

Alberta

NORTHERN ALBERTA
DEVELOPMENT COUNCIL



Advancing

THE DEVELOPMENT OF
THE NORTHERN ECONOMY

[Signature]
Northern Alberta
Development Council
Annual Report
1997 – 98

September 1998

Northern Development Branch
206, Provincial Building
9621 - 96 Avenue
Postal Bag 900 - 14
Peace River, Alberta
Canada T8S 1T4

Telephone 403/624-6274
Fax 403/624-6184
Web: <http://www.gov.ab.ca/nadc/>
e-mail: council@nadc.gov.ab.ca

October 1998

The Northern Alberta Development Council (NADC) is pleased to present its annual report for 1997-98.

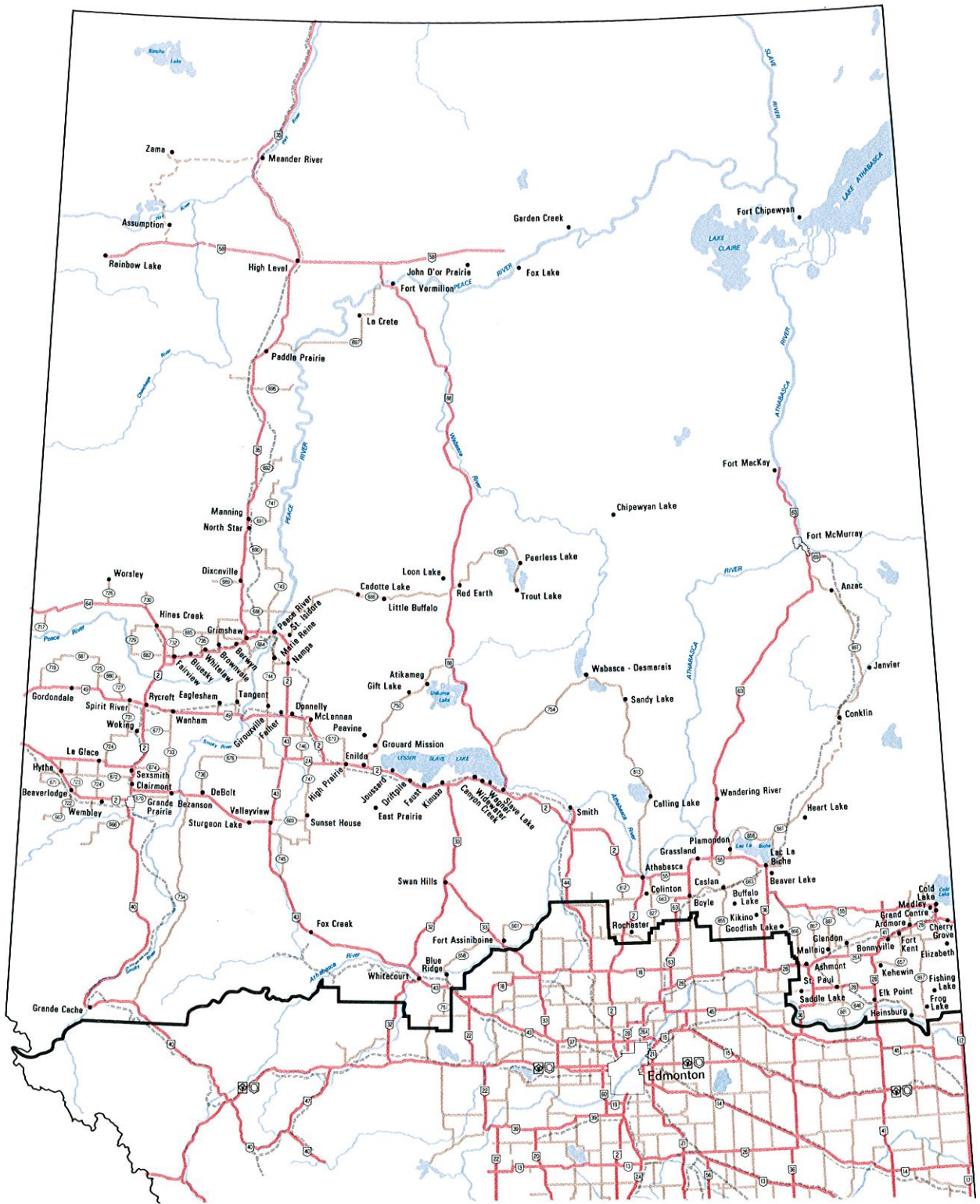
This report describes our activities and results in advancing northern development. In 1997-98 we focused our efforts in the areas of:

