



ALBERTA

## INNOVATION AND SCIENCE

**THE HONOURABLE VICTOR DOERKSEN**

Minister

402 Legislature Building, (780) 427-2294

### AMOUNT TO BE VOTED

(thousands of dollars)

	2006-07 Estimate	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>EXPENSE and EQUIPMENT / INVENTORY PURCHASES</b>	<b>143,554</b>	164,593	134,744	160,190

INNOVATION AND SCIENCE - *Continued*

**MINISTRY**  
(thousands of dollars)

The following provides an overview of the Ministry's voted and statutory spending.

**CONSOLIDATED EXPENSE BY TYPE**

	<b>2006-07 Estimate</b>	Comparable		
		2005-06 Forecast	2005-06 Budget	2004-05 Actual
Expense				
<b>Department - Voted</b>	<b>142,954</b>	163,193	134,444	160,004
Department - Statutory	-	-	-	99
Entities - Statutory	<b>83,689</b>	75,400	88,100	77,406
<i>Consolidation Adjustments - Intra-ministry</i>	<b>(43,588)</b>	(41,753)	(39,620)	(41,325)
Ministry Expense	<b>183,055</b>	196,840	182,924	196,184
<i>Consolidation Adjustments - Inter-ministry</i>	<b>(2,000)</b>	(2,039)	(2,856)	(1,351)
<b>Total Consolidated Expense</b>	<b>181,055</b>	194,801	180,068	194,833

**CONSOLIDATED CAPITAL INVESTMENT BY TYPE**

Department				
<b>Voted Equipment / Inventory Purchases</b>	<b>600</b>	1,400	300	186
Entities				
Statutory Capital Investment	<b>5,429</b>	8,000	4,002	4,738
<i>Consolidation Adjustments - Intra-ministry</i>	-	-	-	-
Ministry Capital Investment	<b>6,029</b>	9,400	4,302	4,924
<i>Consolidation Adjustments - Inter-ministry</i>	-	-	-	-
<b>Total Consolidated Capital Investment</b>	<b>6,029</b>	9,400	4,302	4,924

Consolidation Adjustments remove transactions between government entities to allow consolidated spending to be reported for the Ministry and Government.

Intra-Ministry Consolidation Adjustments occur when the Department or an entity provides funding to another entity within the Ministry.

Inter-Ministry Consolidation Adjustments occur when the Ministry provides funding to another Ministry.

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT**  
(thousands of dollars)

**SUMMARY OF VOTED EXPENSE and EQUIPMENT / INVENTORY PURCHASES**

		2006-07 Estimate	Comparable		
			2005-06 Forecast	2005-06 Budget	2004-05 Actual
<b>Expense</b>					
1	Ministry Support Services	6,639	6,191	6,387	5,559
2	Innovation Implementation	55,989	76,051	54,372	38,161
3	Innovation Capacity	80,326	80,951	73,685	116,284
<b>Expense</b>		<b>142,954</b>	163,193	134,444	160,004
<b>Equipment / Inventory Purchases</b>					
1	Ministry Support Services	50	50	50	27
2	Innovation Implementation	550	1,350	250	-
3	Innovation Capacity	-	-	-	159
<b>Equipment / Inventory Purchases</b>		<b>600</b>	1,400	300	186
<b>Total Voted Expense and Equipment / Inventory Purchases</b>		<b>143,554</b>	164,593	134,744	160,190

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT**  
(thousands of dollars)

