



**INNOVATION AND SCIENCE**

**THE HONOURABLE VICTOR DOERKSEN**

Minister  
402 Legislature Building, (780) 427-2294

**AMOUNT TO BE VOTED**  
(thousands of dollars)

	<b>2005-06 Estimates</b>			<b>Gross Comparable</b>		
	<b>Gross</b>	Credit or Recovery	Net	2004-05 Forecast	2004-05 Budget	2003-04 Actual
<b>EXPENSE and EQUIPMENT / INVENTORY PURCHASES</b>	135,267	(1,192)	134,075	161,482	122,605	114,592
<b>NON-BUDGETARY DISBURSEMENTS</b>	-	-	-	-	-	21,430

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT SUMMARY**

(thousands of dollars)

**EXPENSE and EQUIPMENT / INVENTORY PURCHASES**

Program	2005-06 Estimates			Gross Comparable			
	Gross	Credit or Recovery	Net	2004-05 Forecast	2004-05 Budget	2003-04 Actual	
<b>Expense</b>							
1	Ministry Support Services	5,146	-	5,146	5,024	5,024	4,411
2	Innovation Acceleration	58,249	-	58,249	36,580	41,283	34,510
3	Innovation Capacity	71,572	(1,192)	70,380	119,828	75,998	75,621
<b>Voted Expense</b>		<b>134,967</b>	<b>(1,192)</b>	<b>133,775</b>	<b>161,432</b>	<b>122,305</b>	<b>114,542</b>
<b>Equipment / Inventory Purchases</b>							
2	Innovation Acceleration	300	-	300	50	300	50
<b>Voted Equipment / Inventory Purchases</b>		<b>300</b>	<b>-</b>	<b>300</b>	<b>50</b>	<b>300</b>	<b>50</b>
<b>TOTAL VOTED</b>		<b>135,267</b>	<b>(1,192)</b>	<b>134,075</b>	<b>161,482</b>	<b>122,605</b>	<b>114,592</b>

**NON-BUDGETARY DISBURSEMENTS**

Program	2005-06 Estimates	Comparable		
		2004-05 Forecast	2004-05 Budget	2003-04 Actual
3	Innovation Capacity	-	-	21,430
<b>TOTAL VOTED</b>		<b>-</b>	<b>-</b>	<b>21,430</b>

INNOVATION AND SCIENCE - *Continued*

**PROGRAM 1 - MINISTRY SUPPORT SERVICES**

(thousands of dollars)

**EXPENSE**

Reference / Element	2005-06 Estimates			Comparable 2004-05 Forecast			Gross
	Gross	Credit or Recovery	Net	Gross	Credit or Recovery	Net	Comparable 2004-05 Budget
1.0.1 Minister's Office	347	-	347	340	-	340	340
1.0.2 Deputy Minister's Office	447	-	447	435	-	435	435
1.0.3 Communications	672	-	672	654	-	654	654
1.0.4 Corporate Services	3,680	-	3,680	3,595	-	3,595	3,595
<b>TOTAL</b>	<b>5,146</b>	<b>-</b>	<b>5,146</b>	<b>5,024</b>	<b>-</b>	<b>5,024</b>	<b>5,024</b>

INNOVATION AND SCIENCE - *Continued*

**PROGRAM 2 - INNOVATION ACCELERATION**

(thousands of dollars)

**EXPENSE**

Reference / Element	2005-06 Estimates			Comparable 2004-05 Forecast			Gross Comparable 2004-05 Budget
	Gross	Credit or Recovery	Net	Gross	Credit or Recovery	Net	
<b>2.1 Accelerate Innovation</b>							
2.1.1 Technology Commercialization Initiatives	3,175	-	3,175	3,932	-	3,932	2,115
2.1.2 Innovation and Service Excellence Program	16,172	-	16,172	500	-	500	7,000
2.1.3 Emerging Opportunities	6,875	-	6,875	-	-	-	-
2.1.4 Transfer to Alberta Research Council Inc.	26,000	-	26,000	26,812	-	26,812	27,082
<b>Total Sub-program</b>	<b>52,222</b>	<b>-</b>	<b>52,222</b>	<b>31,244</b>	<b>-</b>	<b>31,244</b>	<b>36,197</b>
<b>2.2 Operations and Policy Implementation</b>							
2.2.1 Innovation Implementation	6,027	-	6,027	5,336	-	5,336	5,086
<b>Total Sub-program</b>	<b>6,027</b>	<b>-</b>	<b>6,027</b>	<b>5,336</b>	<b>-</b>	<b>5,336</b>	<b>5,086</b>
<b>TOTAL</b>	<b>58,249</b>	<b>-</b>	<b>58,249</b>	<b>36,580</b>	<b>-</b>	<b>36,580</b>	<b>41,283</b>

