

# **Universities: empowering Canadians, empowering communities**

Universities Canada submission to the  
House of Commons Standing Committee on Finance

February 16, 2016



**Universities  
Canada.**

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### **Introduction**

Canada's universities are committed to working with all Parliamentarians to foster discovery, innovation and prosperity in Canada. University research and entrepreneurship activities are leading to new discoveries, solving important global issues and driving economic growth. Teaching and learning activities are also preparing today's students – the emerging workforce – for an increasingly complex, competitive and globalized economy. Canada's universities are contributing to building a better Canada.

With \$35 billion in direct expenditures alone and in providing direct employment for close to 250,000 people, universities have a large economic impact on the country.

Universities Canada's Budget 2016 recommendations will help advance Canada's long-term growth and prosperity. These challenging economic times – in Canada and abroad – represent an opportunity for future-oriented investment that will drive sustained economic renewal, productivity and competitiveness.

Our recommendations focus on four strategic areas:

1. university infrastructure;
2. research and innovation, with an emphasis on sustained investment in discovery research through the granting councils;
3. opportunities for more Canadian students to benefit from "career readiness" opportunities through paid co-ops, internships and mobility experiences; and
4. Indigenous student access and success through sustained support for direct student financial assistance and scaled up institutional programming in higher education.

### **University infrastructure**

Canada's universities welcome the government's focus on strategic investments in infrastructure for short-term stimulus and long-term economic growth and renewal.

The quality of infrastructure at Canada's universities plays a key role in advancing crucial research discoveries, innovation and 21<sup>st</sup> century learning for our students. The successful *Knowledge Infrastructure Program* – launched to stimulate a struggling Canadian economy in 2009 – demonstrated that Canadian universities can deliver infrastructure projects quickly and well.

According to a January 2016 survey of Universities Canada member institutions, there are currently more than 450 shovel-ready – and shovel-worthy – infrastructure projects on Canadian campuses. Sixty percent are new construction projects, while the remaining forty percent are deferred maintenance, including the transformation of existing buildings into new uses.

University infrastructure needs are diverse, ranging from initiatives to improve the quality of research and innovation facilities, including space for incubators and accelerators, to projects aimed at ensuring a 21<sup>st</sup> century student experience. A common denominator is the potential to decrease the carbon footprint of Canadian campuses, as close to half of all projects have been categorized as "green infrastructure."

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### **Universities Canada recommends that the federal government:**

- create a dedicated fund for university infrastructure through the Department of Innovation, Science and Economic Development. Such a fund would help address Canada's current economic growth and jobs challenge, and allow for strategic investments to strengthen research and innovation capacity, enhance students' opportunities and connect campuses to communities.

## **Research and innovation**

University research is recognized in Canada and worldwide as a crucial driver of innovation, competitiveness, productivity and social and economic well-being. Canada's universities address research needs at the local, national and international levels. We welcome the government's commitments to science, innovation and evidence-based policy to advancing Canada's economic growth and diversification and Canadians' quality of life.

Discovery, investigator-led research driven by curiosity, as well as applied research seeking to address particular issues, are both essential to fostering innovation. As noted by Bill Downe, chief executive officer of BMO Financial Group, in a June 30, 2015 op-ed in the *Globe and Mail*, "breakthroughs happen when brilliant minds are given the freedom to probe the nooks and crannies of reality – when exceptional people ask fundamental questions about the deepest problems and make extraordinary discoveries that benefit us all."

During an October 2014 innovation policy conference hosted by Universities Canada, experts from Germany and Israel, two of the world's most innovative economies, highlighted that all types of research require room for risk-taking and creativity to allow new ideas to flourish, and that innovation cannot happen without robust and continuing investments in discovery research.

Taking inflation into account, total funding for the granting councils has decreased by seven percent since 2007. From 2006 to 2013, Canada fell from third to eighth place in the OECD for HERD intensity (percentage of gross domestic product spent in higher education research and development). Our international peers are increasing their higher education research and development spending, and Canada is not keeping pace.

Early investments in Canada's research and innovation ecosystem are bearing fruit. Canadians can be proud of our accomplishments, but we must guard against complacency. We need to set our sights higher.

### **Universities Canada recommends that the federal government:**

- commit to increased and untargeted support for the base budgets of the Natural Sciences and Engineering Research Council, the Canadian Institutes of Health Research and the Social Sciences and Humanities Research Council;
- commit to support for the Canada Foundation for Innovation through sustained investment in research infrastructure and the development of a "roadmap" for big science in Canada, led by CFI to underpin a vibrant research and innovation ecosystem and support cutting edge research across disciplines; and

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- expand support for accelerators, incubators and the national network for business innovation and cluster support – with a priority on linkages with universities. This support will foster innovative entrepreneurship and stimulate economic growth.

## **Youth opportunities**

Canada's universities welcome the government's commitment to invest in more opportunities for young Canadians to get career-boosting work experience.

