

AUCC Submission to the House of Commons Standing Committee on Finance

Priorities: 2015 Federal Budget

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Association of Universities and Colleges of Canada
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Introduction

Canada's universities are committed to working with all parliamentarians to build a more prosperous, innovative and competitive nation. We do this through research that drives economic growth and addresses pressing social problems, and education that provides students with the advanced skills needed to thrive in a dynamic, global job market.

Budget 2014 included important investments in research and innovation, as well as support for internships. The Finance Committee is to be commended for its role in promoting them.

The university community's recommendations for Budget 2015 focus in three areas: enhanced funding for research and innovation; an opportunities strategy for young Canadians; and initiatives to attract more Aboriginal Canadians to postsecondary education. Together, these recommendations contribute to three themes outlined in the Committee's request for submissions.

Increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization

Canada's universities make essential contributions to our national innovation system, from conducting discovery-driven research to partnering with industry to develop new and improved ways to manufacture products, develop resources and deliver services. Universities are key economic drivers of regional and national prosperity. They generate ideas and solutions for communities, small- and medium-sized enterprises, national and multi-national companies and diverse industrial sectors of the economy.

Studies across many OECD countries have shown that investing in university research is the cornerstone of a nation's long-term economic growth and productivity.

Support for state-of-the-art research equipment and labs, computer hardware, software and buildings is critical to conducting leading-edge research. As part of a vibrant research and innovation ecosystem, facilities funded by the Canada Foundation for Innovation allow universities and researchers to engage in experiential learning and collaboration, to generate knowledge that leads to scientific advancements as well as transformative and incremental innovation in all sectors of the economy.

AUCC recommends that:

- the federal government commit to the principle of long-term, sustained research funding – with a rate of growth leading the economy – through the federal research granting agencies to ensure that top Canadian and international talent is attracted and retained, and state-of-the-art facilities and equipment are utilized to their full potential.
- the federal government commit to predictable, multi-year funding for research infrastructure through the Canada Foundation for Innovation to sustain the competitiveness of current equipment *and* pursue opportunities for growth where Canada can take a leadership role.

An important element to enable Canadian researchers and students to capture the full value of research in the future will be to take advantage of digital technologies and scholarship. Canada's universities are committed to working with the government to integrate the various elements of a national digital ecosystem for education, research and innovation.

Maximizing the number and types of jobs for Canadians

Close to one million Canadians will earn their first degree between now and Canada's sesquicentennial in 2017. Some will still be in the labour force when Canada celebrates its bicentenary in 2067.

A university education remains the surest path to employment success. Between May 2008 and May 2014, 878,000 net new jobs were created for university graduates – a 21 percent increase over this six-year period. At least two-thirds of new jobs created in Canada over the next decade are expected to be in occupations requiring a postsecondary degree.

Canada can do more to equip young Canadians with the tools they need to thrive and compete in the jobs of tomorrow. Canada's sesquicentennial marks an occasion for the government to invest in transformative opportunities for our next generation.

Co-op and internship experiences

Canadian universities across the country are already collaborating with industry and community partners to integrate work experience with university programming, benefitting both students and employers. Currently half of all university undergraduate students have some form of experiential learning by the time they graduate.

Employers see co-op programs as a way to connect to new talent and ideas. A 2013 survey by the Canadian Council of Chief Executives found that large employers believe co-ops and internships help future employees gain work experience, serving as a springboard to first career jobs. And a recent study by the Higher Education Quality Council of Ontario found that employers overwhelmingly prefer to hire graduates of co-op programs and consistently offer them starting salaries 30 to 40 percent higher than other graduates.

Growing numbers of Canadian universities offer co-op opportunities. Last year, 59 universities provided more than 1,000 co-op programs. The number of university students involved in co-op programs jumped 25 percent in just seven years, from 53,000 in 2006-07 to more than 65,000 in 2013.

However, the Canadian Association for Co-operative Education reports that institutions cannot meet high student demand for placements. Institutions across the country are seeking more employers to take on additional co-op students. For small- and medium-sized enterprises and organizations in the voluntary sector, the up-front costs of co-op student salaries and lack of time for student support and mentorship are major constraints.

AUCC recommends that:

- the federal government invest in an integrated package of programs – building on those that already exist and developing new options – to offer more career-boosting opportunities for Canadian students:
 - a new voucher program, with a focus on SMEs and not-for-profits, to hire co-op students and interns;

- a federal tax credit for co-operative education and paid internships, with an emphasis on SMEs;
- new funding to support institutions' development of co-op placements and paid internships;
- additional funding for research internships through Mitacs' programs; and
- expanded support for youth business mentorships and new incentives to invest in young entrepreneurs.