**VOTED EXPENSE BY ELEMENT**

		2006-07 Estimate	Comparable		
			2005-06 Forecast	2005-06 Budget	2004-05 Actual
<b>1</b>	<b>MINISTRY SUPPORT SERVICES</b>				
1.0.1	Minister's Office	362	347	347	338
1.0.2	Deputy Minister's Office	490	447	447	431
1.0.3	Communications	730	672	672	640
1.0.4	Corporate Services	5,057	4,725	4,921	4,150
	Sub-total	<b>6,639</b>	6,191	6,387	5,559
<b>2</b>	<b>INNOVATION IMPLEMENTATION</b>				
2.0.1	Technology Commercialization Initiatives	12,889	41,379	11,379	9,562
2.0.2	Innovation and Service Excellence Program	14,750	8,672	16,993	737
2.0.3	Transfer to Alberta Research Council Inc.	28,350	26,000	26,000	27,862
	Sub-total	<b>55,989</b>	76,051	54,372	38,161
<b>3</b>	<b>INNOVATION CAPACITY</b>				
3.0.1	Research Capacity	26,805	31,468	24,547	38,292
3.0.2	Energy Research	21,607	19,202	18,857	15,646
3.0.3	Life Sciences Research	17,176	15,561	15,561	50,717
3.0.4	Information and Communications Technology Research	14,738	14,720	14,720	11,629
	Sub-total	<b>80,326</b>	80,951	73,685	116,284
<b>Total Voted Expense</b>		<b>142,954</b>	163,193	134,444	160,004

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT**  
(thousands of dollars)

**VOTED EQUIPMENT / INVENTORY PURCHASES BY ELEMENT**

		2006-07 Estimate	Comparable		2004-05 Actual
			2005-06 Forecast	2005-06 Budget	
<b>1</b>	<b>MINISTRY SUPPORT SERVICES</b>				
1.0.4	Corporate Services	50	50	50	27
	Sub-total	50	50	50	27
<b>2</b>	<b>INNOVATION IMPLEMENTATION</b>				
2.0.2	Innovation and Service Excellence Program	550	1,350	250	-
	Sub-total	550	1,350	250	-
<b>3</b>	<b>INNOVATION CAPACITY</b>				
3.0.1	Research Capacity	-	-	-	20
3.0.3	Life Sciences Research	-	-	-	139
	Sub-total	-	-	-	159
<b>Total Voted Equipment / Inventory Purchases</b>		<b>600</b>	<b>1,400</b>	<b>300</b>	<b>186</b>

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT**  
(thousands of dollars)

The following elements in the Department's Voted Estimates contain net budgeting provisions for goods and services for which a credit or recovery can be obtained. If expenses and credits or recoveries are both expected to exceed the amount budgeted, Treasury Board may increase the Voted Estimates, pursuant to section 24(2) of the *Financial Administration Act*. If the budgeted credit or recovery is not expected to be fully realized, spending is to be reduced by an equivalent amount.

**CREDIT OR RECOVERY OF EXPENSE BY ELEMENT**

		Comparable			
		2006-07	2005-06	2005-06	2004-05
		<b>Estimate</b>	Forecast	Budget	Actual
<b>3</b>	<b>INNOVATION CAPACITY</b>				
3.0.2	Energy Research	(1,160)	(1,537)	(1,192)	(374)
3.0.3	Life Science Research	(370)	-	-	-
<b>Total Credit or Recovery of Expense</b>		<b>(1,530)</b>	<b>(1,537)</b>	<b>(1,192)</b>	<b>(374)</b>

**MINISTRY - Statutory Expense and Capital Investment**  
(thousands of dollars)

The following Expenses of the Department are not voted by the Legislative Assembly pursuant to:  
- section 24(1)(c) of the *Financial Administration Act*.

Entities Expense and Capital Investment are not voted by the Legislative Assembly pursuant to the Acts which govern their operations. Entities may receive funding from the Department's Voted Expense.

**STATUTORY EXPENSE**

	<b>2006-07 Estimate</b>	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>Department</b>				
Valuation Adjustments and Other Provisions	-	-	-	99
<b>Department Statutory Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>99</b>
<b>Entities</b>				
Alberta Research Council Inc.	<b>72,251</b>	63,980	77,480	67,206
iCORE Inc.	<b>11,438</b>	11,420	10,620	10,200
<b>Entities Statutory Expense</b>	<b>83,689</b>	<b>75,400</b>	<b>88,100</b>	<b>77,406</b>

**STATUTORY CAPITAL INVESTMENT**

Entity	2006-07 Estimate	2005-06 Forecast	2005-06 Budget	2004-05 Actual
Alberta Research Council Inc.	<b>5,429</b>	8,000	4,002	4,738
<b>Entity Statutory Capital Investment</b>	<b>5,429</b>	<b>8,000</b>	<b>4,002</b>	<b>4,738</b>

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## SUPPLEMENTARY FINANCIAL INFORMATION

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### MINISTRY

- Statement of Operations by Program
- Statement of Operations by Entity
- Change in Capital Assets
- Capital Investment
- Full-Time Equivalent Employment

### DEPARTMENT

- Statement of Operations
- Change in Capital Assets

### ENTITIES (Includes Statement of Operations, Change in Net Assets, Change in Capital Assets as applicable)

- Alberta Research Council Inc.
- iCORE Inc.

