
Innovation and Science

BUSINESS PLAN 2006-09

ACCOUNTABILITY STATEMENT

The business plan for the three years commencing April 1, 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 of February 23, 2006 with material economic or fiscal implications of which I am aware have been considered in preparing the business plan.

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

[Original Signed]

Victor Doerksen, *Minister of Innovation and Science*
March 1, 2006

THE MINISTRY

The Ministry includes:

- Department of Innovation and Science
- Alberta Research Council Inc.
- iCORE Inc. (Alberta Informatics Circle of Research Excellence)

The Minister of Innovation and Science is responsible for the Alberta Science and Research Authority and its associated institutes including: Alberta Agricultural Research Institute; Alberta Energy Research Institute; Alberta Life Sciences Institute; Alberta Information and Communications Technology Institute, and Alberta Forestry Research Institute. The Minister of Innovation and Science also has responsibility for legislation pertaining to the Alberta Heritage Foundation for Medical Research and the Alberta Heritage Foundation for Science and Engineering Research (operating under the trade name "Alberta Ingenuity Fund").

VISION

Alberta prospers through innovation.

MISSION

To enhance the contribution of innovation, science, research and development and its application to the sustainable prosperity and quality of life of all Albertans.

LINK TO THE GOVERNMENT OF ALBERTA STRATEGIC BUSINESS PLAN

This business plan is aligned with and directly supports the achievement of Goal One of the 2006-09 Government of Alberta 3-Year Business Plan:

Goal 1: Alberta will have a diversified and prosperous economy.

Ministry activities aim at growing the knowledge-based economy in Alberta and adding value to important resource-based industries like energy, agriculture and forestry, to ensure Alberta's long-term prosperity.

Further activities outlined in this business plan support the achievement of goals pertaining to learning, global competitiveness, health, and the environment in the 2006-09 Government of Alberta Strategic Business Plan.

Innovation and Science activities support the first strategic opportunity identified in *Today's Opportunities, Tomorrow's Promise: A Strategic Plan for the Government of Alberta*.

Strategic Opportunity 1: Unleashing Innovation

This business plan reflects strategies to strengthen Alberta's capacity for innovation, with an emphasis on: building the capability and capacity of Alberta's research system; building excellence in three strategic priority areas (energy, information and communications technologies (ICT) and life sciences); developing, attracting and retaining highly qualified professionals; encouraging technology commercialization; and fostering the growth of knowledge-based industries.

The Ministry also supports other opportunities such as Leading in Learning and Competing in a Global Marketplace through its activities.

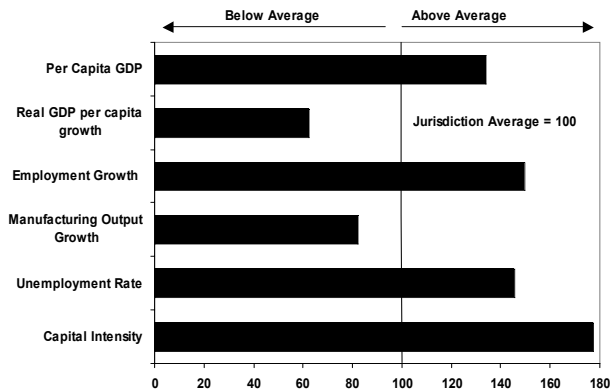
SIGNIFICANT OPPORTUNITIES AND CHALLENGES

Opportunities:

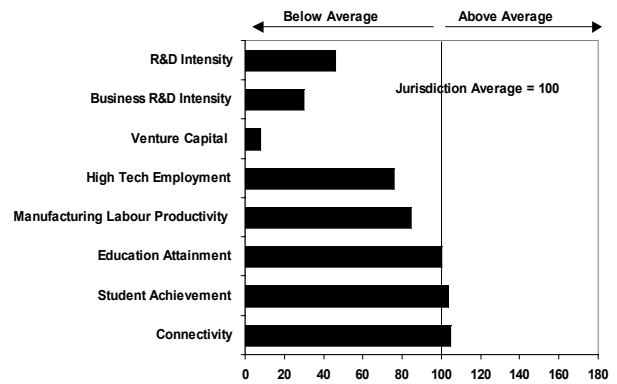
- The Government of Alberta has put a clear priority on developing value-added sectors of the economy. Ministry activities are aligned with government's value-added strategy, Securing Tomorrow's Prosperity.
- Making investments in the strategic priority areas of energy, information and communications technologies and life sciences that will build capacity for long-term prosperity.
- Responding to provincial initiatives reflected in the government's strategies: Water for Life: Alberta's Strategy for Sustainability, the Climate Change Strategy and the Rural Development Strategy.
- Building on Alberta's strengths in strategic priority areas. Alberta is well positioned to leverage federal investment in support of provincial priorities.
- Building on the capability of post-secondary institutions to develop, attract and retain highly skilled people needed to support the growth of a knowledge-based economy in Alberta.
- Encouraging greater industry investment in research and innovation. Industry plays a critical role in the innovation system, taking new ideas and turning them into new products, processes and services in the global marketplace.
- Ensuring that the appropriate infrastructure is in place to support applied research and successful commercialization of new products and services.
- Bringing together the right mix of management mentorship and access to capital to encourage and sustain new entrepreneurial ventures.

Alberta is a player in an intensely competitive global economy. Improving Alberta's innovation capacity is critical to ensuring the province's long-term economic competitiveness and quality of life.

Alberta's Performance: Economic Indicators



Alberta's Performance: Innovation Indicators



Source: Benchmarking Alberta in the Knowledge-Based Economy (Alberta Economic Development), December 2005
Based on comparison with top performers in Canada, the U.S.A., and Europe. Comparison jurisdictions were chosen on the basis of strong relative economic and innovation performance, and size and structural similarities with Alberta.

Challenges:

- Alberta needs to grow the number of knowledge-based companies; increase the value-added output from traditional resource-based industries; increase its ability to attract and grow research-intensive enterprises; and increase the application of science and technology to find solutions to environmental, health and unique industrial challenges.
- Alberta needs to identify key niches where it already has a comparative advantage within its broad areas of strategic priority, thus necessitating building a foresight capability and a better appreciation of Alberta's strengths within a global context.
- Alberta must also address the challenges relating to a paucity of business and marketing skills to finance and commercialize new technologies; access to early stage capital; the alignment of programs to build on sustainable strengths; and to nurture “centres of innovation excellence” that bridge research institutions and industry.

Only through addressing these challenges and embracing the opportunities will Alberta truly unleash its innovation potential and enhance Albertans' quality of life.

STRATEGIC PRIORITIES 2006-09

Through the Ministry's review of environmental factors, the strategic priorities described below have been identified. These are in addition to the important ongoing core activities of the Ministry.

Unleashing Innovation

The Ministry is championing and leading efforts to Unleashing Innovation – one of the strategic opportunities of the Government of Alberta's 20 Year Strategic Plan. The Alberta Science and Research Authority (ASRA) will play a critical advisory role in identifying science and technology opportunities and key policies for innovation.

The Ministry supports the top-up of the Alberta Ingenuity Fund to \$1 billion which is needed to support strategic priorities.

The strategies cited below will enable Innovation and Science to achieve its goals and contribute to the implementation of the overall strategies of the Government of Alberta. All goals mentioned below link to Goal 1 "Alberta will have a diversified and prosperous economy" in the *Government of Alberta 3-Year Business Plan*.

- Linkage: Goal 1**
- Support the continuing implementation of the government's value-added strategy, *Securing Tomorrow's Prosperity*.
 - Implement the strategy, *Accelerating Innovation in Alberta*.
 - Position the Alberta Research Council (ARC) as a key enabler in supporting the pre-commercial and commercial development needs of Alberta business.
 - Encourage innovation within the Government of Alberta by administering competitions under the Innovation Program.
- Goal 2**
- Support post-secondary institutions in building research capacity in areas of strategic priorities.
 - Work with partners in the National Institute of Nanotechnology to make Alberta one of the world's foremost locations for nanotechnology research and innovation.
- Goal 3**
- Implement the Alberta Energy Innovation Strategy.
 - Collaborate nationally with stakeholders, using EnergyINet as a key vehicle through which energy research and innovation investments in six strategic priority areas are pursued.
- Goal 4**
- Constitute the Alberta ICT Institute and commence the update of the ICT Strategy.
 - Continue to attract and grow a critical mass of outstanding researchers and graduate students through iCORE Inc.
 - Facilitate growth of ICT industrial sectors.
- Goal 5**
- Develop a coordinated water research in support of *Water for Life: Alberta's Strategy for Sustainability*.
 - Establish a strong genomics research and innovation program in Alberta.
 - Facilitate growth of life sciences industrial sectors