As an employer, the federal government also has a role to play in providing young Canadians with that critical first job experience – in a way that also advances public service renewal. Since 2009, the number of students hired by the Public Service Commission through the Co-operative Education and Internship Program has declined rapidly from about 4,850 to just 3,400 in 2012-13. AUCC recommends the federal government demonstrate leadership as an employer and contribute to enhanced on-the-job experience for students by returning to its previous levels of co-op student hiring.

Student mobility in Canada and abroad

Canada's universities believe that creating a culture of mobility – both domestic and international – is key to ensuring young Canadians gain an early appreciation for flexibility and mobility. New opportunities for short-term international and interprovincial mobility experiences would enable Canadian university students to “know Canada and know the world”, strengthening Canada's economic prosperity and social cohesion; enhancing domestic labour mobility; and advancing Canada's diplomatic, cultural and trade partnerships abroad.

Today only one in 10 Canadian students crosses a provincial border to study in another province. A program for interprovincial student mobility would provide a critical mass of students with a deeper knowledge and appreciation of Canada's diversity. It could include direct student support for a range of short-term mobility activities including academic exchanges, coursework and field schools; a competitive fund for institutions to develop new mobility arrangements for credit transfer, or partner with institutions in other provinces; and an annual national student leadership conference to build on their experiences of living and learning in another part of Canada.

Currently, 12 percent of university graduates (about 25,000 students a year) have a study-abroad experience throughout their studies. The 2012 Chakma report by the federal panel on Canada's international education strategy calls for the establishment of an international mobility program for Canadian students serving 50,000 students a year by 2022. Such a program could include direct student support for a broad range of short-term international mobility activities including internships, research placements, service learning and short-term academic exchanges, as well as funding for innovative new partnerships and a yearly forum to bring together student participants.

AUCC recommends that:

- the federal government work in partnership with the provinces, the private sector and universities to create new opportunities for short-term international and domestic student mobility as Canada prepares to celebrate its 150th anniversary in 2017.

In addition to the initiatives called for in the youth opportunities strategy outlined above, AUCC believes that improved and timely labour market information will help make sure Canadians have the

facts to make a smart choice about their future postsecondary education – whether it is to learn a trade, pursue a college education or undertake a university degree.

AUCC joins the Canadian Chamber of Commerce, the Canadian Council of Chief Executives and other stakeholders in calling for the timely collection, analysis and dissemination of detailed and reliable labour market information and supports the Finance Committee's June 2014 recommendation for sustained federal resources to Statistics Canada to deliver enhanced labour market information, including long-term hiring and skills projections.

Supporting families and helping vulnerable Canadians by focusing on health, education and training

A university education pays dividends for Canada and Canadians. However, a significant education gap persists for Aboriginals, Canada's fastest-growing population. Fewer than 10 percent of Aboriginals between the ages of 24 to 64 have a university degree, one-third the rate of non-Aboriginals. This reality prevents Aboriginals from being full participants in the Canadian economy, undermines social cohesion and perpetuates a troubled history.

Harnessing the potential of Aboriginal youth through a focus on access to high-quality education is critical. This imperative was noted by the Finance Committee in its June 2014 report and by the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities in its May 2014 report on Aboriginals in the labour force.

Canada's universities are helping to address this challenge and have developed a diverse set of partnerships with First Nations, Métis and Inuit communities to respond to local needs, with more than 350 initiatives aimed at making a difference, including courses, outreach and financial assistance, as well as physical spaces where First Nations, Métis and Inuit students can find counselling, support and connection to their culture.

While the government assesses next steps in working with First Nations to transform K-12 education on reserves, investing in Aboriginal student access to and success in higher education is an opportunity for tangible progress with experienced and willing partners.

Canada's universities are committed to helping close the education gap for Aboriginal students, and to actively contributing to the reconciliation process between Aboriginal people and broader Canadian society.

AUCC recommends that:

- the federal government invest in an integrated package of support, building on existing initiatives and developing new options, to enhance Aboriginal student access and success in higher education:
 - triple support for Aboriginal Affairs and Northern Development Canada's Postsecondary Partnerships Program which funds the design of college and university level courses responding to the educational needs of First Nations and Inuit students;
 - create 500 graduate scholarships for Aboriginal students to develop the next generation of Aboriginal leaders and develop an influential network of role models for young Aboriginals;
 - provide additional funding to Indspire's *Building Brighter Futures* bursaries and scholarship program. Indspire received federal funding in Budget 2013, which it

- matched with private sector funding. New funding will help Indspire leverage its strong network of business champions to do more; and
- create a new program to scale up successful “reach back” and transition programs at Canadian universities.

AUCC also encourages the federal government to develop a targeted communications campaign – working with universities – to enhance awareness among First Nations communities about the availability of Canada Learning Bonds as a funding option for postsecondary studies.

Conclusion

We make these recommendations on behalf of Canada’s 97 universities who share common purpose in investing in research and innovation, equipping young Canadians with skills and experience for the 21st century and improving access and success for Canada’s Aboriginal communities.

For more information, please contact
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