

AUCC PRESENTATION
TO THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE

February 23, 2009

Good morning Mr. Chairman, I would like to thank you for the opportunity to present AUCC's views regarding the budget implementation bill.

The acknowledged challenge for this 2009 federal budget was how to most effectively provide stimulus to the Canadian economy during the most significant global economic downturn in decades. Universities responded quickly to this downturn in an open letter to Canadians released last October that affirmed their commitment to maintaining and enhancing their role as key contributors to the country's economy and to supporting local industries and communities in their efforts to weather these challenging times.

Over the course of the following few months, AUCC, on behalf of Canadian universities, advocated to all parties in Parliament for a package of investments that would assist the country to attain both its short-term and longer-term objectives. Specifically, we proposed investments in university infrastructure in order to make an important contribution to job creation in many communities across Canada. We also asked that the federal government maintain its investment in university research to support Canada's longer-term knowledge and people advantages, which are essential to successfully emerge from this economic downturn.

We are here today to thank the government and parliamentarians for listening to our recommendations, and to reiterate that we strongly support this budget's investments in universities.

I would like to highlight the magnitude of the investment in postsecondary infrastructure contained in this budget. As outlined in the budget documents, there will be \$1 billion this year and \$1 billion next year aimed at accelerating repairs, maintenance and construction on university and college campuses.

In addition, there is an immediate commitment in 2009-10 of \$150 million to existing Canada Foundation for Innovation competitions as well as \$600 million for future competitions. As well, a further \$87.5 million for a three year expansion of Canada Graduate Scholarships and \$3.5 million for internships in science and business was also announced.

AUCC has provided further advice on the implementation of the infrastructure investments recommending that the \$2 billion in postsecondary infrastructure funding build on existing provincial postsecondary infrastructure initiatives, be administratively efficient, and support infrastructure improvements across a broad range of research and teaching facilities. We anticipate that in the coming weeks clear federal guidelines on the use of funds and reporting requirements will be established.

We welcome these significant investments, as part of a meaningful short-term stimulus package. We also recognize that these investments must be seen in the context of a multi-year strategy which supports the four foundational elements of the university research

enterprise that work together to create the optimal environment for innovative research: talent, research funding, infrastructure and institutional support.

We fully understand that everything can not be accomplished in one budget, and that the January budget investments represent only a part of the multi-year plan the government has put forward in its Science and Technology Strategy. We recognize that in the three budgets previous to this one, new investments in S&T-related activities included increases in funding for the three federal granting councils to expand their core programming, building upon very substantive investments in R&D from previous governments.

However, we share the disappointment of our research community in the reductions of granting council funds. We must keep pace with the competition given the international context in which our research community operates. As part of their stimulus packages, countries around the world are now making significant investments in their research enterprises. In particular, the new U.S. Administration has just approved an injection of billions over the next 18 months in its R&D enterprise, including large increases in the amount of funding available to researchers. Canada's investments through the multi year S&T strategy will determine Canada's ability to compete on the world stage.

Over the next few weeks and months, our members will initiate the maintenance, repair and construction projects that will be made possible by the significant investments in this budget, thus providing short-term stimulus to the Canadian economy and positioning universities to better contribute to Canada's future competitiveness. Moving forward, we are committed to working with the government to optimize these investments as a foundation for a vibrant university research enterprise that will continue to provide the highly skilled workers and innovation needed to create long term social and economic prosperity.

Once again, Mr. Chairman, I thank you and the committee for its time and would welcome any questions committee members may have.