



Legislative Assembly of Alberta

The 27th Legislature  
Fourth Session

Standing Committee  
on the  
Economy

Department of Advanced Education and Technology  
Consideration of Main Estimates

Tuesday, April 12, 2011  
6:30 p.m.

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The 27th Legislature  
Fourth Session**

**Standing Committee on the Economy**

Bhardwaj, Naresh, Edmonton-Ellerslie (PC), Chair  
Chase, Harry B., Calgary-Varsity (AL), Deputy Chair

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Dallas, Cal, Red Deer-South (PC)  
Fawcett, Kyle, Calgary-North Hill (PC)  
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**Department of Advanced Education and Technology Participant**

Hon. Greg Weadick                      Minister

**Also in Attendance**

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6:30 p.m.

Tuesday, April 12, 2011

[Mr. Bhardwaj in the chair]

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

**The Chair:** Good evening, ladies and gentlemen, and welcome, everyone, to the meeting. Just to remind everyone that the usual rules regarding electronic devices and food and beverages in the Chamber continue to apply.

Members and staff should be aware that all of the proceedings of the policy field committees in their consideration of the budget estimates are being video streamed. The minister whose department's estimates are under review is seated in the designated location, and all other members wishing to speak must do so from their designated seat in the Chamber. Any official or staff member seated in the chair of a member must yield the seat immediately should a member wish to occupy his or her seat. Members are reminded to stand when speaking.

Note that the committee has under consideration the estimates of the Department of Advanced Education and Technology for the fiscal year ending March 31, 2012.

Note for the record that pursuant to Standing Order 56(1) (2.1) to (2.3) Mr. Xiao is substituting for Mr. Dallas.

Quickly, about process and review, speaking order and time. The speaking order and times are prescribed by the standing orders and Government Motion 5, passed on February 23, 2011, and are as follows: the minister or the member of the Executive Council acting on the minister's behalf may make opening remarks not to exceed 10 minutes; for the hour that follows, members of the Official Opposition and the minister may speak; for the next 20 minutes the members of the third party, Wildrose, if any, and the minister may speak; for the next 20 minutes the members of the fourth party, ND, if any, and the minister may speak; for the next 20 minutes the members of any other party represented in the Assembly and any independent members and the minister may speak; any member may speak thereafter. Within this sequence members may speak more than once; however, speaking time is limited to 10 minutes at a time.

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.

Committee members, ministers, and other members who are not committee members may participate. Department officials and members' staff may be present but may not address the committee.

Three hours have been scheduled to consider the estimates of the Department of Advanced Education and Technology. If debate is exhausted prior to three hours, the department's estimates are deemed to have been considered for the time allotted in the schedule, and we'll be adjourned; otherwise, we will be adjourning at the appropriate time.

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

Vote on the estimates is deferred until Committee of Supply on April 20, 2011.

Written amendments must be reviewed by Parliamentary Counsel no later than 6 p.m. on the day they are to be moved. An amendment to the estimates cannot seek to increase the amount of the estimates being considered, change the destination of a grant, or change the destination or purpose of the subsidy. Any amendment may be proposed to reduce an estimate, but the amendment

cannot propose to reduce the estimate by its full amount. The vote on amendments is also deferred until Committee of Supply, which is April 20, 2011. Twenty-five copies of amendments must be provided at the meeting for committee members and staff.

A written response by the office of the Minister of Advanced Education and Technology to the questions deferred during the course of this meeting can be tabled in the Assembly by the minister or through the Clerk of the Legislative Assembly for the benefit of all MLAs.

At this time I would like to invite the minister of the Department of Advanced Education and Technology to begin his remarks, please.

**Mr. Weadick:** Thank you, Mr. Chairman. I'm pleased to be here tonight to present the 2011-2012 estimates for the Ministry of Advanced Education and Technology and our 2011-2014 business plan. Before I begin, I'd like to acknowledge the staff here with me this evening. They're part of a larger dedicated team within the ministry, and I appreciate the hard work of each and every one of them. With me at the table today are Deputy Minister Annette Trimbee; the senior financial officer, Blake Bartlett; and the assistant deputy minister of postsecondary and community education, Connie Harrison.

I'd also like to thank some students and others that have come tonight to be here for the estimates. I appreciate that they've taken the time out of their busy schedules to be here with us, especially on a night when there's another debate going on. Thank you all so very much for coming out.

As you know, this is my first discussion of this ministry's budget estimates. I'm looking forward to working with this great team to help advance our government's vision of a prosperous Alberta through innovation and lifelong learning.

I'll start with a few comments on our ministry's business plan for 2011 to 2014. During these times of fiscal restraint our government is keeping its sights on the future. That's why we're maintaining our investments in postsecondary education and the knowledge-based economy. One way we're doing that is through Alberta's advanced learning system, Campus Alberta. Campus Alberta will continue to respond to the changing needs of students as well as support innovation and excellence within Alberta's postsecondary institutions. Our ministry will help by leading and co-ordinating initiatives to make sure students can pursue the education that they want. We also continue to support and encourage community partnerships and help make the system more responsive so students can achieve their full potential.

Meanwhile Alberta's research and innovation system, Alberta Innovates, will continue to build in areas where we've already shown our strength and reinforce Alberta's reputation as a world-class research and innovation destination. With our ministry's guidance Alberta Innovates will build stronger partnerships here in Canada and around the world, commercialize more innovation and research in the areas where we've got proven strengths, and bring to Alberta more world-class researchers, entrepreneurs, and investors, who will help us build a diversified, knowledge-based economy.

Our department will continue to work with our partners and stakeholders in Campus Alberta and Alberta Innovates so we can improve programs and policies that support both systems. As we maintain the momentum already established within both systems, we'll be able to help them better meet the long-term needs of learners, researchers, entrepreneurs, society, and Alberta's economy as a whole.

I'd like to turn now to the budget estimates for our ministry. I'll start with a broad view, then zero in on some highlights and key

changes. As I mentioned, our government remains committed to maintaining our investment in postsecondary education and the knowledge-based economy despite these times of fiscal restraint. The ministry's total budget for 2011 stands at \$3 billion, in line with last year's budget of \$3.2 billion. That includes \$2.8 billion in operating support and \$251 million in capital support. The reduction in budget reflects the completion of some capital projects.

Operationally the budget actually increased slightly over last year. That allowed us to make modest increases in several areas, including grants to our postsecondary institutions. Total funding for Alberta's 26 publicly funded postsecondary institutions will increase by \$61.6 million this year. Campus Alberta grants to postsecondary institutions will essentially be held at 2010-2011 levels. Some institutions will see modest increases thanks to \$26 million to open recently completed buildings and \$5 million to help create new collaborative degree opportunities and meet other community learning needs.

Additional funding will also be available to help encourage innovation and increase access across Campus Alberta. This includes \$20 million to help institutions address enrolment pressures this fall, \$6 million to help institutions attract and support researchers in the Alberta Innovates priority areas, and \$5 million for special projects, which could include things like e-books.

The access to the future fund will be put on hold for the next two years to allow us to focus on more immediate priorities; however, the endowment will remain in place, and we will revisit this decision in two years.

AET will also take over \$21 million in funding from Alberta Health Services for academic health centres. This will simplify the administration of salaries for medical faculty who are also practising clinicians. Of the \$251 million budgeted for capital, \$107 million will address capital, maintenance, and renewal projects, and \$144 million will complete the remaining approved postsecondary projects.

Shifting our focus now from institutions to students, our government will continue to provide funding supports to students to help reduce financial barriers to a postsecondary education and to encourage their academic achievements. In addition to \$199 million in scholarships, grants, and debt-management tools, a total of \$267 million in student loans will be available in 2011-2012. This will provide needed base funding to an estimated 53,000 students.

#### 6:40

Alberta will continue to offer one of the most generous scholarship programs in Canada. In 2011-12 about 37,500 students will share in \$71 million in scholarships. In addition, Alberta children will receive \$19 million in Alberta centennial education savings fund grants to kick-start their educational savings, an increase of \$3.5 million this year to keep pace with the province's baby boom.

Finally, the student loan remission program, which forgives student debt beyond set thresholds, will be reworked. Starting in August, only students who complete their program will be eligible for remission. I think we all agree that a postsecondary education is one of the best investments anyone can make. The return on investment is excellent, particularly if you complete your program. We want to encourage students to complete their programs while we help them keep their debt manageable and ensure that tax dollars are spent wisely.

When it comes to our investment in innovation and research, we are staying the course and staying focused on our vision for Alberta's diversified and knowledge-based next-generation economy. Our total budget for innovation has increased by 6.8 per cent to \$251 million this year. An additional \$118 million will be drawn from the Alberta Heritage Foundation for Medical Research en-

dowment fund to meet our commitment to help universities transition medical researchers from long-term salary supports over the next eight years. This includes \$2.7 million in 2011-2012.

Over the next five years an additional \$34 million will be drawn from the Alberta heritage science and engineering research endowment fund to strengthen Alberta's position as the global leader in using nanotechnology to create sustainable biomaterials.

In 2011-2012 a total of \$202 million will be invested in Alberta's priority research areas and technology commercialization through the Alberta Innovates corporations. This includes Tech Futures for \$94 million, Health Solutions for \$76 million, Energy and Environment Solutions for \$18.5 million, and Bio Solutions for \$13.5 million. Overall, I would say that our funding in this area is steady and acknowledges the growing importance of investing in economic diversification through innovation, research, and commercialization.

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

Thank you for your attention. I'll be happy to answer any questions that you may have.

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

At this time I'm going to invite Dr. Taft. Dr. Taft, you have one complete hour, 20 minutes at a time. Would you like to share your time with the minister back and forth?

**Dr. Taft:** Yeah. The minister and I have talked, and we'll just share the time and try to make it a little more conversational.

**The Chair:** Thank you very much. You may begin, please.

**Dr. Taft:** Thanks, Mr. Chair. I appreciate the comments from the minister. Obviously, it's hard not to agree with the rhetoric or with the words the minister has said, I think probably with genuine intentions, but perhaps because of the different roles we're in, there's a view from the minister's comments that things are pretty rosy and pretty good, yet there's a view from our side and from many people we hear from that actually it's pretty tight. It's uncomfortable times out there, and I think we need to address that.

I thought I would just begin with a few general comments myself, Mr. Minister, before getting to some questions. Clearly, we in the Alberta Liberal caucus agree that postsecondary education and education in general right from kindergarten to postgraduate are absolutely crucial to the future of Alberta. We often think of that, as citizens, in terms of economic benefits. You know, it's good for the economy to have a well-educated population. As some people say, if you think education is expensive, try being ignorant. So it's good for the economy, but it's also good for just about everything else.

I often said, when I spent my years as health critic, that probably the best health policy the government can make is good education. It's also a matter of addressing issues of justice and so on. Education, including particularly university and including all education, is really a great equalizer. People can start as young children from any background. If we as a society and as a Legislature are doing our job, all people have a chance to rise to the level of their ability and the level of their potential regardless of their background. Canada has done a pretty good job of that. I am worried, in some of the analyses I've seen, that we're starting to lose that, particularly at the postsecondary level.

Just to put some of the spending in context, I did a little spreadsheet here, actually, in conjunction with a couple of economists at

different institutions that your department is responsible for. If we were to adjust for inflation and population growth, real per capita support from the provincial government on postsecondary education went from \$862 per capita in 1989 – and that's dollars adjusted to a 2002 level, which is a standard Stats Canada uses – and then it just marks step-by-step down for the next eight years, I think it is, until 1997, when it bottoms out at \$698 per capita. Then it begins climbing up until 2008, the most recent figures I've got, when it reaches \$1,157 per capita. Now, there's impressive growth at the end there, but we need to remember that that's coming from a period of pretty drastic cuts.

One of the key lessons here, I believe, isn't just the absolute amounts but the tremendous instability that we've put public services through in this province, which has a wrenching effect on the capacity of institutions to deliver the services that are needed. They defer maintenance. We see classroom sizes mushrooming. We stop recruiting faculty. A lot of that happened for about 10 years, and much of this surge in spending since then has frankly been just repairing the damage that we allowed to occur by not maintaining the system properly. It's like not changing the oil in your car; eventually you have to replace the engine. So I think we need to keep that as a broad perspective.

I'm just going to mention one other thing. During that period, Alberta's economy per capita adjusted for inflation grew about 75 per cent. In real terms per person the economy was about 75 per cent larger in 2008 than it was in 1989. We have a huge economy, big, big growth in the economy, much smaller growth in postsecondary education, and what that means is that we are trying to sustain a postsecondary system for the 21st century on an ever-shrinking part of the economy. It doesn't make sense.

I hear the minister and the government speak about investing in a knowledge-based economy. I'm sorry; when we're falling behind and trying to support a bigger and bigger economy with a smaller and smaller percentage of resources, it doesn't work, and we end up in the situation that we find ourselves in today, which is relatively low postsecondary participation rates and a host of other issues that we will explore tonight. That's just background from where I'm coming from with my comments tonight.

Now I thought I would through the course of discussion look at the budget from a handful of different perspectives. One is the people of Alberta, one is the students – and we have several student representatives in the audience – staff and faculty, the administration, and, because my constituency includes a university as well as one of the Grant MacEwan campuses, from the perspective of neighbours as well.

I'm going to start with a general question for the minister. I know he won't take too long to answer it, but I'd sure like him to give it his best shot. A budget is a plan. You say that your government's plan is to build a knowledge-based economy, but I see this as failing to do that. In real terms this is a shrinking budget. We're loading onto students. We're loading onto faculty. If you can keep it to two or three minutes, what in this budget, this plan, could you tell the students here, the faculty here, and me here to convince us that this government really is giving more than lip service to postsecondary education?

6:50

**Mr. Weadick:** Well, thank you very much for those comments. You know, this is actually quite a tough budget, and I do agree with you on that. This is a restraint budget. We've been through some very, very difficult financial times, but it does show the commitment of this government to postsecondaries in a time when most government budgets have seen reductions. We've seen at least some small investment increases in postsecondary. We've

looked at dealing with some of the issues around lights on and utility cost increases, around the need to attract some new talent while it's available out there in other places while the economy languishes in some places.

We've set aside some funding to provide assistance in that area that we believe is critically important, which is allowing our colleges to start to create more opportunities for degrees to be available in their communities. This \$5 million fund to allow them to partner with our universities and other institutions to create those opportunities at home, where a young person in Red Deer can take a four-year business degree, these are huge changes. It keeps the costs down. Young people can stay at home. A lot of these things don't cost more money to the system. They make the system more available to Albertans. I think it's critically important.

It's not just about money. As important as money is, the quality of the system really rests with a whole bunch of things. We have seen a 42 per cent increase in funding to universities over the past 6 years. That funding increase was clearly to create some capacity and to create opportunities for new programming that is needed in a number of fields.

There was a little bit of discussion around low participation rates. If you look at our trades and technologies piece, our apprenticeship piece, we actually have 12 per cent of our young people, the highest percentage in Canada, in the trades. If you add that into our postsecondary numbers, Alberta starts to look very well at participation. We have 61 per cent of the Alberta population that by the time they're 35 to 64 have completed postsecondary education. To the member across: what we've created in Alberta really is a whole province of lifelong learners, people that continue to learn, to go to school, and to find opportunities to gain the education that they so very, very much need.

