



Legislative Assembly of Alberta

The 27th Legislature  
Fifth Session

Standing Committee  
on  
Education

Department of Advanced Education and Technology  
Consideration of Main Estimates

Tuesday, March 6, 2012  
6:35 p.m.

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The 27th Legislature  
Fifth Session**

**Standing Committee on Education**

Pastoor, Bridget Brennan, Lethbridge-East (PC), Chair  
Hehr, Kent, Calgary-Buffalo (AL), Deputy Chair

Anderson, Rob, Airdrie-Chestermere (W)  
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Notley, Rachel, Edmonton-Strathcona (ND)  
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\* substitution for Rob Anderson

**Department of Advanced Education and Technology Participant**

Hon. Greg Weadick                      Minister

**Also in Attendance**

Taft, Dr. Kevin, Edmonton-Riverview (AL)

**Support Staff**

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Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
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Corinne Dacyshyn	Committee Clerk
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6:35 p.m.

Tuesday, March 6, 2012

[Ms Pastoor in the chair]

**Department of Advanced Education and Technology  
Consideration of Main Estimates**

**The Chair:** This is the call to order. Welcome, everyone, to the meeting. This committee has under consideration the estimates of the Department of Advanced Education and Technology for the fiscal year ending March 31, 2013.

I would remind you that the microphones are operated by *Hansard*. Please do not try to adjust your own microphones as *Hansard* gets really excited about that. So please let them do their job.

Also, note for the record that pursuant to Standing Order 56(2.1) to (2.3) Mr. Guy Boutilier will be substituting for Mr. Rob Anderson.

I would introduce myself as the chair, Bridget Pastoor from Lethbridge-East. I would like the minister to introduce himself and his staff, and then we will go around the table.

**Mr. Weadick:** Thank you, Madam Chair. It's great to be here tonight. I'll just introduce my deputy minister, to my right, Bill Werry; my ADM of community, learner, and industry connections, Darlene Bouwsema; and my senior financial officer, Darrell Dancause. I also have my EA, Natalie Sigalet, and my communications director, Kim Capstick, here. So this is our team.

**The Chair:** Thank you, Minister.  
I'll start on my right.

**Mr. Hehr:** Kent Hehr, MLA, Calgary-Buffalo.

**Mrs. Leskiw:** Genia Leskiw, MLA, Bonnyville-Cold Lake.

**Mr. Marz:** Richard Marz, MLA, Olds-Didsbury-Three Hills.

**Ms Tarchuk:** Janis Tarchuk, MLA, Banff-Cochrane.

**Ms Notley:** Rachel Notley, MLA, Edmonton-Strathcona.

**Dr. Taft:** Kevin Taft, Edmonton-Riverview.

**Mr. Benito:** Carl Benito, MLA, Edmonton-Mill Woods.

**Mrs. Sarich:** Janice Sarich, MLA, Edmonton-Decore.

**Dr. Brown:** Neil Brown, Calgary-Nose Hill.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**The Chair:** Thank you.

Government Motion 6 and Standing Order 59.01(4) prescribe the sequence as follows: the minister or the member of the Executive Council acting on the minister's behalf may make opening comments not to exceed 10 minutes; for the hour that follows, members of the Official Opposition and the minister or the member of the Executive Council acting on the minister's behalf may speak; for the next 20 minutes the members of the third party, if any, and the minister or the member of the Executive Council acting on the minister's behalf may speak; for the next 20 minutes the members of the fourth party, ND, if any, and the minister or the member of the Executive Council acting on the minister's behalf may speak; for the next 20 minutes the members of any opposition party represented in the Assembly or any independent members, if any, and the minister or the member

of the Executive Council acting on the minister's behalf may speak; and any member may speak thereafter.

Committee members, ministers, and other members who are not committee members may participate.

The department officials and members' staff may be present but may not address the committee.

Members may speak more than once; however, speaking time is limited to 10 minutes.

A minister and a member may combine their time for a total of 20 minutes. Members are asked to advise the chair at the beginning of their speech if they plan to combine their time with the minister's time.

Three hours have been scheduled for this meeting to consider the estimates of the Department of Advanced Education and Technology. If debate is exhausted prior to the three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule and we will adjourn; otherwise, we will adjourn at 9:30 p.m.

Points of order will be dealt with as they arise, and the clock will continue to run.

The vote on the estimates is deferred until consideration of all department estimates has concluded and will occur in Committee of Supply on March 13, 2012, Government Motion 6.

As the chair I would like to ask that the questions and answers be as concise as possible in order that these budget deliberations are very comprehensive and that all will get a chance to ask their questions. Also, if the critics for advanced education from the Liberals, the Wildrose, or the NDs have a staff member and would like them to sit beside them, I'm sure that we can accommodate that. If that's agreeable, I can see that we have space, so if you want your staff, please feel free to invite them.

One small other little housekeeping item. I've been told that in some other meetings at 8 o'clock they've taken a six-minute break. Could I have a show of hands if that would be acceptable, understanding that the time will continue to run? Okay, then. Thank you very much. We will take a break at 8 o'clock for six minutes. Thank you.

Mr. Minister, if I may ask you to start off.

**Mr. Weadick:** Thanks, Madam Chair. I'm sure pleased to be here tonight to present my 2012-2013 budget estimates for the Ministry of Advanced Education and Technology as well as our three-year business plan, 2012 to 2015. I'll start with a few comments on our ministry's business plan for 2012 to 2015, which contains a number of priorities to strengthen Alberta's advanced learning and innovation systems and support a knowledge-inspired economy.

Of course two of our priority initiatives were specifically mandated by Premier Redford. The first is to enhance the Alberta Innovates model to build more capacity and funding stability in agriculture and energy research and to strike a better balance between the priorities of researchers and government. Our second mandate from the Premier is to identify strategies to expand the recruitment of postsecondary students in rural areas, including those within Métis and First Nations communities.

To successfully achieve these mandates and to move forward on our priorities, our ministry is committed to working collaboratively with our partners and stakeholders in the advanced learning and innovation system and with other government departments, businesses, and industry partners to develop a globally recognized, high-quality advanced learning system. We will work together across Campus Alberta and our postsecondary system to promote excellence, look for system-wide efficiencies, and make the system more student focused.

We will support co-ordinated international strategies to showcase our exceptional colleges, universities, and technical institutes to the world. We will develop strategies to increase the supply of skilled tradespeople by encouraging more Albertans to take up the trades. Looking at the research, innovation, and commercialization side of the ministry, to further excellence in these areas we will continue to recruit world-class researchers and graduate students, we'll collaborate on programs to encourage technology adoption and commercialization right here in Alberta, and we will continue to promote Alberta internationally and attract investment to help broaden Alberta's value-added economic base.

Ensuring that Albertans have access to an accessible, affordable, high-quality education system is another priority of our ministry. To support students in reaching their full potential, we will implement changes to the student funding program to better respond to learner needs, changes I had the pleasure to announce just a few weeks ago, and we will work with Education to create a seamless learning system that makes the transition to postsecondary easier for students. By working collaboratively with partners and stakeholders, we will help to meet the long-term needs of learners, researchers, and entrepreneurs and will grow Alberta's economy.

I'd like to turn now to the budget estimates for our ministry. Overall in many ways our financial situation is similar to last year. While we have seen some modest economic recovery, we are not out of the woods yet. That being said, Budget 2012 invests in Albertans and reinforces our government's commitment to lifelong learning. We know that investing in postsecondary education and the knowledge economy will help us achieve a vibrant, prosperous society with opportunities for all of us.

Certainly, Alberta's universities, colleges, and technical institutes are world leaders with innovative programming, excellent teaching, and groundbreaking research, and we want them to maintain this stellar reputation. That's why, just as we saw last year, none of our postsecondary institutions will see a decrease in funding. In fact, all institutions will see a 2 per cent increase in operating grants. This will bring our annual investment in postsecondary institutions to \$2.2 billion for the 2012-2013 budget year. One point five million in additional funding will help us ramp up the Campus Alberta innovations program and build on its success to date to help our postsecondary institutions continue to actively recruit the best and brightest to teach, do research, and enhance programming.

On the subject of capital funding you'll note some reductions in the numbers, but that's simply because we've completed our funding commitments. There are no new capital projects in Budget 2012 for postsecondary. I'd like to point out that this follows record capital investment over the last six years of nearly \$3 billion in postsecondary expansions and an additional \$770 million in maintenance and renewal of existing buildings.

6:45

Perhaps the biggest news in this budget for postsecondary institutions is that postsecondary institutions will receive three-year predictable funding. I can tell you that after speaking with all of the presidents and board chairs of Alberta postsecondary institutions, they are very enthusiastic about this development. Three-year funding will allow them to have the financial stability to plan effectively and to address priorities. Of course, this ability to responsibly plan and address priorities ties in with our government's move towards responsible, results-based budgeting. We will work with our postsecondary partners to outline clear outcomes that we and Albertans expect from Campus Alberta while we also make sure we have a stable, predictable, and sustainable funding formula to support these outcomes.

Looking from the postsecondary system to the innovation system, we have similar good news. Funding for research, innovation, and commercialization initiatives in Budget 2012 totals \$275 million, including \$216 million to the Alberta Innovates corporations. Each corporation will see modest operating grant increases in 2012-13 to help offset manpower pressures. As I mentioned, Premier Redford has given me two mandates, the second of which concerns this group directly.

Funds have been specially earmarked towards our mandate to enhance the Alberta Innovates model to build more capacity and funding stability in agriculture and energy research. Specifically, additional funding of nearly \$9 million will allow the province to maintain our leadership role in the areas of water and tailings research and prion research. I'm proud that our government continues to support innovators and entrepreneurs in getting their ideas off the ground and, by extension, diversifying our economy and contributing to Albertans' quality of life.

There's one more portion of our budget this year that I'd like to touch on, and that's our ongoing commitment to encourage students to participate in postsecondary education in Alberta and to make sure that finances are not a barrier to students being able to get an education. Towards that end, support for students in 2012-13 is just over \$200 million, including \$90 million for Alberta student debt management programs; \$71 million for merit-based scholarships, supporting 37,500 students; \$20 million in the Alberta centennial education savings plan grant, which is expected to benefit about 63,000 children; and \$19 million in needs-based bursaries and grants. We have also budgeted \$274 million for student loans, an increase over last year, to meet what we hope will be a growing demand.

In closing, I'd like to emphasize that the budget for AET strikes the right balance to keep us on the path towards our long-term goal of developing a knowledge-based economy, one that is grounded in a dynamic and integrated advanced learning and innovation system.

Thanks for your attention. I look forward to answering any questions you might have.

**The Chair:** Thank you very much, Minister.

For the next hour with the minister and the Liberal critic, what have you decided that you'd like to do? Go back and forth?

**Dr. Taft:** I would prefer that. It's just more interesting.

**Mr. Weadick:** It is. Sure.

**The Chair:** Good. That's great. Thank you very much.

You may proceed.