### LOTTERY FUNDED INITIATIVES

### CONSOLIDATION ADJUSTMENTS

- Intra-Ministry Consolidation Adjustments
- Inter-Ministry Consolidation Adjustments



**MINISTRY**  
(thousands of dollars)

**STATEMENT OF OPERATIONS BY PROGRAM**

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

**MINISTRY**  
(thousands of dollars)

**STATEMENT OF OPERATIONS BY ENTITY**

	2006-07 Estimate	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>REVENUE</b>				
Department	68,487	61,775	61,430	70,806
Alberta Research Council Inc.	75,108	66,700	78,200	69,033
iCORE Inc.	11,438	11,420	10,620	10,206
<i>Consolidation Adjustments</i>	(43,588)	(39,753)	(39,620)	(41,505)
<b>Ministry Revenue</b>	<b>111,445</b>	<b>100,142</b>	<b>110,630</b>	<b>108,540</b>
<b>EXPENSE</b>				
<b>Program</b>				
<i>Voted</i>				
Department	142,954	163,193	134,444	160,004
<i>Statutory</i>				
Department	-	-	-	99
Alberta Research Council Inc.	72,251	63,980	77,480	67,206
iCORE Inc.	11,438	11,420	10,620	10,200
<i>Consolidation Adjustments</i>	(43,588)	(41,753)	(39,620)	(41,325)
<b>Ministry Expense</b>	<b>183,055</b>	<b>196,840</b>	<b>182,924</b>	<b>196,184</b>
Gain (Loss) on Disposal and Write Down of Capital Assets	-	132	-	(4,496)
<b>Net Operating Result</b>	<b>(71,610)</b>	<b>(96,566)</b>	<b>(72,294)</b>	<b>(92,140)</b>
<b>CHANGE IN CAPITAL ASSETS</b>				
New Capital Investment	6,029	9,400	4,302	4,924
Less: Disposal of Capital Assets	-	(230)	-	(4,589)
Less: Amortization of Capital Assets	(2,249)	(1,780)	(3,100)	(2,450)
<b>Increase (Decrease) in Capital Assets</b>	<b>3,780</b>	<b>7,390</b>	<b>1,202</b>	<b>(2,115)</b>
<b>CAPITAL INVESTMENT</b>				
<i>Voted</i>				
Department	600	1,400	300	186
<i>Statutory</i>				
Alberta Research Council Inc.	5,429	8,000	4,002	4,738
<b>Total Capital Investment</b>	<b>6,029</b>	<b>9,400</b>	<b>4,302</b>	<b>4,924</b>
<b>FULL-TIME EQUIVALENT EMPLOYMENT</b>				
Department	108		108	
Alberta Research Council Inc.	585		585	
iCORE Inc.	4		4	
<b>Total Full-Time Equivalent Employment</b>	<b>697</b>		<b>697</b>	