- promoting emerging development opportunities
- addressing barriers to economic growth
- increasing northern skill levels to take advantage of economic opportunities.

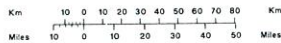
The NADC would like to recognize the contribution of our project partners and the input from stakeholders in northern development issues from across the region. Together we will continue to build a strong northern region.



Mike Cardinal, MLA
Chair



NORTHERN ALBERTA DEVELOPMENT COUNCIL AREA

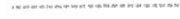
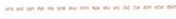


PRIMARY HIGHWAY

SECONDARY HIGHWAY

L.O.C. ROAD

RAILWAY



Operational Overview

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

The Council consists of seven public members and one elected member of the legislative assembly. The Council reports to Cabinet through Premier Klein, the Minister Responsible for Northern Development.

The NADC Region - The NADC region includes 60 per cent of Alberta's area and 10 per cent of its population. The region has a strong natural resource base which is still developing. For example, the North has all of Alberta's oilsands and most of the province's forest resources. The primary markets for our resources include the United States and Pacific Rim. The issues of distance to markets and delivery of services in this vast part of Alberta are challenges that northerners address on a daily basis.

The North's population is younger than the provincial average. Education, literacy and income levels are below the provincial average. Many small aboriginal communities face significant development challenges.

Council Members - Council membership reflects the geographic, cultural and vocational diversity of northern communities. The Council is currently chaired by Athabasca-Wabasca MLA Mike Cardinal. Private Council members for the 1997-98 fiscal year were:

Greg Lindsay, Fort McMurray, Deputy Chair

Don Erno, Sexsmith

Louise Faulkner, McLennan

Doug Sklar, Athabasca

Floyd Thompson, Kikino

Don Wieben, Fairview

Charles Wood, Saddle Lake

You can contact the Northern Development Branch at:

206 Provincial Bldg
Bag 900-14
9621 - 96 Avenue
Peace River, Alberta
T8S 1T4

Tel: (403) 624-6274

Fax: (403) 624-6184

E-mail: council@nadc.gov.ab.ca

or

Visit the Council's Internet site at:

www.gov.ab.ca/nadc

Northern Development Branch - The Northern Development Branch has a small staff based in Peace River. The main role of the Branch is to support the work of the Northern Alberta Development Council to advance the development of the northern economy. The Branch provides the administrative and technical support required by the Northern Alberta Development Council.

Staff carry out projects on behalf of the Council. Their work includes project planning and implementation, and consultation with industry, communities and government. Typical activities include carrying out research, organizing events and coordinating/facilitating northern responses to regional issues and opportunities.

Northern Development's Business Plan - The NADC's mission is to advance northern development through regional initiatives in partnership with the private sector and community-based organizations. Northern Alberta has tremendous potential for economic growth. The NADC supports government's commitment to prosperity by facilitating the development of a thriving and progressive northern economy.

In 1997-98, NADC focused on three goals: to promote emerging development opportunities, to address barriers to economic growth, and to increase skill levels to take advantage of economic opportunities. We concentrated on capturing local benefits from industrial growth, enabling northerners to train for employment opportunities, expanding value-added businesses, and addressing transportation and telecommunications barriers which impede further development in the region.

Year 2000 Compliance - The major commercial software packages used by NADC have been identified as Year 2000 compliant. The one custom application in daily use has been upgraded and tested for data entry. Other custom applications are being tested to determine if further upgrades are needed. Research continues into Year 2000 susceptible areas to determine the need for repair or replacement.