I think it's a combination of three things. We need to make sure our education system stays accessible. We need to make sure the spots are there. This year we did have a number of turnaways. We look at that. We don't want to see Alberta students that have the grades and the capacity to go to postsecondary not be able to access it. We also saw a huge increase in the number of applications for postsecondary this year. It has been a very positive year for postsecondary, but it also created stress in some parts of the system. The other piece is affordability. We need to make sure that the system remains affordable for the students. Our tuition cap is in place. We've protected that cap. I know we'll have some more discussions later about some of the issues around that. We believe that the tuition cap has been an important part in helping to keep it affordable.

Probably as important to our students is quality. We cannot afford to trade away quality for affordability. It's going to continue to be a balance between making sure that the highest quality programs with the best research and professors available to teach our young people are there while trying to maintain as much affordability as possible within the system for both the students that are paying their share and for the taxpayers in the province of Alberta that are picking up the other piece.

That's the balancing act. I believe that this budget goes a long way to balancing those needs of affordability, accessibility, and, as important as those two, the quality of our education.

**Dr. Taft:** Okay. Well, we'll just carry on that discussion. You opened a number of doors there that we will try to go through this evening.

I'm going to start with postgraduates since they're right up there, in more ways than one. Something that was brought to my attention recently, which I found quite striking because I love the idea of Alberta leading the world with its postsecondary system –

I would be the happiest person in this province if 20 years from now U of C and U of A and U of L, to pick three examples, and Athabasca University were all ranked and were spoken of in the same breath as Cambridge or Harvard or Stanford, to pick public examples, any number of them. We want to get there.

One way we want to do that is through, in the case especially of the U of A and the U of C, postgraduate and postdoctoral fellowships. The figures that were given to me – and I think the minister might have these same ones – is that the University of Alberta provides postdoctoral positions for 442 postdocs and in Calgary 340. That means the U of A ranks just over half the level of McGill, basically a quarter of the level of Toronto, well behind UBC, about half the level of the University of Montreal, and Calgary respectively even less than that. If we're going to be a top university in the world, first of all we've got to be top in Canada. We're not even close when it comes to postdoctoral fellowships. What in this budget, what initiatives, what are you doing, Mr. Minister, to support an increase in the capacity of our graduate universities to fund postdoctoral fellowships?

**Mr. Weadick:** Well, thank you very much. We, too, believe that increasing the number of grad students in our system is critically important to long-term success. Out of the grad students will come our postdoctoral fellowships or postdoctoral students that can work within the research.

We have made some investments. I believe it's around a 4.7 per cent increase in applications to graduate schools right now. It's continuing to grow. We're working with our three residential universities and Athabasca to try to grow that. For example, there's a new degree in architecture available through Athabasca University that was just announced very recently, some really unique opportunities in Alberta. This particular program will also allow architects coming in from other parts of the world to upgrade their skills right here online using the talented folks at Athabasca so that they can meet the needs of architecture in Alberta. Some wonderful opportunities.

I met with the postdoctoral students. They do have a number of issues, and I'm sensitive to those. I met with them at the University of Alberta. I know that when I talked to them, they talked about numbers, roughly 500, and you've mentioned 442 today. I think that's probably pretty accurate. You know, we need to continue to work to increase our postdoctoral. Part of that is going to be the partnership and relationship with Alberta Innovates. We're very unique in this part of the world in that Alberta Innovates and our postsecondaries rest in one ministry, and they work together as we see opportunities for partnership, for relationship. As important as it is having postdoctoral students at the University of Alberta and the University of Calgary, I want to see postdoctoral students working in industry, creating wealth in Alberta, creating jobs in Alberta. We need to have that. We need to work towards that.

I'm not going to measure postdocs only at the level of what they work at in the universities that we have. We want to increase that. We want to see our postdocs doing that research, but we also want to see them in partnership with Alberta Innovates, in partnership with the private sector and corporate companies that are coming to Alberta, that are in Alberta, continuing to provide that experience in places like the prion institute, in places like Genome Alberta. It's not necessarily at a university, but these are places where our postdocs and our graduate students can continue to get both valuable experience, work with world-class researchers, and have opportunities. I agree. I think it's important that we continue to grow that piece, and it'll be in partnership.

One of the examples – and I'm sure it'll come up a little later – is in the area of AHFMR. As we transition the teaching positions

away from AHFMR and move them away into the base budgets of the universities, this will free up real dollars for programs, for doing research, which in turn will create positions for postdocs and graduate students. I'm sure we'll talk some more about this in a little while, but this is a real commitment to try to create that research capacity in this province. When we get a chance to talk a little more about that, we can maybe explore how that may be beneficial as well.

There are a lot of good things that are happening from the side of postdocs across the province. I'm sure that as we continue to try to build capacity and create opportunity in the private sector, in Alberta Innovates, and in our universities – and don't forget, we're starting to see more research being done at our college and technical institutes as well. They're very excited about some real research opportunities in those locations. This should create opportunities as well for some of our graduate and postdoc students.

7:00

**Dr. Taft:** Okay. Don't take this the wrong way, Mr. Minister, but I'm very tempted to say that talk is cheap. You know, the rubber has got to hit the road at some point here.

You spoke in your last comments about – I won't try to repeat what you were saying – essentially the rise of Alberta Innovates and transfers of funding which are going to free up dollars, I guess, within the universities to support postdoc funding. It sounded like there's actually some planning going on around that, some numbers you may have over the next few years as Alberta Innovates' financial situation settles down. If you have numbers, perhaps you could follow up after the debate. I don't need them now; I don't even expect them now. But if you can say, "Well, yes, in two, three, five years we expect this number increase per year in postdoc fellowships," that would be very helpful.

Let us move on. Just one more question around graduates, and this is particularly relevant, though not exclusively so, to Athabasca University. A lot of graduate students are part-time. In fact, at one point I myself was a part-time graduate student now that I think about it. It's so long ago that I practically forgot. They start off. Maybe they've got family. They've got a job. They sign up. They take a couple of courses a year and maybe finish off with a full-time term. The challenge is that there is no loan system available, unless you can correct me, for part-time graduate students. Did you consider bringing that in or did your department consider bringing that in in this budget? Is it in this budget? Is there any hope for part-time graduate students, who, after all, are the very people, the lifelong learners, you want to bring back into the system? Is there any hope in this budget or on the horizon that we will see a loan program for part-time graduate students?

**Mr. Weadick:** Well, thank you for those comments. You know, I think that on an ongoing basis we look to upgrade and modernize our student finance system, both our grants and bursaries, our loans, all of those systems. They need to continue to match the requirements of the students. Some of the increases we've made at the undergraduate and graduate student level to support single parents, to ensure that they can go to school, have been very positive changes over the past few years. Some of the increases in total loan amounts . . .

**The Chair:** The first 20 minutes are gone. Please continue, Minister.

**Mr. Weadick:** . . . ensure that students can go.

You were right. The first that I've seen of a recommendation did come from the graduate students asking us to look at an option where graduate students could get some type of part-time loan

support, loans that maybe flowed right through into the university in support of tuition, some of those kinds of things. I know that as graduate students they may be working for fairly low wages. That, especially if it's a family, can be difficult.

You know, I'd just like to tell those graduate students: we are open to that. We're going to sit down and look at how that system might work within our broader student finance system. I believe that there probably is very good reason to consider this program as very necessary. If we're going to continue to try to attract graduate students to this province, we need to create opportunities where those graduate students can study and work, bring their families to our province.

So, yes, I'd be happy over the next while to work with my finance people to see if we could create an opportunity for graduate students to get part-time loan support.

**Dr. Taft:** Okay. That's encouraging. We'll hold you to account, and I'm sure the graduate students will as well.

Moving to undergraduate students and students in other institutions, one of the issues that we've all heard about repeatedly is the mandatory noninstructional fees. You've just used the phrase, Mr. Minister, that we're open to looking at loans for part-time graduate students. You've also said, I believe, that we're open to looking at putting mandatory fees to plebiscite, to votes by students on campuses. I don't know if there's been any progress on that in the last few weeks.

This budget puts the squeeze on students, frankly, puts the squeeze on institutions, and they pass that squeeze on to the students and are bringing in these mandatory fees in increasing numbers. I guess I would have a two-part question for you, Mr. Minister, on mandatory noninstructional fees or whatever you want to call them. You know what I'm talking about. One, has your department made any progress with institutions and students in giving the students a genuine voice, a meaningful, say, vote or plebiscite on those fees? Secondly, what assessment would your department have done, if any, on the impact of the new mandatory fees to determine if those fees actually provide a service or if they're simply intended to subsidize operating expenses? Did you get the two parts to that question?

**Mr. Weadick:** Thank you. You know, we have made good progress. We've met a number of times with the students, and it is a concern. It's a concern to the students. It's a concern to the department because it does impact affordability. In fact, we met with our Campus Alberta committee two weeks ago exactly, and we had a great discussion in Calgary, and this was one of the issues we brought up. When we talked about it, most of the schools don't have a lot of – well, they all have noninstructional fees, but most of them are tied to a specific thing like parking or recreational facilities or student union fees or library fees. Most of the fees that are noninstructional are tied to something that's quite clear.

Some of the institutions have brought in a more broad-based fee, and I believe now we only have three or four of our 26 publicly funded institutions that actually have a fee like this. When we talked to them, they suggested that a great deal of those things go to pay for very particular, specific things. How they described it was that over the last many number of years different small costs have come up as part of delivering education, and they've simply rolled it into tuition as part of what they did instead of coming up with all these separate individual fees.

With the downward pressures in the last couple of years with tight budgets they've been looking at all of these costs and saying: "What are we paying? What's it costing us to do particular things?" We, too, believe that all of the fees – and I've made this

very clear – that they charge should be clearly identified as to what the cost drivers are that make that fee necessary. There should be no fees that simply exist without a real cost in the budget.

When we met with our institutions, they showed a great deal of interest in working with their students across the board. Let me say that most of our colleges and universities and tech institutes do not have these particular fees, but there are some places where they do. Each and every school said: "You know, we would like to sit down with our students. Maybe we can engage them earlier in our budgeting process, bring them into the process, and let them work with us to see what these fees are and how they work."

When I met with the students, I was really impressed with the students. They would like to have some say. The students said that many of the schools have votes on any fee increases that come up that are non tuition based, and 76 per cent of those have passed. So the students can see the value, and they tend to support these types of fees generally.

We're going to look for opportunities on an institute-by-institute basis to see if we can support the students in working with the institution to come up with a process where the students are involved right from the start of the budgeting, know exactly what all the costs are. We support budgets that are clear, we support the tuition fee, and we do not want noninstructional fees that don't reflect a very real cost of delivering service to the students. I think that covers that part.

You mentioned the impact of the fees on service if they didn't have those fees. It continues to create extra pressure. As I said, the schools, the universities, the colleges believe that they have very clear reasons for many of these fees. We've asked them to sit down and clearly identify exactly what the costs are, exactly what it relates to, and go over that with the students so that the students understand it. If that doesn't work, then we'll continue to work with the students. They have come forward with some recommendations about how they may be able to be involved in voting on any increases. We've looked at that and talked to them about that, and that may ultimately be one of the things, but my understanding is that in many institutions that already does occur.

7:10

**Dr. Taft:** Okay. Well, I hope you keep the pressure on to make sure that those fees are tied to a specific purpose; I mean really tied. I think an example of the opposite was the old health care premium, that just went into general revenue. I still have people say, "Well, I didn't mind paying for health care." I say: "Well, that didn't go to health care. That just went into general revenue." The students want to see some rationale for those fees, so I encourage the minister to follow through on his commitments there.

Just continuing on with student costs of education, again this comes back to the big picture. We always want the budget to reflect the big picture, and that is, as you said, Mr. Minister, a knowledge-based economy, investing in education, making it affordable for students. I've seen various figures that suggest that the average debt load of a student graduating from a postsecondary institution in Alberta, particularly, I think, universities or colleges in this case, is \$20,000 to \$25,000. That raises the point that I've heard often asked, which is: well, why does government think that debt is so bad for government but that it's fine for students? Why are we balancing the books of the government on the backs of the students? If deficits and debts are bad for governments, well, surely they're bad for students. Why are we pushing students further into debt? That's the effect here.

I want to draw your attention to page 30 of the estimates. It's line 2.14, bursaries and grants. There's quite a hit there. We look

at that line, the 2009-10 actual expenditure, \$28.9 million, virtually \$29 million. I'll give you a chance to find it. By this budget it's estimated to be 19 and a half million dollars, in doing the math in my head – I don't know – a 40 per cent cut or something like that. That's very dramatic, and that's in bursaries and grants. What that means is that the alternative in practical terms is a loan, and we're pushing students further into debt. Mr. Minister, how do you explain that dramatic cut to bursaries and grants?

**Mr. Weadick:** Well, thank you. The simple explanation for that number is that with the change last year in the 2009-2010 budget to reduce some of the grants and bursaries and move that funding over into loans, we continue to pay those grants and bursaries out until the end of the school year. We've only seen a part of a year. What it really reflects is that a change that was made a year ago is finally hitting our budget this year. You're seeing that reduction, but that reduction was actually a 2009-2010 reduction, where we did move that money into our loans portfolio. For every dollar that we give in a grant, we can give \$3 in a loan. With the demand for loans going up, it became critically important to try to meet the need as much as possible.

Now, having said that, just to correct the number, in Alberta this year the average student's total debt, federal and provincial combined, is \$15,998 after graduation. That is the actual number. I've heard much larger numbers as well, but that's the number from our management of the loans portfolio. It is just under \$16,000, and it's a bit of a reduction over the last couple of years.

It is a concern when we see debt loads going up, but, you know, an investment of \$16,000 in a really high-quality education that provides employment opportunities in this province – I don't know very many cars that you can buy for much less than that. To me this seems like good value from a student's perspective. Can they handle much more? Probably not. You know, part of the balancing is trying to ensure that the taxpayers get good value and that the students make some investment in their education but that the taxpayers do as well. We believe that this ratio or this range of debt doesn't reflect a huge, high level of debt, but we don't want to see it continue to grow and spiral. Those are the numbers that we have, and as I said, we want to continue to manage that.

We would love to see more opportunities for grants and bursaries, and we, in fact, have increased some of those for needy students. We also have the loan repayment program, that supports people that simply cannot make their loan payments. What it will do is sit down and work out with them a longer term of repayment. Don't forget that we, too, subsidize these student loans by maintaining them at prime lending rate. That's a significant support as well for the students, and we think that's critically important to help them manage that debt.

**Dr. Taft:** Well, again, we have a somewhat different approach. I return to the fact that it's our belief – and I'm going to assume it's everybody's belief here – that the more highly educated our citizens are, the wealthier in all regards our society is and that we should be removing obstacles to education. That includes, frankly, reducing the tuition costs, and one of the best ways to do that is bursaries. I'm sorry to see the decline in the bursaries and grants, and I would urge you to raise them again.