**EQUIPMENT / INVENTORY PURCHASES**

Reference / Element	2005-06 Estimates			Comparable 2004-05 Forecast			Gross Comparable 2004-05 Budget
	Gross	Credit or Recovery	Net	Gross	Credit or Recovery	Net	
<b>2.1 Accelerate Innovation</b>							
2.1.2 Innovation and Service Excellence Program	250	-	250	-	-	-	-
<b>2.2 Operations and Policy Implementation</b>							
2.2.1 Innovation Implementation	50	-	50	50	-	50	300
<b>TOTAL</b>	<b>300</b>	<b>-</b>	<b>300</b>	<b>50</b>	<b>-</b>	<b>50</b>	<b>300</b>

**PROGRAM 3 - INNOVATION CAPACITY**

(thousands of dollars)

**EXPENSE**

Reference / Element	2005-06 Estimates			Comparable 2004-05 Forecast			Gross
	Gross	Credit or Recovery	Net	Gross	Credit or Recovery	Net	Comparable 2004-05 Budget
<b>3.1 Research Capacity</b>							
3.1.1 Alberta Science and Research Investment Program							
- Expense	-	-	-	4,953	-	4,953	-
- Expense funded by Lotteries	<b>22,453</b>	-	22,453	32,217	-	32,217	32,005
3.1.2 Science Awareness							
- Expense	<b>1,500</b>	-	1,500	-	-	-	-
- Expense funded by Lotteries	-	-	-	1,000	-	1,000	1,000
<b>Total Sub-program</b>	<b>23,953</b>	-	23,953	38,170	-	38,170	33,005
<b>3.2 Energy Sector</b>							
3.2.1 Energy Research Strategy							
- Expense	<b>1,192</b>	(1,192)	-	877	(877)	-	-
- Expense funded by Lotteries	<b>8,530</b>	-	8,530	8,160	-	8,160	8,595
3.2.2 Climate Change							
- Expense funded by Lotteries	<b>7,000</b>	-	7,000	6,000	-	6,000	6,000
<b>Total Sub-program</b>	<b>16,722</b>	(1,192)	15,530	15,037	(877)	14,160	14,595
<b>3.3 Life Sciences Sector</b>							
3.3.1 Life Sciences							
- Expense	-	-	-	38,000	-	38,000	-
- Expense funded by Lotteries	<b>11,635</b>	-	11,635	11,798	-	11,798	11,675
<b>Total Sub-program</b>	<b>11,635</b>	-	11,635	49,798	-	49,798	11,675
<b>3.4 Information and Communications</b>							
<b>Technology (ICT) Sector</b>							
3.4.1 ICT Investments	<b>3,300</b>	-	3,300	1,500	-	1,500	1,500
3.4.2 Transfer to iCORE Inc.							
- Expense funded by Lotteries	<b>10,620</b>	-	10,620	10,110	-	10,110	10,010
<b>Total Sub-program</b>	<b>13,920</b>	-	13,920	11,610	-	11,610	11,510
<b>3.5 Operations and Policy Implementation</b>							
3.5.1 Policy and Strategic Planning	<b>1,744</b>	-	1,744	1,693	-	1,693	1,693
3.5.2 Research Division	<b>3,598</b>	-	3,598	3,520	-	3,520	3,520
<b>Total Sub-program</b>	<b>5,342</b>	-	5,342	5,213	-	5,213	5,213
<b>TOTAL</b>	<b>71,572</b>	(1,192)	70,380	119,828	(877)	118,951	75,998

INNOVATION AND SCIENCE - *Continued*

**MINISTRY  
STATEMENT OF OPERATIONS BY PROGRAM**

(thousands of dollars)