CORE BUSINESSES, GOALS, STRATEGIES & PERFORMANCE MEASURES

Core Business: Innovation

The government's Strategic Plan, *Today's Opportunities, Tomorrow's Promise*, has identified Unleashing Innovation as a strategic opportunity on which government efforts will be focused over the next 20 years. Innovation and Science is leading and championing Government of Alberta efforts to unleash innovation. Ministry activities are grouped under a single core business – Innovation.

Ministry efforts are focused on:

- Accelerating innovation in Alberta, with emphasis on increasing commercialization of research and industry growth;
- Encouraging and supporting innovation within the Government of Alberta;
- Building the capability and capacity of the research system, and
- Building research excellence in the strategic priority areas of energy, ICT and life sciences.

During 2006-09, Innovation and Science will lead a coordinated effort with other ministries to implement the approved strategy, *Accelerating Innovation in Alberta*. Endorsement of the recommendations reflects a commitment by government to strategically invest in the knowledge-based economy by adopting a policy target to move toward investing up to 5% of the Government of Alberta's annual budget in support of its innovation agenda, over the next ten years.

These efforts will position Alberta to capitalize on the opportunities in the knowledge economy.

The Ministry is building a foundation for the long-term prosperity of the province by building excellence in the strategic priority areas. Over the last several years, the Ministry collaborated with partners to develop a number of strategies that serve to strengthen Alberta's innovation capacity:

- Accelerating Innovation in Alberta
- The Alberta Energy Innovation Strategy
- Growing our Future: An Integrated Life Sciences Strategy for Alberta
 - The Agriculture Research and Innovation Strategic Framework (developed by the Alberta Agricultural Research Institute in partnership with Agriculture, Food and Rural Development)
 - The Forestry Research Strategic Plan (developed by the Alberta Forestry Research Institute)
- Information and Communications Technology: A Strategy for Alberta

The five goals contained in this business plan reflect the implementation of these strategies.

GOAL ONE **1** Implement innovation

What it means Investments in research result in innovative ideas, products and processes that, if commercialized successfully for the global marketplace, have the potential to yield significant economic and social benefits for the province. The Ministry is working to create an environment where great ideas are more likely to be developed and brought to market in Alberta, with a focus on: supporting applied research and development; strengthening the technology commercialization system; encouraging business growth in priority sectors, and encouraging innovation within the Government of Alberta.

Key outcomes associated with this goal:

- Increased application and commercialization of energy, ICT, and life sciences research in Alberta.
- Growth in Alberta's ICT and life sciences sectors.
- Increased implementation of innovative initiatives to enhance Government of Alberta service delivery and to facilitate the application of new knowledge in Alberta.

Strategies

- 1.1 Work with partners to support the implementation of the strategy, Accelerating Innovation in Alberta.
 - Work with partners to ensure there are adequate bridging/linking mechanisms to help industry work with the research community to effectively apply knowledge resulting from research activities.
 - Work collaboratively with Economic Development and other partners to facilitate access to sources of appropriate management assistance/mentoring and entrepreneurial coaching skills to technology start-up and small businesses.
 - Provide and support the establishment of facilities, equipment, test beds and expertise to help develop and commercialize new products, processes and services, through investment in organizations, such as ARC, *TRLabs* and the Banff New Media Institute.
 - Position the Alberta Research Council as a key enabler in supporting the pre-commercial and commercial development needs of Alberta business; providing facilities and expertise to support product testing and development in strategic priority areas; assisting and supporting firms to commercialize new technology in pursuit of viable global markets, and improving investment readiness of smaller emerging and start-up companies.