Key Activities in 1997-98

Consultation Process

The Northern Alberta Development Council's work is primarily project based. We work in partnership with the private sector, community-based organizations and government agencies to develop and implement strategies that advance regional economic development.

To accomplish our goals, Council piloted a new consultation process with key northern leaders in March 1998. Council also maintains communications with northern stakeholders through meetings, events, a regular newsletter, news releases and our website.

NADC Initiatives

Northern Student Supplement and Student Support Services

During the past year, the Northern Alberta Development Council invested considerable resources in the development of a new bursary program for northern students. This work led to a Ministerial Report put forward by the Hon. Clint Dunford and NADC Chair Mike Cardinal, which proposed the establishment of the province-wide Alberta Opportunities Bursary and a supplemental program for northern students. Funding for the two programs has been approved as part of the budget of Advanced Education & Career Development. It will be implemented in time for the 1998-99 school year.

The \$2 million northern supplemental program has two components:

- Northern Student Supplement, a bursary program for high financial need students
- Student Support Services

Northern Alberta Development Council Bursary

The NADC Bursary is a \$3000 return service bursary (\$1500 for a half year of study). In the 1997/98 year, 125 bursaries were awarded to Alberta students. Recipients were chosen from among 404 applications.

Occupational categories	Number of bursaries 1997/98
Education	23
Medical Professions	3
Health Care/Nursing	22
Social Services	19
Business/Administration/Law	21
Engineering/Technical	17
Natural Sciences/Environment	14
Humanities /Social Sciences	6
Total	125

Bursary Partnerships Program

Through the Bursary Partnerships Program, industry and community organizations co-sponsor bursaries for students in post-secondary education. The number of sponsors grew from 26 to 33 last year. These sponsors contributed \$122,000 and supported 113 bursaries. The total value of the bursaries is close to \$223,000.

Type of sponsor	Number of bursaries
Business/Industry	50
Community Organizations	32
School Divisions and Colleges	22
Other	9
Total	113

Northern Post-Secondary Degree Programs

NADC has been involved in two partnerships to develop degree programs that can be offered in the north and that meet the training needs of professionals working in the north. The intent is to address shortages of professionals in the north. At the request of Alberta Family & Social Services, NADC has been involved in developing a Bachelor of Social Work program. At the request of Grande Prairie Regional College, NADC worked on developing a northern teacher education program.

The Northern Labour Market Information Clearinghouse

The Clearinghouse is a joint initiative of the NADC and five northern Alberta colleges: Grande Prairie Regional College, Fairview College, Keyano College, Lakeland College and AVC - Lesser Slave Lake. All of the partners contribute equally to the project's annual budget. The Northern Development Branch manages the project on behalf of the partners.

The Clearinghouse project combines statistical research, literature searches and interviews with experts to produce reports for the partners. In 1997-98, the project produced 20 reports including statistical data summaries, environmental scans and training niche profiles. Topics have included census data, surveys of northern job ads and energy contractors' training needs, among others.

Value-added Agriculture in Northern Alberta

Value-adding is an important opportunity for the northern agriculture industry to pursue. The NADC worked with two groups over the last year to promote value-added agriculture in the north.

Northeastern Alberta

In northeastern Alberta, we continued to support implementation of a regional strategy to increase uptake of value-adding opportunities. This included sponsorship and support of a food processing conference to highlight regional opportunities in June, and support to the Food Processors' Federation of Northeast Alberta in the implementation of a food processing commercialization facility for the region.

The facility will provide processors and entrepreneurs with access to commercial food processing equipment and services in a central location, on a fee-for-service basis. NADC worked closely with Alberta Agriculture, Food & Rural Development and other agencies in the region to complete a business plan, raise funds for project start-up costs, and promote the facility to regional processors.

Peace Region

In the Peace region, NADC worked with various partners to promote value-added agriculture in northwestern Alberta. In April 1997, in response to needs identified through a series of focus groups, we co-sponsored a workshop in Peace River with Alberta Agriculture, Food & Rural Development. The workshop highlighted agriculture processing opportunities in the region and encouraged networking among beginning processors.