**Dr. Taft:** Okay. And you'll give me a heads-up at the 20- and 40-minute points? Okay. Thanks.

Well, thank you, Mr. Minister. I've enjoyed my workings with you so far and congratulate you on your enthusiasm and passion for this portfolio, which, in my mind, is one of a handful of the most important portfolios in the provincial government. I take this one pretty seriously.

I have a somewhat different view, as you might expect, on the nature of the budget, but I'd like to start off just with a general conversation if we can. You know, a budget is a plan, and I'd like to just get a sense of how you think this budget is relating to your goals; you know, the mission to develop a knowledge-driven future. You used similar language. But I don't see it here. I'm concerned that this is a budget that is at best a standstill budget. How do you expect to reach a goal of world recognition, all of those various things that are in your documents, when you have a

budget that is, in effect, when you account for inflation and so on, actually a reduction? There's just a disconnect there.

**Mr. Weadick:** We don't see it as a reduction. In fact, with the stable three-year funding and the 2 per cent each year it gives our postsecondaries a real opportunity to plan into the future. They are very excited about having this opportunity to plan.

You know, we follow a very positive time, where our institutions received 6 per cent increases for four or five years in a row and created real capacity within the system. The last couple of years, of course, were a little bit tighter with the economy globally being a little tighter, but through that time we've been able to see continued growth across the system. I think that in the last five years we've had about 15,000 new spots created across our postsecondary systems, so that is creating more opportunity for young people.

Some of the targeted investments around, for example, the CAIP chairs, where we have targeted investment in bringing in world-class researchers, world-class academics to help us continue to move in that knowledge-based economy, I think are great investments. In fact, at a time when a lot of the world is pulling back in the area of postsecondary, we continue to advance, move forward, and invest.

**Dr. Taft:** Okay. The reason I say that it's a cut, effectively, is that 2 per cent is barely inflation – it depends on what measure you use – and the enrolment pressures are growing and so on. Once you adjust for inflation and populations and so on, in real dollars it's actually less.

Let me come at this very specifically. Is there a plan somewhere in your government, with any detail on it at all beyond a mission statement, saying, "Okay; we want to be top 20 in the world or whatever by 2020," just using the U of A as an example, "and here's how we're going to get there"? Is there a specific path forward saying, "Okay; if we do this as a department and as a government, in 10 years we think the U of C, the U of A, NAIT, and so on can be ranked, you know, very high in the world," or is it just nice talk and then wheel spinning?

**Mr. Weadick:** From an institutional perspective – you mentioned the U of A – each of our institutions looks for their specific place and how they can pursue that dream or that vision that their board and their institution have around where they'd like to be positioned.

We are trying to position Campus Alberta and Alberta Innovates as world leaders, and we have found in discussions both across Canada and globally that Campus Alberta is not only truly unique but is a world leader in partnerships, in relationships in postsecondary, where we work together as a system of postsecondaries. When you add in the fact that our research piece, which is over a quarter of a billion dollars, is also tied into that same connection, it really creates a world-class connectivity.

Now, what we have also done is target key areas. We didn't go out and say: we're going to be world class at everything. What we've said is that we believe there are some areas that are critically important. We've set those areas, so prion research. In 2002, when BSE hit, we did not have a prion researcher in Alberta. We had three in Canada. We now have over 200 people doing prion research in Alberta. We've invested another \$5 million in prion research again this year, and what we see as the fruits of that research is that now research around BSE and chronic wasting disease is having a direct relationship in human health, where we're finding that the same type of prions cause Alzheimer's and Parkinson's disease.

We are now world leaders in the area of prions, prion research, BSE and chronic wasting disease, and now Alzheimer's research. We have targeted specific areas. Another one that you'd probably be familiar with is the NINT, the nanotech institute. We now are one of the top three or four nanotech centres globally. What we've done is targeted those areas where we had specific skills or need and have developed truly global expertise in those areas.

**Dr. Taft:** Okay. We could go back and forth and not be terribly productive on this. For years and years among Alberta's universities the U of A – you can look at different rankings – maybe ranks fifth in Canada pretty consistently; Calgary, maybe 10th; Lethbridge, in the top handful. But if we're to take that leap from being fairly good in Canada – and I have to be honest; I don't know why we can't at least lead Canada. If we want to take that leap, if your government wants to take that leap from, you know, kind of seeing the tail lights of McGill and U of T to actually having them watch our tail lights as we close in on the best in the world, I want to see the plan.

Eventually I want to see something more than a vision statement that talks about being great, and I have yet to see this government come out with: here's the step-by-step plan in the next 10 years; here are our priorities. I would encourage you to do that. I don't think that plan exists. I wish it did.

6:55

**Mr. Weadick:** You know, we take a little bit larger view. We believe that as a country we want to continue to lead the world, so we support institutions like the U of T and some of the things that they are doing. We partner. Our researchers work together. We see Canada as one country, really striving to change the world and change where we are. Really, beyond just working as Albertans and working as institutes in Alberta, we truly believe we're part of something greater, which is part of the whole Canadian economy and the Canadian postsecondary system. You know what? We're going to continue to work with them.

Our genome centre in Alberta works with Genome Canada, Genome B.C. on many projects. You know, Canada is a place of collaboration. We're not the biggest country in the world, but we can sure be the best, and we believe that around postsecondary as well. If we continue to work together, Alberta can lead. Other parts of Canada can work with us, and we truly can be world leaders.

**Dr. Taft:** Okay. We'll try to get more specific. We're just going to have a different view of things on that issue.

Despite the government's claims that this is an increase – and I will admit it's three years of stable funding; I think that's good – unfortunately, it's three years of stable but insufficient funding. We are seeing in some areas real cuts: staff being laid off, programs being cut, faculty positions being cut, and so on. What do you say to the deans of arts or the university administrators or to college programs or technical schools when they're laying off faculty and closing programs and you're saying, "Well, this is a great budget"? How do you deal with that? To me, it's a failure.

**Mr. Weadick:** You know, we continue to see programs change and evolve over time in the system regardless of funding. Many of the programs that were in our colleges and universities in the '70s and '80s no longer exist. There are new programs. Programs change, programs evolve all the time, so seeing programs cease to exist and new ones come up is a normal way of life. I think the positives are that we continue to see growth in enrolment, that we continue to see the exciting new programs being offered at different institutions. In fact, when we go and visit those

institutions, they proudly show us these brand new programs that are state of the art, that are leading where other programs have disappeared because they no longer met the need of a changing workforce, a changing economy, and the demands of our students.

We're in a system that constantly changes and evolves, and simply seeing a program end and a new one start doesn't reflect that. We see new people being hired each and every day in our institutions. In fact, the CAIP chair program is a very good example of that. They're probably going to bring 13 to 15 brand new research scientists into our universities this year in new positions to support both new programming and graduate students.

**Dr. Taft:** If we look ahead over the next three years and beyond, the government of Alberta's own figures forecast an enrolment increase of about 14 and a half thousand full-load equivalents – I think that is the term – over the next eight years. Two per cent a year funding: that's effectively a freeze. How do you expect our postsecondary system to deal with that increase in enrolment, which your own government is forecasting, when there's not a real increase in funding?

**Mr. Weadick:** You know, we see this as an increase in funding, and we know that the programs continue to rightsize and find the best way to deliver their programs. We see and our feedback from our institutions is that this is meaningful, and it's also effective for what they need to do to move us forward over the next three years.

**Dr. Taft:** Yeah. You're getting different feedback from different people than I am. There's real pain in some of those institutions. If you're in engineering, it's probably about as good as it gets, but if you're in other programs, it feels pretty grim.

In terms of a longer term plan for dealing with this increase in enrolment that your government is forecasting, what is it? What's the plan?

**Mr. Weadick:** The plan?

**Dr. Taft:** The plan for these forecast 14 and a half thousand full-load equivalents.

**Mr. Weadick:** That would match the increases we've had over the past five years. We expect to continue to grow at about the same rate. The growth in our funding would match that as well. If you look over a period of the last two years, where we had no base-budget increase, we still had enrolment growth; the need was met within the institutions. But we're going to continue to work with our institutions to ensure that they are adequately funded. This plan that's before you really does reflect, in a very tight budget cycle and in a world where many regions are significantly reducing funding to postsecondaries, that we see this as probably one of the most positive budgets out there for postsecondaries, that's allowing both to meet existing need and some growth potential.

We'll continue to work and get creative with our institutions. Part of our solution is working as a unit within Campus Alberta where we support each other, where we can take advantage of learning from each other, where we can maximize the spaces that are available. By working as a group of institutions, we're going to be much more successful.

**Dr. Taft:** I predict you'll just come under increasing pressure, and if you stick to 2 per cent a year for the next three years, there's going to be a sense of some crisis in the postsecondary system. It'll exhibit itself either by turning away more and more students – and there have been significant numbers of turnaways still – or in

loss of programs or other trends such as P3s and things like that, which we can talk about in a few minutes.

**Mr. Weadick:** Sure.

**Dr. Taft:** Just shifting to students for a moment, they are obviously a big part of what this is all about. There were some good responses to your announcement a few weeks ago, and I forget the exact date, on essentially streamlining and simplifying the student finance processes, removing some of the obstacles – and you and I chatted about this earlier – some of the silly kind of standards that students had to come up with. But there's also concern that that's actually just in some ways making it easier. It's moving money around, and it's quite possible that at the end student debt will actually increase. How can we be sure – or can we be sure? – that students now entering a postsecondary program aren't simply going to be in more debt than they would have been before?

**Mr. Weadick:** I think you'll see that most of the changes that we have made are really targeted at probably allowing students that may not have been able to get financing before to get it. We're hoping this opens the door to some Alberta students being able to attend postsecondary who simply wouldn't have been there before. We don't see it as a tool to significantly increase debt loads. Students right now are actually managing debt very well in the province of Alberta. About 27 per cent of our students take out student loans; the balance do not. When those students graduate, the average indebtedness is between \$16,000 and \$17,000. This is the investment in their education.

We're not seeing that fearful thought that debt loads are going through the roof, that huge numbers of students are borrowing. What we're really seeing is that students that need it are accessing student loans. Over the last couple of years we have increased loan limits a little bit at the request of students because the cost of living has gone up a little bit. But, generally speaking, we're seeing students manage their debt loads very, very well in this province.

7:05

**Dr. Taft:** Has your department ever tried to understand the relationship between the substantial debt load that students face and Alberta's relatively low postsecondary participation rate? In other words, are students looking at going to, you know, NAIT or college or university or whatever turned away in greater numbers because they look at the risk of going into deeper debt? Has your department ever studied that correlation?

**Mr. Weadick:** You know, we haven't got any direct correlation between debt aversion and the number of students going into postsecondaries although we have heard in some work that the ASEC students did around talking to students that there is a little bit of debt aversion in some students. They feel uncomfortable borrowing money. I'm sure there are some people that maybe just don't go to school because they are not comfortable borrowing. But for the vast majority of students we believe that the loan system will at least allow a student that wants to go to school and that needs to borrow the opportunity to do so. That's what we really wanted to do, streamline it. The students suggested that maybe through some education we can help some of those other students that may be concerned about debt understand how the investment in their education can be very beneficial to them.