- 1.2 Work with Finance and Economic Development to enhance the competitiveness of Alberta's business environment with respect to encouraging technology commercialization and adoption.
- 1.3 Work with ministries, industry and research institutions to identify and market business opportunities, attract and encourage seed venture funding from industrial partners, and promote the Alberta Advantage in priority areas.
- 1.4 Work with partners to encourage expatriates and skilled workers to locate in Alberta.
- 1.5 Reinforce the need for innovation within the Government of Alberta and provide essential funding support for projects that meet the Innovation Program requirements, criteria and expectations.

Performance Measures	Last Actual (year)	Target 2006-07	Target 2007-08	Target 2008-09
1.a Percentage of Government of Alberta Expense used to support innovation	1.42% (2004-05)	Increasing up to 5%, as affordable, by 2015.		
1.b Number of Albertans employed in knowledge-intensive (high-tech) companies	111,300 (2004)	117,000	120,200	123,803
1.c Albertans employed in knowledge-intensive (high-tech) companies as a percentage of Albertans employed in all companies	6.3% (2004)	6.4%	6.5%	6.6%
1.d Percentage of Canadian venture capital invested in strategic priority areas	1.5% (2004)	3.1%	3.2%	3.3%
1.e Alberta Business Expenditures on Research and Development (\$million)	782 (2003)	818	854	890

Sources:

- 1.a Innovation and Science Annual Innovation Review and Government of Alberta Annual Reports.
- 1.b Economic Development, Alberta Business Monitor.
- 1.c Economic Development, Alberta Business Monitor.
- 1.d Thomson Macdonald, VC Reporter
- 1.e Statistics Canada, Service Bulletin Science Statistics.

GOAL TWO

2

Build research capacity in areas of strategic priority

What it means A critical building block supporting innovation is strong research capability at Alberta universities, colleges and technical institutes. The Government of Alberta's commitment to supporting scientific excellence, and its focus on Alberta's strategic research priorities: energy, information and communication technology and life sciences, will ensure that critical mass and capacity is achieved in key areas. Alberta's investments will continue to attract research funding from industry and federal sources, and will result in a number of unique partnerships focused on building the research capacity of Alberta's innovation system. This goal reflects the vital importance of developing, attracting and retaining high quality people who possess the scientific, technical and entrepreneurial skills needed in an innovative, knowledge-based economy.

Key outcomes associated with this goal:

- A skilled workforce to support research and innovation.
- Internationally recognized research capabilities in areas of strategic priority for long-term growth.
- A supportive environment that encourages innovation, collaboration and networks.

Strategies

- 2.1 Provide support to recruit and retain highly qualified and effective scientific personnel at Alberta public research institutions.
- 2.2 Strengthen Alberta's scientific capacity to support areas of strategic importance through investing in Alberta's publicly-funded research infrastructure. Examples include nanotechnology, genomics/proteomics, bioinformatics and wireless communications technologies.
- 2.3 Encourage greater investment in Alberta's research and innovation priorities from industry and federal government sources.
- 2.4 Coordinate research and innovation-related investments, policies and programs by collaborating with other ministries and public institutions. For example, support Education and Advanced Education in their studies of the needs relative to the skills required to support innovation.
- 2.5 Work with the Alberta Heritage Foundation for Medical Research and the Alberta Ingenuity Fund to align efforts towards provincial priorities, with an increased focus on technology commercialization.
- 2.6 Promote science and technology awareness within Alberta, including encouraging youth to enter careers in science and technology. As a cornerstone, provide ongoing support to the Science Alberta Foundation for the work they accomplish with children, youth, teachers and communities to promote science awareness.
- 2.7 Promote Alberta's strengths in science and technology both nationally and internationally.

Performance Measures	Last Actual (2004-05)	Target 2006-07	Target 2007-08	Target 2008-09
2.a Total sponsored research revenue attracted by Alberta universities (\$million)	650	750	793	836
2.b Total sponsored applied research revenue attracted by Alberta technical institutes and colleges (\$million)	1.2	1.2	1.2	1.2

Sources:

- 2.a Innovation and Science, Research Funding at Alberta Universities 2004-2005 Report.
- 2.b Innovation and Science.

