



ASSOCIATION OF
ATLANTIC
UNIVERSITIES

ASSOCIATION DES
UNIVERSITÉS DE
L'ATLANTIQUE

A Presentation to the

**House of Commons
Standing Committee on Finance's
(FINA)
2007 Pre-budget Consultation**

Halifax, Nova Scotia

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by the

**Association of Atlantic Universities
(AAU)**

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Good morning and thank you for the opportunity to be here today, Mr. Chairperson.

I am Colin Dodds, President, Saint Mary's University, here in Halifax, and Vice-Chair, Association of Atlantic Universities - the AAU.

The AAU's chair, Yvon Fontaine, Recteur, Université de Moncton, sends his regrets as he is unable to attend this morning's meeting with the committee.

I believe committee members have received copies of the AAU's brief. My intention this morning is to emphasize aspects of our October 16 submission that we believe pertinent to your work. I think it important to set the financial context for my remarks this morning and I wish to acknowledge the investment successive Federal Governments have made in the University sector.

Continued investment in universities will maximize their contribution to a prosperous and competitive Canada and Atlantic Canada.

The federal government's investment in higher education and university-led research is key to growing Atlantic Canada's labour market and improving regional productivity which are, in turn, critical to economic growth, and, maintaining the federal tax base in the face of growing international competition and our rapidly changing regional demographics.

The challenge of having globally competitive taxes, in conjunction with the significant challenge of Atlantic Canada's rapidly aging and declining population, means that Atlantic Canada must grow its economy.

This morning, I intend to address five key recommendations that will make a significant difference in Atlantic Canada's and therefore Canada's future competitiveness and productivity, nationally and internationally.

Those recommendations include:

- 1) **continued and increased investment in university research;**
- 2) **increased investment in young researchers and graduate scholarships;**
- 3) **increased investment in the marketing of Atlantic Canada as an 'education destination' to international students; this will complement the current Federal-Provincial initiative to develop a Canada brand for international education;**
- 4) **improving university participation rates and access to higher education for traditionally under-represented groups and,**
- 5) **investing in university infrastructure improvements.**

The AAU strongly supports cooperation and collaboration between the federal and provincial governments, universities and the private sector to establish objectives for increased investment in PSE in Atlantic Canada with the attendant accountability for results.

I have to state at the outset that Atlantic Canada has a wide range of excellent universities that are ranked highly by the media, citation indices, etc. However, it is important you understand that the majority of our institutions are small-to-medium size liberal arts universities, with the majority specializing in undergraduate, social sciences and humanities education.

1. Ensuring the national and international competitiveness of Atlantic Canada's university research effort by building research capacity is critically important to our region's future.

Atlantic Canada's universities annually attract more than \$510 million in research and development (R&D) investment and are responsible for 63 per cent of R&D conducted in the region.

A robust university research environment is vital to Atlantic Canada's future prosperity and competitiveness.

In 2005, the AAU, in partnership with the Atlantic Canada Opportunities Agency (ACOA) created Springboard - a regional, university research commercialization network.

Springboard promotes greater commercialization of university-led R&D and fosters greater collaboration between universities and the private sector in Atlantic Canada.

Atlantic Canada's universities recommend the Federal government continue to invest in national university research programs that recognize and reward institutional quality and innovation over sheer size; that provides disproportionate support for smaller institutions, reflecting their disadvantages of scale and need to build capacity; that supports institutions where researchers carry a heavier teaching load than those in research intensive institutions and, that recognizes and supports those institutions that have either a local or regional economic development mandate.

The contribution of Atlantic Canada's universities research effort to regional competitiveness and productivity, and to the country's international competitive advantage, should not be underestimated.

We have some handouts to share with you this morning about how our universities are creating a knowledge advantage in Atlantic Canada through research excellence, collaboration and partnerships.

2. Increasing investment in graduate students and scholarships is essential to the growth of the knowledge economy, research and analytical skills are highly valued, creating increased demand for advanced degree-holders.

Atlantic Canada's universities believe that future graduate programs should not advocate that universities simply produce the next generation of researchers but rather broaden that outlook to include the next generation of business and industry leaders, entrepreneurs, public policy and economic development experts.