**Dr. Taft:** You spoke in your opening comments – and it's in various of your documents – about the aspiration or intention of

bringing more First Nations, Métis, aboriginal students into the system, which I think is a crucially important goal. I'm sure we agree on that. What is there in this budget that will advance that goal?

**Mr. Weadick:** I don't know if I can point to a direct line item as much as I can point to a frame of mind. In every discussion with every postsecondary that we're having, we're having that discussion around: what can we do that would help us to get more of our First Nations and more of our rural students involved in postsecondary? You know, one of the very first steps we've seen a lot of our institutions taking is appointment of First Nations to their boards so that we have direct involvement, direct advice. The former chief of the Sunchild has just been appointed to the Red Deer board. We have just appointed the chief of the Onion Lake band to the Lakeland board. We're starting to see First Nations getting involved at each and every level.

**The Chair:** Thank you. You're going into the second 20 minutes.

**Mr. Weadick:** Thanks.

A number of our institutions have started First Nations programming on campus. They've created places where our First Nations students can come together, share time. They've brought elders-in-residence programs into place. We continue to look for unique and creative programs that will allow our First Nations students to connect to our postsecondaries.

I wish I could tell you that we have all the answers to that, Kevin. But you know what? We're going to continue to work with our postsecondaries on the ground. We also are meeting with our First Nations groups across the province. One of those important pieces of the puzzle that we think can help – there are six First Nations colleges that exist today on First Nations reserves like Red Crow college in Lethbridge and Blue Quills. Some of them have had success around educating First Nations. We're going to be working more closely with them to look for opportunities to both expand what they may be able to do or to help them bring young people into the system, into both their schools and others.

We have a number of things we're doing, Kevin, and we believe that each of them will help.

**Dr. Taft:** Okay. But, again, I think there are about 3 per cent of students right now who are First Nations or Métis. It's fairly low. What I'm looking for, again, is a sense of, "Okay; we want to get that to 5 per cent" or whatever it is. "We want to get it to 5 per cent in the next five years, and here's how we're planning to do it." Instead, what I'm hearing is – I mean, it doesn't feel like there is a plan that's being executed. It feels like a wish. It's more than a wish; that's too harsh. You know, Lethbridge College: fabulous First Nations programs and so on.

But, again, I look to your department, to you as the minister, the leader, and I'm saying: show me what your goals are over the next few years for increasing the participation rate of First Nations and aboriginal students, and show me the plan – and we all know plans change – on how you're going to reach that goal.

**Mr. Weadick:** I think that probably the single most important thing is beginning the dialogue. Right now we're developing that plan, Kevin. That's what I'm saying. The Premier has asked us to develop a plan that will allow us to bring more First Nations in. We're in the process of doing that as we speak, so over the coming months you're going to see the continued development of that plan with realistic goals. We want to move toward similar percentages of First Nations students attending postsecondary as any other group within the province. Can we do that in three years

or five years? I wish I could tell you. Right now we're working with our First Nations groups to develop that plan. It's easy to say that we want to get 20 per cent in college or university. I think the plan is much more important.

What are the things that we can do that will have an impact on the ground today, that can start to create those role models within First Nations communities, that can help us to start to build those numbers towards what we would like to see across the province? We're developing that plan right now. It isn't completed, but it will be very soon. It's one of the two mandates our Premier has given me. We've been working on it for the past four months, and we'll continue to.

**Dr. Taft:** Okay. Well, I wish I was going to be here next year to see how you follow up on it. It's just really, really important.

Let's get to some more specifics. An issue that has come up a lot for both you as the minister and for me as the critic is the fees, the noninstructional or nontuition fees. I don't see anything in this budget that's going to sort of put the brakes on those. Is there anything in the budget or any other regulatory steps to curtail the growth of those nontuition mandatory fees?

**Mr. Weadick:** To be very clear, there are a significant number of mandatory and nonmandatory noninstructional fees within our institutions. Some of them are very simple and easy to describe, and they are around things like parking or busing or library use.

What had popped up a couple of years ago at a couple of or three institutions were fees that were a little less clearly defined. We believe that universities, colleges, and technical institutes need to have the ability to charge fees for real services and real things they do, so we've gone back to all of our institutions and said very clearly that we believe all mandatory noninstructional fees should reflect some real service or product being delivered to students and that it should be based on something in fact.

We asked each and every one of our institutions to provide us with a policy around how they're going to develop noninstructional fees into the future. Each of our institutions, all of our institutions that we publicly fund, sent us that policy. We reviewed those. From that review we developed best practices of what we believe should be included around student engagement, student involvement, what a fee could look like, what it should include. We've given that to all of the institutions and asked them to go back and revisit those policies, because we didn't believe they clearly reflected all of those best practices, and redo those policies to show us how they can provide a policy that works for their individual institution.

We know that each of our institutions is unique and different. Olds is as different from the U of A as Lethbridge College is from SAIT. We want them to have the opportunity to work with their community, their students, and come up with a policy that works for them. We're going to work with them. We have made the commitment that each and every institution will have a policy that's acceptable to us in place prior to the next school year. That's our time frame. We're working very aggressively at it. We're working with all of our institutions, and we will have it done.

7:15

**Dr. Taft:** Okay. Good. Let's talk a little bit about capital spending, which in the budget this year really starts to tail off pretty dramatically. I don't want to take the time to dig through the pages and numbers here, but it's a pretty dramatic tail-off. Certainly, I've watched in my own constituency the extensive investment in new capital on the University of Alberta campus. I

like to kid people that it's because there's such a good MLA there, but nobody believes that, not even me. I do recognize there was a lot of building, but it's really wrapping up now.

Again, when we look ahead to your department's forecasts about rising enrolment, the 14 and a half thousand full-load equivalents over the next six years, or something like that, how do you expect universities and colleges and technical schools to meet the physical requirements, the capital requirements of that expansion when this budget doesn't really make any provision for that?

**Mr. Weadick:** You know, we were a little bit visionary and over the past five years have invested \$3 billion in infrastructure to do exactly that, to create capacity across the system. So you will see trades facilities. You will see health-directed facilities. Bow Valley College is just about to open a six-floor brand new building in downtown Calgary. Today there's not one student in it, but a year from now it will create the space available. There's a partnership in that facility where Olds College, Athabasca University, the University of Lethbridge, and Bow Valley College are all working together in the spirit of Campus Alberta to bring students together to learn in that institution. SAIT is about to open a brand new facility on their campus as we speak. There's been a lot of great program development. Markin Hall opened a year ago at the University of Lethbridge, housing health sciences and business schools. So we have created some capacity.

At the same time we invested \$770 million in capital maintenance and upgrading on existing facilities. Now, in 2007 we had \$61 million in capital. Over the last four years as the federal KIP program kicked in, we ramped up to match that so that we could do some extra capital projects. We matched the federal program and, in fact, we got ahead of ourselves and actually got caught up on a lot of the capital that needed to get done.

If you looked in a line, we now have increased that \$61 million from '07 to \$76 million this year in ongoing maintenance, and that's a nice increase in base funding. The KIP program isn't in place this year, so we're not matching any federal dollars.

We believe based on our assessments of the facilities out there that this is the right amount. We work very closely with all of our institutions. They provide us with 10-year capital plans for both capital maintenance and major capital, so we plan very carefully into the future to ensure that we can meet those needs.

**Dr. Taft:** Sure. I mean, you used the words "catch up" in your comments there, Mr. Minister, and that's what a lot of that \$3 billion was. Again, your own staff would know the cost of the deferred maintenance. The deferred maintenance debt was getting immense in the postsecondary system. There had been very, very little capital expenditure for many years, through the second half of the '90s and the first couple years of the 2000s, so we were catching up.

I'm now looking from here forward, and in this budget I think there's a real risk that we're going to be falling behind again. I'm making all these comments in the context of trying to advance us, you know: the Premier's vision in her campaign that Alberta would be a world leader, I think are the words she uses, in postsecondary education. In this budget what I see us doing is actually losing ground again.

**Mr. Weadick:** The \$3 billion investment wasn't catch-up dollars. That was real dollars, real investment, and real facilities for new spaces. The \$770 million investment in infrastructure upgrading did take care of both major upgrade projects but also some of that deferred maintenance that may have existed, so we have invested

significantly over the past five years in doing exactly that. We believe that we have a system now that's in extremely good shape, that's there to match the needs.

Having said that, there are projects in the works that we've discussed like the NAIT project, where they're still existing within an older Sears facility and are looking forward to new construction. We continue to talk to those institutions about what those projects might look like, when they may occur, and how they could be funded. Yes, we continue to look at capital projects, and we'll continue to work with our institutions to ensure they have the space they need for the specific programs that they are going to provide.

**Dr. Taft:** Well, and so you should be. What I'm telling you is that in this budget I don't see that.

I'll just shift gears slightly here. On page 15 of the estimates – you can probably answer; it's a very specific question – nonbudgetary disbursements, \$274 million. You have three lines. I just got really curious about these figures. We have the capital investment, expense, and then nonbudgetary disbursements of \$274 million. What is that? Maybe you need to get back to me later.

**Mr. Weadick:** That's not student loan disbursements?

**Dr. Taft:** I don't know what it is. It just says nonbudgetary . . .

**Mr. Weadick:** Oh. It's student loan disbursements.

**Dr. Taft:** Okay. Thank you. I was sure there was some explanation like that. It doesn't indicate; it just says nonbudgetary disbursements, and that got me wondering on that.

I'd like to turn our attention to the Alberta Innovates category. The transition from the former organizations into the new one was pretty rocky. I heard a lot about that, and I'm sure the minister heard more than I did. The Auditor General, I noticed, even in his comments raises some real concerns still about how that's progressing. It's \$275 million, I think, if I've got the right note from your speech. How are you assessing the value of that money being spent? How are we assessing success? It's a lot of money. The Auditor General is raising flags about problems. Certainly, I was hearing for a prolonged period concerns about staff morale, all kinds of issues. How do we know that we're getting value for \$275 million?

**Mr. Weadick:** The vast majority of that funding is invested in various research projects and much of it on our postsecondary campuses. So although you see \$275 million, much of that will be funding cancer research in Calgary or prion research in Edmonton or water research at the University of Lethbridge or at Olds College or at other institutions across the province. The real answer is that research projects come forward to Alberta Innovates looking for support. They are reviewed, and based on the criteria, they may be funded for a period of time to do that needed research within the province.

The other piece that you talk about is the Alberta Innovates: Technology Futures piece, which is really a blending of services that the government of Alberta and others use to provide around technology advancement, tech commercialization. The old Alberta Research Council and those groups have been brought together there. That was rocky at first. We know that there were challenges. We're seeing some significant move forward in that area now. Within Alberta Innovates: Technology Futures they've come together very nicely over the past year, are working together.