	<b>2005-06 Estimates</b>	Comparable 2004-05 Forecast	Comparable 2004-05 Budget	Comparable 2003-04 Actual
<b>REVENUE</b>				
Internal Government Transfers	60,238	69,285	69,285	66,797
Transfers from Government of Canada	2,442	1,484	-	-
Investment Income	500	790	840	951
Other Revenue	47,450	38,099	35,744	34,204
<b>Ministry Revenue</b>	<b>110,630</b>	109,658	105,869	101,952
<b>EXPENSE</b>				
<b>Program</b>				
Innovation Acceleration				
Technology Commercialization Initiatives	3,175	3,932	2,115	2,553
Innovation and Service Excellence Program	16,172	500	7,000	-
Emerging Opportunities	6,875	-	-	-
Alberta Research Council Inc.:				
- Core Research Funding	26,000	26,812	27,082	27,135
- Contract Research	48,480	37,346	36,075	31,497
Innovation Capacity				
<i>Research Capacity</i>				
Alberta Science and Research Investment Program	22,453	37,170	32,005	36,092
Science Awareness	1,500	1,000	1,000	145
<i>Energy Sector</i>				
Energy Research Strategy	9,722	9,037	8,595	5,492
Climate Change	7,000	6,000	6,000	6,564
<i>Life Sciences Sector</i>				
Life Sciences	11,635	49,798	11,675	11,834
<i>Information and Communications Technology (ICT) Sector</i>				
ICT Investments	3,300	1,500	1,500	1,500
iCORE Inc. (Informatics Circle of Research Excellence)	10,620	10,110	10,110	9,737
Operations and Policy Implementation				
Innovation Acceleration	6,027	5,336	5,086	4,772
Innovation Capacity	5,342	5,213	5,213	4,382
Ministry Support Services	5,146	5,024	5,024	4,411
Contributions to the Alberta Heritage Science and Engineering Research Endowment Fund	-	-	-	21,430
<b>Ministry Expense</b>	<b>183,447</b>	198,778	158,480	167,544
Gain (Loss) on Disposal of Capital Assets	-	(5,800)	-	(699)
<b>NET OPERATING RESULT</b>	<b>(72,817)</b>	(94,920)	(52,611)	(66,291)

**MINISTRY**  
**STATEMENT OF OPERATIONS BY ENTITY**  
(thousands of dollars)

	<b>2005-06</b>	Comparable	Comparable	Comparable
	<b>Estimates</b>	2004-05	2004-05	2003-04
		Forecast	Budget	Actual
<b>REVENUE</b>				
Department	61,430	70,747	69,870	67,709
Alberta Research Council Inc.	78,200	68,371	64,867	64,045
iCORE Inc.	10,620	10,110	10,110	9,730
<i>Consolidation Adjustments</i>	<b>(39,620)</b>	<b>(39,570)</b>	<b>(38,978)</b>	<b>(39,532)</b>
<b>Ministry Revenue</b>	<b>110,630</b>	109,658	105,869	101,952
<b>EXPENSE</b>				
<b>Program</b>				
<i>Voted</i>				
Department	134,967	161,432	122,305	114,542
<i>Statutory</i>				
Department	-	-	-	21,430
Alberta Research Council Inc.	77,480	67,413	65,043	61,898
iCORE Inc.	10,620	10,110	10,110	9,737
<i>Consolidation Adjustments</i>	<b>(39,620)</b>	<b>(40,177)</b>	<b>(38,978)</b>	<b>(40,063)</b>
<b>Ministry Expense</b>	<b>183,447</b>	198,778	158,480	167,544
Gain (Loss) on Disposal of Capital Assets	-	(5,800)	-	(699)
<b>NET OPERATING RESULT</b>	<b>(72,817)</b>	(94,920)	(52,611)	(66,291)

**CHANGE IN CAPITAL ASSETS**

New Capital Investment	4,302	4,661	3,646	3,239
Less: Disposal of Capital Assets	-	(5,800)	-	(719)
Less: Amortization of Capital Assets	<b>(3,100)</b>	<b>(2,647)</b>	<b>(3,230)</b>	<b>(2,685)</b>
<b>Increase (Decrease) in Capital Assets</b>	<b>1,202</b>	<b>(3,786)</b>	416	(165)