We are hearing more and more about looming labour shortages in Alberta, shortages of qualified tradespeople among other things. I've been hearing about this probably since last fall as a concern, and it's just getting to be a bigger and bigger concern. At the same time the training capacities of our technical institutes, which are impressive, some of the most impressive in the country to be honest, don't seem to be ramping up to meet what will be the next

boom. We fail so often in this province to learn from history. The booms come, and we make all kinds of mistakes, and we think: we'll never do that again. The boom goes, and we forget all those lessons. Then the next boom comes, and we repeat all those mistakes. One of the mistakes is failing to train enough welders, electricians, plumbers, carpenters, scaffolders. I understand there's a dramatic shortage of scaffolders right now, and we're not even into the boom yet.

What is in this budget? I mean, this is like a budget that's being prepared looking in the rear-view mirror. We're driving along thinking, "Oh, boy, we can't afford to invest in NAIT and SAIT and so on because the budget is tight." That's in the rear-view mirror when about six inches in front of the front bumper of our car is this impending shortage that we should be preparing for. Nothing in here indicates to me that we're ramping up our technical training for a boom. Prove me wrong.

**Mr. Weadick:** Thank you. You know, I disagree with you on that particular thing, and I'm going to tell you why. Over the past couple of years we've actually seen a downturn in the apprenticeship numbers, and part of that has been employment. You require employment as a piece of apprenticeship training. So although we're allowing apprentices to take their first-year training before they go to work, and we've doubled the number of apprentices that can work with journeymen to try to create opportunities for more apprentices, we did see over the last couple of years a reduction.

However, that forward-thinking vision that you're talking about is so prevalent in the department that the department looked forward and said: "You know what? We can see a growing need coming." So instead of letting those technical institutes reduce staff this year when we've seen numbers drop, we've committed a significant amount of money – I believe it's \$13 million – to bridge those programs over, to keep those instructors in place, to keep those positions open, to help those people get into those positions even though they're undersubscribed right now.

The good news is that we have had an increase of 500 applications in the trades just this year already. This is good news. We want to see more of that. This is really forward thinking. We didn't cut back. We didn't let instructors go. We didn't close classrooms and reduce spaces. We maintained spaces even though that day they weren't needed, because we knew it was coming. So, yes, you're right. We have been looking forward. We're trying to plan ahead. You can't pay forever for extensive numbers of spaces that you don't need, but at the same time you have to plan ahead to ensure that those spaces are available.

7:20

Also, within our institutions there is additional capacity for more spaces to be created within our existing system. Each of our institutions right now has some level of unused capacity within the apprenticeship and trades piece that can be quickly ramped up within our postsecondaries as need is generated. But we still must work with the employers that are there. It's a three-legged stool. We need the people that want to be tradesmen, we need the employers and journeymen that can hire them and train them, and then we need the positions in our postsecondaries to train them. That three-legged stool is critical. We're one of the legs, and we're working to support those other two as well.

**Dr. Taft:** That's encouraging. They're good words. Perhaps you can follow up with me and just explain where in the budget that \$13 million is and how it works because on page 30 – maybe I'm misunderstanding this – when I look, for example, at line 2.5,



polytechnical institutions, which I'm assuming means places like NAIT and SAIT, there's about a 1 per cent increase in funding over the last two years. I would invite you and your officials to maybe give me some detailed information on that because that's encouraging, you know. I hope it's true.

You've mentioned a few times, Mr. Minister, quality, the quality of education that our students get and that our institutions deliver. That brings me to the next group of people from whom I took a perspective on this budget, and that's staff and faculty. I'm very concerned about the situation of staff and faculty at our post-secondary institutions. I'm particularly exposed to the situation at the University of Alberta because my constituency probably has thousands of those people in it, and I hear from them and bump into them all the time. The overwhelming sense I get, from the University of Alberta at least, is that morale is suffering. Morale is low.

**The Chair:** Dr. Taft, 40 minutes are used up. Please continue. About 20 minutes remain.

**Dr. Taft:** Thank you very much.

Faculty are feeling like the work they do is getting squeezed. They're being asked to work for free, to make compromises, to take on more students, and often they watch the administration of their institutions balloon, frankly, as the administration invests hugely in things like fundraising or in public relations or in outreach and lots of other things. You have deans now with whole departments not of professors and researchers and student support but whole departments of fundraising and development and all those other terms. That drains faculty, and it gets loaded onto faculty responsibility. I guess the easiest, most direct way to come at this question, Mr. Minister, is: when can faculty and staff at universities expect the restraint, the cuts – and effectively these are cuts – to end?

**Mr. Weadick:** Well, the member does hit on a very real thing. We have been through a pretty tough couple of years globally. I know in your opening statement you said that we haven't probably been impacted as much as maybe some places, but let's be really frank. We have seen the reality of it. We have seen increased unemployment. We have seen in the private sector many people working shared jobs, working reduced hours to try to keep companies whole. I know firms that I've worked with in the past where you'll have people working three or three and a half days a week instead of five to ensure that they can try to keep their employees. So, yes, it has been tough.

I can tell you that our staff and faculties in our universities, colleges, tech institutes, and even in our Innovates groups have worked very tirelessly and very hard to continue to educate our students. Many of them haven't had a pay increase. I know that Mount Royal University, for example, had a zero-zero for two years with both staff and faculty. You know, that's got to have an impact on morale. I know that going to work every day and having a few more students in each class and working harder and getting paid the same can be very difficult. Our thoughts are with them.

We believe that the economy is turning around a little bit. We're starting to see some glimmers. Oil prices are looking a little bit better. It isn't going to change overnight. We're projecting growth in Alberta. We're projecting being in the black in 2013, I believe. We're moving in that direction, but what we haven't seen in this jurisdiction are some of the cuts, some of the real dollar cuts, that other jurisdictions have made in postsecondary and in many other areas.

Postsecondaries around North America have taken some significant hits. We've worked very, very hard to try to protect those positions and to protect our postsecondaries, to provide balanced funding wherever possible. Last year we didn't see cuts. Not getting an increase, though, as your costs go up can look like a cut or can feel like a cut. Your gas prices, for example, right now at the pumps are going to create pressure for many of our postsecondaries. Those are all costs that you see coming into their budget. So you're right.

I don't know about morale. I haven't had a lot of comments about poor morale. One thing I love about this ministry is that it is probably one of the most positive. You know, when you go on a campus, the students want to be there. They're paying to be there. They're studying. We have a 90-plus approval rating by the students of how they feel about the programs they're taking. You know, when I talk to most of the instructors and people that work there, they love being there. I'm guessing they've got stresses and challenges, but most of them love their jobs. They love being part of this postsecondary system.

Frankly, I find it to be invigorating and very exciting to go and meet with post-docs, with grad students, with undergrads, with faculty in different places because our institutions still compare to many places around the world. They're positive and they're growing. We're seeing some enrolment growth, and this year we're going to provide \$20 million to relieve some of that enrolment pressure in our postsecondary. So, you know, a little bit here and a little bit there. But we're making a difference, and I believe that most of the people in these places truly love being there and are doing a great job for us.

**Dr. Taft:** They love their research and/or they love the teaching, but we have to know that the best of them are headhunted by organizations around the world and that they have valuable skills, and they need to be treated accordingly. Again, it comes back to this notion that, darn it, we could do something so spectacular, Mr. Minister. You could lead that, but we've got to invest.

I look here at two of the flagship initiatives of this government. One is the access to the future fund: suspended. No more contributions for a couple of years. I'm reading from information here. Maybe I need to be corrected on this, but effectively this suspending of contributions to that fund has the ripple effect or the knock-on effect of suspending significant as in tens or even hundreds of millions of dollars of private donations. It's very, very frustrating. We run the risk of losing huge private donations.

I've been contacted by one of the wealthiest people in this province, who's frustrated as all get-out. He wants to make a major donation, like a big, big, big donation. A graduate of this university, a long-standing family of great repute in this province, and he's sitting on it because it can't be matched. That speaks volumes. Actions speak louder than words. I love the words I hear, but not so much impressed with those actions.

Now, I want to shift a little bit to a second flagship, which I have heard nothing but distress about. I raised this with your predecessor, and he kept saying: oh, you know, it's all fine. I want you to be aware, Mr. Minister, that what you're being told and what's really happening may be two different things, and this is concerning the whole reorganization of the research: AHFMR, iCORE, Alberta Innovates, all of that.

7:30

This is a letter I received maybe three weeks ago, an e-mail from somebody in Alberta Innovates. I'm not going to disclose any of the names here, but I want to read this into the record because it relates to the budget here. This came to me, Mr. Minister.

I don't really know what's going on within the organization [Alberta Innovates], but it's been a mess in there since Bill 27, the Alberta Research and Innovation Act, was made into law back in 2009.

Morale has been so low that an employee who had been there for over ten years got into a fistfight in the cafeteria. Attrition has been about 20% this year. And really, nothing's getting done. After a year they've only replaced six operating policies.

Yesterday and Monday they laid off approximately 20 employees, including several key people.

And they are mentioned by name and position here. We're talking researchers, scientists, PhDs, and so on as well as several other less key staff. Again, I don't want to disclose names of people. They're all here.

Then the letter goes on.

They'll doubtless paint all this as "necessary restructuring." However, the organization had promised the non-union staff a salary review that would give us all backpay stretching back a year to April 1, 2010. So a number of us stuck it out based on this promise. A promise they conveniently forgot.

People like me worked for the organization for a full year at less than market rates, never getting our 2010 cost of living increases, expecting that they would fulfil that promise. But anything connected to this government deals . . .

Well, he starts to get very angry at this point. I won't continue.

This, in my experience, is not isolated, Mr. Minister. I hear frustration, distress, confusion, whether we're talking about medical researchers or others. A budget is a plan. When is your plan and you as minister, leader of that plan, going to see the reorganization of these various research funds actually fulfilled of kind promises? Will you commit to actually going around and meeting with front-line staff, sitting down quietly with the scientists and the researchers and saying: "Okay. How is it going? How can we make sure that you're not going to go off to the bay area or Boston or somewhere else? How can we keep you here?" Will you do that kind of thing?

**Mr. Weadick:** I'll cover the two things. You mentioned access to the future fund, so I'll do that first. The program has been suspended for two years, and it is proposed to come back in year 3. It's a program that provided \$45 million a year as interest from the endowment. The billion dollars is still there, and the money will accrue. The \$45 million was to support donations. We have seen such an incredible amount of philanthropy from Albertans and donations, significant donations, that it has far outstripped the ability of this fund to match it. I don't believe it would be fair to tell someone I'm going to match their dollars with taxpayers' dollars or with endowment dollars if I can't do it. It simply wouldn't be right.

Our institutions have been incredibly successful; in fact, I hear stories that some of them have got fundraising out 8 or 10 years with commitments from their matching dollars. To be that far ahead of it, to have people pledging money 10 years from now that you won't even have matching dollars for for 10 years – I mean, as you know, that's getting to a position that's unmanageable. So we have to look at how we manage the system so that if we make a commitment to someone that we're going to match their dollars, we can actually do it. That's the only fair way. So over the next 18 months while the project is on hold, we're going to review it to look at how we can ensure that it goes forward to meet the goals of the fund, how it can do it so that when we make commitments – and there may be a number of different ways to do that.

I know one of the programs offered through the Ministry of Culture and Community Spirit matches on a percentage basis dol-

lar for dollar based on whatever your organization raises. So in any given calendar year they will split the money evenly and try to be fair and match at some level. Is that a way to do it? I don't know, but I hope that we can look at the program and make sure that if someone does come in with a commitment and we say we will match it, then let's have the dollars to do it.

I don't honestly believe that it takes only matching dollars. I've been at I don't know how many announcements. I was at Mount Royal just recently when \$1.1 million was donated to their business school, a philanthropic act by a bank in Calgary. These continue day in and day out. People are still committed to our schools. They're donating to them, and I support the philanthropy in Alberta. Access to the future did help leverage some of those. I agree with you that it did help some people to feel good, but I don't believe that putting those dollars against it is the only way for people to donate.

I'll be honest with you. I've been in the post for about six weeks, and it's been incredibly exciting, but the Alberta Innovates piece is a piece that I've been trying to get my head around and get understanding of as well. I have met with a number of the people, and I commit that I'm going to continue to go and meet with front-line staff and others. I have met with many in the advanced education portion and talked to front-line staff and got a sense. I've met with apprenticeship people in Calgary and here that deliver those programs, that front line, to find out what some of their challenges are, and I'm going to go and meet with folks in our various Alberta Innovates pieces.

One of the challenges we face: we took a whole bunch of different cultures and projects and programs, I believe 10 of them, and melded them into four. So what happens sometimes when you bring two or three cultures together, as you know from your very long experience, is that it can create tension because people have done things differently maybe for many, many years. They've worked under one culture for 20 years, someone else has worked under a different culture for 15, and suddenly they're expected to figure out how to work together. So we're right now in the process of continuing to streamline that. Many of the areas are working extremely well, but I won't disagree with you that there are still places where we have some cultural issues to deal with. We're going to continue to work with those very valuable employees to figure out how we can bring those cultures together and make sure that they work together.

Yes, you have highlighted an area where we do have work to do, and I commit that I will continue to do that. I will meet with front-line staff in those places and get an understanding of what some of those challenges are for them.

**Dr. Taft:** I think I'm probably down to the last couple of minutes.

**The Chair:** You've got five minutes approximately.

**Dr. Taft:** Oh, five minutes still.

**The Chair:** Four minutes and 45 seconds.

**Dr. Taft:** I'll try not to waste one of them, Mr. Chairman.

I want to reflect on what the minister has just said. He's been fairly candid, but it did sound to me like the access to the future fund is up in the air, whether it will even exist. I mean, it's up for review. I got the impression from your comments that maybe two or three years from now we'll have some legislation brought in here that will do to it what's been done to AHFMR and everything else. So I would like you to reassure us that we're not looking at a government that's going to abandon that.

Let's see. I know we're going to move on to some other members in a moment here. I don't know if I'll have another chance. I am concerned about the impact of skyrocketing utility costs on the budgets of postsecondary institutions this year. I was in this Assembly 10 years ago when electricity rates were deregulated and natural gas was running at \$12 a gigajoule, and we watched the University of Alberta have to defer maintenance and take all kinds of drastic measures just to pay the power bills, literally to keep the lights on. That could happen again, not so much on the natural gas side but the electric side. Has the ministry, has the department taken any steps to contingency plan for a surge in utility costs, or do you just expect that if that hits, the institutions will all have to squeeze it further out of faculty and students and maintenance?

7:40

**Mr. Weadick:** Well, thank you. Although we haven't seen big increases in either natural gas or electricity, as you know, they do fluctuate from year to year. Right now the big one is probably automotive fuel, which will continue to drive costs because all of our postsecondaries use that.