Several needs were identified as a result of this process. In response NADC encouraged and worked with other interested agencies to develop a long term strategy for promoting value-added agriculture in the region. Our partners include Alberta Agriculture, Food & Rural Development, Prairie Farm Rehabilitation Administration, Fairview College, Alberta Economic Development, Beaverlodge Research Station and the British Columbia Ministry of Agriculture. The strategy encompasses five focus areas: awareness and promotion of opportunities; coordination of government services; education of entrepreneurs; new product development; and new market development. Elements of this strategy are expected to be implemented in the next fiscal year.

Tourism

NADC provided support to the northern tourism industry through ex-officio board participation with the Alberta North Tourism Destination Region. This resulted in our agencies co-sponsoring the *Northern Exposure: Building Tourism Together* conference in Edmonton November 18-20, 1997.

The purpose of the conference was to provide networking opportunities for the northern tourism industry, to develop marketing skills among northern operators, to provide information about product and market trends in the tourism industry, and to identify needs and issues of northern tourism operators. Over 100 delegates, mostly private tourism operators, attended the conference.

Lakeland Aboriginal Business Association

Following the *Together Toward Tomorrow Conference* in Cold Lake February 19-20, 1997, a local working committee was established to develop an aboriginal business association in the region. In May 1997, the committee established the Lakeland Aboriginal Business Association (LABA) with an interim board of directors to develop the Association. NADC helped LABA during the year, providing technical and advisory support services in the formation of the Association. LABA is incorporated as a nonprofit organization.

The Lakeland Aboriginal Business Association's mandate is to link aboriginal businesses in the region with industry and government.

The organization has hired a co-ordinator to further develop and implement the business of the association.

Community Timber Permit Program

At the request of the department and program users NADC conducted a review of the Community Timber Permit Program. Alberta Environmental Protection administers this program which provides small sawmillers and loggers with an annual supply of commercial wood.

Local Advisory Committee members, sawmill and logging representatives, and FMA and quota holders participated in a consultation process as part of the review.

The NADC made a series of recommendations to Alberta of Environmental Protection based on an extensive public input process. The department has responded by endorsing the majority of the recommendations and expects to implement them in 1998-99.

Transportation in Northwestern Alberta

Companies and communities in the Peace region are working toward a competitive transportation system to reduce the costs for handling and transportation of commodities to ports. NADC coordinated these efforts by:

- Co-sponsoring research with industry on rail freight costs and cost factors for the Alberta Peace Region.
- Commissioning a pre-feasibility study on grain handling and transportation alternatives.
- Submitting an issue paper, "*Identification of Grain Handling And Transportation Issues*" to the federal Grain Review Secretariat.
- Continuing to participate in Northwest Corridor Task Forces (Route to Prince Rupert).

This has led to:

- Increased profile of Peace region commodities and transportation concerns.
- Increased awareness of the importance of using the shortest route to Prince Rupert and to Asia.
- Increased communication among northern shippers.

These results have been demonstrated by:

- The Prince Rupert Grain Terminal installed unloading facilities for trucks and grain producers have trucked grain directly to Prince Rupert.
- The private sector developed a reload centre in Grande Prairie.
- Additional companies are shipping their products via Prince Rupert.
- CN & BC Rail are reaching interchange agreements.
- Port and rail officials have toured the Peace Region meeting key producers and shippers.

Northern Economic Trade Forum

The challenges and opportunities for northern economies have been discussed by western Premiers in recent years. Premiers recognize that northern regions have enormous developmental potential and provide significant wealth generation for Canada. They also recognize that northern regions face many similar challenges.

In 1997 the western Premiers discussed a number of these common challenges and opportunities. As a result they created the Northern Economic Trade Forum. The NADC Chair is Alberta's appointed representative to the Forum.

NADC co-ordinated the northwestern regions in preparing a Northwestern Canadian integrated conceptual road plan. The purpose of this initiative is to bring together northwestern regions to document the long term vision for an integrated road network.

Northern officials and Premiers will discuss these initiatives during their 1998 conferences.