**CAPITAL INVESTMENT**

<i>Voted</i>				
Department	300	50	300	50
<i>Statutory</i>				
Alberta Research Council Inc.	4,002	4,611	3,346	3,189
<b>Total Capital Investment</b>	<b>4,302</b>	4,661	3,646	3,239

INNOVATION AND SCIENCE - *Continued*

**DEPARTMENT  
STATEMENT OF OPERATIONS**

(thousands of dollars)

	<b>2005-06 Estimates</b>	Comparable 2004-05 Forecast	Comparable 2004-05 Budget	Comparable 2003-04 Actual
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Contribution from Lottery Fund	<b>60,238</b>	69,285	69,285	66,797
<b>Transfers from Government of Canada</b>				
Various	<b>1,192</b>	877	-	-
<b>Investment Income</b>				
Various	-	340	340	302
<b>Other Revenue</b>				
Various	-	245	245	610
<b>Total Revenue</b>	<b>61,430</b>	70,747	69,870	67,709
<b>EXPENSE</b>				
<b>Program</b>				
<i>Voted</i>				
Ministry Support Services	<b>5,146</b>	5,024	5,024	4,411
Innovation Acceleration	<b>58,249</b>	36,580	41,283	34,510
Innovation Capacity	<b>71,572</b>	119,828	75,998	75,621
<b>Total Voted Expense</b>	<b>134,967</b>	161,432	122,305	114,542
<i>Statutory</i>				
Contributions to the Alberta Heritage Science and Engineering Research Endowment Fund	-	-	-	21,430
<b>Total Voted and Statutory Expense</b>	<b>134,967</b>	161,432	122,305	135,972
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
<b>NET OPERATING RESULT</b>	<b>(73,537)</b>	(90,685)	(52,435)	(68,263)

**CHANGE IN CAPITAL ASSETS**

New Capital Investment	<b>300</b>	50	300	50
Less: Disposal of Capital Assets	-	-	-	-
Less: Amortization of Capital Assets	<b>(285)</b>	(68)	(175)	(76)
<b>Increase (Decrease) in Capital Assets</b>	<b>15</b>	(18)	125	(26)



**ALBERTA RESEARCH COUNCIL INC.**  
**STATEMENT OF OPERATIONS**

(thousands of dollars)

	<b>2005-06 Estimates</b>	Comparable 2004-05 Forecast	Comparable 2004-05 Budget	Comparable 2003-04 Actual
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Transfer from Department	<b>26,000</b>	26,812	27,082	27,135
<b>Transfers from Government of Canada</b>				
Various	<b>1,250</b>	-	-	-
<b>Investment Income</b>				
Various	<b>500</b>	450	500	591
<b>Other Revenue</b>				
Contracts with other Ministries	<b>2,856</b>	2,213	3,166	1,423
Contracts with own Ministry	<b>3,000</b>	3,255	1,886	2,735
Commercial Revenue	<b>44,594</b>	35,641	32,233	32,161
<b>Total Revenue</b>	<b>78,200</b>	68,371	64,867	64,045
<b>EXPENSE</b>				
<b>Program</b>				
Research Operations:				
Energy	<b>32,542</b>	24,336	23,481	21,788
Engineered Products and Services	<b>11,854</b>	10,179	9,821	10,585
Integrated Resource Management	<b>14,101</b>	11,191	10,797	9,594
Life Sciences	<b>7,980</b>	9,303	8,976	11,327
Technology Commercialization	<b>11,003</b>	12,404	11,968	8,604
<b>Total Expense</b>	<b>77,480</b>	67,413	65,043	61,898
Gain (Loss) on Disposal of Capital Assets	-	(5,800)	-	(699)
<b>NET REVENUE (EXPENSE)</b>	<b>720</b>	(4,842)	(176)	1,448

**CHANGE IN ACCUMULATED NET REVENUE (EXPENSE)**

Accumulated Net Revenue (Expense) at Beginning of Year	<b>16,818</b>	21,660	21,133	20,212
Net Revenue (Expense) for the Year	<b>720</b>	(4,842)	(176)	1,448
<b>Accumulated Net Revenue (Expense) at End of Year</b>	<b>17,538</b>	16,818	20,957	21,660

