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kind, equipment and so on, all of which were to be counted as eligible. We do not normally keep those in our books all in one place, and we do not keep records in exactly the way the government wants us to report. It was a task within universities to assemble the information that would encourage the maximum appearance of success of this program.

**Senator Lorna Marsden** (*Acting Chairman*) assumed the Chair.

**Senator Hicks:** I think I understand that. Have you encountered some resentment and resistance on the part of researchers that they do not get reimbursed by the matching grants program for what they have done? For example, at the University of Toronto, one of your departments undertakes to do research and obtains a grant of \$100,000 from an external agency. As a result of that, if it is an eligible project or amount, one of the granting councils gets an additional \$100,000. Do they give the 10 per cent, which you have referred to, back to the University of Toronto? Is it as specific as 10 per cent of that \$100,000 item?

**Professor Nowlan:** Ten per cent was the National Sciences and Engineering Research Council's number this past year. It was calculated by our submitting a detailed list—project by project—of what we believed were eligible private sector support. NSERC scrutinized that. There were one or two projects over which there was some dispute and they were ultimately deemed ineligible. We got back a replay of our list, project by project, of items that the government considered eligible. We then got 10 per cent of the total, which is the same as 10 per cent on each project.

**Senator Hicks:** Next year you would expect to get 20 per cent and so on?

**Professor Nowlan:** If NSERC does not change the program, yes.

**Senator Hicks:** Yes, if they stick to their expressed intentions. When that 10 per cent comes to the University of Toronto, what do you do with it?

**Professor Nowlan:** The program is designed in such a way that that 10 per cent is returned to the institution as a whole, not to the individual researchers. Each institution handles it somewhat differently.

At the University of Toronto we return the 10 per cent in total to the researcher or research group that has generated the matching funds. In some cases where there has been support from an endowment or where there has been generic support in an area such that we cannot identify a researcher or research group, then that is kept for the central support of research. The vast majority—all but a few percentage points—can be identified with a researcher or research project, and we return that directly for the support of that group's research.

**Senator Hicks:** The researcher who gets the \$100,000 from XYZ Company does have the satisfaction of receiving personally an additional \$10,000 from NSERC through the University of Toronto, does he?

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**Professor Nowlan:** That is correct. Some universities prefer to retain the whole of the amount and use it for more general discretionary research purposes. We felt that, if we were to encourage the view that as a matching program the incentives needed to be larger rather than smaller, we had better be consistent with our thinking and return the money directly to the researcher.

**The Acting Chairman:** I believe Mr. Greenberg would like to ask a question of clarification.

**Mr. Jeff Greenberg, Director of Research, Standing Senate Committee on National Finance:** Professor Nowlan, my understanding is that NSERC provides 10 per cent up to the maximum amount they receive from the federal government. The amounts that you receive exceed the federal contribution, and the reality is that it is approximately three to four per cent.

**Professor Nowlan:** That is correct. Thank you for the clarification. As the computer scientists would say, the 10 per cent is a virtual 10 per cent. As has been announced, what happens is that this year, at least with the program overprescribed, the percentage is reduced proportionately so that the actual percentage return is around 4 per cent—in fact, in both NSERC and in SSHRC, as it happens, coincidentally.

**Senator Hicks:** This would be different in other universities, of course?

**Professor Nowlan:** No, the percentage return would be the same in all universities.

**Senator Hicks:** You are saying that it would be determined by the en bloc amount?

**Professor Nowlan:** That is correct. The cap on the eligible maximum for NSERC for the first year was approximately \$20 million. Let us say that they got \$40 million—they got something in excess, but let us say that the eligible amounts were \$40 million and the percentage return would be 5 per cent, rather than 10 per cent.

**Senator Hicks:** Thank you, Madam Chairman.

**Senator Stewart (Antigonish-Guysborough):** Thank you, Madam Chairman. I have three or four questions, and perhaps not all of them are on topic. First of all, I want to ask about the time expended and the distraction involved in the case of serious researchers in this matter of finding money for their future research. How serious is that, or is it something that can be imposed upon servants of the servants?

**Professor Nowlan:** That is a good question, senator. It goes well beyond the matching-grants program. It really is a question, in my view, on the research environment at the university. It is certainly the case that the research environment at the university is a very competitive one, and many of the most successful researchers are those who have been the most successful entrepreneurs; who have been best able to hustle research funds—not necessarily from the private sector but also from granting agencies and foundations. A top-flight researcher in life sciences especially may well spend the equivalent of a fifth