



Universities
Canada.

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Invest in universities to build a stronger Canada

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

August 2024





Universities Canada urges the federal government to:

- ◆ Work with universities to boost Canada's productivity by:
 - ◆ continuing to invest in the Student Work Placement Program (SWPP);
 - ◆ expanding financial support for research commercialization and knowledge mobilization programs;
 - ◆ renewing the Post-Secondary Student Support Program (PSSSP); and
 - ◆ renewing the Global Skills Opportunity (GSO) program.

- ◆ Restore global leadership in education and talent attraction by:
 - ◆ accelerating the modernization of Canada's immigration system; and
 - ◆ aligning Canadian departments on a unified education and immigration strategy.

- ◆ Support improved university infrastructure by:
 - ◆ ensuring existing, new or renewed federal funding programs for energy-efficient infrastructure and accessible retrofits are designed to allow all post-secondary institutions to apply for support.

- ◆ Enhance research efficiency and security by:
 - ◆ scaling research security funds from the Research Support Fund (RS-RSF) to reflect the escalating administrative burdens related to research security and creating a supplementary fund to support smaller institutions in pooling resources and addressing capacity gaps effectively;
 - ◆ creating a dedicated Horizon Europe secretariat to facilitate direct engagement with EU program development and maximize Canadian researchers' participation in Horizon Europe; and
 - ◆ renewing the mandate for the Digital Research Alliance of Canada and invest in expanding digital research infrastructure.



Introduction

Investing in universities is a direct investment in Canada's future. A well-educated workforce is the engine of a strong economy, driving innovation and job creation that leads to higher salaries and better job opportunities. Robust economic growth ultimately improves the quality of life of all Canadians. Investing in universities is not just about individual success; it's about building a thriving, prosperous Canada.





Recommendation 1:

Work with universities to boost Canada's productivity

Canada's economy isn't growing fast enough because of its low productivity.¹ In 2023, productivity in Canada decreased by 2.2% showing a decline for the third consecutive year.² This means we struggle to generate the wealth needed for important areas like defence, health care and the energy transition. Technological innovation and skills building are key to improving Canada's economic prospects.

Universities are ready to help address Canada's productivity problem. They are already educating and training over 1.4 million students to build a highly skilled, diverse and adaptable workforce.

Universities can contribute even more with the right investments by government. Investing in student work placements gives businesses a source of new talent, cost-effective staffing and innovative ideas. These placements help build a pipeline of potential future employees and strengthen ties between businesses and universities. In turn, students gain invaluable on-the-job experience that sets them up for long-term career success.

Investing in research commercialization and knowledge mobilization will also benefit our economy. Funding programs that turn academic discoveries into real benefits—by creating new products and technologies and applying research to everyday problems—lets universities work with businesses to create solutions that improve life for Canadians, provide jobs and boost the economy.

Improving access to higher education for Indigenous Peoples will not only support reconciliation, it will strengthen our shared economic future. These investments will help address historical inequalities while open new opportunities for people to contribute to their communities and the economy.

Renewing commitments to national outbound mobility programs like the Global Skills Opportunity (GSO) will equip students with in-demand skills, further enhancing their career prospects and contributing to Canada's overall economic progress.



Recommended actions:

- **Invest in workforce readiness** through continued investment in the Student Work Placement Program (SWPP) and in AI work-related learning opportunities for students.
- **Expand financial support** for research commercialization and knowledge mobilization programs.
- **Renew the Global Skills Opportunity (GSO) program** to send Canadian students abroad to equip them with the skills required to thrive in a rapidly changing labour market.
- **Close educational gaps** by renewing and expanding investment in the Post-Secondary Student Support Program (PSSSP). Universities Canada supports the Assembly of First Nations' urgent call for renewed and expanded investment in the PSSSP.

¹ Rogers, C. (2024, March 26). Time to break the glass: Fixing Canada's productivity problem. Bank of Canada: <https://www.bankofcanada.ca/2024/03/time-to-break-the-glass-fixing-canadas-productivity-problem/> and RBC Thought Leadership. Canada's Growth Challenge: Why the Economy is Stuck in Neutral. <https://thoughtleadership.rbc.com/wp-content/uploads/Canadas-Growth-Challenge-Report-EN2024.pdf>

² Statistics Canada, Table 36-10-0480-01 Labour productivity and related measures by business sector industry and by non-commercial activity consistent with the industry accounts



Recommendation 2:

Modernize Canada's immigration system to restore global leadership in education and talent attraction

Canada is at a critical juncture. To strengthen its position as a premier destination for education and research, decisive action is needed.