7:25

It's hard to value tech commercialization. It's hard to put a value on the vouchered program, which we use to help small industries purchase those research pieces that they may need to move their product forward, and that innovation piece sometimes is one of the hardest to get. But as we see investment in Alberta, as we see employment created, and as we see the research being done, we believe that there's good value in those investments. Although – you're right – at times, as the Auditor General said, they can be a little tricky to track.

**Dr. Taft:** Yeah. I can't find the exact phrase in here, but I was a little concerned. It's a concern that was brought to me over the years – again, it's in one of the many documents here – about a shift. This isn't the exact phrase, but it's close to this: a shift from research-driven projects to projects that align with government priorities. My fear is that that's code for political meddling in the research agenda.

Look. You know what? Today we saw that Alberta Hospital now is getting – I know it's not your department; you'd never do this – this huge new injection of funding. The last minister was trying to close it down. These kinds of swings are very wasteful and disruptive. My concern is that Alberta's research agenda is going to be driven by a changing government. Ministers will come in – you know, right now it's prions – and then the next minister may be interested in space travel, and then the one after that will be whatever, so we never allow the researchers the control that perhaps they need in the long term to really flourish. What safeguards are in place to make sure that this budget doesn't become just an agenda for political fashions?

**Mr. Weadick:** You know, we have found an excellent balance where on our postsecondaries we're doing a lot of very basic research where researchers just look for those wonderful, unique new ideas.

The other part of the equation is that industry has very, very significant needs, so they will come to the table looking for solutions to problems. Some of those that we're working on are around tailings ponds, for example, with the belief that over the next few years we could come to where we won't need tailings ponds anymore, with appropriate research. It's a blend of meeting industry needs, meeting environmental needs, focusing on areas around our economy like prion, which is very critical to the beef industry but also to human health.

This is really about a blend of groups working together very effectively to both solve the problems that we have in industry and as a province and also to allow researchers to do that very basic research and work with masters, PhDs, and postdocs at our campuses to just look for that next unique and wonderful discovery.

**The Chair:** Thank you, gentlemen. You're one minute into the third 20 minutes.

**Dr. Taft:** Thank you, Madam Chair.

You talk about lining up with industry, and I've raised the concern that the budget constraint when pushed against the ambition to be one of the world's best leads to coming problems. One of the approaches is these hybrid institutes, which are not inherently good or bad; they just have to be managed carefully, and then people in those hybrid institutes, if I can call them that – and by hybrid I mean partly funded by corporations and partly funded by the taxpayer – and staff who end up occupying positions that, in my view, raise concerns.

Historically the biggest concerns, I think, have been around medicine, where you have university researchers on the payroll. There's been the case of a tobacco company paying university researchers for health research. Interestingly, those researchers come out and say, "Oh, tobacco is not really that bad," that kind of thing. That was an incident at the U of A in the last very few years. But I think it has spread there.

I'm wanting to ask you questions about how your government manages these kinds of positions. I want to use a very clear example. It involves an individual. I want to be fair to this person, so I made sure all the paperwork is here if you want to have a look at this or not. It's the School of Public Policy at the University of Calgary, which is funded substantially by corporations, and the director of that is Jack Mintz. What I'm really getting at here are ethics questions. Professor Mintz is widely respected for his economics commentary, holds a chair, and is the director of this institute. He also discloses at the end of his research papers that he sits on the board of Imperial Oil.

If you follow that through – and I've done that – and if you search on Imperial Oil's Securities and Exchange Commission filings, Professor Mintz is getting over \$200,000 a year for sitting on Imperial Oil's board of directors. He's got over \$600,000 in share-based awards. I don't know if these things get filed or not. It's very clear in Imperial Oil's filings that

director compensation elements are designed to:

- ensure alignment with long-term shareholder interests;
- provide motivation to promote sustained improvement in the company's business performance and shareholder value.

So here we have an example of a professor – and I suspect this is happening a lot – actually being paid a lot of money to advance a corporate agenda. He's actually on the board of directors of one of Canada's largest corporations. How does a university protect its integrity when this person then goes out and publishes papers, in this case calling for corporate tax cuts and calling for royalty reductions and so on, under the name of the University of Calgary? How is the public to continue to have confidence and credibility in our universities? What steps is your department taking to address these kinds of conflicts of interest?

**Mr. Weadick:** You know, each of our institutions is an arm's-length, board-governed institution. They have an appointed board of directors. They then hire their president and sort out their policies around who works there and the various institutes and all the crossrelationships. Frankly, we do not get directly involved in the operations of our universities or our colleges except through the appointment of boards of directors, that then set policy. So what particular involvements different researchers may have on different campuses or who they align themselves with, really, is between that campus or institution and that particular researcher. We as a government have no involvement whatsoever in that.

**Dr. Taft:** So you're saying that it's not your business, even though you're the minister of advanced education, to tend to the ethics of the institutions that you spend 2 point some billion dollars on?

**Mr. Weadick:** I believe it's our role to appoint boards of directors that have very clear mandates around ethics that they utilize in the operation of each of their institutions.

Frankly, it would be improper for me to comment on that exact situation; I don't have any personal knowledge of it. What I can say is that there's a lot of academic freedom on our campuses, and they fight very long and hard for that. You know what? They manage their affairs so that they have the broadest amount of

freedom and flexibility on their campuses. We really are not involved in the day-to-day operations of any of those.

7:35

**Dr. Taft:** No. I'm not asking you to be involved in the day-to-day operations, although I know that historically ministers and Premiers have actually meddled. I'm sure, you know, that you wouldn't do that, and I say that quite genuinely.

I would put it to you, particularly when you're putting these institutions in a budget squeeze – you know, you have a Premier saying that we want to be a world leader, and at the same time, once you adjust for inflation, you're actually cutting their budgets. Do you have a responsibility to say: okay, this is an effect of the budget we're imposing; we are going to put these institutions in a squeeze, and we'd better keep an eye on what the effects of that are?

**Mr. Weadick:** I believe we've given them three-year sustainable funding. I believe it's anything but a squeeze. We expect them to manage within that and continue to go forward and meet their mandate. From what we've heard from dealing with the institutions, they're very comfortable within the relationship that they have with the funding arrangement, the three-year funding and the 2 per cent. They're very pleased to have that.

We will continue to work with our institutions. I believe this is a very positive budget for our postsecondaries, especially in a time when world economics are still a little bit unsettled, to know that we have guaranteed funding for three years, that those institutions can plan around that. They can build their futures around that. I don't know what inflation will be next year. It was .35 per cent last year. It's 1.45 per cent this year. They're allowed a tuition fee increase of 1.45 as part of the tuition fee cap. So, you know, we have the checks and balances in place. They've got budgets that give them some room to manoeuvre and a window to plan for three years, and we think it's very, very positive.

**Dr. Taft:** Well, I have to disagree. I'm concerned that the checks and balances aren't in place and that this kind of conflict of interest is probably being intensified by your government here and your department. There's an obligation to hold the universities and colleges and technical institutes to some proper code of ethics.

You know, this can play out in different ways. For example, on the south campus now at the University of Alberta the GO centre has been constructed. It's been a controversial project in some ways. You and I have talked before. What it is, I suspect, is an example. It's a P3 in which, the university has said in writing, they had very little control over design or construction, but they will end up being responsible for that building. I'm concerned about the university ending up in a position where short-term they're attracted into P3s that get built by whoever the group might be, in this case substantially led by a local businessman who has a professional sports interest that is going to be housed at this facility. But it ends up potentially being – in fact, it will be – not just an asset but a liability for the university. Do you have concerns about that kind of trend where the universities are getting drawn into risks of taking on physical structures that become liabilities?

**Mr. Weadick:** I notice in all of our communities that our institutions and our universities and colleges tend to partner with the communities to provide services not just to their students but to the neighbourhoods or to the entire community. I look in Lethbridge, and I look in Red Deer. Each and every one of my colleges or universities has a facility that's shared with the

community or that's been partially funded by the community, whether it's our football field in Lethbridge, that was funded jointly by the provincial government, the university, and the city of Lethbridge to allow for football teams to play on a state-of-the-art field; whether it's the proposed health facility in Red Deer, that will be shared by the city and the Red Deer College on Red Deer College grounds; whether it's the GO centre in Edmonton, which ultimately provides an opportunity for students from the university, for neighbours, for people within the community to access a great recreational facility, that ultimately will be an asset for many, many years.

These are relationships that each of our universities tends to take on with our communities, and I'm glad they do because often our communities are much richer for those relationships. Often we have facilities that wouldn't be there if it wasn't for those wonderful partnerships between the provincial government, the postsecondary institution, and the community that they're in.

**Dr. Taft:** My concern is that the GO centre might indicate that we're on a trend in which the university actually provides the land because that's what they're rich in, somebody else builds an asset over which the university has no say, no control, apparently, if the University of Alberta's published statements are correct, and then it lands on the university's lap. A long time ago – I'm trying to think back through my lifetime – something kind of similar to that happened with HUB Mall at the U of A, which was built by the students' union at the University of Alberta, and eventually the students' union couldn't manage it and ended up dumping it on the lap of the university.

When we have a budget that's very constrained on capital investment, we're forcing universities into deals that we may soon regret. I have that concern.

**Mr. Weadick:** I believe that our postsecondaries enter into all of those agreements very carefully. I believe they look to benefits for their students and for their communities. We're seeing some very unique projects happen out there, and they're providing great opportunities across our postsecondaries for those unique partnerships with communities, with industry.

In Olds, for example, we're seeing a company come in to build a hotel and convention centre on the corner of the Olds property. Olds gets some cash flow from that. But what's really exciting is that students get an opportunity, through some of the programming they have, to do their practicums in the facility and to actually have employment and other opportunities with that facility right in the community, and the community gets a facility they wouldn't have had otherwise. This is a win-win-win.

**Dr. Taft:** Okay. It can be. I'm not saying it shouldn't happen. My concern is and my question is: do you have in your department any of the management capacity or systems in place to protect the taxpayers from ending up getting saddled with, you know, failed dreams? My goodness, Alberta history is filled with failed dreams.

**Mr. Weadick:** Again, our boards of governors are put in place to weigh all of those values as they go forward. They look at the benefits to the institution, the costs and the potential costs down the road of managing that, and then they make those decisions on a basis that will be a positive impact to their institution. We have great faith that our boards and our senior management in these facilities are doing an excellent job of weighing these out and finding those projects that truly meet both the community and an institutional need.

**Dr. Taft:** There's a technology commercialization line of, I think, about \$123 million, \$124 million. Can you tell me a bit about that? Again, I'm concerned about how it's managed. For example, how do we protect taxpayer funding for that? How are patents managed? How is intellectual property managed?

**Mr. Weadick:** Now, there's a very good question. Actually, right now within the province of Alberta intellectual property is owned by the proponent, or the developer. A lot of this work is done on campuses, and most of the agreements are held within faculty agreements on campuses.

We do not have a provincial position around intellectual property. We've had some discussions about what that might look like. We've had some discussions because the federal government has talked about: what could a Canadian intellectual property plan look like? So we have talked about what intellectual property might look like, but at this point it's housed within faculty agreements on campuses, largely.