That was part of the thinking behind the lights-on, utility support funding, the \$26 million that we did put into the budget this year that we did give out at a \$97-a-square-metre ratio for all the new buildings: to try to help support exactly that, those kinds of costs that are escalating, that are creating challenges and stresses. I'll tell you that I'll be the first one to say: I will go and fight for our universities if we see electricity prices going through the roof. We want to maintain the quality and the space in there. We will work as hard as we can to find places where we can support them and work with our institutions. I'm hoping that that doesn't occur, but we have built into our budgets some funding that has already gone out to them, to say: we realize that you're facing some pressures, so here is some funding for you that will help.

We're going to work with them. You know, what I found in this ministry and in going to Campus Alberta is that it really is a partnership. We're partners in this with the students and with the institutions. It's a three-way partnership. What's probably impressed me the most is how well most everyone gets along both from the institutions' and the students' perspectives, from the students' and government's perspectives. There's a level of respect, there's a level of trust, and there's a good working relationship. Now, does everything go smoothly all the time? Absolutely not. But I'll tell you that we listen to each other, and I think that as long as we're doing that and see this as a relationship and a partnership, we can work together to resolve some of those issues if they do face us.

We're committed to continuing to work with institutions to face those challenges going forward.

**The Chair:** Thirty seconds.

**Dr. Taft:** Thirty seconds. Can you make an unequivocal commitment to the ongoing flourishing of the access to the future fund?

**Mr. Weadick:** I can commit that the billion dollars will stay and that the funding will flow to our postsecondaries, the money that comes from that. Absolutely. I mean, I can only commit as long as I'm here. But if I'm here, I believe that the income from that is committed to our postsecondaries. How it flows or what is the best way to put it in their hands, that's a discussion we want to have with them, with the students. So that'll be part of the process, as I said, a partnership. I want the postsecondaries and the students to have some input. Students like to see it as scholarship support. So we want to make sure that everybody is at the table.

**The Chair:** Thank you very much. Dr. Taft, your one hour is used up.

At this time I would like to recognize the hon. Member for Fort McMurray-Wood Buffalo, Guy Boutilier, please.

**Mr. Boutilier:** Thank you very much, Mr. Chair.

**The Chair:** Mr. Boutilier, you've got 20 minutes: 10 minutes for you and 10 minutes for the minister. Would you like to share your time with him?

**Mr. Boutilier:** If the minister would like to go back and forth, that would be wonderful.

**The Chair:** Thank you. Go ahead, please.

**Mr. Boutilier:** First of all, congratulations on your six weeks in a new ministry. I'm sure there must be some trepidation and some apprehension in facing questions from members who have been here 10 or 15 years, if not longer, but we'll try to be gentle tonight.

With that, I'd like to, first of all, ask this question. Has the minister ever seen the British sitcom *Yes Minister*?

**Mr. Weadick:** No, I haven't.

**Mr. Boutilier:** I would strongly suggest you may want to see that. It's amazing, when you become a minister, how everyone just loves everything you say and what you do. Be guarded against "yes, minister." Some people could be telling you things that perhaps are not that accurate. I think the recommendation by the hon. member, my Liberal colleague Dr. Taft – well, you're not allowed to say the name. I want to say that, clearly, he had some seasoned advice for you from the perspective of the information you collect in getting to the grassroots, talking to the front line. I know this member from Lethbridge, and clearly I'm quite confident that he will do that in getting information not just from your deputy or your assistant deputies who are with you but actually getting information from a variety of sources.

In fact, when I did graduate work at Harvard, they said that it's good to have healthy tension. That healthy tension I think can be very productive. This minister, I'm sure, will embrace the recommendation that was mentioned earlier and also embrace the idea that tension can be healthy because you have a variety of sources. The people that are left and right of you I know are well intentioned. At the same time they work for you, and at the end of the day you work for the people of Alberta, not for the Premier of Alberta, even though he selects and appoints you. Ultimately you work for the people of Alberta. So my questions tonight are really aimed at that grassroots, the people that I've talked to.

I guess in many ways you're actually kind of still my boss because I teach at the University of Alberta in intersession in the evening. That being the case, I would like to offer a couple of things. First of all, I'd just like to go to bullets, and this is information that a variety of our stakeholders have given me – I thought it was just very insightful based on the fact that they are at the grassroots and can clearly see first-hand what is happening – and recommendations that they believe are so important.

Now, I was watching Dr. Taft intently with my three-year-old son. We were watching you ask questions earlier, so I will try not to be repetitive with questions. I know you did ask some postdoctoral fellowship information that I thought was so important. I actually see in the gallery some people that are very keenly interested in this tonight. Good for them. It shows how important it is that they are interested. So just be aware that they're behind your back as I ask these questions today.

There are a couple of things they did and a couple of small suggestions. You may not be aware, but they thought it would be important that, in fact, two graduate students perhaps be nominated when it comes to governance boards. I think that's a worthy suggestion to consider, and having been a member of cabinet for over eight years when I was on that side of the House, I think it's a good investment to consider.

I also really like the suggestion about the idea – today, as you know, for part-time graduate students making less than \$15,000: supplement the federal interest-bearing program so that the program is interest-free during a student's period of study. It just makes so much good sense. I mean, we can learn something from other governing bodies that are doing that. I think that is not cumbersome. I think it's a wonderful recommendation and certainly would welcome your comments.

The final three items of recommendation. It has been my understanding that for the immigrant nomination program the requirement for a permanent full-time job offer at the time of application and the requirement for prior work experience, any of which it talks about, could deter otherwise qualified candidates from remaining in Alberta. As was mentioned earlier, with this investment that we have in our students, graduate students, we want them to stay. We clearly want them to stay.

You know, with some of the students I'm optimistic that someday in the research, in the labs that they're at, they're going find a cure for whatever interests, be it in medicine or whatever, that they can find a cure for cancer. So a person says: "Well, why should I have to pay? I don't have any kids going to school." Well, the reason is because they're going to solve a problem that could help someone later on in life. Consequently, I often say that this is not just an expense; this is truly an investment.

I think my hon. colleague mentioned earlier about increasing the number of provincially funded postdoctoral fellowships. In fact, I'm embarrassed to say today that literally in terms of a postdoctoral they may not qualify for even essential health care in terms of their families. They have probably put in anywhere between eight to 10 years of work, and they are there. So how do we ensure that they are enticed to stay? Therefore, universities really need to put them into a category that they're not half employees. You know, are you in research or are you not? How do we capture that? That's the challenge of your ministry, and I'd be eager to hear how you can capture that. With all due respect, I know this minister is one of the few who does not have the rhetoric that others on your side have.

My other final note is that in saving dollars, would you be willing also to take over the Ministry of Education? And that's not a postdoctoral, but it's often said, actually, that perhaps if we had postdoctoral fellows in the earlier years of life, with their brilliance and intelligence, who knows what outcomes we could have? That's also somewhat of a mischievous question since that question really can only be answered by the President of Executive Council, called the Premier. So you may want to be cautious on how you answer that one.

Having said that, I'd welcome comments on the four points of those recommendations.

7:50

**The Chair:** Hon. member, you used seven and a half minutes.

Minister, you've got seven and a half minutes, and then the remaining we'll split. Thank you.

**Mr. Boutilier:** Well, seven and a half. I mean, if he finishes with in three – he's a quick talker – give us more.

**Mr. Weadick:** Yeah. That's right. I'll try to be quick so that we can get as many questions in as we can.

**Mr. Boutilier:** Thank you.

**Mr. Weadick:** Just to your first comment, you know, I agree. I have a great deal of respect for the members opposite, especially those that have committed so many years to public service. I know that working in this room and in many others and in city council and county council chambers across this province there are a lot of dedicated people, and I have a great deal of respect for all of them.

I have talked to the students about representation. Board representation is an interesting thing. I think that probably as or more important than just board involvement is getting the students involved at many levels of input in the universities, colleges, and tech institutes. That can be in finance committees. That can be in a whole host of different areas where decisions are made, where we're doing the important business. The board of governors is a rather large group and can be somewhat cumbersome. There are representatives from alumni. There are representatives from the faculty. There are representatives from the students. Colleges tend to have one student rep, but many of our universities have three. They'll have two undergrad and one graduate student in their groups already. Faculty usually has a member. So we could start to have two and three representatives from all of those groups, but I believe our boards would become somewhat cumbersome.

I think the real question is: how do we make sure that our students are involved in all of the decision-making areas that are happening, that they're involved in budgets when they're being made, that they're involved with those other decisions that maybe impact their lives as much as anything else? So we're going to continue to work with our students. We want them involved. The one thing we have said to the students – I have an open door. I talk to the students. I'm prepared to meet with them. I believe it's critically important that they know that they can come if they have a concern or an issue. I have never turned down a meeting with our students, and I will continue to meet with them because I think they're such a critical partner in this. Let's face it; they're helping to pay for the costs of our postsecondary, so they are an absolutely critical piece of this.

The nominee program although not directly in our ministry does impact all of us. I agree with you. We are lobbying the federal government to increase the number of nominees we can keep.

The self-nominating program, now, is really an interesting one. It's a program where someone can self-nominate. It doesn't require an employer to nominate them. This is going to open up some opportunities for people that want to stay in Alberta to self-nominate and stay here. We believe this may be a critical opportunity to help keep some of these skilled and talented people here. It's fairly new. It's only been in place for a few short weeks, but it is a change in that program that we believe will help with some of that.

You brought up a really interesting idea about postdocs. You know, I think you might have struck on something. If we could get some of our postdocs and grad students into our education system and into our schools, what wonderful role models they could be. When our students in grades 6 or 7 are studying science and get to meet a postdoc that's maybe doing research in brain chemistry or in neuroscience or in nanotechnology or agricultural research or genomics, what an exciting time for our young people to see the potential that an education can give you, the opportunities that it can create out there if you go to school.

I think there are a lot of our young people in grades 9, 10, and 11 that have no idea what they'd like to do. If they met some of

these young folks up here, it might create a whole new opportunity, a whole new world for them to see what they could do. The member over there might have struck on a very, very good idea of looking for opportunities to bring these wonderful role models, these bright, talented people, into our education system.

It's a pleasure working with our Education department. We have a Minister of Education so dedicated to our young people and students. You know, we work together. There are programs that we're starting to look at delivering at the high school level, starting to create opportunities where high school students can come out of high school with some college-level course work being completed, those kinds of things. We've got some pilot projects happening, the partnerships that we have working together between Employment and Immigration and our department and Education. If you look at some of the older worker initiatives, where we want to look to retrain older workers, these are critically important things as many of our older workers look to retrain and stay in the workforce.

We're going to continue to look for those opportunities. I think that our graduate students have come up with some very unique ideas. Although you didn't bring it up – or, at least, I don't remember it – they talked about the part-time student loan issue. Maybe you did mention it quickly. You know what? We're going to have a real good look at that because we believe that this may be a really good way to help attract and keep graduate students here in Alberta. So that truly is a great idea.

**Mr. Boutilier:** Thank you. I do know based on what I have heard and observed in reference to the postdoc fellows that presently they're not working a 40-hour week. They're probably working an 80-hour week. So obviously their time, you know, is somewhat limited.

But as we go forward, I want to build on just one point. You know, postdocs earn on average \$38,000, \$39,000 or less before tax, the average salary, and that's after somewhere between eight to 10 years of training. This should be something that I ask the minister to consider. They can go to Europe and go somewhere like Denmark, where they can make something like double that or, actually, close to triple: \$93,000 a year in Canadian dollars as opposed to the currency in Denmark. So that has to concern you, that here we are in Alberta, be it in any one of our postdoc fellow programs, where they're making \$39,000, and you can go to Denmark and make \$93,000. I'd be interested to know: what can you do to keep them in Canada?

**Mr. Weadick:** Well, you know, you have hit on an important issue. It's a competitive environment out there. It's competitive to get really high-quality graduate students, and we are recruiting around the world trying to attract the brightest and best. Part of what attracts them, of course, is high-calibre researchers. We've been able in this province over the past number of years to attract some of the finest heart surgeons and epigeneticists and neuroscientists there are. So grad students will come here to work with and study with the finest.

I think that is one of the competitive things, and that's part of the reason we built the \$6 million into our budget, so that we could look at opportunities to continue to attract that talent, especially from places, maybe, in the United States, where they're seeing some challenges. We're not seeing a large brain drain out of Alberta right now because – let's face it – Alberta is a pretty good place to be right now. It's a great place to work. Although postdocs are not highly paid at the university level, the ones I talk to love their work.

I think it's critically important to also see the development of employment in the private sector and in the value-added sector because many, many, many of our postdoc students go on to careers in research, in private sector, in value-added, in the government. Let's be real. None of those folks are working for \$35,000 a year. These are real opportunities. If we can continue to grow the knowledge economy here, if we can continue to create these things like the Li Ka Shing virology centre at the U of A, like the nanotechnology centre, but even more than that, some of the private-sector ventures, if we can continue to help those develop, we're going to then create real employment opportunities for our postdocs that are outside of the academic piece.

Many of them also look for academic opportunities. They work as postdocs, but they ultimately would love to become professors within our postsecondary systems. We believe that's critically important, too, to continue to bring those educated people up so that they can become our next teachers and leaders and professors and help our new students. So it's going to be a combination of the teaching opportunities, the private-sector opportunities for our postdocs to work in as well as those areas where they continue to do some of that research. But, I'll tell you, it would be nice to see more opportunity.

We've actually talked to the postdocs about how we can ensure that they do have benefits and those kinds of things so that they're not – right now the Post-secondary Learning Amendment Act is silent on postdocs because once you've graduated, you aren't part of the postsecondary system. But they're so critically important to that system from the perspective of working in research and often doing labs and marking and other things that are critically important to the success of our institution.

So, yes, we need to continue to work to find a place for our postdocs. I haven't committed to opening the legislation to make that change yet, but we continue to work with them to look for that opportunity, to try to find a place for our postdocs.

**8:00**

**Mr. Boutilier:** Well, thank you. Perhaps this is a great opportunity. Nike has the slogan Just Do It. Obviously, I'm recognizing that as a new minister there's a learning curve.

I think of some of the feedback I received where not only is there good work going on right here in our own province, which the minister and others have acknowledged, but there's lots of work going on in other places. But it always seems to be that it's very difficult to go somewhere else to enhance your learning at the universities here. So as a token of that kind of sense of what I think this minister could do – for instance, you know, in strategic corporate services there's \$26 million being spent in your ministry. So pull out a couple of hundred thousand dollars to allow some of these postdoctoral graduates to travel, be it to other parts of the world, to be able to do that.

In fact, my suggestion is that if we were to merge both ministries together, obviously there would only be one minister, and there wouldn't be all the deputies and assistant deputies. And who knows? We could save a lot of money in that regard, and we could fund it exactly right into, to use your words, the front-line troops where it is happening. So I was wondering if the minister would consider that in this budget of \$30.4 million.

In the first component in the ministry support services budget there's \$560,000 in the minister's office. The deputy minister has about \$660,000, another hundred thousand dollars. I'm not sure why a deputy minister would have a hundred thousand dollars more than the minister. That's maybe a question you can ask the deputy minister at some time. Maybe some of those dollars could

begin to be funneled to the front line of those students, to enhance their learning.