Telecommunications

In northern Alberta, long distances between small scattered populations make the delivery of services difficult and expensive. There are opportunities to provide services such as long distance education and remote medical consulting using improved telecommunications. However, the cost of providing telecommunications services to communities that are most in need are often prohibitive. We are working with northern organizations to improve community access to and use of telecommunications technology.

NADC proposed the installation of basic digital services to a few northern communities. This initiative was approved and will be funded through the new federal-provincial Western Economic Partnership Agreement (WEPA). We will oversee implementation of WEPA funding for these projects.

Federal/Provincial Agreement

The Canada/Alberta Cooperation Agreement on Northern Development (known as the Northern Alberta Agreement) was a Western Economic Partnership Agreement. The partners were Industry Canada and the Northern Development Branch. Originally a \$9 million program, it was reduced by more than 20 per cent in accordance with federal and provincial government expenditure reductions.

The provincial partner administered the Agreement. Applications for assistance were accepted until December 1994 and the final funding decisions were made by March 1995. Approved projects were required to be completed by March 1997. Final project payments were made in the 1997-98 fiscal year.

Highlights of the external evaluation carried out in accordance with the Agreement include:

- Significant leverage - Agreement expenditures of about \$6.5 million saw a total of \$25 million invested in one time capital expenditures. Annual operating investment totals \$19 million.
- 322 FTE job creation directly attributed to the Agreement.
- Relevant skills training: 74 percent of students who completed the specific job-related training supported by the Agreement found employment related to their training in northern Alberta.
- Cost-benefit analysis for the Agreement is 2.05.

In summary, the evaluators state, "the overall conclusion from the evaluation indicates the Northern Alberta Agreement has been successful in achieving its objectives, and has helped to strengthen and diversify the northern economy, assist northern communities in planning economic development, and increase employment opportunities and the participation of northern residents in resource development."

Northern Alberta Development Council - Performance Measures

The NADC measures its performance through an annual customer survey and by tracking statistics related to our bursary programs.

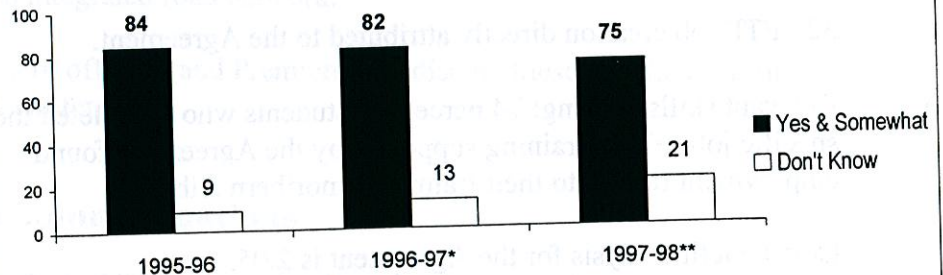
Customer Survey

Northern leaders, and NADC project partners and clients are surveyed to obtain their views and input into the project work of the NADC.

Beginning this year, we have introduced statistical sampling procedures in our survey. This has resulted in a substantial increase in the number of surveys conducted. The 1997-98 results reflect telephone interviews with 136 of a total population of 191 northern leaders, and NADC partners and clients. Respondents were randomly selected from the population pool. The margin of error in a sample of this size is plus or minus 5%, 19 times out of 20. We also conducted a survey based on prior years' sampling methodology for comparison purposes. The surveys were conducted by an external contractor between May 4 and May 19, 1998.

Customer Survey Results

Customers who believe the work of the NADC has helped advance the development of the northern economy:
(in percent)



* Result reflects the averaged response to two questions:

"In your opinion is the NADC promoting emerging economic development opportunities in the north?" and,

"In your opinion is the NADC strengthening the competitiveness of the north?"