**DEPARTMENT**  
(thousands of dollars)

**STATEMENT OF OPERATIONS**

	2006-07 Estimate	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Transfer from Lottery Fund	66,957	60,238	60,238	69,285
<b>Transfers from Government of Canada</b>				
Various	1,530	1,537	1,192	374
<b>Investment Income</b>				
Various	-	-	-	415
<b>Other Revenue</b>				
Various	-	-	-	732
<b>Total Revenue</b>	<b>68,487</b>	<b>61,775</b>	<b>61,430</b>	<b>70,806</b>
<b>EXPENSE</b>				
<b>Program</b>				
<i>Voted</i>				
Ministry Support Services	6,639	6,191	6,387	5,559
Innovation Implementation	55,989	76,051	54,372	38,161
Innovation Capacity	80,326	80,951	73,685	116,284
<b>Total Voted Expense</b>	<b>142,954</b>	<b>163,193</b>	<b>134,444</b>	<b>160,004</b>
<i>Statutory</i>				
Valuation Adjustments and Other Provisions	-	-	-	99
<b>Total Voted and Statutory Expense</b>	<b>142,954</b>	<b>163,193</b>	<b>134,444</b>	<b>160,103</b>
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
<b>Net Operating Result</b>	<b>(74,467)</b>	<b>(101,418)</b>	<b>(73,014)</b>	<b>(89,297)</b>
<b>CHANGE IN CAPITAL ASSETS</b>				
New Capital Investment	600	1,400	300	186
Less: Disposal of Capital Assets	-	-	-	-
Less: Amortization of Capital Assets	(145)	(17)	(285)	(34)
<b>Increase (Decrease) in Capital Assets</b>	<b>455</b>	<b>1,383</b>	<b>15</b>	<b>152</b>

**ALBERTA RESEARCH COUNCIL INC.**

(thousands of dollars)

**STATEMENT OF OPERATIONS**

	2006-07 Estimate	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Transfer from Department	28,350	26,000	26,000	27,862
<b>Investment Income</b>				
Various	500	500	500	485
<b>Other Revenue</b>				
Contracts with other Ministries	2,000	2,039	2,856	1,351
Contracts with own Ministry	3,800	2,333	3,000	3,514
Commercial Revenue	40,458	35,828	45,844	35,821
<b>Total Revenue</b>	<b>75,108</b>	<b>66,700</b>	<b>78,200</b>	<b>69,033</b>
<b>EXPENSE</b>				
<b>Program</b>				
Research Operations:				
Energy	30,346	26,873	32,542	28,226
Engineered Products and Services	11,560	10,236	12,397	10,753
Integrated Resource Management	13,005	11,516	13,946	12,097
Life Sciences	7,225	6,398	7,748	6,721
Technology Commercialization	10,115	8,957	10,847	9,409
<b>Total Expense</b>	<b>72,251</b>	<b>63,980</b>	<b>77,480</b>	<b>67,206</b>
Gain (Loss) on Disposal and Write Down of Capital Assets	-	132	-	(4,496)
<b>Net Operating Result</b>	<b>2,857</b>	<b>2,852</b>	<b>720</b>	<b>(2,669)</b>
<b>CHANGE IN NET ASSETS</b>				
Net Assets at Beginning of Year	21,843	18,991	16,818	21,660
Net Operating Result for the Year	2,857	2,852	720	(2,669)
<b>Net Assets at End of Year</b>	<b>24,700</b>	<b>21,843</b>	<b>17,538</b>	<b>18,991</b>
<b>CHANGE IN CAPITAL ASSETS</b>				
New Capital Investment	5,429	8,000	4,002	4,738
Less: Disposal of Capital Assets	-	(230)	-	(4,589)
Less: Amortization of Capital Assets	(2,104)	(1,763)	(2,815)	(2,416)
<b>Increase (Decrease) in Capital Assets</b>	<b>3,325</b>	<b>6,007</b>	<b>1,187</b>	<b>(2,267)</b>

**iCORE Inc. (Informatics Circle of Research Excellence)**  
(thousands of dollars)

**STATEMENT OF OPERATIONS**

	<b>2006-07</b>	Comparable		2004-05
		2005-06	2005-06	
	<b>Estimate</b>	Forecast	Budget	Actual
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Transfer from Department	<b>11,438</b>	11,420	10,620	10,129
<b>Investment Income</b>				
Various	-	-	-	56
<b>Other Revenue</b>				
Various	-	-	-	21
<b>Total Revenue</b>	<b>11,438</b>	11,420	10,620	10,206
<b>EXPENSE</b>				
<b>Program</b>				
Research Management	<b>928</b>	821	820	744
Outreach Projects	<b>350</b>	359	350	444
Research Grants	<b>10,160</b>	10,240	9,450	9,012
<b>Total Expense</b>	<b>11,438</b>	11,420	10,620	10,200
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
<b>Net Operating Result</b>	<b>-</b>	-	-	6
<b>CHANGE IN NET ASSETS</b>				
Net Assets at Beginning of Year	<b>2</b>	2	(4)	(4)
Net Operating Result for the Year	-	-	-	6
<b>Net Assets at End of Year</b>	<b>2</b>	2	(4)	2

**LOTTERY FUNDED INITIATIVES**

(thousands of dollars)

The following identifies initiatives receiving funding from the Lottery Fund. These initiatives and amounts are included in the Department's Voted Estimates.