University graduates are Canada's largest source of new talent and they need to be equipped early in their careers with a broad set of 21<sup>st</sup> century skills to contribute to Canada's long-term prosperity. Experiential learning, at home and abroad, is strongly valued by both students and employers. It provides students with opportunities to become "job ready", and to deepen disciplinary knowledge and complementary soft skills. According to a 2014 survey of more than 400 small- and medium-sized enterprises across Canada conducted by Leger Marketing for Universities Canada, four out of five employers say co-op and internship students add value to their company as a source of new talent and as future employees with workplace skills.

Universities across the country are collaborating with industry and community partners to provide students with dynamic and diverse experiential learning opportunities, such as co-op programs, internships, apprenticeships, field schools, service learning or research-based learning. In 2015, 69 Universities Canada member institutions offered about 2,500 co-op programs. The number of undergraduate students involved in co-op programs has doubled in nearly a decade – from 53,000 in 2006 to more than 100,000 in 2015.

While 55 percent of Canadian undergraduate students currently benefit from some form of work-integrated learning experience during their studies, student demand for these programs continues to increase and outpace supply. Universities report a shortage of available placements across disciplines and are seeking more employers, especially SMEs and not-for-profit organizations, to take on additional students. According to the Leger Marketing survey, employers report a number of barriers, including up-front salary costs and adequate time for supervision and mentorship, preventing them from providing these experiences and benefiting from their related advantages. Therefore, new measures to facilitate employer engagement in experiential learning are essential. We are pleased to see the Canadian Chamber of Commerce make this a priority for Budget 2016, along with national student associations.

The skills obtained by students through international, intercultural and interprovincial experiences are also valued by employers. According to the Leger survey, 82 percent of those that hire recruits with international and intercultural experiences say employees who possess an understanding of the global marketplace enhance their company's competitiveness. Almost two-thirds of these employers also believe interprovincial experience is an asset when considering candidates for positions in their companies. A survey on internationalization at Canadian universities conducted by Universities Canada in late 2014 revealed that 97 percent of universities offer some form of international experience to their students. However, despite institutional efforts, only 3.1 percent of full-time undergraduate students had an international experience in 2012-13.

Increased opportunities for mobility through interprovincial and international learning experiences will enable students to better understand their country and the world, and help them develop skills that will benefit their communities and Canada.

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Canada can do more to provide young Canadians with valuable career readiness opportunities to contribute to our dynamic and changing labour market and society of tomorrow. Canada's 150<sup>th</sup> anniversary in 2017 provides an important opportunity to celebrate Canada's youth and invest in the next generation of nation builders.

### **Universities Canada recommends that the federal government:**

- invest in new employer-focused measures such as vouchers and tax credits to create more paid co-op placements, paid internships, and work integrated learning experiences for university students across all academic disciplines; and
- invest in a bold new program of support for Canadian students to study in another part of Canada and to gain a study abroad experience in celebration of Canada's sesquicentennial.

## **Indigenous education**

Canada's universities applaud the government's commitment to a renewed relationship with Indigenous peoples and to ensuring First Nations children and youth receive a quality education.

As demonstrated by work over the last six years and the adoption of *Principles on Indigenous education* in 2015, Canada's universities are committed to enhancing opportunities for Indigenous student access and success in higher education, and to contributing to the long-term reconciliation process between Indigenous and non-Indigenous people in Canada. Only 9.8 percent of Aboriginal people aged 25 to 64 in Canada have a university degree compared to 26.5 percent of non-Aboriginals of the same age group.

Student demand continues to far outstrip the financial resources available for Indigenous students who want to pursue higher education. According to a recent study, since 1996, the number of students supported through Indigenous and Northern Affairs Canada's Post-Secondary Student Support Program has declined by more than 20 percent despite an increased population, increased K-12 graduation rates, and an oversubscription to the program.

Universities are committed to help close the education gap for Indigenous students, and to build on existing partnerships with First Nations, Métis and Inuit communities to respond to local needs. There are hundreds of initiatives in place at Canada's universities, including targeted programs and services, community outreach and mentorship, and financial assistance, aimed at promoting Indigenous student retention and success. However, new investments are urgently needed to ensure these initiatives are taken to scale and reach a critical mass of Indigenous communities.

### **Universities Canada recommends that the federal government:**

- commit to increased funding for student financial assistance for Indigenous post-secondary students to enhance educational opportunities and academic success for Indigenous students;
- commit to new funds to scale up institutional programming to improve university outcomes for Indigenous students and build new partnerships with Indigenous communities;
- enhance support for existing programming through the Post-Secondary Partnership Program at Indigenous and Northern Affairs Canada; and

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- commit to new graduate scholarships for Indigenous students to build the talent pipeline and prepare the next generation of Indigenous leaders.

## **Conclusion**

Through the recommendations in the areas of university infrastructure, research and innovation, youth opportunities and Indigenous higher education, Universities Canada and its 97 member institutions are committed to fostering innovation and contributing to economic diversification and renewal, and to strengthening the connections between communities, the country and the world.

We appreciate this opportunity to participate in the Standing Committee on Finance's pre-budget consultations. By investing in individuals, institutions and ideas, Canada can reap the benefits of social and economic prosperity and set a course for long term growth. Canada's universities look forward to working with Parliamentarians and all those who recognize the transformative power of higher education, research and innovation in building a stronger Canada.

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