One of the ones that I noticed is almost a million dollars, \$944,000, being spent on communication. What a great way to communicate by sending some of that money to students who can benefit directly, that will be shared with the rest of Albertans. I wonder if the minister would consider doing that.

**Mr. Weadick:** Well, thank you. You know, the ministry has been working very hard as well through these difficult times. We've probably been working down about 90 FTEs, so everybody's working a little bit harder as well within Advanced Education and Technology to make sure that our apprentices get their red seals and that our students get their loans and all those good things. So I'm not here to try to reduce any of that because I want to ensure that we can deliver the programming that we have to and that it's there for the students when they need it.

**The Chair:** Thank you very much, Minister. Your time is used up for that portion.

At this time I would like to recognize the Member for Edmonton-Strathcona. Ms Notley, you've got 20 minutes. Would you like to share your time with the minister, 10 and 10?

**Ms Notley:** I'll just go back and forth.

**The Chair:** Back and forth. Go ahead, please.

**Ms Notley:** Thank you. I'm going to be bouncing around a bit on questions that have already been asked, sort of trying to get a little bit more follow-up on some of them, so I hope I won't be too disorganized. I want to start, obviously, with the observation that even for the moment, moving away from the need for additional capital construction in the advanced education sector, just looking at your operating budgets, once you take into account inflation and population increases, we are looking at a real cut of about 2 per cent to the operating expenditures of our advanced education system, so that's the context within which we're working. Given that the government is quite prone to using very flowery language about how we're going to, you know, move into the future and be a knowledge economy and yada, yada, yada, I have to say that I'm a bit surprised to see this particular ministry be the victim of that kind of approach.

It would be fine, I suppose, if we had a record of the ministry meeting all of its targets and doing what it needs to do and achieving all of those great objectives, but that's not really the case. When you consider that we are a province with an unprecedented amount of natural resources at our disposal, an amount of natural resources that no other jurisdiction in the developed world has ever or may ever in the future have the benefit of, it seems to me that we should be leading. We should be leading Canada. We should be leading North America. We should be leading all of the developed world in terms of the strength of our knowledge system, our educational system, our advanced education system, and our knowledge economy. Yet we're not. We have some of the lowest transition to university rates in the country. The actual percentage of our population that accesses our postsecondary education is one of the lowest. So that is concerning to me, and that raises some very serious issues.

On that general issue I'd like to ask you to just give me a couple of comments on that. In particular, in your annual report over the last couple of years you had identified a 19 per cent enrolment rate, and then you didn't quite reach it. I think you got up to about 17 per cent, and that's about it. Now that performance target is gone – actually, it's been reduced. That particular one has been

reduced. To me that's not reaching for any kind of excellence. That's not looking for any kind of, you know, grand improvement. Quite the opposite.

Given that I think practically every member in this House in the last month has in some way, shape, or form in the course of speaking referred to the impending labour crunch, it really quite surprises me that we are not using this opportunity to actually increase the level of education of our population here in Alberta. I'd like to just start by having the minister talk a little bit about what you are doing to actually increase access for regular Albertans because it doesn't appear to me as though that particular objective is being met at all.

**Mr. Weadick:** Well, thank you. I'm happy to share the target with you. Yes, we were at 17 per cent last year. Our target for this year is 18 per cent. We believe that working in that transition piece from K through 12 to postsecondary is critically important, so we need to continue to work with our education system and create the opportunity for transition.

The numbers are a little bit misleading, so don't get too tied up in the 17 per cent. Twelve per cent of our students go into apprenticeship programs. That's one of the highest numbers in the country. Twenty per cent of the apprentices in Canada that are trained train right here in Alberta. Now, we don't have 20 per cent of the population, but we train 20 per cent of the apprentices. We have an extremely high calibre apprenticeship program. When you meld that in with the 17 per cent, you'll find that our participation rates are as good or better than anywhere else in the country. So the numbers can be a little bit deceiving.

If you look a little bit deeper and look at the age group of 35 to 64 years old, 61 per cent of Albertans have completed postsecondary. What that tells me is that we have a population of lifelong learners. Learners are people that are committed to getting their education, to working on their education. I know in Alberta that there are some great job opportunities in the north, in Athabasca, Redwater, Fort McMurray, and Grande Prairie. We have some wonderful job opportunities. Many of our young people do go and work for a while, or they go into the oil and gas industry, but many of them come back to us.

I think what's more critical is that we continue to create that lifelong learning field, that we continue to look at: how do we help train our older workers and make sure that they have availability to get into our universities and colleges and tech institutes? How do we tie Albertans into education on an ongoing basis? I think that's what's much more critical than saying, "Did we do 17 per cent; did we do 18 per cent," because that number is really somewhat misleading. With a real growing economy, you're going to always have people wanting to get in the workforce, wanting to work for a while before they go to school.

I'm going to say that I believe we've got a very, very positive system. We've got good numbers. We're continuing to increase access. We have increased enrolment. That's part of the reason we've added in our budget this year \$20 million to go out to postsecondaries, to help them deal with some of the enrolment pressures they've seen last year with increased enrolment. We are continuing to see enrolments. We did have probably one of the highest turnaway rates that we've ever had this year, and that's disturbing. We want Alberta students to get into school.

Also, a piece of information: 70 per cent of the students turned away only applied for one program at one school. It's not unusual that if you only want to attend in one place and take one particular program, it may be a little bit harder to get into once that particular program is full. But across Campus Alberta in many of our programs there are capacities. What we want to do is work with all

of our providers to ensure that our young people are aware that although the program you want may not be available in Medicine Hat or Red Deer, it may be available in Grande Prairie or somewhere else. So I think those are the ways that we're going to continue to work with our postsecondaries to try and help our young people find those spots.

#### 8:10

**Ms Notley:** Well, I appreciate that. You know, it's good to see, of course, that there is higher participation in terms of the trades, but I really don't see that in the long term as a wise approach if it's combined with the thought that we don't have to do as well in terms of our university educated students if we've got them going into the trades. The trades are great, but I think that we have to understand that at a certain point we need to have an economy that can in fact evolve away from oil and gas and working in the oil sands. I think that as the minister of advanced education it's your responsibility to see the future and look towards increasing that percentage of students that can end up in our university systems.

I appreciate that your enrolment has gone up, but so has the population. Overall, your percentage has gone down. I'm just a little concerned that as a goal your ministry has eliminated that 19 per cent. Why would you actually reduce the goal? Why wouldn't you set the goal at 25 per cent? I mean, aim high, heaven forbid. So I'm a little concerned about that.

I would certainly appreciate, though, if you could provide through the Clerk to all members specific information, unless you can provide it to me tonight, just the percentage of I think you called it the turnaway rate for people that had applied to university for the last three years, including the most recent information that you have. That would be fabulous if you could provide that, or if you can provide it tonight, that would be great as well.

I'd like to move on slightly to an issue which I think, of course, is attached to the issue of access, which is tuition and the costs around that. Before I lose track, I know you did talk about this concept of lifelong learning, and I know that the Member for Edmonton-Riverview did already raise this issue of the accessibility of loans and funding to part-time graduate students. You know, I think we've all met probably with the very keen observers that are with us tonight, raising issues on behalf of their membership. I was really quite surprised to hear about the limitation of access to funding for part-time graduate students. Frankly, I believe that it probably amounts to a form of systemic discrimination because I have no doubt that it impacts quite unequally on women over men because more often than not they're going part-time because of family responsibilities.

I was encouraged to hear your response to the Member for Edmonton-Riverview, but I'm going to push it a bit further and ask you: can we expect to see changes to that program in order to ensure that graduate students who are attending part-time will in fact be eligible for funding by a particular date? It would probably be too soon to suggest that that would be the case for September 2011, but can we expect to see that change in time for September 2012?

**Mr. Weadick:** Well, thank you. There were two or three questions there, so I'll touch on the first one first. I think that it is critically important to continue to attract our students into postsecondary, but I believe it's critically important as well into the trades, so I don't want to in any way negate that. I just want to make sure that the member is aware that we are working very hard. We have 50,000 Albertans studying in the apprenticeship program right now that are training to be tradesmen, and we think that's fabulous. We want to continue to see that grow as well be-

cause they're going to help us build our province in the future along with all of our postsecondary students.

In our performance measures we have set a target for 2013-14 for 20 per cent. We're looking at trying to increase it. We agree with you. We want more young people accessing our postsecondary, so we're going to continue to do that.

The turnaway rate this year: 6,200 students were unable to get into the program that they wanted, mostly diploma and certificate programs. These weren't university entrants. These were people looking for a specific diploma or a specific certificate. Typically, they applied in one place, so we would assume they're folks that maybe have a life in or are working in a particular community, would like to go to school there. But, you know, we can't keep incredible numbers of extra positions open across the entire province just in case someone wants to go. It's a balance of cost, of availability, and of quality.

We try to make sure that where the need is, there are programs. But in Alberta we're a wonderful, big, spread-out place, and sometimes to get the program you need – for example, if you want to be a lawyer, you will have to go to Edmonton or Calgary. It simply isn't available anywhere else. If you want to be a doctor or a dentist, it's available in certain locations. I see some folks that might not want to be lawyers. In fact, my daughter is telling me she wants to be a lawyer. I've tried to talk her out of it, but she's thinking very seriously about it. All kidding aside, it is critically important that we try to make positions available, but we're never going to have a spot for everybody exactly when they want to go and where they want to go.

Turnaway rates. We want to ensure that those that want to go to school as much as possible can.

**Ms Notley:** The previous years as well. I asked for the last three years of the turnaway rate.

**Mr. Weadick:** Turnaway rates. We'll get that. They were significantly lower. This is the peak year. A lot of it is that our applications were way up this year as well for people wanting to enter. I think it partially has to do with the economy. People thought: "You know, I've been laid off. Why don't I take that certificate or upgrade my skills a bit, that I was thinking about doing, before I go back to work?" We did have a significant increase also in applications. Of course, I guess if you look at 6,200 out of – I don't know – 40,000 applications this year that were accepted, it's still too many.

Many of the really good changes that have happened in our student finance have been ideas that came from the students; for example, increasing loan maximums last year. Students came and said: you know, we need an increase in loan maximums because some years that just isn't enough with the cost of living. It's not just about tuition. It's about rent and groceries and gas for the car, all those things that drive the cost of a student trying to get an education. We understand that, and we raised the loan limits.

This is the first time we've actually had someone come forward and say: "You know what? We believe that part-time students may have a need for financing as well." I guess in the past we had assumed that part-time students were largely working or something else and probably didn't need loans. But we've had our graduate students come and say: you know, if you're a graduate student working at a university for a fairly limited amount of money, to continue your studies, loans could be great. Based on their coming forward, we're going to look at this to see how we could make it work.

Yes, we're committing to having a really good look at this opportunity because we believe our student finance program – our

loans, bursaries, grants, and all of that – has to meet the changing needs of our young people and our students. So we're going to go ahead and work on that one.

**Ms Notley:** Okay. Well, thank you. I'd actually asked whether we could anticipate seeing that in time for September 2012, but I've not got an answer on that. So maybe when you get up again, you can give me a yea or nay on that particular specific because that would be helpful.

You talk about the increased turnaway rate. I find it interesting that, in fact, your applications have gone up when meanwhile, you know, the percentage transitioning to universities has not gone up even though we would have expected that with the slowdown in the economy. What that says to me, most likely, is that most people look at a university education, and they see it still as unattainable and financially unavailable.

That gets into this next issue, of course, where we talked about your tuition and noninstructional fees. I know there has already been a conversation about that. Again, we are in Alberta. We are a province which is theoretically rich in resources, yet we have a very low transition to university rate. Then we have, you know, higher than average tuition rates and probably the highest noninstructional fee rates in the country. There's really no hope on the horizon for that yet. Well, I mean, theoretically tuition is capped at cost of living, but we all know that we've allowed for market modifiers. If you call something a different name, you can get around a previous promise that you've made, which is effectively what you're doing. So we don't actually have capped tuition anymore or controlled tuition increases, nor do we have any kind of meaningful, predictable control on these noninstructional fees. When you put the two together, Alberta is getting very close to the top again of having the most expensive tuition in the country. I believe if you put the two together, we're at about the third highest right now.

I have to say, I mean, that I absolutely understand why all the student groups came to you and suggested a number of things around the noninstructional fees and the whole issue of, you know, identifying them, first of all, and then putting it to the students for a vote although, personally I don't like that parameter. I personally don't like saying to students: "Do you want this service? Well, then, will you pay for it? If you don't pay for it, you don't get the service." That to me is framing the question in way too limited a way.

8:20

If you look at the additional costs that you have downloaded onto the shoulders of students over the course of the last two years in terms of the removal of loan remissions and the removal of grants and the increase in noninstructional fees and the increase in tuition, that particular segment of the population has seen their costs increase dramatically at the very time that you're suggesting we should be encouraging people to move into education and advanced education. I'm not actually a fan of this idea of giving them – I'm sorry; if I wasn't so sick, I would come up with a better analogy – just basically this you're damned if you do and damned if you don't choice and then saying: "Oh, look at us. Aren't we great? We gave you choice." Well, you didn't really give them choice.

In my view, the government needs to take a very serious look at how to make postsecondary education more affordable. Right now you've got so many loopholes in your postsecondary student expenditure structure that you could drive a fleet of MacCosham vans through it. Typically that's what happens, and Alberta students end up paying the cost of that. I'd like to hear what your

thoughts are about whether you think, given the wealth of this province, there isn't some obligation on us to do something to increase access.

I'm afraid I might run out of time while you're answering my question, so I'll just get this last question in, which is about aboriginal students. Again, you're talking about an impending work shortage. Your annual report previously identified a goal to increase aboriginal enrolment. You've increased it slightly, but aboriginal completion is significantly below that of the rest of the population, and the ministry's response to that was to remove aboriginal completion from one of its performance targets. I'm very concerned about that, and I'd like to hear about what efforts you have in place to generally increase affordability and specifically to increase the access to our postsecondary system by indigenous Albertans.

**Mr. Weadick:** Thank you. You have hit on one of our great challenges. We do need to increase participation of our aboriginal young people, and I think we've all seen that. In fact, when I met with the chief of one of the groups near Lethbridge, he said: you know, Greg, if I do nothing else in my time as chief, if I can increase the number of my young people finishing high school, I will feel like my term has been a success. I think that speaks volumes to how critically important an education is.

Number one, we've got to continue to work at K through 12 to ensure that we get our aboriginal young people through school. That is so critical because you've got to have that basis, that groundwork, before you can go into postsecondary education successfully. We have come up with some programs that provide upgrading opportunities so that all students, including aboriginal students, can get the upgrading they need so they can move into postsecondary.

Thank you very much for those questions.

**The Chair:** Thank you very much, Minister. That 20-minute portion is used up.

At this time I would like to recognize the Member for Calgary-Currie, the hon. Dave Taylor. Mr. Taylor, you've got 20 minutes. Back and forth with the minister?