**Dr. Taft:** What about with the Alberta Innovates organizations? Is it the same thing? What happens to intellectual property management there?

7:45

**Mr. Weadick:** Within Alberta Innovates most of the research is actually still done on or associated with campuses or research facilities on campuses. For example, Alberta Innovates: Health Solutions doesn't have a bunch of health researchers working within Alberta Innovates: Health Solutions. They fund research projects at the U of A, the U of C, and other places like that doing the necessary research in health. Even though Alberta Innovates manages that, it still occurs in other places.

The only exception to that is Alberta Innovates: Tech Futures, which does have some small research capacity built within the system, largely helping commercialized research done by others. So we will provide support to researchers, and we will provide commercialization support. For example, we built a pilot plant in south Edmonton where we can produce NCC, nanocrystalline cellulose, in large enough groups that researchers can then use it for research purposes to see what the potential utilization of NCC might be. We take on roles like that, where we support, work with, or streamline as people try to commercialize or move their research projects forward.

**Dr. Taft:** You know, the great example in Canada for technology commercialization among universities is Waterloo, I would say. As universities go, it's a fairly new university, not one of the great big ones but incredibly successful in technology commercialization.

But \$123 million. That's a lot of money. Tell me what we're getting for that.

**Mr. Weadick:** What we fund through that is the Alberta Innovates: Tech Futures, and that's all of the pieces around doing research. It's the old iCORE or the old Alberta Research Council. They support industry in bringing technology to market. They support strategic partnerships. They work with industry to find solutions to industrial problems.

**Dr. Taft:** Give me an example.

**Mr. Weadick:** We talked about the nanocrystalline cellulose as one example of a project they do. We work on a number of

projects like that, where we will support a company that's trying to commercialize a project.

**Dr. Taft:** I understand that. It's just that \$123 million is a lot of money.

**Mr. Weadick:** Yeah.

So those are the services that we provide. We have about 600 employees within that group working with various companies, associations, and organizations. We're working on research in the area of OSB, and we're looking at a plant in Hinton. We support or work with developing industry, using new technology to develop industry. We have a gentleman in Grande Prairie who is looking to use OSB for rig mats so that when they're drilling, they can access the sites using OSB, and when they're done, it's very easy to recycle because the glue is recyclable and the wood fibre can be chipped up and recycled.

Those are the types of projects that we may work with, the proponents to move forward for a number of different reasons, some of them environmental and some other.

**The Chair:** Thank you.

**Dr. Taft:** Mr. Minister, thank you very much. I enjoyed that.

**Mr. Weadick:** As did I.

**The Chair:** Thank you very much, Dr. Taft.

We'll now move to the Wildrose. You have 20 minutes. Will you want to go back and forth with the minister?

**Mr. Boutilier:** Sure.

**The Chair:** Yes. That will be fine. One comment that I could make is that if you want your assistant to sit beside you to help, please feel free to invite him.

**Mr. Boutilier:** Well, thank you. My assistant tonight is a fourth-year University of Alberta student, and I'm proud to say that he comes from Fort McMurray. While he attends university, he's working as my part-time Leg. assistant. He has some really good insight as a student at the University of Alberta.

I found the questions by Dr. Taft, of course, as a professor to be very insightful. Certainly, he has asked some of the questions. But I want to bring a lens to this time last year as the minister was new at that time to the position. I wonder if he remembers the first question I asked him when we came to budget last year?

**Mr. Weadick:** I don't. I'm sorry.

**Mr. Boutilier:** Through the chair I asked you if, in fact, you ever saw the British comedy *Yes Minister*. I was guarding you against the fact that usually whatever the minister thinks is interesting fascinates the heck out of everyone else within his ministry. I want to know if that's true or not.

**Mr. Weadick:** Well, I haven't seen the show, no. I still haven't seen it. We've been so busy that we haven't had a lot of time for television.

**Mr. Boutilier:** Well, moving forward, I have some questions from a variety of perspectives, and I certainly welcome the opportunity for going back and forth. Last year in our discussions it was discussed about setting – and it's something from speaking with students that, specifically, I had met with and that I understand you had as well, the Council of Alberta University Students. Some

of them are here tonight. At the time they had given some advice to you in terms of the budget, so I'm going to just list off five questions and see how you've done on these pertaining to the budget. First of all, they strongly advised, CAUS, that you set more ambitious targets and develop additional measures in the business plan. I was wondering if, in fact, that's reflected in the budget.

Second of all, they wanted to establish – and I agree with this – an arm's-length agency to develop research on our postsecondary system. That's something I haven't seen in the budget, and I'd like you to comment on that.

Third, it was important to recognize to increase nonrepayable student financial aid through upfront grants.

Fourth, to reduce the debt of successful graduates by approximately 50 per cent of the provincial portion of their loan.

The final note was: how well have you done on increasing funds to institutions over three years as opposed to year by year?

So I would welcome it if you could comment on each of those five suggestions humbly submitted by students from different universities across Alberta.

**Mr. Weadick:** Well, thank you. You know, we have had a great relationship with all three of our student groups in the province of Alberta. We have met with CAUS, ASEC, and our grad students' council a number of times over the past year. A lot of the really good work we've done has come from suggestions from our students, and although these particular ones aren't all issues that the students have brought to me personally, some of the issues we have had discussion around.

The very first issue that students brought to me last spring was the SCIP program. Students were looking for a program where they could volunteer and get some remission for their loans. So when you talk about increasing nonrepayable grants, this is a great program, where we actually work with Volunteer Alberta. We developed a program within a couple of months of meeting with the students. We announced it last May.

SCIP allows a student to volunteer for a job at a not-for-profit. The not-for-profit lists the job through Volunteer Alberta. The student does the project. It could be designing a website. It could be almost anything that the not-for-profit needs. At the completion of that project the student gets a thousand-dollar grant or bursary. It isn't loan remission; it's actually better. Any student can apply, any student can get it, and it's a grant. The benefit is that the not-for-profit gets something done that they need done, that they maybe couldn't have afforded to; the student gets a thousand-dollar scholarship; the student gets very much-needed experience, that they can put on their resumé; and fourthly, we see students getting connected to the not-for-profit sector. So four wonderful outcomes from one program.

The next major areas the students mentioned to us were around student finance. As you know, we talked a little earlier about some of those changes. A lot of those came from discussions with students, where they said: Greg, these are some things. Whether it's the grad students looking for some part-time support while they're finishing their graduate degrees, we really looked at those. From a debt-reduction level students in Alberta continue to both maintain very manageable debt levels. To show that, 97 per cent of student debt in Alberta gets repaid. So we believe students are not only managing their debt effectively; they're also finding employment in this province and they're paying back that debt so that future students can also benefit.

From the perspective of nonrepayable, as we talked about SCIP, we have the highest amount of scholarship dollars in the country:

\$71 million in real scholarships each and every year. You may say: well, okay; we're the best in the country. Let me take that one step further. This is more than every other jurisdiction combined. That's what we do in nonrepayable funding for students. So we believe that we are going a long way to meeting those requirements for students. We believe we have students in this province that are very, very well funded through those programs, and we have a student finance program that allows students to access the programs they need.

We think we've done a pretty good job of all of those, and our feedback from our student groups has been very positive to date.

7:55

**Mr. Boutilier:** Okay. Thank you.

Last year I asked a similar question, and I'll ask it again, about the fact that your deputy minister's office – and your deputy minister is here?

**Mr. Weadick:** Yeah.

**Mr. Boutilier:** Okay. I think it's about \$100,000 over what you're spending, and I posed that question last year. I was just curious. There wasn't an answer at that time, but I would be curious if you could explain the rationale behind that.

**Mr. Weadick:** You know, we run pretty lean, as you know having been here. In the Legislature for the ministers' offices, actually, for the services delivered, we run a very lean operation. We get a lot of work done, as you know. I know that you know it intimately. We try to work very hard, and we try to manage Albertans' tax dollars very, very effectively.

Our deputy minister has a significant role as well, managing a \$3 billion budget and probably 1,200 staff, so there is a requirement to have supports within the deputy minister's office to handle all of the issues around the diversity of programming that we have, right from student finance, apprenticeships through to postsecondary and then the Alberta Innovates corporation. So, yes, the deputy minister's office does provide much-needed support to all of those corporations.

**Mr. Boutilier:** Would you prefer to have the \$100,000 extra?

**Mr. Weadick:** You know, we manage very effectively on the budget that we have. We're lean, we're mean, and we're going to stay that way.

**Mr. Boutilier:** Again, last year I asked a question – in fairness, I was giving you some time to catch-up as a new minister – on the issue of corporate services. Last year we talked about the fact that \$26 million was being spent on corporate services, and I see that this year it's now climbed to \$31 million. That's \$4 million or \$5 million extra. I'd love for you to be able to reconcile that as opposed to it going to students, folks that Duncan represents, who's here tonight. That is \$3 million or \$4 million that substantially, I know, students would have certainly welcomed.

**Mr. Weadick:** Yeah. You know corporate services includes – and I'll just list it for you – human resources, corporate services, information technology management, or IT. So the total for that – you're right.

**Mr. Boutilier:** It's about \$4 million or \$5 million more.

**Mr. Weadick:** In '11-12 it was \$26.8 million. We're up to \$31.5 million. The \$4.7 million increase is centred in a couple of areas.

There was a \$3 million increase to address the IT consulting rate increases, so this is what we pay our IT consultants to help us to handle the IT stuff.

**Mr. Boutilier:** But in terms of priority, though, perhaps rather than it going to consultants, it would have been more appropriate to have it going back to students to help them.

**Mr. Weadick:** But if we don't manage the student finance systems, the apprenticeship systems, and all of our systems effectively, there won't be a student loan system. These are the systems that help us to track and manage student finance, apprenticeships, all of those kinds of things. It's critically important that we have these systems working. That's the infrastructure that helps to drive this \$3 billion postsecondary and innovation system. So that's that investment.

Then an increase in our AUPE agreements was another portion of that, where all of our AUPE staff within our department received an increase last year, and that's reflected in this budget as well.

**Mr. Boutilier:** Is there anyone in your ministry like a professor at a university that is able to – Dr. Taft had spoken about the fact that professors are able to go out and collect hundreds of thousands of dollars in salaries with corporations. Is there any innovation taking place within your ministry in this style? Ultimately, you appoint the executive council, the board of governors, of each of the universities across Alberta, so it really isn't quite as arm's length as perhaps what is suggested. What do you think of that? That is simply to the minister. A professor collects a salary in public policy or whatever it is – I'm not mentioning any particular one – but then can sit on a board for \$200,000. That's more than the Premier of Alberta makes or you make as a minister, and on top of that, I'm assuming that they're collecting a professor's salary. So what do you think of that? I know it's arm's length, but I would like your personal opinion as a minister.