		<b>2006-07</b>	Comparable		2004-05
			<b>Estimate</b>	Forecast	
<b>EXPENSE</b>					
<b>3</b>	<b>INNOVATION CAPACITY</b>				
3.0.1	Research Capacity	<b>21,914</b>	22,453	22,453	34,770
3.0.2	Energy Research	<b>19,200</b>	15,530	15,530	14,261
3.0.3	Life Sciences Research	<b>14,405</b>	11,635	11,635	10,244
3.0.4	Information and Communications Technology Research	<b>11,438</b>	10,620	10,620	10,010
<b>Total Lottery Funded Initiatives</b>		<b>66,957</b>	60,238	60,238	69,285

**CONSOLIDATION ADJUSTMENTS**

(thousands of dollars)

**INTRA-MINISTRY CONSOLIDATION ADJUSTMENTS**

	2006-07 Estimate	Comparable		2004-05 Actual
		2005-06 Forecast	2005-06 Budget	
<b>REVENUE</b>				
<b>Alberta Research Council Inc.</b>				
Internal Government Transfer from Department	(28,350)	(26,000)	(26,000)	(27,862)
Fees for Services to Department	(3,800)	(4,333)	(3,000)	(3,522)
Accounting Policy Adjustments	-	2,000	-	16
Fees for Services to iCORE Inc.	-	-	-	(8)
<b>iCORE Inc.</b>				
Internal Government Transfer of Lottery Funding from Department	(11,438)	(10,620)	(10,620)	(10,129)
Internal Government Transfer from Department	-	(800)	-	-
<b>Total Revenue Consolidation Adjustments</b>	<b>(43,588)</b>	<b>(39,753)</b>	<b>(39,620)</b>	<b>(41,505)</b>
<b>EXPENSE</b>				
<b>Department</b>				
Internal Government Transfer to Alberta Research Council Inc.	(28,350)	(26,000)	(26,000)	(27,862)
Internal Government Transfer of Lottery Funding to iCORE Inc.	(11,438)	(10,620)	(10,620)	(10,129)
Internal Government Transfer to iCORE Inc.	-	(800)	-	-
<b>Alberta Research Council Inc.</b>				
Cost of Services to Department	(3,800)	(4,333)	(3,000)	(3,522)
Cost of Services to iCORE Inc.	-	-	-	(8)
Accounting Policy Adjustments	-	-	-	196
<b>Total Expense Consolidation Adjustments</b>	<b>(43,588)</b>	<b>(41,753)</b>	<b>(39,620)</b>	<b>(41,325)</b>

**CONSOLIDATION ADJUSTMENTS**

(thousands of dollars)

**INTER-MINISTRY CONSOLIDATION ADJUSTMENTS**

	<b>2006-07</b>	Comparable		2004-05
		2005-06	2005-06	
	<b>Estimate</b>	Forecast	Budget	Actual
<b>REVENUE</b>				
<b>Department</b>				
Internal Government Transfers from Lottery Fund	<b>(66,957)</b>	(60,238)	(60,238)	(69,285)
<b>Alberta Research Council Inc.</b>				
Fees for Services to Other Ministries	<b>(2,000)</b>	(2,039)	(2,856)	(1,351)
<b>Total Revenue Consolidation Adjustments</b>	<b>(68,957)</b>	(62,277)	(63,094)	(70,636)
<b>EXPENSE</b>				
<b>Alberta Research Council Inc.</b>				
Cost of Services to Other Ministries	<b>(2,000)</b>	(2,039)	(2,856)	(1,351)
<b>Total Expense Consolidation Adjustments</b>	<b>(2,000)</b>	(2,039)	(2,856)	(1,351)