In other words, it is critically important that our universities also create programs and graduates that are closely linked to emerging opportunities in society and the economy.

This recommended approach is essential to Atlantic Canada's future prosperity and competitiveness.

3. An increased investment in the international marketing of Atlantic Canada as an 'education destination' is a great opportunity for our region and our universities.

Universities in Atlantic Canada want to encourage more international students to study on our campuses so that all students can benefit from a campus environment marked by diversity of ideas, cultures and life experiences; and they want to attract top-flight international students for graduate and professional programs.

During the past two years, more and more attention is being given to Atlantic Canada's challenges in both attracting and retaining immigrants and developing a strategic and effective regional population strategy.

Recognition has also grown among governments, their agencies and other special interests of the role Atlantic Canada's universities can potentially play in augmenting current immigration policy and programs through more aggressive, targeted recruitment of international students to Atlantic Canada.

Currently, more than 6,000 visa students, from more than 100 countries worldwide, attend Atlantic Canada's 17 universities.

Anecdotally, we are informed that close to 30 per cent of those students will apply (either during their undergraduate education or post graduation) for permanent resident status in Canada.

At the same time, universities in Atlantic Canada have experienced three straight years of declining enrollments, due in large part to the declining demographic pool of prospective students in the region as well as more competitive national and international student marketplaces.

Our universities are focusing more time, energy and resources in marketing their institutions to students across Canada and overseas.

There is also a growing sentiment among our university leaders that the efficiency, effectiveness and success of future international student recruitment to our institutions could be bolstered through greater institutional cooperation and collaborative marketing.

The notion of branding and marketing Atlantic Canada as an ‘education destination’ in select markets worldwide has broad appeal among our university leaders and in Nova Scotia, EduNova is an example of such cooperation and initiative.

Federal government support for an Atlantic wide initiative, specifically designed to help bolster the potential attraction and retention of well-qualified immigrants to university communities across Atlantic Canada will be a powerful contribution towards regional prosperity and competitiveness.

4. Increasing university participation, particularly among traditionally under-represented groups is critical to our region’s future.

Atlantic Canada’s labour market will need to grow in both size and quality to drive future economic growth and prosperity.

However, the well-documented demographic decline in the region is now being felt in the labour market as well as affecting university enrollments. Because individuals with more education have higher labour force participation rates, increasing university enrollment and completion will be a critical driver of future labour market growth.

Some groups are significantly under-represented in Atlantic Canada’s university student population and labour market, including young males; African and Aboriginal Canadians, those from low income backgrounds and rural communities, the disabled and some recent immigrant groups.

Given Atlantic Canada’s rapidly declining and aging population, our region can ill-afford to under-develop the potential and under-utilize the skills, knowledge and creativity of any segment of society. These groups represent a major reservoir of talent for our labour market growth.

Extra effort must be made in Atlantic Canada to provide individuals from these under-represented groups with opportunities to pursue higher education and, ultimately, to participate in the region’s rapidly emerging knowledge economy.

A recent study by the Canada Millennium Scholarship Foundation, analyzing Statistics Canada data, found that Canadians with a university education, on average, pay the most taxes while receiving the least in government transfers to individuals.

5. Improving campus infrastructure across Atlantic Canada is the most critical issue confronting our universities.

In November 2006, the AAU estimated that our universities have an accumulated deferred maintenance deficit that exceeds \$850 million!

That is why university leaders in Atlantic Canada were impressed with the federal government's commitment to help our provincial governments begin to address this serious issue. Unfortunately, and much to our disappointment, not all provincial governments in Atlantic Canada chose to allocate the PSE Infrastructure Trust Fund to university infrastructure improvements as intended by the federal government.

Unless campus infrastructure renewal is effectively addressed, the quality and national competitiveness of universities in Atlantic Canada is seriously threatened. Additional federal government support for improving university infrastructure in Atlantic Canada is critically important. And, our university leaders whole-heartedly support the government's position on greater accountability from the provincial governments for results from federal investments in PSE.

On behalf of my colleagues across Atlantic Canada, I thank you for providing the AAU with this opportunity to meet with you this morning.

Mr. Chair, I would be very happy to answer any questions at this time.