**Mr. Weadick:** You know, we're really a free and open society in Alberta, where people have the freedom to follow their dreams and to work hard and to do what they have to do. We don't try to limit that. Our postsecondary institutions operate at arm's length, as we said. Their people do a great job for them. I'm sure some of the scientists that work there also try to commercialize the projects that they develop. Thankfully, in Alberta we have the freedom to do that.

**Mr. Boutilier:** You're not going to repeat the phrase are you?

**Mr. Weadick:** No, I won't. I promise.

**Mr. Boutilier:** That cost about – what was it? – \$20 million. How much was that?

**Mr. Weadick:** I have no idea.

**Mr. Boutilier:** I can't remember what it was. Does anybody remember? The freedom of creating and spirit to do something? I don't think anyone – I remember the Alberta advantage.

**Mr. Weadick:** Freedom To Create, Spirit To Achieve.

**Mr. Boutilier:** Do you think that money could have been more helpful within your ministry? I know the banners are posted across Alberta.

**Mr. Weadick:** It's also very important that we take our message outside of our province. You know, part of what we do as

Advanced Education and Technology is create those relationships around the world. We create them through students. We create them through research connections. We have a wonderful relationship at the University of Alberta with the Helmholtz Institute in Germany, where we're doing joint research with Li Ka Shing in the virology centre. We believe that collaboration and working together is critically important. Part of that is marketing ourselves to the world and letting the world know that we're here. We're here to solve the world's problems, and we want to let them know.

**Mr. Boutilier:** Okay. So the short answer is . . .

**The Chair:** Gentlemen, I wonder if we could stick to discussing the budget.

**Mr. Boutilier:** We are. Thank you.

**The Chair:** A little more specifically.

**Mr. Boutilier:** I feel I'm surrounded by Lethbridge tonight for some reason. That is very different than last year.

That being the case, the \$20 million for the Spirit To Achieve, my question is: that probably has failed because you couldn't remember it?

**Mr. Weadick:** No. I remembered.

**Mr. Boutilier:** Oh, you did. Okay. I didn't want it to be a lost investment for the government.

I want to move on. It was recommended by many students I've talked to to set ambitious targets within the business plan performance measures regarding specifically Alberta's postsecondary participation rate but also develop additional measures regarding affordability and accessibility and also quality that look at the actual cost and the student-to-faculty ratios within our system. I have to ask you: have you been able to pursue this suggestion by students, because I know they talked to you about it last year, and also been able to establish – and this is the most important point of my comment – an arm's-length agency to develop research and data on our postsecondary system? Have you been able to do it?

**Mr. Weadick:** You know, our postsecondary system partnership is called Campus Alberta, so we work through that collaboration on system issues and system challenges. Campus Alberta clearly is the vehicle and the tool that we utilize to look for solutions around increasing student engagement, transferability, and a number of the challenges that our students have brought to us. One of the major challenges students continue to bring to us is around transferability and affordability, and a big piece of affordability is the ability to transfer between institutions. We continue to work with our postsecondaries and look for system solutions around transferability that will allow students to move as seamlessly as possible across Campus Alberta. That's probably one of the most important things that we could possibly do to support our students and create a lot of what you've talked about.

**Mr. Boutilier:** Good. Thank you. I guess my concern is that I was reflecting on your mandate letter from your Premier. In doing so, nowhere does it mention this. Why would that be, in light of the fact that the Premier has given you some marching orders on what your mandate is but nowhere in there in terms of your explanation is that mentioned in your mandate letter from the Premier, who appointed you to be the minister? Can you explain why that is?

**Mr. Weadick:** You know, our mandate is generally laid out within our vision statement and within our business plan. What the mandate letter was was really clearly to help us focus in a couple of key areas beyond all of that that we were doing, where we could make some significant inroads. The Premier highlighted that helping rural, remote, and aboriginal students access our postsecondaries is one of the most important increased changes that we can make, so we've been working on that issue. We've met with the ASEC students, and they've done some research, met with some of the students. Some of the numbers that they showed me around participation rates: they do vary across the province, but the lowest participation rate in the province is in the area north of Edmonton, where we have between 5 and 6 per cent of students that are accessing postsecondary. We need to see that number go up.

8:05

But then we have some bright spots. If you look at Lakeland College, in their catchment area 35 per cent of all students leaving high school are accessing a postsecondary, which is the highest in the province, higher than the Canadian average of 20 per cent by almost double. We have some very bright spots in rural and urban Alberta. Edmonton is over 23 per cent; Lethbridge is at 30 per cent engagement. So we have some bright spots, but in northern rural Alberta we do have a significant challenge. The Premier has focused in on that, and we're going to try to fix that.

**Mr. Boutilier:** Yeah. I speak as both my wife and I taught at Keyano College. Here we are, the economic engine of Canada. As I looked at your budget, I must admit that I was somewhat disappointed. This being an area where employment opportunities and, of course, postsecondary training are so important, I would have expected more in the budget. Was there anything that you would have liked to have seen happen that is not in the budget?

I specifically zoomed in on what is taking place in northeastern Alberta, and specifically I thought that from the perspective of the economic engine that is going on there I just didn't see something that reflected a new sense in terms of the important balance that you're trying to strike. I'd like to know something that was not in your budget that you would have liked to have seen there if more dollars had been given. I'm trying to help you in terms of extra dollars to help develop the economic engine of Alberta.

**Mr. Weadick:** You know, one of our focuses is Keyano. We opened the Fort Chipewyan campus earlier this year; it was a wonderful addition. It will allow young people in that community to stay at home to study. It was a wonderful addition to that whole northeast Alberta piece. Keyano College is right now in the middle of planning a brand new facility that will train in some of the significant requirements for that area like power engineering.

In fact, we were up there for an announcement a week or so ago around the land trust issue, and all of the students from the engineering and power engineering departments were there because it's an area that's going to see significant growth. As I travelled across the north and visited Weyerhaeuser and other plants, I found that power engineering is one of those areas that's probably one of the most critical areas in northern Alberta. So for Keyano to be stepping forward to meet that need is truly another amazing and positive step.

**Mr. Boutilier:** Great. And thank you for visiting. I want to say as someone who has taught in postsecondary at the college for eight or nine years before I went on to be mayor and then also teaching at the University of Alberta – you did mention you were in the

community. As you know, I am the advanced education critic. You spoke about collaboration. Was that just simply an oversight by your ministry that you didn't let me know you were coming to my community?

**Mr. Weadick:** I must apologize. On that particular visit I was invited with the Infrastructure minister.

**Mr. Boutilier:** So he overlooked inviting me?

**Mr. Weadick:** No. I should have probably let you know that we were there.

**Mr. Boutilier:** You've been very good in the past, so I was certainly surprised a year into your ministry that I wasn't even aware. I would have been able to provide you with some very direct local insights on my discussions with the board of governors of Keyano College.

Moving on now.

**The Chair:** Thank you very much. I'm sorry, but your time is up.

We will now move to the NDs. Oh, I'm sorry. As we had discussed at the start of the meeting, we'll have a break for six minutes, and I do believe that it's being timed.

Thank you.

[The committee adjourned from 8:09 p.m. to 8:15 p.m.]

**The Chair:** I'll call this meeting back to order.

The New Democrats have the next 20 minutes. Ms Notley, would you want to share with the minister, and is the minister in agreement?

**Mr. Weadick:** Whatever you'd like, I'm fine. Sure.

**Ms Notley:** Sure. That sounds great.

**The Chair:** Thank you. You may begin.

**Ms Notley:** Thanks. Some of the issues that I want to cover have been touched on, so I'm going to try and follow up a little bit on some of the questions that have already been touched on and try to avoid any kind of replication if possible.

I guess I'll start with sort of the big picture. You know, we've had this conversation about the issue of, just generally speaking, what the overall funding is for our universities. I think it was the Member for Edmonton-Riverview who talked about going forward and actually setting objectives of being internationally competitive and ranked nationally and all that kind of stuff. I think it's fair to say that he didn't get or didn't believe that he got – and I think it's fair to say that he didn't get – really a good sense of that kind of vision from the ministry.

Let's just say for the moment that what our objective is is simply to stay the course and to provide three years from now the same quality of education that we were providing three years ago. This is where I get a little worried. You know, it's all fine for the government to sort of wrap itself in this new pre-election mode of: "Look at us. We're giving three years' sustainable funding. Aren't we great?" But, of course, as everyone always says: "You know, three years of sustainable funding, if it's not enough funding, is really not a victory for anybody. What we really need is sustainable adequate funding."

What we're looking at here is, essentially, a 2 per cent increase at a time, of course, as you know, when inflation and population growth are expected to be more. I'm a little worried about where that leaves us in terms of the quality of education in our

universities and our postsecondary institutions generally. Like the Member for Edmonton-Riverview, because I'm immediately adjacent, for instance, to the U of A, I've heard a lot of concerns, a lot of day-to-day concerns about what it looks like in our institutions as a result of these chronic cuts, of course, because this is the third or fourth year of the no-growth plan. Classes are getting bigger, support staff is becoming more diminished, and the time spent in terms of the education is diminished as a result.

I wanted to sort of link it to a different question, that was asked previously, that I had also identified, which is this growth in item 2.1 of your budget, program delivery support, which, I understand, is a ministry-based budget item. I'm not sure. If you want to just confirm for me with a nod one way or the other that 2.1 is ministry based. You indicated that the reason that that was up, essentially, \$4 million or \$5 million over the previous two years was because of the AUPE agreement, which is completely legitimate. If you reach an agreement with your staff, absolutely you should pay them. But, of course, the difficulty with this is that postsecondary institutions also have unionized staff. They are also negotiating with their staff. They are also giving salary increases, and they are also giving salary increases to their support staff. Yet there's no equivalent increase in the budget to account for that.

Indeed, we had the spectre a couple of years ago where, basically, academic staff were told to take more time off, to take unpaid time. How does that work with this notion that we, theoretically, make advanced education sort of a jewel in our communications crown for the Alberta government? You know, we all really care about it, it's the way of the future, yada, yada, yada, yet we're really not keeping pace with where we were, let alone funding, anyway, for significant improvement relative to other academic institutions in Canada or elsewhere.

**Mr. Weadick:** Well, to tell you the truth, I believe we are keeping pace. The 2 per cent number came from a lot of discussion with our postsecondaries. I met with presidents of colleges, with provosts. Understanding that there are jurisdictions around the world cutting funding to postsecondaries, understanding that we're not in an environment where there's a bottomless well, what would it take to be sustainable? Don't forget that this is 2 per cent to the whole base grant. This covers the whole grant to the institution. When we talked to them, they said: "To be sustainable, this is the range. Would we like more? Absolutely. If you give us more, we can do some really neat stuff." We said, "What does sustainability look like?" and this is what we came to: some modest increases in student numbers.

Don't forget that at the same time we want to spend wiser. It's not just about more money all the time. It's about getting the most effective use you can. Through Campus Alberta we're able to look at opportunities to partner, to work together, to maybe streamline some operations. We're looking all the time at: how does the taxpayer get the best value out of that \$2.2 billion we're going to spend on postsecondary? That's the question we continue to ask.