**CHANGE IN CAPITAL ASSETS**

New Capital Investment	<b>4,002</b>	4,611	3,346	3,189
Less: Disposal of Capital Assets	-	(5,800)	-	(719)
Less: Amortization of Capital Assets	<b>(2,815)</b>	(2,579)	(3,055)	(2,609)
<b>Increase (Decrease) in Capital Assets</b>	<b>1,187</b>	(3,768)	291	(139)

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

**STATEMENT OF OPERATIONS**

(thousands of dollars)

	<b>2005-06 Estimates</b>	Comparable 2004-05 Forecast	Comparable 2004-05 Budget	Comparable 2003-04 Actual
<b>REVENUE</b>				
<b>Internal Government Transfers</b>				
Transfer from Department	<b>10,620</b>	10,110	10,010	9,555
<b>Investment Income</b>				
Various	-	-	-	58
<b>Other Revenue</b>				
Various	-	-	100	117
<b>Total Revenue</b>	<b>10,620</b>	10,110	10,110	9,730
<b>EXPENSE</b>				
<b>Program</b>				
Research Management	<b>1,020</b>	845	1,010	996
Research Grants	<b>9,600</b>	9,265	9,100	8,741
<b>Total Expense</b>	<b>10,620</b>	10,110	10,110	9,737
Gain (Loss) on Disposal of Capital Assets	-	-	-	-
<b>NET REVENUE (EXPENSE)</b>	<b>-</b>	-	-	(7)

**CHANGE IN ACCUMULATED NET REVENUE (EXPENSE)**

Accumulated Net Revenue (Expense) at Beginning of Year	<b>(4)</b>	(4)	3	3
Net Revenue (Expense) for the Year	-	-	-	(7)
<b>Accumulated Net Revenue (Expense) at End of Year</b>	<b>(4)</b>	(4)	3	(4)

INNOVATION AND SCIENCE - *Continued*

**MINISTRY  
CONSOLIDATION SCHEDULE**

(thousands of dollars)

	<b>2005-06 Estimates</b>	Comparable 2004-05 Forecast	Comparable 2004-05 Budget	Comparable 2003-04 Actual
<b>REVENUE</b>				
Transfer from Department to Alberta Research Council Inc.				
- General Revenue Fund	<b>(26,000)</b>	(26,812)	(27,082)	(27,135)
Transfer from Department to iCORE Inc.				
- General Revenue Fund	-	(100)	-	-
- Lottery Fund	<b>(10,620)</b>	(10,010)	(10,010)	(9,555)
Services provided to Department by Alberta Research Council Inc.	<b>(3,000)</b>	(3,255)	(1,886)	(2,722)
Services provided to iCORE Inc. by Alberta Research Council Inc.	-	-	-	(13)
Services provided to Alberta Research Council Inc. by Department	-	-	-	(107)
Alberta Research Council Inc. accounting policy adjustments	-	607	-	-
<b>Total Revenue Consolidation Adjustments</b>	<b>(39,620)</b>	(39,570)	(38,978)	(39,532)
<b>EXPENSE</b>				
Transfer from Department to Alberta Research Council Inc.				
- General Revenue Fund	<b>(26,000)</b>	(26,812)	(27,082)	(27,135)
Transfer from Department to iCORE Inc.				
- General Revenue Fund	-	(100)	-	-
- Lottery Fund	<b>(10,620)</b>	(10,010)	(10,010)	(9,555)
Services provided to Department by Alberta Research Council Inc.	<b>(3,000)</b>	(3,255)	(1,886)	(2,722)
Services provided to iCORE Inc. by Alberta Research Council Inc.	-	-	-	(13)
Services provided to Alberta Research Council Inc. by Department	-	-	-	(107)
Alberta Research Council Inc. accounting policy adjustments	-	-	-	(531)
<b>Total Expense Consolidation Adjustments</b>	<b>(39,620)</b>	(40,177)	(38,978)	(40,063)

INNOVATION AND SCIENCE - *Continued*

**MINISTRY  
FULL-TIME EQUIVALENT EMPLOYMENT**

	<b>2005-06 Estimates</b>	Comparable 2004-05 Budget
Department	<b>107</b>	103
Alberta Research Council Inc.	<b>585</b>	589
iCORE Inc.	<b>4</b>	4
<b>Total Full-Time Equivalent Employment</b>	<b>696</b>	696