GOAL THREE

3

Accelerate innovation in the energy sector

What it means Energy, directly or indirectly, accounts for about half of the Alberta economy and contributes to more than 25 per cent of the revenue of the Government of Alberta. The Alberta Energy Research Institute (AERI) developed the Alberta Energy Innovation Strategy to strategically secure Alberta's position for the future – to create value from our energy resources, improve environmental performance and build a strong economy. As part of the Energy Innovation Strategy, AERI supports other government technology priorities, such as the Alberta's Climate Change Plan (Environment), the Innovative Energy Technology Program (Energy) and Value Added Strategy (Economic Development). To implement the Alberta Energy Innovation Strategy, AERI and its stakeholders have brought together interested public and private sector partners from across Canada to collaborate in supporting advanced energy research and innovation programs through the Energy Innovation Network (EnergyINet).

Key outcomes associated with this goal:

- Projects initiated through EnergyINet.
- Internationally recognized research capabilities in areas of strategic importance.
- Increased collaboration among energy research performers and energy producers.
- Increased joint investments in energy research by industry, the federal government and Alberta.

Strategies

- 3.1 Collaborate nationally with stakeholders using EnergyINet as a key vehicle to pursue energy research and innovation investments in six strategic priority areas, i.e. oil sands upgrading, clean carbon/coal, CO₂ management, improved recovery, alternate and renewable energy, and water management.
- 3.2 Provide applied research and development to support technology commercialization and adoption of technologies.
- 3.3 Lead crosscutting initiatives in competitive intelligence, technology transfer/commercialization and capacity building.
- 3.4 Enhance the capacity for energy innovation through strong university, provincial and federal research organization-based programs and high quality research teams that support the six strategic priority areas.
- 3.5 Ensure alignment with industry and other government ministries to promote technology advances in energy and to collaborate in the development and implementation of energy innovation programs with other providers within Canada, the United States and elsewhere.
- 3.6 Support the Innovative Energy Technology Program and field pilot projects that advance the deployment of new energy technologies.
- 3.7 Promote industry collaboration and maintain close working relationships with associations, such as the Petroleum Technology Alliance of Canada, the Canadian Clean Power Coalition, the Canadian Oil Sands Network for Research and Development, the Canadian Energy Research Institute, Canadian Association of Petroleum Producers and Climate Change Central.

Performance Measures	Last Actual (2004-05)	Target 2006-07	Target 2007-08	Target 2008-09
3.a Ratio of private and other public investments in energy research to Government of Alberta (GOA) investments in energy research	2.37	2.50	2.50	2.50
3.b Investment in energy research (\$million)				
• Non-GOA investment in energy research	34.8	53.8	53.2	53.2
• GOA Investment in energy research	14.2	21.5	21.3	21.3

Sources:

- 3.a Innovation and Science, Strategic Investment Research Database.
- 3.b Innovation and Science, Alberta Energy Research Institute.

Accelerate innovation in the information and communications technology sector

What it means Information and communications technology (ICT) is vital to Alberta's economic future and will play a key role in improving all sectors of the Alberta economy. Through iCORE Inc., the Ministry is attracting and growing a critical mass of outstanding researchers and graduate students in computer science, electrical and computer engineering, and other ICT related disciplines.

Key outcomes associated with this goal:

- A skilled workforce to support ICT research and innovation and other sectors of the Alberta economy.
- Internationally recognized research capabilities and business competencies in areas of strategic importance.
- An environment that supports and encourages innovation in ICT research, through collaborative research, development and technology commercialization.
- Facilitate the growth of ICT industrial sectors.

Strategies

- 4.1 Update the ICT Strategy for Alberta.
- 4.2 Lead and guide ICT research and innovation to grow the ICT industry.
- 4.3 Build clusters of internationally recognized research teams in areas of ICT in which Alberta companies are able to be global leaders, for example: networks and wireless, artificial intelligence and machine learning, computational and integrative science (e.g., systems biology), new computational models such as nanodevices and quantum computing.
- 4.4 Work with industry to encourage and grow their support of ICT research at Alberta universities.
- 4.5 Collaborate with government partners such as Alberta Ingenuity, Advanced Education and the universities to increase the number of Alberta advanced graduates from ICT related fields of study.
- 4.6 Increase and nurture collaboration between public research institutions, industry, the investment community and academia in Alberta and other jurisdictions.