With our results-based budgeting that's coming in, a lot of our institutions are actually looking forward to taking that on and looking at their institutions. Often it's just been: continue to add on top of existing budgets. Over the next three years our institutions are going to get to do results-based budgeting. They're going to get to really look at what they deliver, how they deliver it, what the costs are. We believe there are real opportunities. Don't forget that we gave five years in a row 6 per cent increases, which was significantly above both growth and inflation, and then we have 2 per cent for the next three years, which will help to maintain that larger portfolio.

We really believe that there are things we can do a lot better by working together. For example, transferability sounds like a word, but in Ontario for a student to get a 60-credit course, the average student is taking 84 credits. Now, it doesn't take you long to figure out that if there are 250,000 students in Alberta and they're taking an average of 30 to 40 per cent more credits than they need to complete their course, the cost to the taxpayer and to the student in tuition, in fees to the school, and in lost time in the workforce is incredible. If we can start to fix some of those through a more streamlined transfer process, where students don't have to take so many extra courses, the savings could be incredible. What could we do with that money?

**Ms Notley:** Do you intend to implement those savings this year to account for the fact that we have an increase? Are those your savings for this year?

**Mr. Weadick:** We have a budget that's fully supportable as it stands, but those opportunities will allow us to provide even more and different services. We continue to look for those kinds of things. How can we streamline the transferability process so a student can move comfortably from Red Deer College to the University of Calgary, from Red Deer College to MacEwan, from MacEwan to the University of Alberta? As we get better at that, it'll reduce the cost to both students and the system.

**Ms Notley:** Well, again, I think that's one of those things where you need to actually give us a date on that as opposed to using it as a general example.

Moving on to sort of another area which, of course, we raised last year and are raising again, the performance measures used by your ministry are really hapless and terribly ineffective and not good in terms of promoting accountability. You just talked about how taxpayers want value for money and all that kind of thing. Well, I think taxpayers would like to be able to measure what's going on, and of course they can't do that with the performance measures that you currently include in your business plan or your annual report. That ought to be changed.

Certainly, one performance measure that you could add, then, is the efficiency of the credit taken as a percentage of the degree and start reporting on that every year so that then maybe we could see, and then you could tell us how much you're saving. But until that saving is achieved, meanwhile we're balancing cuts. Otherwise, with all due respect, you're just basically using jingoism from any one of a number of conversations that are used to sort of deny the fact that we're essentially cutting: you know, we can find savings, and we'll be able to work more efficiently.

Again, it's not stuff that we haven't heard and that Albertans haven't heard. The problem is that, you know, we hear from people in the institutions themselves who are telling us about very real deterioration in the quality of the education that they're able to offer, and that's my priority, that we maintain and improve the quality of education.

**8:25**

Now, in terms of savings I had somebody send me a note a couple of months ago that, as an example, used SAIT. I'm not sure if this was publicly reported or not; it may have been. It talked about the bonus system that is being used for the year 2011-2012 for senior administrators at SAIT. The bigger their surplus, the more the senior administrators make. If they increase the surplus by I think it's \$7 million, they increase their salary by 5 per cent. Is that the kind of thing you mean when you talk about meeting with administrators and telling them about results-based budgeting? Do you think that's a reasonable way to approach

dealing with a shrinking amount of money for our postsecondary education system?

**Mr. Weadick:** You know, as the first comment – and you’ve said it three or four times – we’re growing our budgets. We have a real increase of 2 per cent this year and another 2 per cent next year and another 2 per cent next year. These are real increases. This is above inflation. I don’t want anyone to get the impression that these are somehow cuts, to hear the word “cuts.” There are no cuts: every institution. We have not had a cut in this province in I don’t know how many years. We had a zero budget one year. We had a zero-based budget increase last year but had funding directed at some enrolment challenges. We actually had a 3 per cent budget increase last year, but it was focused on enrolment and some other things. You said: well, how do we grow that? We’ve grown it. We’ve helped to fund it. This year we have base-budget support for three years in a row, where our institutions are going to see real base-budget support that’s beyond inflation.

You talked about reduced quality. I would disagree with that wholeheartedly. Two of our institutions placed number 1 and number 2 in Canada on student satisfaction. That does not speak to reduced quality. That talks about the two top institutions, supported by their students, that appreciate the quality and value of that education, number 1 and number 2 in this country, and they both are in this province. You know what? We have a high-quality system that is very well supported by our students, and it is well funded, as well as in any place in this country. In fact, what we hear when our presidents travel: they say that every other jurisdiction wishes they had the funding that we have in Alberta. This is a well-funded, top-quality postsecondary system, and I don’t want anybody leaving any indication that it’s anything else because it is top rate. It is well funded. Our students support it. Our folks that work in there support it. I believe that we have to continue to tell that story.

**Ms Notley:** Well, I believe you believe you need to continue telling that story. That’s quite clear. I’m just telling you what we’re hearing, and I’m looking at the numbers. The conversation that we’re having today is about the numbers, that I think speak for themselves.

On that issue of student satisfaction I think one of the issues, of course, is that if you’re a part of that, unfortunately, smaller than the rest of the country’s group of students that are attending postsecondary education in Alberta and particularly universities, then, yes, you’re happy, but of course we don’t have as many students as a percentage of our population that are attending. I want to talk about those groups who are not attending, in particular aboriginal learners. I noted that you talked about: well, it’s really about a frame of mind. In fact, I believe it was in 2008 or 2009 that there were actually specific grants and bursaries that were designed to support and encourage aboriginal learners to move into our system, and those were cut, so I think it is a little bit more about frame of mind.

Again, going back to performance measures, can you commit to me today that next year in your business plan you will have a performance measure about aboriginal students and one that anticipates growth in terms of aboriginal student participation? If you can’t put that as a performance measure to which you will be accountable moving forward, why wouldn’t you?

**Mr. Weadick:** First, to the program cut. We did remove some programs last year, and these were largely programs that weren’t being accessed, so they weren’t effective. They weren’t meeting

the goal of bringing aboriginal students into our system, so we realized right then that we have to come up with something better.

We believe that our new loans system will allow some of our First Nations students to access, but it’s going to still continue to require some cultural changes within the system, and we’re working with all of our institutions on that.

I believe that a performance measure around aboriginal involvement is probably overdue and probably something we should look at, so I will sit down with my department and look at what that might look like: what should we track? The Premier has very clearly said that we must increase this number. I take that very seriously. So we must start to track that in a more holistic way.

You know, if you look at students in Alberta, we’re not very far off the national average, and in fact many parts of Alberta actually exceed the national average for students in postsecondary. Edmonton, for example, is over 23 and a half per cent, which is much above the Canadian average and most provinces’. Lethbridge is at 30 per cent. Calgary is at over 20 per cent.

We do find that in rural Alberta a lot of our students go and get jobs. The other piece that we can’t lose sight of is that with 11 per cent of Canada’s population, we train 20 per cent of the apprentices, so we’re training a lot of young people in apprenticeships.

**Ms Notley:** I don’t mean to interrupt, but we did talk about that last year, so that’s on the record. We know that.

**Mr. Weadick:** I’m just saying that it’s not just about everybody going to university. We need plumbers and pipefitters and mechanics and carpenters. We need people to build our houses.

**Ms Notley:** I’m not denying that. We need that, but we also need to have our university-level education keep pace with the rest of the country.

**Mr. Weadick:** And it is right now.

**Ms Notley:** Especially if we plan to be a leader, and that’s an issue. Obviously, I mean, some people will say: rural people are off getting jobs. Arguably the other issue is that it’s ultimately a cost issue. In Lethbridge and Calgary and Edmonton students can live at home, and in so doing, they significantly decrease their costs of attending postsecondary or university. So the difficulty arises. I’m sure that it’s essentially a cost issue, and whether that cost is, you know, tuition or noninstructional fees or housing or all those issues, that’s what’s happening.

Now, on cost and flexibility I just want to jump back a little bit to student loans. We talked last year about a recommendation that was made. I’m sure this must have a bearing as well on our aboriginal and rural, well, not so much – anyway, some students are struggling to access the system. I haven’t seen a change, which is this issue of eligibility for student loans in Alberta for part-time students.

That’s a concern for me as well because I think that, particularly for older learners, that’s what they need, access to that. I also believe from my own experience – although I will certainly say that I have no study to back it up, I’d be happy to have you tell me you have one that says I’m wrong – that it has a disproportionate impact on women, in particular women planning to transition back into the workforce after having children and perhaps attempting to multitask, as women often do through that period of having children and trying to maintain some contact with the workforce.

Of course, there’s all this talk about our workforce potentially being stretched, so we need to find innovative ways to get people



who are otherwise partially occupied, shall we say, into our education system and able to participate fully in our workforce when the time arises. We're not giving that opportunity to part-time students through our student loan financing. There was talk, so why hasn't that happened yet?

**Mr. Weadick:** I'll answer two questions, the first one you asked a little earlier. By 55 years of age in Alberta our postsecondary completion is the same as anywhere else in Canada, so what we're finding in Alberta is that we have lifelong learners. People are going back to school at 25, 35, 45, and when you get to that age group, we are on the Canadian average of completion, so I think that's great news.

The other part. In the proposed changes to student finance there are three changes that will have a significant impact on exactly what you're talking about. Number one, the requirement to put work earnings towards your degree. We've gone from having to calculate to a flat \$1,500. For every student all they have to come up with is 1,500 bucks through working part-time or whatever. That's it. If you're a single mom or a single dad it's zero. We have made it even easier. No requirement for a part-time job, no requirement for any funding to be put forward for you to get a loan for your postsecondary. So that's first.

8:35

Second, we've allowed part-time students and part-time graduate students to access the student loan system so that they can get student loans. As important, we used to start charging interest on your loan as soon as you became a part-time student, and you had to start paying back your loan. We now have not only waived the interest for the six-month period, but you do not start paying back your student loan until after you've graduated even if you're a part-time student.

**Ms Notley:** I'm sorry. Part-time students are eligible for . . .

**Mr. Weadick:** They are eligible, and graduate students that are part-time are eligible.

**Ms Notley:** Okay. So both.

Now, when you talk about that 55-year-old, is that based on people that are from Alberta? Do your demographics distinguish between people who have moved to Alberta for work? You know, we currently have more jobs than other parts of Canada. You've got a lot of people educated in other provinces and moving here as opposed to being educated here. When you talk about the increasing level of education of our population as it gets older, is that included?

**Mr. Weadick:** It's our overall population.

**Ms Notley:** So you haven't factored in the difference.

**Mr. Weadick:** They are just part of the mix, yeah.

**The Chair:** Thank you, Ms Notley.

The next 20 minutes will be divided between government members and opposition members. The first government member to ask questions is Dr. Neil Brown.

**Dr. Brown:** Thank you, Madam Chair. I want to start off with a somewhat off-the-beaten-track question, Mr. Minister. Alberta Innovates and the various institutions that are run under Alberta Innovates sponsor a number of research projects. We have research facilities here south of Edmonton. Some of them do contract work, and they do important research in a great many

fields, everything from pulp and paper and wood processing to plant biotechnology, genomics, and all that kind of stuff. What I would like to know is what kind of security is in place to guard that research. We know that industrial espionage is a huge business in Canada, and according to some former CSIS agents industrial espionage is costing our economy in Canada well over \$10 billion per year.