**Mr. Taylor:** Thank you, Mr. Chair. If that's okay with the minister, I'd love to do back and forth. Thank you very much.

**The Chair:** Thank you. Go ahead, please.

**Mr. Taylor:** Okay. There is so much to pick up on in this discussion tonight. Maybe over the course of the next 20 minutes I can phrase my questions in such a way that we can actually give you the chance to finish your answer to the Member for Edmonton-Strathcona as well because I'd be very interested in hearing that, too.

I want to go back to a few hours ago, my member's statement this afternoon, when I talked about the notion and asked the question that, you know, since our fossil fuels, or the demand for them, will not last forever, since oil continues to keep us living a lifestyle that would take 10 planet Earths to support if everybody on this planet lived the way that we do in Alberta, since there seems to be broad consensus that to sustain ourselves, we need to transition from a resource economy to a knowledge economy, and since this government makes a great deal, or certainly your colleague the minister of health makes a great deal, of the government's five-year commitment to sustainable health funding, the question was: why is there no talk of a similar five-year commitment to education? That's how I posed it this afternoon.



Then I went on to say both K to 12 and postsecondary, including a sharper focus even than you have now on trades training and, while we're at it, early childhood as well. I know that that covers a broader canvas than what you cover in your ministry, but how about it? How about some talk of a five-year commitment to sustainable funding and a five-year plan for at least advanced education? I think that that might begin to allow you to wrap your collective brains around some of the issues that we've been grappling with here tonight and some of the issues that you've been grappling with in your ministerial budgets for the last several years as things have gone up and down.

**Mr. Weadick:** Thank you. You know, as important as maybe a five-year funding commitment would be, I think what's really critically important is a commitment by this government to postsecondary education in this province. I've seen a commitment in the past of a 42 per cent increase over the past six years in funding to postsecondaries, increased funding on the research side, the move with AHFMR to try to fund our teaching professionals through that budget so we can free up funding for the needed research in the health professions.

You talk about fossil fuels, and I think about our Alberta Innovates portfolio. You know, what's really interesting is that we have four groups in Alberta Innovates. One of them is Alberta Innovates: Energy. Innovates Energy also includes energy that's renewable, like solar and all of those other good things. We're focused on that energy.

If you look at the other parts of Alberta Innovates, it's dealing with other issues. Health: if you look at the dollars, when we talked earlier about the money that's invested, there are huge amounts of money invested in health and health research.

Bio is renewable. Bio is about agriculture and forestry. We're looking at nanotechnology, nanocrystalline cellulose, the opportunity to develop and create that product here in Alberta. We're leaders in the world in nanotechnology. Nanocrystalline cellulose could help the forestry industry with another value-added product, along with lignin. That's another product that flows from the forestry industry that could replace carbon fibre. Huge opportunities in renewable resources in the areas of bio and agriculture.

Some of the movements that have been made. They're talking about being able to double the yields of some of our crops with less water than we use today, helping feed a hungry world. The world out there needs food, needs wood fibre, and it needs energy right now. Alberta is well positioned in the short term to provide the energy need, as you've talked about, probably as critical as taking some of the money, as we're doing now, and reinvesting it in that research and that knowledge-based economy in those other areas we just talked about. I think that's critical to it.

I think a five-year rolling budget would be nice. Right now we do have a three-year. We try to plan three years out and let our institutions know what to look for. It does change each year somewhat based on resource revenue. I agree with you. As we can stabilize that, we will get better at understanding, going forward, what increases can look like. But there still is a bit of a moving target on resource revenues.

**Mr. Taylor:** Okay. Before I go any further, I want to give you high marks for Alberta Innovates. You're doing the right thing there, as far as I'm concerned. That kind of diversification, that kind of building knowledge and building excellence based on expertise that we already have exactly makes sense to me and to the Alberta Party in terms of where we should be going in terms of trying to diversify our economy, building on the knowledge base that we have, and going from being a world-leading producer of

oil and gas to being the world's leader in energy production and energy innovation of all sorts. So that's good.

On the notion of a five-year rolling budget, though, that would bring more certainty to your budgeting process. It would bring more certainty to all facets of advanced education, whether that be baccalaureate institutions, colleges, polytechnical institutions, apprenticeship and trades programs: the whole nine yards. It would help. I would strongly urge the minister to strong-arm his colleagues around the cabinet table and say, "Look, if you think it's working for the health minister, how about applying it to the other really, really important priority issue," that, in my opinion anyway, this government should consider as a priority, and that is the education of all our people, starting at a very early age and continuing throughout their lives, to build not just a stronger economy but a stronger society.

The five-year rolling budgets would bring some certainty. Another thing that would bring some certainty is the access to the future fund. Like the Member for Edmonton-Riverview I'm troubled that you've kind of put that on hold for a couple of years. Payments from the fund to postsecondary institutions have been suspended for this coming fiscal year, for next fiscal year as well. That's going to save \$90 million in expenses over two years. Not to be too smart-mouthed about it, but out of a budget of nearly \$3 billion \$90 million sounds like beer money. You know, you probably could have found close to \$90 million going through the cushions of the couches in the various student union buildings around this province. If you're that desperately in need of the \$90 million, why did you have to take it from the work that the access to the future fund was doing? I'm intrigued to hear your explanation because I haven't heard a satisfactory explanation yet.

**8:30**

**Mr. Weadick:** Well, thank you. You talked a little bit again about the commitment to funding. You know, we have seen some very positive responses with two examples of that. You are right. The MSI 10-year funding for municipalities: that's been very well received by municipalities. You're right. It has created that ability to plan capital projects seven, eight, nine, 10 years out, understand where the funding will be. It has created significant stability within the municipalities.

The Health five-year funding envelope has helped, I believe, Alberta Health Services being able to go forward, knowing that they're going to get 6 per cent, 6 per cent, 6, 4 and a half, and 4 and a half. So at least there are five years where they understand there will be increases. They can work within those. So you're right. That is very helpful. I'll put a little pressure on our Treasury Board chair to continue to look at our education system as well, and I know you will, too.

Access to the future was a billion-dollar investment. It generates approximately \$45 million a year in funding that's been used to match donations. It matched donations for scholarships, and it typically matched donations for capital projects, largely used for capital projects. We looked at our capital budget, and we don't have any new capital money budgeted for the next three years. We're finishing the projects we have, but we don't have a bunch of new capital projects earmarked. So this was a really good time to look at the program and rethink it because, clearly, we're not on a big fundraising venture for new capital projects when we don't have capital dollars in our budget.

The scholarship piece, the \$500 million that we have in the other endowment that goes hand in hand with this one: that money is flowing into the scholarships. In fact, we increased the money that's going into the children's investment program by 3 and a half million dollars this year, and we also increased some of the scholar-

ship money to ensure that there are more scholarships available. So we're trying to help in that way, but the capital projects aren't going to happen.

What we were very concerned with is that we were seeing commitments made out of access to the future way beyond what it could manage to match. Making a commitment to someone in Alberta that we would match a donation that they would love to make to a college or university when we do not have the capacity in this program just doesn't seem right.

We're going to look at the program over the next two years while it's on hold. We're going to have the board of directors meet with our institutions, meet with our students, and say: "Going forward, how do we make this sustainable? We believe it is important. We believe that \$45 million is critically important to our institutions. How do we make it sustainable so that we're not making commitments that we can't match?" We don't want to have this \$45 million already committed out to 2030, because people are coming in and making huge significant donations of land and other things that we're trying to match with this fund. We need to look at it, hon. member, and figure out how we can make sure that when we make a commitment to an Albertan that we'll match their money, we've got it and we can do it.

We're going to work with our institutions. They're on board with this. They believe it's appropriate right now to revisit this, to work with them and come up with a plan that will make sure that that money is available. In the long term we'd like to see this billion dollars grow. I think the initial investment was committed to be \$3 billion if I'm not mistaken, and we've got the first billion in there. Think what it would be like to have all three and be generating \$135 million a year into our postsecondaries. Do we have to have a goal? Absolutely. Would I love to see that \$3 billion there? Yes. I think if as a team we work together, we can start to see some of those things happen. But for now we have the billion dollars invested. Let's be really careful with it.

**Mr. Taylor:** You know, at the time that that fund was set up, I argued that you shouldn't even be capping it at \$3 billion, that if you're regularly investing some of our nonrenewable resource revenues into that fund, over time you can grow it massively. You can get it to the point where it's producing an annual income that allows you to do some really terrific things, that allows you to set up not only scholarship programs but bursary programs for students in need, that allows you to fund various research chairs in various facilities, that allows you to invest in capital projects, that allows you to get into some matching scenarios with private donors that could really create some huge degree of excellence within postsecondary, university and college, education in the province of Alberta.

I would urge you not only to reinvest into the principal of the fund the \$45 million this year and the \$45 million next year that you're now not going to spend but to strong-arm the President of the Treasury Board again to take the cap off and make some kind of commitment to regular contributions into the access to the future fund just like you and I make regular contributions into our registered retirement savings funds. We know the impact that that can have over time, and it's huge.

Could I get you, please, Minister, to explain the advanced education department's rationale around student loans versus upfront grants or bursaries, why you commit the dollar amount that you do to loans versus just making an upfront grant to students? I mean, the less debt that they have to pay off when they come out of school and are establishing their careers, the quicker they're going to become greedy, grasping consumers just like the rest of us and,

you know, drive an economy that produces more revenue for the province.

**Mr. Weadick:** Thank you. That is a very good group of questions. We'll talk about student finance because it involves a whole group of things that we do to try to support students. I want to make it really clear. Only about 30 per cent of Alberta students actually access the loans piece. So 70 per cent of our students never get a loan. They go to school. They may get some grants or bursaries to support education or the odd scholarship. We have some wonderful scholarship programs. Alberta has some of the finest scholarships in the country. But you can't pay for a full education on a scholarship. A thousand-dollar scholarship towards a year of education is great, but, you know, for a student to go to school, it may cost \$5,000, \$6,000, \$8,000, \$10,000 by the time they pay for rent and some of those other costs for eight months while they go to school.

We need to have a good, vibrant, robust loan system that allows for the students that need that funding. For that 30 per cent a thousand-dollar scholarship is just not going to help. They need access to enough funds to pay for that year of education. Then we have some programs at the other end where they can get remittance for a portion of that loan so that we help them; we remit a portion of what they borrow.

At the other end we have a loan repayment program where we support learners. If they get into a situation where they're not earning enough to meet the payments, we will sit down and work out a different payment plan for them. We also fund their loans at a prime interest rate so that they're not paying exorbitant interest rates. We're trying to make it as affordable as possible for students to be able to access loans. I think we're being very successful in that the average student loan last year for a graduating student in Alberta was less than \$16,000. That's their debt load. That's what they're carrying in combined federal and provincial loans upon graduation. Now, some will have more, and some will have less, but that's the average for students graduating with loans.

**Mr. Taylor:** I guess the part I don't understand is that if you're going to lend them the money and then you're going to forgive some of that loan or all of that loan or a good portion of that loan or maybe a little bit more if they're having trouble paying back the loan, why not just give it to them up front, simplify the administration of the whole thing? You'll probably save yourselves some money in the long run because you're going to give it away anyway, right? You're going to give them the money eventually anyway. That's what I'm trying to get at in terms of the rationale around why it seems to be, in the mind of your department, better to lend a student money for his or her education than it is to give them an upfront grant.

We could be much more aggressive in this province in setting up bursary programs than we are. I have to assume that part of the reason why we're not all that aggressive – and maybe you'll argue with me because aggressive is a subjective term, after all, but we're not as aggressive as I would like to see us because we're hooked on lending money.

**8:40**

You know, when you talk about increasing loan rates for students so that they can access more money because they need more money, well, Visa and MasterCard do that all the time, too. Granted, your rates are much better than Visa's. Nevertheless, you're inviting students to take on more debt. Fifteen thousand dollars, \$16,000 is not a huge amount relative to the number that's

often bandied about, which is \$50,000, so that's good. Still, is that \$16,000 on average that students really need to carry, or could we be doing it a different way?

**Mr. Weadick:** With the finances available right now, the balance of scholarships and bursaries and loans is the best way to go. Don't forget that the loans we do mete out to students get repaid. In fact, we have the highest repayment level in Canada. We only have about a 6 per cent nonrepayment of loans that students owe. We have students that take out loans, go and get jobs, and pay that money back. That money then spins into the next group of students, who can continue to use that funding, and that's a very positive way to fund the opportunity for students to go to school. So I believe that we've found a nice balance.

We do make scholarships available, but scholarships often are for performance, so that may leave a whole group of students that simply would not be able to access those. We want an accessible program that anyone can get into who would like to, who has the requirements. We don't want to limit it to only the wealthy going to school here. Loans are the one great equalizer in that no matter who you are, you can get a loan. You can get into the program that you want. You can be a lawyer or a doctor if you want and borrow enough money during the course of your education to become a doctor. You know what? You can't do that in a lot of places in the world.

I think that we need to make sure that we have a whole variety of things available. If you were going to give everyone a bursary for all of their costs of schooling, that just makes education free. We believe education is a partnership between the taxpayer and the student. That balance right now is at about 25 per cent paid by the student and 75 per cent by the taxpayer. Some programs vary a little bit, but we believe that that's reasonable, that that kind of balance works in Alberta.

Seventy per cent of our students have no debt when they graduate. That's the number we need to focus on as well. Seventy per cent of all of our students graduating do not have student loans that they're paying back. I think that's very positive. Now, maybe it means the parents are saving. Some of those savings programs that we've put in place, where we're now helping parents start up an education savings program for their young people or for new children moving to this province: maybe that's what's helping, some of those great programs. We have 70 per cent of our young people walk out that door with that shiny piece of paper, go looking for a job, and they don't have a loan. Then we have programs to help those that do.

**The Chair:** Thank you very much, hon. minister. That portion, the 20 minutes, is used up.

At this time I would like to recognize the Member for Calgary-Mackay, the hon. Teresa Woo-Paw. Would you like to combine your time with the minister?

**Ms Woo-Paw:** Yeah. We'll go back and forth.

**The Chair:** Okay. Back and forth. Thank you very much. Go ahead, please.

**Ms Woo-Paw:** Mr. Minister, we're starting to see signs of economic recovery, which is certainly encouraging, and many are speculating that the next boom is just around the corner. While this is certainly good news, we all recall from recent history that the boom came with unique challenges, particularly when it comes to our workforce. I would like to start tonight with a few questions about what Advanced Education and Technology is doing to ensure that we have the skilled workers that we are going to need.

My first question is around spending for apprenticeship training. Are the apprenticeship program seats increasing? Other than just funding seats, what else is your ministry doing to make sure that we have enough skilled workers?

**Mr. Weadick:** Thank you very much. Last year we invested \$55 million in training for technical spaces across Alberta. We saw a reduction in applicants within our apprenticeship program, but the ministry this year maintained the budget at that level. What that meant is that we are bridging across to maintain those positions even though they weren't needed last year because we want to make sure that as the economy continues to grow, we have those positions available. We have bridged across in our funding for those apprenticeship spaces, and what we've seen this year already is a net increase of about 500 applications. We're starting to move in the right direction, and we can start filling those spaces that we protected so that we could be ready for the next growth spurt.