Performance Measures	Last Actual (2004-05)	Target 2006-07	Target 2007-08	Target 2008-09
4.a iCORE Awards (Totals include "new")				
• New Research Chairs, Industry Chairs and Professors	4	3.2	3.2	3.2
• Total Active Research Chairs, Industry Chairs and Professors	21	24.2	27.4	24
• New Graduate Student Scholarships	101	80	80	80
• Total Active Graduate Student Scholarships	313	200	200	200
4.b Ratio of private and other public investments in ICT research to GOA investments in ICT research	1.64	1.95	1.95	1.95
4.c Investment in ICT research (\$million)				
• Non-GOA investment in ICT research	44.3	40.7	40.7	40.7
• GOA investment in ICT research	31.9	20.9	20.9	20.9

Sources:

- iCORE Inc.
- iCORE Inc. and Strategic Investment Research Database.
- iCORE Inc. and Strategic Investment Research Database.

What it means Life sciences is the growing understanding of living things and the use of that understanding to produce benefits for Albertans. Growing Our Future: An Integrated Life Sciences Strategy for Alberta is the provincial government's plan to grow Alberta's life sciences sector and is reflected in the strategies under this goal. The newly created Alberta Life Sciences Institute will lead the ongoing implementation of the Life Sciences Strategy. Alberta is focusing on cross-sectoral strategic priority areas: bioproducts, health and nutrition, platform technologies, sustainable resource management, prion science as well as water sustainability and safety. Innovation in these strategic priority areas will support and augment the agriculture, energy, environment, forestry and health sectors. By building excellence in life sciences research and development, Alberta will increase its economic returns, develop a renewable economy, improve quality of life, and create a more sustainable future for Albertans. In alignment with the Life Sciences Strategy, the Alberta Agricultural Research Institute and the Alberta Forestry Research Institute have complementary strategies through which they are implementing sector specific activities in collaboration with industry and other research organizations, such as the Alberta Research Council.

Key outcomes associated with this goal:

- A comprehensive approach to link and coordinate agriculture, environment, forestry, health, water research and innovation.
- A skilled workforce to support new and existing life sciences industries.
- Internationally recognized research and innovation capabilities and competencies in areas of strategic importance.
- Research and innovation that contributes to the sustainable growth of the agriculture and food sector.
- Research and innovation that increases the global competitiveness and sustainability of Alberta's forestry sector.
- Life sciences development that is in accord with Albertan values and goals.
- An environment that encourages innovation and collaborative life sciences networks.
- Facilitate growth of life sciences industrial sectors.

Strategies

- 5.1 Lead and guide life sciences research and innovation to grow the life sciences industry
- 5.2 Consolidate, coordinate and align current investments, and guide future investments in water research through an established water research strategy in support of *Water for Life: Alberta's Strategy for Sustainability*.
- 5.3 Implement a life sciences strategic business plan to lead and align research and innovation priorities and investments with industry and research organizations focusing on development of cross-disciplinary opportunities in agriculture, environment, forestry, and health research in the strategic priority areas of:
 - a) Sustainable Resource Management
 - b) BioProducts
 - c) Health and Nutrition
 - d) Platform Technologies
 - e) Water Sustainability and Safety
 - f) Prion Science
- 5.4 Develop mechanisms to attract, train and retain high quality people in the focus areas identified for Alberta life sciences.

- 5.5 Promote industry collaboration and engage with national and international research and development organizations, encouraging increased investment (private and public) in the identified focus areas of life sciences through the development of networks.
- 5.6 Complete and implement a provincial bioenergy strategy, including demonstration projects that encourage rural development.

Performance Measures	Last Actual (2004-05)	Target 2006-07	Target 2007-08	Target 2008-09
5.a Ratio of private and other public investments in life sciences research to GOA investments in life sciences research	1.71	2.27	2.27	2.27
5.b Investment in life sciences research (\$million)				
• Non-GOA Investment in life sciences research	84.1	64.0	64.0	64.0
• GOA investment in life sciences research	27.0	28.2	28.2	28.2

Source:

Innovation and Science, Strategic Investment Research Database.

CORPORATE ACTIVITIES

TRACKING EMPLOYEE SATISFACTION/UNDERSTANDING OF CONTRIBUTION

The Ministry will continue to track employee satisfaction and understanding of their contribution to the Ministry Business Plan.