Given the fact that Alberta is investing monies in helping companies and doing contract research for companies, what are we doing to ensure that the technology and particularly the intellectual property that we are putting the money into here in Alberta stays here in Alberta and is retained here for the economic benefit of the people of Alberta and that we get tax revenues out of those corporations by building those corporations here in Alberta?

**Mr. Weadick:** Thank you. You know, that is a very good question. It's an area that does require more work. We do support the commercialization of many ventures each and every year. As they move through the process of early research towards commercialization, we provide support in a number of different ways. Typically, the actual intellectual property would rest with the researcher. A lot of the support that we would provide would help them to move forward. Much of that stays in Alberta.

Also, we do see technologies that are developed here and purchased and moved. Especially when you look at drugs or pharmaceuticals, often it's major global entities that ultimately purchase those and take them to market.

We are looking for ways to continue to see technology that's developed here stay here, but clearly companies do move for a number of different reasons. We also see companies that bring innovation into Alberta and move here because it's a great place to do business, and we're helping some of those to grow and expand as well.

So there are both of those happening. Alberta Innovates: Tech Futures will work with either a company trying to come here to bring technology or to partner with someone that has existing technology here or a company developing here. But that's an area that probably could get better.

**Dr. Brown:** Well, I did do a tour of some of the facilities down there and looked at some of the research, and I can tell you that in the questions that I asked, I wasn't getting very satisfactory responses. We are actually putting some of that money into joint ventures where there are foreign companies involved. We know what nations are doing most of the industrial espionage. What type of screening do you have, for example, for foreign scholars that happen to be working at our institutions in some of these areas where there may be intellectual property involved? Does CSIS screen everybody that comes in as a foreign scholar who works on sensitive intellectual property?

**Mr. Weadick:** No. In fact, there's fairly free flow between institutions. Many of them even have relationships, the University of Alberta and the Helmholtz and a number of others, where researchers will move back and forth and work jointly. In fact, very few research projects happen in one location anymore. When you talk to scientists at the NINT or other places, they typically collaborate with two or three scientists from around the world on any one piece of innovation that they're working on. We're finding now that there's much more collaboration across borders, across institutions on most of the research being done.

We have a gentleman who's moved to Alberta – his name is Dr. Michael Houghton – who discovered hepatitis C. He was the

discoverer, may very well be a Nobel prize winner down the road, and he now believes that he may have found a vaccine for not only hepatitis C but some other virals. There's been a lot of news about that today. We'd love to see that commercialized and developed here. He's worked jointly with Dr. Lorne Tyrrell here in Alberta but also with people in California and other places.

Yes, we're doing wonderful research here, and often it's done jointly with researchers around the world.

**Dr. Brown:** I just have to correct you on one thing. That is with respect to intellectual property. At common law intellectual property always resides with the employer. If you were working for an employer and made a discovery during the course of your employment, the intellectual property accrues to the employer.

Now, we know that educational institutions, postsecondary institutions make arrangements with their employees in order to attract them there and give them more incentive to carry on research. In fact, some of them probably wouldn't be there if they weren't going to get a share of the intellectual property. For the most part institutions do have that sharing agreement with respect to intellectual property at their institutions.

I want to move on to another area of endeavour, and that is with respect to the mandate that you mentioned at the outset, which is to strike a better balance between the priorities of researchers and government. I would like to know how you and your department are interpreting the term "strike a better balance between the priorities of researchers and government," and how you are implementing it.

**Mr. Weadick:** Thank you. As you know, as government we've set some high-priority areas around research. We've set four key areas. At Alberta Innovates: Bio Solutions we have a research area that involves both the forestry and the agricultural sectors. That's one large area of focus.

We have Alberta Innovates: Health Solutions that focuses on health-related research. So that's a focus of this government that we are moving forward on to help set that as a priority.

The third one is Alberta Innovates: Energy and Environment Solutions. We believe that research in the areas of energy development, alternative energy development, environment, and water are going to be critically important to the province. So those are key areas that we fund.

Beyond that, under Alberta Innovates: Tech Futures we have some of the platform technologies, which would be nanotech, which is a platform technology which works across all of those other areas like Alberta Innovates: Health Solutions. We also have genomics, which crosses those boundaries, everything from health to bio. Those are some of our platform technologies that we support and fund as well.

It's really about focusing on those priorities. It doesn't mean that we don't do basic research at the university level, but it really means that we want to ensure that we're also doing research in the key areas. This year we funded \$5 million more towards prion research, and that was critical.

**Dr. Brown:** Just a follow-up question on that. I know my colleagues here are anxious to ask some further questions. Does that mean, given the fact that you are emphasizing these certain areas of endeavour, that researchers who are specializing in pure research or basic research, which often in the long term produces, you know, more fruitful fundamental discoveries, are being given short shrift or are underfunded in any way?

8:45

**Mr. Weadick:** They continue to be funded through their academic endeavours at the universities, and for many of them their research does focus back on the areas that have large priority interests.

What we're finding in Canada, the general discussion, is that with basic research about 9 per cent of it is ever commercialized. We would like to continue to work on results that would see those numbers improved from 9 per cent up for basic research to commercialization.

**Dr. Brown:** One final question, Madam Chair, if I could. The University of Calgary announced last week its intention to cut enrolment by 300 to 500 students. Ostensibly this was in order to balance the budget. I would like to know how many students were turned away from the University of Calgary in the past year, and what is a comparable number for the University of Alberta?

**Mr. Weadick:** I'm going to have to check and see if we have specific turnaway numbers from each of those institutions. I'm guessing that we have them somewhere, and I will ask. Maybe we can see it while we talk about that.

Each of our institutions balances their enrolments each and every year. Over the past couple of years Calgary has been fairly aggressive on enrolments. Even though budgets weren't increasing, they continued to see some increase in enrolment. When that happens, and they realize that their numbers, especially in certain programs, may be above what they'd like, then they trim enrolment in first year so they can balance their enrolments across the spectrum. Also, you see sometimes that certain programs will see managed enrolments. You'll see increases in certain places and decreases in others. It's pretty common to see enrolment numbers change.

The University of Calgary: I saw their business plan, and with the 2 per cent increase, with the tuition increase, and with managed enrolments they are on budget and are being very effective. Calgary is managing their enrolments and their budgets very well.

**Dr. Brown:** Are you saying that they're not going to cut 300 to 500 students?

**Mr. Weadick:** They have said that in the future they may reduce up to 500 intakes, over the next year or two, but we haven't had any direct numbers. We don't fund student positions; we fund the operation at the University of Calgary, and then they in turn determine the best allocation of those students across their spectrum of programming.

**Dr. Brown:** Well, in the past I've found that there's been an imbalance with respect to the University of the Calgary, where they've had the largest proportion of students turned away, being the largest city in the province, and there just hasn't been adequate recompense there for increasing those numbers to meet that demand. Is there any plan to increase that allocation for the University of Calgary in the coming years?

**Mr. Weadick:** You know, Calgary has had some increased allocations over the past years. It tends to depend on programs that they apply for and the students that they expect to take in. For example, one of those areas of increase is their school of veterinary medicine, which didn't exist five or six years ago and now houses approximately 120 veterinary students. That's a place

where you would have increased the actual number of students because of a program change.

We do see that across the spectrum. As certain programs are no longer attracting students as much, they may be reduced or disappear. New programs come on that provide the kind of support that students need.

**The Chair:** Thank you very much, Dr. Brown.

Is there anyone else who has a question? Then I could return to you, Dr. Brown. Did you have any more questions?

**Dr. Brown:** I think maybe I do have a few.

You mentioned that to age 55 we're on par with other Canadians across the country in terms of our postsecondary participation rate. Did I understand you correctly there?

**Mr. Weadick:** That's correct.

**Dr. Brown:** The estimate from the Canadian Council on Learning is that in the coming decades over 70 per cent of Canada's new jobs are going to be management positions which require postsecondary training or occupations which require postsecondary education.

Our participation rates are quite low, really. When you look at the average that you quoted to age 55, that really takes into account a lot of immigrants, people that are educated elsewhere and then come here. We're not educating them; they're pouring in here from across Canada and, in fact, you know, from other parts of the world as well.

What can be done and what is being done to increase participation rates in those three categories where there is very low participation? I'm talking about families of low income, families without any history of postsecondary education in their background, and thirdly, the aboriginal students, which I think you've covered fairly well, but in those two areas, perhaps, the areas without a history of higher education and with lower income.

**Mr. Weadick:** You know, we're starting to see the higher education issue take care of itself in that now about 60 per cent of Albertans by the time they hit 55 have postsecondary. We're seeing that parents that have a postsecondary education tend to instill in their children the desire to take on postsecondary. So that issue is starting to take care of itself although we want to continue to try to attract students into the system.

The areas that we have consistently been weaker in are the areas around rural and aboriginal. Even in our rural cities if you look at

places like Medicine Hat, Red Deer, and Grande Prairie, their rates are below 15 per cent, so we need to focus on those cities and areas as well and try to move participation rates up. If you look at Lethbridge, for example, participation rates are around 30 per cent. In Edmonton they're 23 and a half per cent. It would be very nice to see us moving Red Deer, Medicine Hat, Grande Prairie, and Keyano up.

The other positive that we've had is the development around eCampus Alberta. Now, eCampus Alberta will have 20,000 courses accessed this year online and going up very quickly; 20,000 courses probably reflects a campus of about 2,000 students. Although you might say, "Well, this is probably largely rural students," we're actually finding that over 60 per cent of those 20,000 courses are being accessed by students in Calgary and Edmonton. It fits better with their lifestyle and that.

We believe online learning and the opportunity to access eCampus Alberta could have a significant impact, and that's why this year we've invested significant funding into the eCampus program to allow them to work with colleges and universities to develop even more programs online. When you go to eCampus, you don't get an eCampus degree. You may take a Grant MacEwan degree; you may take a SAIT program online. We're working with all of those institutions to upload more of those programs, make more of them available online, and then we can have more students accessing it from wherever, whenever, and while they're working or taking care of their families. So we believe eCampus could go a long way toward helping solve part of the problem that you've mentioned.

**Dr. Brown:** Thank you.

**The Chair:** Are there any other questions?

Okay. Seeing that there are no more questions, then pursuant to Standing Order 59.01(5) the estimates of the Department of Advanced Education and Technology are deemed to have been considered for the time allotted in this schedule.

I'd like to remind the committee members that this is the last meeting scheduled for the Standing Committee on Education to consider budget estimates for the fiscal year ending March 31, 2013.

I would like to thank the minister very much and all of the members who took part in what I consider to be a good discussion. I believe that my expectations of concise questions and answers were actually met, so thank you all very much.

This meeting is adjourned.

[The committee adjourned at 8:53 p.m.]





