

**Presentation by Paul Davidson,  
president of AUCC,  
to the Senate Committee on Social Affairs, Science and  
Technology**  
*(Check against delivery)*

**May 5, 2010**



## **Introduction**

- Thank you for inviting me back to again participate in this committee's study.
- When I was last here, I started off my comments by talking about the success of higher education in Canada and how it parallels our country's success.
- I want to use my opportunity to present today to talk about how higher education can help position Canada for a successful future. How universities, through their teaching, discovery and engagement fuel Canada's economy.
- More Canadians than ever before want a university education. Canadians want this opportunity because university graduates continue to be the most in demand people in the employment market.
- In fact, from September 2008 to March 2010, there were 150,000 additional jobs in Canada for university graduates, compared to 680,000 fewer jobs in the rest of the work force.
- At the same time, students benefit directly from the research conducted at universities, because it enhances their curriculum and they develop the necessary critical thinking and research skills.
- The successful operation of the federal mechanisms that support university R&D are critical to ensure Canada's continued prosperity. Obviously we cannot look at all of them today. I know this committee has recently spent a lot of time on student financial aid. Therefore I will focus my presentation today on innovation and transfers to the provinces.

## **Research funding mechanisms**

- As the Committee prepares to look into federal R&D mechanisms to support research, let me share with you some of what we already know about our strong Canadian system.
- The granting councils have recently undergone the federal Strategic Review, and also conduct regular program reviews. These reviews serve to gauge research trends and improve program performance.
- Over the last ten years, the councils have come together to introduce and jointly manage a unique set of programs. From scholarships for graduate students, to flagship research chairs and multi-year, cross-sectoral research networks, these tri-council programs recognize and reward our strongest minds at each stage of their career. In some cases, such as with the new business-led Networks of Centres of Excellence, it is still too early to gauge their success overall. However, programs like the Canada Research Chairs are clearly making a difference in the quality of research coming from our universities.
- On the tenth anniversary of Canada Foundation for Innovation, an international panel conducted a rigorous review of the agency. The panel concluded CFI is the most successful research funding organization of its kind in the world.
- Together, the federally funded R&D mechanisms support a comprehensive system that addresses all stages of a researcher's career, and the necessary infrastructure.

- There are sources of ongoing concern with the level of resources provided to cover all research costs, but universities are clearly able to make more significant contributions through their research for the benefit of all Canadians.
- As the strategic review, and regular periodic reviews demonstrate, the face of innovation is a changing one.
- As such, we welcome the federal review of support for R&D that was announced in Budget 2010.
- We look forward to discussing how to improve the impact of these investments, to drive higher level of innovation and productivity in the private sector. In particular, to examine where university research intersects with the private sector and knowledge sharing, technology transfer and commercialization take place.
- Because it is not just about patents and licences and spin off companies.
- Senator Ogilvie, Senator Seidman, Senator Dyck, as former university researchers yourselves, you understand that innovation begins with basic research. Senator Ogilvie, your work generating a method for the chemical synthesis of large RNA molecules is a prime example of the value of basic research. Your finding has enabled the development of numerous new drugs, including Ganciclovir, for which you hold a patent.
- Here we can see the direct link between basic and applied research. Generating a methodology, and applying it to the development of a product.
- Who better than Senator Demers and Senator Raine to appreciate the tremendous advances of applied research in the world of professional sports? University researchers across the country have made numerous advances in the area of sport psychology, drug testing and improvements to sports equipment such as bicycle helmets and skates. Researchers also work closely with athletes to enhance their performance.
- The final crucial element in the innovation process is sharing new knowledge and the commercialization of products and services.
- The teachers in the room, Senator Cordy, Senator Martin and Senator Merchant will appreciate the work of researchers at McGill, Concordia, Wilfrid Laurier and Lethbridge who have designed an interactive web-based program that is improving literacy across Canada. This free tool offers resources for teachers and is fun and engaging for students.
- Innovation is also driven by crisis, and urgencies. For example, following the outbreak in Mexico last April, University of Manitoba researchers realized the first complete genome sequence of H1N1. This critical step enabled public health officials to bring the H1N1 vaccine to market in a matter of months.

The success of our university researchers is certainly due in part to the financial support they have received from federal government R&D mechanisms. Federal support also ensures students have an opportunity to learn. They go hand in hand.

- Since 1999 Canadians and their governments have made significant investments in higher education expanding the number of full-time university spaces by 40 percent.

- This was done to respond to the growing demand of Canadians, who were in turn responding to the employment market.
- As we look forward, the demographic challenges facing many developed nations, the global competition for highly qualified personnel will grow, making it increasingly difficult to maintain the growth in highly educated immigrants to Canada.
- Therefore, to meet future employment market demand of the Canadian economy we will need to be more self sufficient. This means continuing to increase our university participation rate.
- It may surprise some of you to learn that, according to the latest OECD data, in 2006, Canada sat 20<sup>th</sup> among OECD nations in terms of the proportion of youth who were enrolled full-time in university soon after completing secondary school.
- With this in mind, we are pleased that the federal government has maintained its commitment to growing the Canada Social Transfer by three percent annually until 2013-14.
- During a difficult period of fiscal constraint this is a strong commitment to the provinces that provide support for postsecondary education. A commitment that is enhanced by the clear earmarking of a section of the transfer for postsecondary education.
- The PSE portion of the transfer is almost \$3.4 billion in 2010-11 and will grow to \$3.8 billion by 2013-14. We appreciate the predictability of this funding, and will welcome discussions with the federal government about future needs prior to the expiration of this legislation.

## **Conclusion**

- I want to thank the committee for the opportunity to share with you today some of the good work that universities are doing and how federal investments are helping make that work possible.
- We will continue to work collaboratively with the government during this time of fiscal restraint to ensure universities contribute even more significantly to Canada's economic, social and health development. We are very grateful for the government's investments and we will continue to serve the country's needs in the knowledge era.