ministry of Gaming  
 Ministry of Government Services<sup>14</sup>  
 Ministry of Health and Wellness  
 Ministry of Human Resources and Employment<sup>14</sup>  
 Ministry of Infrastructure and Transportation<sup>14</sup>  
 Ministry of Innovation and Science  
 Ministry of International and Intergovernmental Relations<sup>14</sup>  
 Ministry of Justice<sup>14</sup>  
 Ministry of Municipal Affairs<sup>14</sup>  
 Ministry of Restructuring and Government Efficiency<sup>14</sup>  
 Ministry of Seniors and Community Supports  
 Ministry of Solicitor General and Public Security  
 Ministry of Sustainable Resource Development  
 N.A. Properties (1994) Ltd.  
 Natural Resources Conservation Board  
 Persons with Developmental Disabilities Community Boards:  
     Calgary Region Community Board  
     Central Region Community Board  
     Edmonton Region Community Board  
     Northeast Region Community Board  
     Northwest Region Community Board  
     South Region Community Board  
 Persons with Developmental Disabilities Provincial Board  
 Provincial Judges and Masters in Chambers Reserve Fund  
 Safety Codes Council  
 Supplementary Retirement Plan Reserve Fund  
 Victims of Crime Fund  
 Wild Rose Foundation

## Ministry Annual Report

Community Development  
 Education  
 Energy  
 Finance  
 Gaming  
 Health and Wellness  
 Innovation and Science  
 Seniors and Community Supports  
 Solicitor General and Public Security  
 Sustainable Resource Development  
 Sustainable Resource Development  
 Finance  
 Community Development  
 Community Development  
 Community Development  
 Innovation and Science  
 Gaming  
 Aboriginal Affairs and Northern Development  
 Advanced Education  
 Agriculture, Food and Rural Development  
 Children's Services  
 Community Development  
 Economic Development  
 Education  
 Energy  
 Environment  
 Executive Council  
 Finance  
 Gaming  
 Government Services  
 Health and Wellness  
 Human Resources and Employment  
 Infrastructure and Transportation  
 Innovation and Science  
 International and Intergovernmental Relations  
 Justice  
 Municipal Affairs  
 Restructuring and Government Efficiency  
 Seniors and Community Supports  
 Solicitor General and Public Security  
 Sustainable Resource Development  
 Finance  
 Sustainable Resource Development  
 Seniors and Community Supports  
  
 Seniors and Community Supports  
 Finance  
 Municipal Affairs  
 Finance  
 Solicitor General and Public Security  
 Community Development

<sup>14</sup> Ministry includes only the departments so separate departmental financial statements are not necessary.

## Entities Not Included in the Consolidated Government Reporting Entity

### Fund or Agency

Alberta Foundation for Health Research  
 Alberta Heritage Foundation for Medical Research  
 Alberta Heritage Foundation for Science and Engineering Research  
 Alberta Teachers' Retirement Fund Board  
 Improvement Districts' Trust Account  
 Local Authorities Pension Plan  
 Long-Term Disability Income Continuance Plan - Bargaining Unit  
 Long-Term Disability Income Continuance Plan - Management,  
     Opted Out and Excluded  
 Management Employees Pension Plan  
 Provincial Judges and Masters in Chambers Pension Plan  
 Provincial Judges and Masters in Chambers (Unregistered) Pension Plan  
 Public Service Management (Closed Membership) Pension Plan  
 Public Service Pension Plan  
 Special Areas Trust Account  
 Special Forces Pension Plan  
 Supplementary Retirement Plan for Public Service Managers  
 Workers' Compensation Board

### Ministry Annual Report

Innovation and Science  
 Innovation and Science  
 Innovation and Science  
 Education  
 Municipal Affairs  
 Finance  
 Human Resources and Employment  
 Human Resources and Employment  
  
 Finance  
 Finance  
 Finance  
 Finance  
 Finance  
 Municipal Affairs  
 Finance  
 Finance  
 Human Resources and Employment







## Ministry Annual Report

[illegible]

Advanced Education  
Advanced Education  
Advanced Education

Northern Alberta Institute of Technology  
Southern Alberta Institute of Technology  
The Banff Centre for Continuing Education

[illegible]

Alberta Cancer Board  
Alberta Mental Health Board  
Aspen Regional Health Authority  
Calgary Health Region  
Capital Health  
Chinook Regional Health Authority  
David Thompson Regional Health Authority  
East Central Health  
Northern Lights Regional Health Authority  
Peace Country Health  
Palliser Health Region



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