

## **Finance Committee Budget Hearings BC Association of Institutes and Universities Presentation**

### **Executive Summary**

The BC Association of Institutes and Universities (BCAIU) represents eight institutes and universities: the British Columbia Institute of Technology, Capilano University, Emily Carr University of Art and Design, the Justice Institute of British Columbia, Kwantlen Polytechnic University, the Nicola Valley Institute of Technology, the University of the Fraser Valley and Vancouver Island University. BCAIU institutions share a common value in working together and are catalysts for prosperity by responding to the needs of their communities and building strong relationships with governments, business and industry.

These connections have provided our institutions with direct experience of the economic challenges that the Finance Committee has noted in its invitation to share priorities for the 2012 Federal Budget. The BCAIU submission is targeted towards providing recommendations on two of the four primary issues that the Committee has identified: **how to achieve a sustained economic recovery in Canada and how to create quality sustainable jobs**. Our two recommendations are:

1. To invest in increasing the skills and education of Aboriginal Canadians so that they can participate fully in the economy and assist in a sustained economic recovery;  
and
2. To target an increasing proportion of the federal investment in research and development on a competitive basis to the type applied research and innovation initiatives that will create quality sustainable jobs.

## **A Sustained Economic Recovery: The Critical Role of Aboriginal Canadians**

A sustained economic recovery requires that Canada have a workforce that meets its needs in both the quality and the quantity of skilled and knowledgeable workers. The Province of British Columbia's Labour Market Outlook 2010-2020 Report released in July 2011 anticipates that 78 percent of new job openings will require a university degree or post-secondary education. Over one million new job openings, either from retirements or from new jobs, are expected in BC by 2020 and only about one-third of these openings will be filled through new immigration. The trends are similar in other parts of the country.

Canada's economic recovery will, therefore, be rooted in our ability to educate and train current citizens and, while we have many excellent institutes, universities and colleges, we must improve our performance with respect to Aboriginal Canadians. There is a significant difference between the educational attainment of Aboriginal and non-Aboriginal students. BC Stats provides the following educational profile of Aboriginal people between the ages of 25 and 64 based on the 2006 Census.

	Aboriginal people On-Reserve	Aboriginal People Off-Reserve	Non-Aboriginal People
Percent of population with a minimum of a High School Graduation	57.0%	73.8%	88.4%
Percent of population with Post Secondary Completion	37.1%	47.8%	62.5%

In order to produce the number of post-secondary graduates to the 78 percent required by the economy, British Columbia must continue to improve the rates for non-Aboriginal people but more urgently must increase post-secondary education for Aboriginal people living off reserve by almost two-thirds and more than double the rates for Aboriginal people on reserve. With British Columbia being the second largest provincial population of Aboriginal people and home to the highest number of First Nations Bands in Canada, it is particularly important to British Columbia to enhance the education and training of Aboriginal people and BCIAU institutions are well positioned to address this challenge.

As BC's public Aboriginal post secondary institution, the Nicola Valley Institute of Technology (NVIT), is uniquely positioned to partner with BC's First Nations communities to address their educational challenges. NVIT currently has students from two thirds of BC's First Nations communities. NVIT has a First Nations Board of Governors, 83% of their students are Aboriginal, and 65% of NVIT employees are Aboriginal. NVIT has a reputation for effective community-based partnerships and has a proven track record in

working with the private Aboriginal post-secondary institutes across the province and across Canada.

Through local relationships, program offerings and institutional priorities, the other seven BCIAU institutions are also actively engaged with Aboriginal communities and students. Our institutions provide graduate and undergraduate degrees, diplomas and certificates in a wide array of programs in areas including adult basic education, trades, technology, health sciences, art, design, justice and public safety. The programs are designed and delivered to be responsive and relevant to employers and the economy.

The Government of Canada and the Assembly of First Nations have undertaken a positive step with the Canada-First Nations Joint Action Plan and the 2011 Budget tabled on June 6, demonstrated an important commitment to expanding adult basic education programs for Aboriginal learners. BCIAU institutions work together to ensure that Aboriginal students who achieve success in adult basic education programs have clear opportunities to further their education through a comprehensive array of programs. With a strong commitment to partnership, BCIAU can deliver programs to Aboriginal learners in all parts of British Columbia, and looks forward to sharing its expertise with institutions across Canada to address this critical need for Aboriginal peoples and the economy.

### **Recommendation:**

To invest in increasing the skills and education of Aboriginal Canadians so that they can participate fully in the economy and to help ensure a sustained economic recovery.

### **Creating Quality Sustainable Jobs: Innovation and Applied Research**

Canada has a comprehensive array of institutes, universities and colleges advanced education system that is recognized internationally for its quality. In a knowledge economy, this is becoming as important an asset as our bountiful natural resources. However, as human history clearly demonstrates, knowledge and innovation are unlike natural resources in that they are not rooted in a specific physical location, but can be nurtured and developed in any jurisdiction. There are numerous reports that highlight Canada's need to increase innovation and research and the Government of Canada has taken many positive steps. However, BCIAU believes we must look at approaches that are more effective in linking investments in science and technology to creating quality sustainable jobs.

BCIAU seek to work with the Government of Canada, the Province of British Columbia and with partners in business and industry to build capacity in innovation and applied research for three reasons:

1. So that Canadian industry and workers are more competitive and productive to meet the challenges of a global knowledge economy;

2. So that Canada can leverage the advantages of one of the world's most comprehensive and regionally responsive system of post-secondary institutions in order to build a 21<sup>st</sup> century economy that is flexible and diversified;
3. So that we can help create new jobs and businesses and help existing businesses becoming more efficient and effective so that the people of Canada can continue to enjoy prosperity and a high quality of life.

An innovation and applied research strategy should be complementary to the key economic sectors where governments seek to build capacity. In British Columbia, therefore, we see a strategy that focuses on sectors such as forestry, mining, tourism, clean energy, ports and agriculture but also provides much needed support to emerging new technologies, animation, film and digital media. Among the eight BCIAU members we have existing strengths and substantial relationships with industry in all of these sectors.

One of the challenges for governments investing in many research initiatives is that it may take years before there are tangible results or economic impacts. With a smaller scale of operations and a more focused approach, our institutions are committed to delivering demonstrable economic impacts so that government can see a clear return on its investment within a reasonable time frame.

Our goal with respect to innovation and applied research is not to build large research agencies that can be bureaucratic and lack practical application, but rather to tie our goals directly to those of the governments and industries. We propose a modest annual funding budget that is focused on economic priorities and awarded via competition.

The review process for the competition should include accountability measures that ensure taxpayers receive the maximum return on their investment. For example, in our view the measure of success should not be how many citations an institution receives in peer reviewed journals. Instead, we would propose accountability criteria such as how many new jobs were created in a community, how much additional funding was levered from other partners or how much money has a small business saved through an innovation that has created greater efficiency.

The Canadian economy has a strong small business foundation and British Columbia in particular is a small business oriented economy. BCIAU institutions are learning from our many small business partners to take a more bottom line and effective approach to research. Our institutions understand that they cannot be experts in every area and effective collaboration will be an important factor in successful outcomes. Because we are geographically distributed and not too large and intimidating for small businesses, we believe that our institutions have an advantage working with small businesses and helping them to be more productive.

BCIAU would be pleased to provide the Standing Committee on Finance with examples and details on applied research initiatives that are either underway or possible with further investment and look forward to working with you to build an even better Canada.

**Recommendation:**

To target an increasing proportion of the federal investment in research and development on a competitive basis to the type applied research and innovation initiatives that will create quality sustainable jobs.