**Ms Woo-Paw:** Another issue that I've been hearing from people is around capital spending. We need more than seats for these apprentices or students in the postsecondary system. We also need buildings and equipment that are safe and appropriate. I note that there's a significant decrease in capital spending in this budget. How are you going to address the capital pressures of institutions such as NAIT with no new dollars?

**Mr. Weadick:** Well, thank you for those questions. We'll start with the area of capital. We've seen a reduction in our budget in the capital area because we have completed some of our projects that we were working on. We had some capital projects that were completed last year, so that funding isn't required.

The money in our budget for capital falls into two categories. The first category is to complete projects that are under way. Some of those projects I'll just name. The SAIT trades and technology complex is under construction. The University of Calgary's energy, environment, and experimental learning building and the Taylor family digital library, the University of Alberta's Edmonton clinic north, the agricultural research facilities in Kinsella and St. Albert, and the Bow Valley College expansion in downtown Calgary are some of the projects that are under way that we continue to fund.

Now, with that, you'll also see \$107 million in capital dollars. Those dollars are directed to our institutions for maintenance and development within the system. It might be to put a new roof on a building, to upgrade a heating system. That's to maintain the infrastructure that we have right now. We believe that it's adequate to continue to maintain the spaces. What we find is that each facility has a little bit different requirements. The U of A, for example, has some very much older buildings, so they require different kinds of maintenance whereas some of the newer facilities have different kinds of needs. It doesn't go out just on an even basis, but it goes out based on need of the facilities and the buildings to make sure that they're safe and warm and dry for our students so that we have great places to work.

But you are right. It isn't just about the buildings that we go to. A lot of it's about creating the capacity within the system. One of the examples of that capacity building is eCampus Alberta. Now, eCampus Alberta doesn't have a building you can go to, eCampus Alberta does not have a bank of computers in a bunch of rooms where students are sitting, but eCampus Alberta is moving very close to 20,000 students joining and taking programming this year. I met a gentleman in Lethbridge who just graduated this year with

an entire four-year degree granted through eCampus Alberta. So huge capacity online through Athabasca and eCampus Alberta.

That's the kind of thinking that we have to have as we move forward. It's not just about bricks and mortar. It's about using what we have the best we can. It's about getting students in and using time allocation, using evenings but also using things like eCampus Alberta to ensure that students can access programming when they need it and where they need it.

**Ms Woo-Paw:** Thank you for those comments around the new ways of delivering postsecondary education.

I'm also interested in knowing what criteria you use to set priorities for the new capital dollars.

**Mr. Weadick:** Well, thank you. We do have a 10-year list of capital projects that we see as priorities within the system. As you know, right now within our three-year budget there aren't any new capital dollars, so we'll continue to move towards the planning processes.

Clearly, there are needs, and they're based often on replacing facilities. For example, NAIT is doing some training in an old Sears building. The old Sears building needs a new roof. It's not appropriate space. They're one of those projects that's on our list that is looking for a facility to replace that that would be much better as a learning environment. There are many projects like that across the system, where we may be replacing existing seats with safer, better locations or also creating new spaces for programs where there's great need such as in some of the areas of technology, engineering technology, where we know there's going to be a need in the future and where we need to be able to do the training.

It's based on the need for those seats, where they're needed, and what the cost of developing them will be so that we can get the best bang for the buck.

Thank you.

8:50

**Ms Woo-Paw:** Thank you.

I think you mentioned that there's a little over a hundred million dollars going to address capital maintenance and renewal. I'd like to know how much maintenance work there is across the postsecondary system, and is this amount of money sufficient to meet the need?

**Mr. Weadick:** Well, thank you. What's been a real big help over the last couple of years is that we were able to partner with the federal government. The federal government brought in their knowledge infrastructure program, KIP, and they've delivered about \$200 million to our postsecondary institutions to help meet some of the needs for some of this capital replacement and upgrading of infrastructure. When we partnered with them, we were able to catch up on some of that maintenance work that was desperately needed, so we've been able to get a little bit ahead of some of it. We believe that the million seven right now is enough to manage the projects that we have, but of course a little bit more would always be gratefully accepted to continue to move maintenance projects forward. Right now the money that's in the budget we believe will manage our infrastructure into the future fairly effectively.

**Ms Woo-Paw:** Okay. Why are you decreasing capital funding now, during a recessionary period, when the government could get more bang for its buck and really significantly address the deferred maintenance backlog now, when the cost is so low?

**Mr. Weadick:** Well, thank you very much. You know, over the past number of years – I believe it's about the last eight years – we've invested \$3 billion in infrastructure in our postsecondaries, and that's been critically important to creating the spaces that we need. That investment has occurred. In Alberta I think it showed the priority that this government has placed on postsecondaries in that one of the priority areas for investment was in postsecondary. We've seen that capacity building of the knowledge economy, the creation of spaces, and the 42 per cent increase in operational funding because along with the capital space you have to have the operational money. With those two in place, we've been able to create capacity across the system that has taken up a lot of the need. We believe that if we can continue to do that, it's going to help us with some of the challenges that we face. That funding of \$3 billion did get us up to speed.

Now, we're still investing as a province, but some of that investment is going into roads, infrastructure, into K through 12 schools where they're needed, where the population is growing. I don't know if you know or not, but we did a space utilization study. We looked at a number of our campuses and looked at the space that they have and looked at the kind of space they have to determine how we can best utilize our space. Are we making the best use? We have a very high-quality system, we found out through the study, and there will be more information coming forward from that. We do have some very real opportunity to create increased capacity within the space we have if we become creative at using it, so we have some real opportunities through space utilization to get more seats out of our system.

**Ms Woo-Paw:** Thank you.

I also understand that capital dollars are not the only budget pressures our institutions are facing. According to some of the reports a number of institutions such as NAIT and Keyano are looking at their budgets and making decisions to close programs to help make ends meet. I would like to have you comment on whether choice is decreasing while demand is increasing in our system.

**Mr. Weadick:** Well, thank you. We would hope that our institutions are not reducing programs to help make ends meet, but we do support our institutions doing constant review to ensure that our programs are meeting the needs of employers, are meeting the needs of students, have enough uptake to support those programs. We have seen some institutions where they've looked at programs that maybe don't have the uptake that they've had in the past or that aren't maybe as necessary as they were in the past.

A good example is that 20 years ago in Alberta you couldn't go to a university and not get a degree in agriculture. It was simply one of the staples. You could get a degree in agriculture at the U of L. You will not probably find a degree in agriculture anymore. You will find a degree in environmental science, that takes in portions of that. The world changes, and as it does, we develop new programs, and we close programs.

We're right now just on the verge of approving a brand new program, the first of its kind, I believe, in western Canada, for midwifery at Mount Royal University, a fabulous program. We're probably within days of seeing that program move forward. And you know what? That's a really exciting opportunity for Albertans. Having that clinical opportunity, having the opportunity to study midwifery here: that's a brand new program.

It's really a question of opening the new programs that we need, getting rid of the programs that maybe are not as necessary so that our system is constantly meeting the needs of the students. I think that when I look across the system, I see some of the exciting new

programs that come up. Yes, they occasionally close a program, and we believe that that's effective. We should be closing some programs to make room for some of the new ones.

I know that at the University of Lethbridge they just opened a brand new program in audio technology, a degree in audio technology. They had so much uptake, they could have taken in twice the students. A fabulous opportunity to take a degree in audio technology to go with their music department there and just a wonderful experience. They could have taken in twice the number of students, but there are some capacity issues. You can only have so much instructional time in that. We need to continue to grow those brand new programs.

I know that some of the computer design programs didn't even exist 10 years ago. I know that when the Member for Edmonton-Riverview and I went to university, I think we took a slide rule to school. Now the young people are taking a laptop to school. The world has changed, and it will continue to change. With some of the technology courses that are available today, I don't think we even could have dreamed up the names of them 30 years ago. Now our students are taking them, studying them.

What they tell us is that half of the students that graduated 15 years ago are working in jobs that hadn't even been described when they were going to school. That's the reality. The world is changing. The career opportunities are changing. The jobs are changing. We need a system that is flexible, that's able to respond to those changes, create programming that meets those needs, and then is flexible enough to change each and every year so that our young people continue to meet those needs and go forward.

I'm just so excited about the opportunities to see new programming come in. Sometimes some old programming leaves to make way for it, but you know what? It's an exciting time. I saw the member across smiling when we were talking about one of the programs. We're going to be excited to see that new program.

**Ms Woo-Paw:** One more question. I guess we agree that we are seeing that the demand is increasing. I think you mentioned that there are some limitations in capacity. Do we have students being turned away? Also, especially for a developing and growing province like Alberta, we are in need of health care workers and providers. Are we also turning students away from medicine and nursing and those areas?

**Mr. Weadick:** Thank you. A very good question. Yes, health care workers are one of the critical areas. This government made a commitment to increase our training of medical professionals in this province, and we're right on target. We committed to train 295 doctors, medical physicians, per year. We're on target. We'll meet that target this year. We've set a target to train 2,000 nurses a year. We will match that target over the next year. We've set a target to train a thousand practical nurses, and that target we are very close to meeting right now, and we hope to meet it next year as well. So we are moving forward in the medical areas.

I'm assuming that if we're right at maximum at 2,000, we probably did have some turnaways in those programs. I know medicine is one that's always had turnaways. There are always more people that would like to go into medicine. I talked to a number of young Albertans that have gone and taken law school in other places and now have come back this year to Alberta to study – two of them, that went to Detroit, took their law degrees and have just come back and are articling right now in Lethbridge – real opportunities for our young people to go and study elsewhere and come back into our communities to study here.

I think 8 or 9 per cent of the students that we fund through our loans programs are actually studying outside the province in other

places. We write loans to them so that they can go to school in other places in Canada and in other places in the United States. Huge and exciting opportunities. I think those young people come back here even more able and capable of bringing the experiences they've had in other places.

I met a young lady who was taking her medical degree at St. George's. I've met people who have gone to Europe and other places and into the United States. It is an exciting time. We have increased the medical training in our province. The turnaways were higher. We talked on that a little bit earlier. Our turnaways did hit over 6,000 this year, but 70 per cent of those turnaways were a single application at one school in one program. We need to understand what that means and work with our institutions to ensure that our students are aware that that program may be available somewhere else for them, and maybe we can help them to take it elsewhere. We're going to continue to work on that. The good news is that 92 per cent of the students that applied were accepted and are studying in our schools today. Ninety-two per cent. I think that's a very positive number. Those are 92 per cent of young Albertans that are getting a great education.

9:00

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

Do you have any more questions, hon. member?

**Ms Woo-Paw:** No.

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

Thank you very much, hon. member.

At this time I'd like to recognize Dr. Taft, please. Twenty minutes, Dr. Taft. Back and forth again?

**Dr. Taft:** Yes. Thank you, Mr. Chairman. I want to start by commending the minister on his stamina. He's got as much energy two and a half hours into this as he did at the beginning. He's putting on a stellar performance. I commend the students for sitting through all of this as well.

**Mr. Johnson:** What about me? I'm sitting here, too.

**Dr. Taft:** We're paid to be here.

I want to continue working through some of my own notes, Mr. Minister. As I said when I started, I tried to look at this budget from several perspectives. One was from the overall perspective of the province and the future of the province, the citizens at large, the students. We talked a bit about affordability. We didn't talk enough, in my view, about access, but we don't have a lot of time. We talked briefly about staff and faculty and the pressures on them.

In this process I don't want to lose track of the unsung and often maligned people who are university administrators. They are in a job and a position that, certainly, in the last couple of years has been pretty thankless, and they get squeezed from all directions: students, faculty, their budget, the government, and so on. I think they are trying their best yet are put in, as I say, an impossible situation. I'm concerned that this budget doesn't help them out of that situation. I think, in fact, that if it stands as it is and continues through the fiscal year, at the end of it the situation is going to be worse for university administrators.

Then what I can well imagine a year from now, almost in lockstep with the rise in the price of oil and such, is that we'll see the funds start to flow again. That may all sound good, but these roller-coaster rides of funding are really disruptive. I think I heard the Member for Calgary-Currie earlier urging this government through you to try to adopt the approach that's being taken, certainly with my full

support, by this government to health care funding and commit to a five-year stable funding. I'd love to see something equivalent to that for education.

I think that the university administrators end up being whipsawed. Staff costs and settlements that were maybe made at times when money was flowing more are still having to be paid or expectations are having to be met. Energy costs are rising, as we talked about earlier. Enrolment is growing, in part because of a job slowdown and in part because people want to come back to school.

Sometimes I think there are just really awful consequences to that, and I'm going to talk briefly just so the minister understands my perspective on this and what I'm hearing about concerns at the University of Alberta medical school. We've heard recently about the CAUT investigation into the medical school. Maybe the minister hasn't heard, but you will soon, I'm sure. A huge number of complaints, a wildly disproportionate number of complaints around academic freedom and such at the U of A medical school. This comes on – what? – two or three years ago, maybe three or four years ago now, as a serious questioning of the accreditation of the U of A medical school and an intensive review there, and there's an impression created that one of Canada's leading medical schools is really struggling to find its way.

Now, these are perceptions. They're not always reality, but they are perceptions. It's easy, then, to blame a dean or a university provost or a president or something for that, but I think a lot of these circumstances are created by budget challenges from this government and reorganization challenges.

A lot of those end up focusing on the medical school at the U of A. The stresses created by reorganizing AHFMR and the other research funds: those have real affects. There are real human beings who are caught up in that kind of, in my view, badly rushed and poorly thought through reorganization. You put on top of that the Alberta Health Services reorganization. The faculty of medicine and Alberta Health Services are very closely connected. They co-operated in the whole design and development and operation of the Edmonton clinic, that you mentioned earlier. Then you put on top of that the cuts and the squeezes under Advanced Education's budget, and suddenly you start to see the negative consequences of that.

I suspect that those three factors – the reorganization of the research funds, the reorganization of Alberta Health Services, and the budget constraints here – have sown the seeds of the problems at the U of A medical school. Those ones have come to the surface, but there are other stresses and strains throughout the system. I think that you need as a minister to be aware that these budget decisions put administrators in impossible positions to manage situations which are unmanageable. So I wanted to get that on the record.

Predictable funding is at least as important as wildly generous funding and then cutbacks. In fact, let me rephrase that. Predictable funding is better and more important than wildly unstable funding even if that unstable funding is at times very generous.

The last group – and we are squeezed for time – is the neighbours of the universities. I appreciated talking to the minister about these issues earlier today, but they also are a result in some cases of budget pressures. The budget pressures on universities over the last several years have forced universities into new territory, new organizational territory, and in some cases new physical or geographic territory, I guess. The government has challenged the university to be creative and to figure out new ways to build buildings. Where does that lead to? Well, it leads to an opportunism, a short-term opportunism that I think betrays the long-term health of our system.

