

Canadian Federation of Students - Newfoundland and Labrador

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Canada has emerged from the global recession in a much stronger position than other OECD member states. In order to sustain Canada's economic recovery and foster economic growth, immediate action must be taken to reduce record-high levels of student debt. In 2007, the government of Newfoundland and Labrador reintroduced a system of non-repayable, up-front grants. In its 2009 budget, the provincial government expanded this program to provide \$70 in grants per week of study. The positive impacts of this initiative have already been felt across the province. Student debt has begun to decrease while, at the same time, enrolment has increased despite a declining population base. Student debt has a negative influence on graduates' participation in the economy and quality of life compared to that of past generations. In 2008, students applauded the federal government's decision to replace the unaccountable Millennium Scholarship Foundation with Canada's first national system of up-front, non-repayable grants. The establishment of the Canada Student Grants program was a necessary first step in ensuring that students do not solely take on student debt as a means of paying the increasing costs of post-secondary education. Other forms of federal post-secondary education assistance are ineffective and inefficient. The funding allocated to tax credits and savings programs cost the federal government billions of dollars annually and only offer back-ended assistance. The funding would be far more effective in providing direct, up-front assistance to those who need it most if it were redirected to the Canada Student Grants program. Recommendation: 1. The federal government should reduce the student loan debt accumulated through the Canada Student Loans Program – currently at an estimated \$15 billion – by 50 percent over the next three years. This will provide greater financial mobility for Canada's next generation of workers to succeed in a fluctuating job market 2. Increase the value and number of Canada Student Grants by redirecting the funding currently allocated to post-secondary education tax credits and savings schemes to the Canada Student Grants program and expand the program to include graduate students.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

Canada is well positioned to fill highly skilled labour market demands should a number of the post-secondary education system's challenges be addressed. For example, insufficient federal funding has driven tuition fees and other post-secondary education costs upward. Government funding, in the form of core operating grants allocated on a per-student basis, is required for the sustainable provision of high-quality university and college education. Despite an aging population, enrolment in post-secondary institutions in Newfoundland and Labrador continues to increase. In the 2011-12 academic year, undergraduate tuition fees in Newfoundland and Labrador were \$2,632, the lowest in Canada, excluding

fees charged to Quebec residents. As a result, Newfoundland and Labrador has seen a 500 percent increase in enrollment since 1999, when tuition fees were first frozen. In particular, the province has experienced an enrolment increase of 1,079 percent by students from Nova Scotia, where tuition fees are more than double those in Newfoundland and Labrador. From 2000 to 2007, the number of Newfoundland and Labrador students leaving to study in the Maritime provinces decreased by 54 percent while the number of students from the Maritimes studying at Memorial University of Newfoundland increased more than ten fold. Although the individual student benefits from a high-quality and accessible post-secondary education system, a low-cost and adequately funded system adds to the overall quality of life in the province and is a strategic investment in society as a whole. In a time of global economic instability, providing sufficient public funding for robust social programming—post-secondary education in particular—will ensure Canada’s long-term economic prosperity.

Recommendation: 1. In cooperation with the provinces, the federal government should implement a national Post-Secondary Education Act modeled after the Canada Health Act, accompanied by a dedicated cash transfer with funding allocated to: - restore per capita investment to 1992 levels; - reduce tuition fees to 1992 levels; and - invest in Canada's university and college infrastructure by eliminating deferred maintenance.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