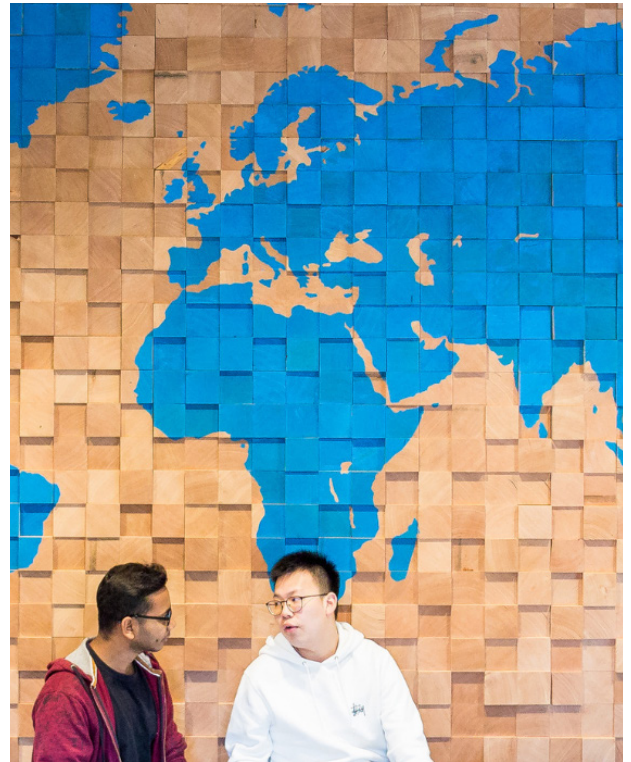
The need for action is especially urgent given the federal government's recent cap on international students. As the number of students admitted goes down, the importance of attracting the most talented students goes up. In other words, Canada must be able to compete for those highly skilled newcomers with the most potential to contribute to our future.

Unfortunately, recent trends indicate a significant decline in interest among international students and researchers, largely due to current challenges within Canada's immigration system.

International education contributed an estimated \$30.9 billion to our economy in 2022,³ and the sector is vital for attracting skilled talent and addressing labour market demands. Without reforms, however, Canada risks losing its esteemed position as a leader in global education and research.

Improving data and information sharing will bolster public confidence in our immigration policies and align these policies more strategically with our economic and talent needs.

Clear signals are also necessary to reassure international partners, prospective students and academics that Canada remains a strategic and attractive choice for education and collaboration. Enhanced coordination among Global Affairs Canada, Immigration, Refugees and Citizenship Canada (IRCC) and Employment and Social Development Canada is essential. This will provide greater certainty, expand international opportunities and harness global talent to boost the economy, address labor shortages and elevate Canada's global standing.



Recommended actions:

- **Accelerate the modernization of Canada's immigration system** through the Digital Platform Modernization at IRCC, providing better data integrity and sharing for governments, institutions, and Canadians.
- **Align Canadian departments on a unified strategy** to fortify Canada's global leadership in education and international collaboration.

³ International students contributed \$31 billion to Canadian economy in 2022 - ICEF Monitor - Market intelligence for international student recruitment



Recommendation 3:

Support improved university infrastructure

To remain globally competitive and continue to train talent and grow Canada's workforce, Canadian universities require high-quality, modern infrastructure.

This investment is crucial for maintaining high-quality education and research and to ensure universities can continue to serve as vital community hubs. They meet community needs for gathering spaces, public health initiatives and even emergency shelter.

Improving university facilities is essential for supporting student learning and engagement. However, due to rising building costs, inadequate funding tools and a growing backlog of urgent repairs, universities cannot meet these needs on their own.

One way the federal government can help is by making universities eligible for the Green and Inclusive Community Buildings Program and similar federal funding programs. Allowing universities to apply for federal infrastructure and energy efficiency programs funding would help repair aging facilities, lower energy costs and reduce greenhouse gas emissions. This would not only improve educational experiences but drive economic benefits by attracting local business partnerships and foster innovation.



Recommended actions:

- **Ensure that existing, new or renewed federal funding programs for energy-efficient infrastructure and accessible retrofits are designed to allow all post-secondary institutions to apply for support.**



Recommendation 4:

Enhance research efficiency and security

The research security funds from the Research Support Fund (RS-RSF) have improved the security posture of Canadian universities and enhanced federal collaboration. However, these funds have not kept pace with the increasing administrative demands placed on researchers. Canada's association with Horizon Europe (HE) also presents important funding opportunities for Canadian researchers, but there is a risk that learning to navigate this complex international program will limit the benefits Canada can reap from the program before it ends in 2027.

Additionally, the lack of robust Canadian AI infrastructure exacerbates challenges in meeting security and privacy standards for sensitive research data, placing Canada at a disadvantage.



Recommended actions:

- **Scale RS-RSF funding** to reflect the escalating administrative burdens related to research security. A supplementary fund should be established to support smaller institutions in pooling resources and addressing capacity gaps effectively.
- **Create a dedicated Horizon Europe secretariat** to maximize Canadian researchers' participation in Horizon Europe and facilitate direct engagement with EU program development.
- **Renew the mandate for the Digital Research Alliance of Canada and invest in expanding digital research infrastructure**, including exascale computing, data management, software platforms and data storage solutions. These investments will complement AI advancements from Budget 2024 and support both universities and businesses in fostering partnerships and promoting AI sovereignty.



Conclusion

Investing in universities is essential for Canada's future. This support fosters a thriving economy and enriched society, ultimately improving the quality of life for all Canadians. Empowering our universities ensures a prosperous and equitable future by shaping the leaders, thinkers and innovators of tomorrow.

About Universities Canada

Universities Canada is the voice of Canadian universities. We are a membership organization providing university presidents with a unified voice for higher education, research, and innovation. Universities Canada advances the mission of our member institutions to transform lives, strengthen communities and find solutions to the world's most pressing challenges.