The U of A has a long-range development plan that your department approved in 2002. Under the law the university is obligated to follow that. But we're seeing the U of A, for example, on its south campus get into capital developments that are questionable, P3s, for example the GO centre. The university openly acknowledges that the GO centre is a private initiative. The university will say: we have no control over the design or the construction of that. I showed you the documentation where one of the vice-presidents wrote that out. Yet the university is going to end up responsible for that building.

I'm concerned that in exchange for this short-term benefit of, well, a free building – and it's certainly a big building – we may be taking on long-term liabilities for the university that we don't fully realize. Although that building was supposed to be built to a LEED silver standard, it is not. That's just one example. I'm concerned that as we push the university to be creative, the long-term will get sacrificed to the short-term opportunity and that we will end up with a growing pile of unintended consequences that will need to be addressed by some future Legislature.

Let me turn that into a question. Mr. Minister, what mechanisms is your department putting in place to ensure that postsecondary institutions in this province don't get into long-term liabilities that cost more than they benefit?

9:10

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

Minister, the remaining time is all yours. You've got 10 minutes.

**Mr. Weadick:** Well, thank you. I'm not sure I'll need all of the 10 minutes, you know, but I'll do the best that I can.

I appreciate the member taking some time today to come and talk about some issues in or near his constituency that do have an impact on the neighbourhood. I know that the University of Alberta and our other institutions across the province really strive to be good neighbours and work within their communities. They're always very respected and important parts of our community as is the U of A. I know that this member that has been asking questions has a great deal of respect for that facility as well. It is truly a landmark piece of Edmonton and Alberta. The University of Alberta is so critically important to this province, so we want to ensure that everything is in good shape.

I've been told that the accreditation simply isn't an issue at this point, that the medical school is in extremely fine shape and that they're moving forward, especially with the new clinic and then the new virology centre, some really exciting things happening there as well as part of that medical school. So we are excited about that.

If you look at AHFMR, some of those changes were talked about as a negative. Clearly, what's happening is that we will be investing as a government another \$293 million in health to transition instructors and researchers onto university budgets so that we can free up somewhere in the neighbourhood of \$75 million a year that can be directed towards health research, a huge benefit to our institutions because health research is so critical. In the past what we've tended to do is use AHFMR money to fund those teaching positions. What we need to do now is have the teaching positions funded through the universities, and we're supporting that with extra dollars that will flow in to transition that, and then in that place we can invest much more into the real medical research that those same people will be helping to deliver. So I think it's a wonderful opportunity. It isn't a negative. It just creates huge benefits to this province, to the research in this province, to the

opportunities for both our medical schools and at other places. Clearly, a real good opportunity.

A tough budget. Yeah. We've talked about it three or four times. I'm not going to say that it isn't. Most budgets in this government were reduced this year, and we've managed to get \$61 million in new money to direct towards our postsecondary. Sixty-one million dollars. Is it enough? Probably not. But you know what? It's going to go a long way

When I talk to those administrators, that are really doing a fine job – and we have a great relationship with them, and we work together, and we talk to them about a lot of these challenges. Because although you may talk about a five-year plan, we believe that we really have a long-term plan. We believe that the University of Alberta will still be delivering great programming a hundred years from now, and we need to have a plan that helps to work with them to make sure that happens, that the University of Lethbridge and SAIT and NAIT and Grant MacEwan and NorQuest and all those wonderful facilities will be here and will be providing all kinds of training. So it's not just about five-year funding.

Funding is important, and we know that over the past years there has been increasing funding almost every year. There was a level year, and I'll tell you what. I don't think anybody in this room two years ago expected the bottom to fall out of the economy the way it did. We've had to deal with that, and I think probably our postsecondaries have come out and weathered the storm significantly better than probably any other jurisdiction. We haven't seen a loss of people. We haven't seen a loss of programs or students. We haven't seen reductions in availability. As I said, this year in a tight budget year, when we have many budgets that have been reduced, we actually have \$61 million in new money that's going to help with lights-on funding, that's going to help attract some new people into our schools to provide research and opportunities, that's going to help with some of the enrolment pressures that we have within our schools. It's \$61 million in a budget year like this year: hard fought.

I know the minister before me worked tirelessly to ensure that we could try to provide some level of support to these postsecondaries because they are so, so critical to us. So I'm just absolutely pleased that we are working together and that we are going to continue in this partnership to make sure that we can invest as best we can.

The other benefit is that within Campus Alberta, with 26 institutions all partnered and working together, we're finding unique opportunities to share, to save costs, to do things together. A good example is that we're seeing opportunities where programming is being offered in some rural settings in partnership between Red Deer College and Olds College, two colleges working together to deliver needed programming in certain centres that don't have other access. I mean, this is wonderful. This isn't happening in a lot of other places. This is new, and it's happening right here in Alberta. Campus Alberta is creating that partnership where our schools work together, where they look for opportunities to save, to share.

I think that's why even at a time when budgets are a little bit tight, we're not hearing a large negative. We just heard today that NAIT and SAIT are working together on a number of projects, very excited about the opportunities that they have to work together and provide technical training across this province, two wonderful institutions in Calgary and Edmonton that are very closely aligned and working very closely together to make sure there's no overlap, no duplication, and students are getting what they need. This streamlining can go a long way to providing those services that you're talking about. I think it's great for morale as

people see opportunities, see that their institutions are providing those kinds of opportunities for students.

What's really been interesting that we found out in some of our learnings recently – we had about 5,000 or 6,000 students that migrated from our colleges into our universities. We thought: well, that sounds pretty normal. Young people will go and take two years at college, and then they'll move into the university system. What we hadn't expected was that when we started tracking the numbers, we found that almost the same number of students moved from the university setting to our college system, into our technical programming. We truly have opportunities for our students to move back and forth between programs, between schools.

The University of Alberta said it so well at Campus Alberta: we need to make sure that transfers and transferability is there for students. In fact, block transfers, where students can transfer the largest number of courses together, are ideas coming from our institutions to say: we want to work together so that our students can have a block transfer of their programming, so that we can make the best opportunities for programs to transfer so that students, whether they want to go from the university to the college or from the college to the university or stay at home in their hometown and get an education, have the best opportunity to do those things.

Right now there's a partnership education degree being offered at Grande Prairie Regional College. Brand new. So a student in Grande Prairie that wants to be a teacher no longer has to come to Edmonton to become a teacher. Is that exciting or not?

There's a new sheet metal program being offered, year 1, in Grande Prairie. It's being offered in partnership with the private sector. The young people go to school in the afternoon at Grande Prairie college and then go out and do their practical work in the sheet metal shop of the private industry once they've shut down for the day, and the students have all of the equipment available. These are unique opportunities where Albertans and businesses and our postsecondaries are partnering to create trades opportunities for students to work as close to home as possible. I think this is exciting.

These are the kinds of things that create savings within the system, that create opportunities within the system. Clearly, it's not just about the money. I believe that the partnerships and the relationships that we have built may be the single most important thing. That may be what ultimately sets us apart from every other jurisdiction, the fact that many places have postsecondary institutions, but we have a postsecondary system in Alberta, and it's called Campus Alberta. No one else can say that they have a postsecondary system of education. Do you know what opportunities that will create for young people going forward? I think you can see how that could create that flexibility in training and the opportunity to study online and at home and in different places. I think that, clearly, our partnership and relationship with our students, with our postsecondaries, with our administrators, and between our institutions will make the difference.

I'm going to sit down and give you a couple more minutes if you'd like.

**The Chair:** He doesn't have a couple more minutes. We're going to go over.

You used up your 10 minutes, Dr. Taft. We need to recognize a government member, and then, time remaining, we'll come back to you.

That's not right? He has two more minutes?

Sorry about that. Okay. Go for it.

9:20

**Dr. Taft:** That's what I thought.

Thank you, Mr. Chairman. I'm going to quickly get some issues on the record. You didn't answer or even address the question I raised about my concern around the university taking on liability with capital projects that they don't build and control.

I'm also concerned that the budget pressures are pushing the universities in other directions. So the south campus now is home to three professional sports franchises: the curling centre at Saville, a big centre for professional curling; Edmonton's franchise in the North American Soccer League now calls Foote Field home; and next year the GO centre is expected to become the home of the new Edmonton basketball team.

**The Chair:** Your time is used up.

**Dr. Taft:** I regret that we ran out of time.

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

At this time I'd like to recognize the hon. George Groeneveld, please. You've got approximately 10 minutes remaining. Would you like to go back and forth with the minister, please?

**Mr. Groeneveld:** You bet. I like to spar with him anytime.

**The Chair:** Thank you very much. Go ahead, please.

**Mr. Groeneveld:** Thank you, Chair. Minister, you've been at the job a short time. It's been a long, gruelling evening. I congratulate you on bringing yourself up to speed like you have with the department. Well done.

I'd like to talk a little about a few things here. Certainly, Minister, Alberta has a long history of innovation, and Albertans have been at the forefront of critical research areas like unlocking the oil sands, developing new crops, and treating disease. But last year we shifted our approach to research and innovation with the creation of Alberta Innovates to essentially focus on our strengths and improve how we translate the discoveries we make in our labs to economic opportunities for Albertans. Tonight I have a few questions about the system and how much progress your ministry has made to date.

The budget for innovation and research, which stands at about a quarter of a billion dollars, I understand, is a very modest increase over where it was last year. If innovation is a critical part of our economic growth and diversification, why do we not invest a little more?

**Mr. Weadick:** Thank you. I think you've highlighted how critically important the restructuring was to this.

Yes, we did get a modest budget increase this year on the innovation side, but we believe that the real benefit will be in bringing together our research people into Alberta Innovates, into the four key areas. Focusing our resources and our people into the key areas where we have some strength and that we believe are critically important is what's going to make Alberta Innovates so much more effective with the dollars that we have.

If you look at something like Genome Alberta, which is part of a network of partnerships between Canada and the provinces, Canada and Alberta, Genome Alberta is doing some fabulous work in the area of genetics. They've just received a contract to do some work on spruce budworm because the genetic work they've done in some of the other areas was so effective. It appears that they're going to have a solution to the pine beetle. They've done a

huge amount of research in partnership with British Columbia on the pine beetle, and they've had extremely strong success, and they're now working in the area of spruce budworm.

What we're finding is that as we bring our researchers together and focus them, we can get much better benefit. An example is the prion institute. I believe when BSE hit, there were about three or four prion scientists in Canada. We now have about 50 of them in Alberta alone. They're doing work on prions, and what they're finding now is that much of the research in animal health is starting to have some direct correlation with research that's being done in human health in the area of Alzheimer's and in the area of Parkinson's.

As we can connect our research pieces together, we can create real opportunities with the same dollars by focusing them to get even more out of it and create the best benefit for Albertans and then move those research pieces towards – I don't say it's always about marketing or that sort of thing. That is a piece of it, but it's important that we look at creating medical breakthroughs that go from the lab to the bedside, things that will make people's lives better, the people that would create employment and jobs in Alberta. We think that's critically important. As part of this, as the member has talked about, we believe that the synergies of bringing all of our people together and then focusing them will make for a huge benefit to the research in the future of the province.

**Mr. Groeneveld:** Thank you, Minister. Certainly, you mentioned transitioning the health researchers. It certainly raises the question: could you please clarify how you're following through on the commitment to help health researchers transition from the Alberta Heritage Foundation for Medical Research endowment fund salary supports to university funding? I think it's a really important question.

**Mr. Weadick:** Thank you. That is a question we've talked about a little bit today. As a department we've committed \$293 million as transition funding over eight years to move the people that are providing both research and instruction within our medical schools onto the budgets of the universities so that they become fully paid. Instead of using dollars to pay salaries out of AHFMR, we'll transition them using the \$293 million into the university system. That frees up our research money so that we can then focus it on project-based research, maybe research on spinal injury, research on prions or epigenetics, research in virology and those other things where we're starting to get some significant capacity in health research. In heart research we have some of the finest heart and lung physicians and researchers in the country right here in Alberta at the Maz and at the U of A.

We can really start to focus this funding now into key areas of research instead of using a large portion of it to fund what would be instructional-type services. I think it's really important that we use that transition funding over the next eight years and then free up the capacity within the research for health.

**Mr. Groeneveld:** Minister, I know you have already partially answered these questions from across the floor, but while it is good that you are meeting the commitments to help transition these researchers, why haven't we seen any new programs to bring in new health research talent?

**Mr. Weadick:** Actually, I'm glad you mentioned that. We are starting to see exactly that. There is talent available, and we just had one of the top heart surgeons announced today. He studied at the University of Alberta, moved away and went to Stanford, and just moved back and brought his incredible talents back to this province. He'll be working at the Maz in the lung and heart trans-



plant unit. To bring those kinds of skill sets back into this province is exactly what we're hoping to do through these programs. This is starting to work. We're still in the transition. As we transition our instructional pieces over to the universities, that will free up more money to fund further research.

Let's remember that Alberta Health Solutions invested a record \$76 million in health research last year, \$76 million in this province to do necessary health research. I think that's a great investment, and we're going to continue to look for opportunities. In fact, I met with the board of Alberta Health Solutions, and they tell me there are some very exciting things coming very quickly on the horizon.

**Mr. Groeneveld:** Okay. You have \$6 million listed as part of your support to postsecondary institutions to help attract and support researchers. Tell me, how does this tie in with the Alberta Innovates system, and why is the money not going to the new corporations out there?

**Mr. Weadick:** Thank you. As you know, the Ministry of Advanced Education and Technology houses both our postsecondaries and our Alberta Innovates piece. You know, really, the two work very closely together. I hate to say that they're joined at the hip, but in many ways they are. They work in lock-step. With many of the research pieces being funded on our campuses, the funding is flowing through Alberta Innovates. It's very much a partnership. We work together. The nanotech centre is a very good example. It's housed at the University of Alberta and funded through Alberta Innovates. We find that the two work very, very well together.

This \$6 million will allow us to bring in people to our campuses that can do two things. They can provide opportunities for instruction and attracting of graduate students but at the same time provide research capacity on those campuses.

What we've asked our department to do is to really look at how we can focus those on our priority areas, the areas that we're already creating significant benefit in. That could be in water research. That could be in certain areas of health research such as virology. It could be in areas of nanotechnology where we're seen as one of the world leaders in nanotech. We're looking for opportunities to attract those kinds of people that may be available in other places around the world.

**9:30**

I think the member across talked about how competitive it is and how we are seeing people from Alberta enticed. Well, we believe we're going to try to entice some of those great people to Alberta because we know that this is one of the best places to work. We have some fabulous institutes that they can work with and have research opportunities. With our post-docs and graduate students we can continue to develop that program, so we're very excited about that.

**Mr. Groeneveld:** I suspect I'm not going to get this question in.

**The Chair:** Ten seconds.

**Mr. Groeneveld:** Good job, Minister.

**Mr. Weadick:** Thank you very much.

**The Chair:** Okay, then. Thank you very much, everyone. I apologize for interrupting, but I must advise the committee that the time allotted for this item of business has been concluded.

Pursuant to Government Motion 5 the meeting is now adjourned. Have a good night.

[The committee adjourned at 9:31 p.m.]