In the next decade, development of natural resources projects in Newfoundland and Labrador will require a highly skilled workforce. It is estimated that, at the height of the projects (2015), over 9,000 employees will be needed to fill positions. In particular, the public college system is in need of increased core funding if it is to meet labour market demands. As with most OECD member states, Canada’s future will depend on its ability to replace its aging workforce to meet its economic goals. However, Canada has an advantage over many other countries with its rapidly growing Aboriginal population. Of the people who identify as Aboriginal, 48 percent are under the age of 24. It is estimated that over 300,000 Aboriginal youth could enter the labour force in the next 15 years alone. A recent study estimated that closing the educational attainment gap between Aboriginal and non-Aboriginal peoples would contribute an additional \$179 billion in direct GDP growth and over \$400 billion in total growth over the next 20 years. Despite the clear economic necessity to ensure access to education for Aboriginal peoples, investment in their education has remained stagnant for over a decade. While the domestic population will not fill all labour market shortages, Canada could benefit from a robust international student program from which it could draw skilled workers. Education stakeholders agree that there is untapped potential for attracting international students, but that the market is very competitive. International students comprise about 6.5 percent of all post-secondary students in Canada—less than the OECD average. Recommendations: 1. Remove the funding cap on the Post-Secondary Student Support Program and ensure that adequate funding is available for all eligible First Nations and Inuit learners to pursue post-secondary education. 2. Act to safeguard and strengthen Canada’s reputation as country of choice for international students by: - imposing regulations on the levels of fees charged to international students; - eliminating private institutions from hosting international students; and - combining the Off-Campus Work Permit and Post-Graduation Work Permit into the Study Permit(Student Visa).

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Over the past few decades, technology and innovation have played a central role in the development of Canada's economy. In Newfoundland and Labrador, the volatility associated with an economy over-dependent on natural resources has highlighted the need for a more stable and innovative economy. Universities, and particularly graduate students, play an important role in the development of innovation and cutting-edge research. New initiatives within university research infrastructure will provide added opportunities. In particular, graduate students are generating a significant portion of the province's new and innovative social and economic development. Financial hardship can affect the quality of research performed by graduate students who are under stress and forced to reduce their fieldwork, forego publishing and conference presentations, and rush the writing phase of dissertations in order to complete more quickly. Recent federal budgets have directed research funding to meet the short-term priorities of the private sector, undermining basic research and long-term innovation. Commercialisation of university research undermines the broader public interest research aims of the country. Further, it discourages private sector investment in its own research and development facilities, leading to fewer employment opportunities for researchers in an already difficult job market. The result of this restructuring is that many highly skilled workers are often unable to contribute their full potential, thus undermining Canada's global economic competitiveness. In order for Canada to keep up with the evolving global economy, the federal government needs to provide adequate research funding for graduate students. The federal government must increase funding for graduate research in all fields of study, to give individuals the means to generate research and propel our collective knowledge and understanding forward. Recommendation: 1. Increase the number of Canada Graduate Scholarships to be consistent with average program growth to be distributed proportionally among the research councils according to enrolment figures. 2. Remove targeted research funding earmarks and allow for the peer review process within the granting councils that awards research funding based on academic merit and the expertise of the academic community.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

Today's youth face the challenge of inheriting an economy that will produce less wealth and a greater debt burden than past generations. While the last generation benefitted from social programs that helped build an equitable and productive society, today's youth are watching these same programs disappear. Youth are facing record high unemployment and, according to Statistics Canada, students aged 20 to 24 are facing the worst job market in 35 years. The federal funding cuts of the mid-nineties have burdened an entire generation of youth with tuition fees that have increased at over five times the rate of inflation. Where government grants used to cover up to 80 percent of an institution's operating budget fewer than 30 years ago, they now cover just over 50 percent, with tuition fees making up the difference. Given that two out of every three newly posted jobs require some form of post-secondary education, university and college education is now a prerequisite for finding a job and earning an average income. Yet, the costs of attaining a degree or diploma have increased well beyond the cost borne by previous generations. To address the skills training needs of the current generation and increasing youth unemployment rates, immediate steps must be taken to ensure youth have access to the education, services, and work experience required to participate in Canada's economy.

Recommendations: 1. Reopen the Service Canada Centres for Youth in order to ensure youth have access to the services required to face a challenging labour market. 2. Increase investment in youth employment strategies and work in collaboration with education and youth employment stakeholders to respond to the needs of young Canadians looking for work. 3. Boost funding for the Canada Summer Jobs program, which provides work opportunities for students, while supporting important community organizations and services.