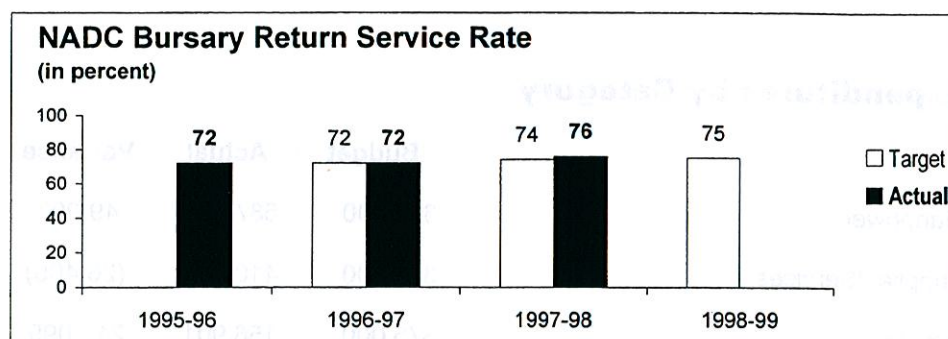
**Comparative survey based on prior years' sampling methodology of a smaller sample size showed results of 83% Yes & Somewhat and 13% Don't Know.

We continue to strive to reach our target of 100%.

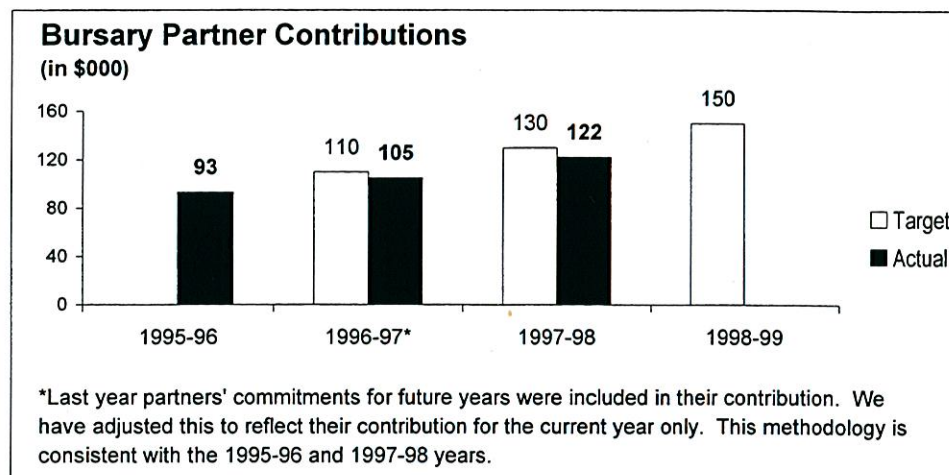
Bursary Program Measures

We measure the success of our bursaries at the program level. For the NADC Bursary, we track the number of students who receive bursary assistance and their rates of return service in the North. Students contract to work in the North in their area of training in exchange for bursary assistance. The rate of return service shows the percentage of students who fulfill this obligation.

Monitoring return service among bursary recipients is an ongoing activity. Annual return service rates are based on recipients who graduated in the previous three years. The current return service rate is 76 per cent. This is a substantial increase, due to one particularly successful year of student graduates. We expect this number to drop next year.



We also measure our performance in obtaining matching funds from community, industry and other organizations for our Bursary Partnerships Program. This year Bursary Partners contributed \$122,000.



Financial Results 1997/98

Expenditures by Program

	Budget	Actual	Variance
Northern Alberta Development Council	971,200	970,107	1,093
Canada/Alberta Partnership Agreement (Northern Alberta Agreement)	440,000	198,992	241,008
TOTALS	<u>1,411,200</u>	<u>1,169,099</u>	<u>242,101</u>
Dedicated Clearinghouse Revenue	<u>(45,000)</u>	<u>(45,000)</u>	<u>0</u>
NET TOTALS	1,366,200	1,124,099	242,101

Expenditures by Category

	Budget	Actual	Variance
Manpower	637,200	587,297	49,903
Supplies/Services	384,000	410,405	(26,405)
Grants	375,000	156,901	218,099
Other	15,000	14,496	504
Dedicated Clearinghouse Revenue	<u>(45,000)</u>	<u>(45,000)</u>	<u>0</u>
TOTALS	<u>1,366,200</u>	<u>1,124,099</u>	<u>242,101</u>