Supplemental Information	Last Actual (2005-06)	Target 2006-07	Target 2007-08	Target 2008-09
Percentage of employees who know and understand how their work contributes to the achievement of their department business plan	78%	100%	100%	100%
Percentage of employees who are very/somewhat satisfied with their employment at Innovation and Science/Government of Alberta	82%	95%	95%	95%
Percentage of employees who agree that Innovation and Science provides the support they need to acquire or develop knowledge and skills in their current job	70%	85%	85%	90%
Percentage of employees indicating that their organization provides expected outcomes for their work	67%	85%	85%	90%
Percentage of employees indicating that their organization helps them know and understand how well they are performing	64%	85%	85%	90%

Source:

Government of Alberta 2005 Corporate Employee Survey: Results for Innovation and Science Employees, Research Innovations Inc.

MINISTRY STATEMENT OF OPERATIONS

(thousands of dollars)

	Comparable					
	2004-05 Actual	2005-06 Budget	2005-06 Forecast	2006-07 Estimate	2007-08 Target	2008-09 Target
REVENUE						
Internal Government Transfers	69,285	60,238	60,238	66,957	66,957	66,957
Transfers from Government of Canada	374	1,192	1,537	1,530	838	-
Investment Income	956	500	500	500	500	500
Other Revenue	37,925	48,700	37,867	42,458	42,535	42,487
MINISTRY REVENUE	108,540	110,630	100,142	111,445	110,830	109,944
EXPENSE						
Program						
Ministry Support Services	5,559	6,387	6,191	6,639	6,466	6,471
Innovation Implementation						
Technology Commercialization Initiatives	9,545	11,379	41,379	12,889	12,889	12,889
Innovation and Service Excellence Program	737	16,993	8,672	14,750	-	-
Alberta Research Council Inc.:						
Core Research Funding	27,862	26,000	26,000	28,350	28,350	28,350
Contract Research	36,027	48,480	33,647	40,101	40,101	40,101
Innovation Capacity						
Research Capacity						
Alberta Science and Research Investments Program	36,225	21,935	28,856	22,796	22,789	22,789
Alberta Science and Research Authority	1,042	1,112	1,112	2,209	2,209	2,209
Science Awareness	1,025	1,500	1,500	1,800	1,800	1,800
Energy Research	15,646	18,857	19,202	21,607	21,285	20,447
Life Sciences Research	50,717	15,561	15,561	17,176	16,806	16,806
Information and Communications Technology (ICT) Research						
ICT Institute	1,500	3,300	3,300	3,300	3,300	3,300
iCORE Inc. (Informatics Circle of Research Excellence)	10,200	11,420	11,420	11,438	11,438	11,438
Valuation Adjustment	99	-	-	-	-	-
MINISTRY EXPENSE *	196,184	182,924	196,840	183,055	167,433	166,600
Gain (Loss) on Disposal and Write Down of Capital Assets	(4,496)	-	132	-	-	-
NET OPERATING RESULT	(92,140)	(72,294)	(96,566)	(71,610)	(56,603)	(56,656)

* Ministry Expense is equal to the single core business of the Ministry which is Innovation.

CONSOLIDATED NET OPERATING RESULT

(thousands of dollars)

	Comparable					
	2004-05 Actual	2005-06 Budget	2005-06 Forecast	2006-07 Estimate	2007-08 Target	2008-09 Target
Ministry Revenue	108,540	110,630	100,142	111,445	110,830	109,944
<i>Inter-ministry consolidation adjustments</i>	(70,636)	(63,094)	(62,277)	(68,957)	(68,957)	(68,957)
Consolidated Revenue	37,904	47,536	37,865	42,488	41,873	40,987
Ministry Expense	196,184	182,924	196,840	183,055	167,433	166,600
<i>Inter-ministry consolidation adjustments</i>	(1,351)	(2,856)	(2,039)	(2,000)	(2,000)	(2,000)
Consolidated Expense	194,833	180,068	194,801	181,055	165,433	164,600
Gain (Loss) on Disposal and Write Down of Capital Assets	(4,496)	-	132	-	-	-
CONSOLIDATED NET OPERATING RESULT	(161,425)	(132,532)	(156,804)	(138,567)	(123,560)	(123,613)