



Recommendations for Budget 2024



POLYTECHNICSCANADA

Recommendations

1. Modernize Canada's academic research and development system with more flexible funding mechanisms that fully utilize capacity across the post-secondary research ecosystem
2. Create a dedicated Tri-Agency funding allocation for Indigenous-led applied research
3. Relaunch a \$3.5 billion post-secondary infrastructure program that enables institutions to invest in green infrastructure and ensure campuses meet sustainability standards
4. Establish a \$25 million per year training equipment fund for Canada's hands-on learning institutions to support skills development for a rapidly evolving labour market
5. Restructure the Canada Training Benefit to increase awareness, navigation and upfront financial supports for workers
6. Establish permanent baseline funding for the Student Work Placement Program, with additional investments designed to address the lingering impact of the pandemic on Canada's youth

Introduction

Like its global counterparts, Canada faces change and uncertainty. Conflicts have created geopolitical instability, fracturing supply chains and raising the cost of goods. Climate change is an increasingly visible threat, with severe weather events wreaking havoc. Risks to national security and data sovereignty are increasingly prevalent, with bad actors employing new tactics and technologies.

Despite these challenges, Canada has been pursuing a bold vision toward net zero. We are welcoming newcomers at historic levels, focusing both on labour market shortages and good global citizenship. Federal policy is actively attempting to address lagging productivity and innovation performance.

Budget 2024 presents an opportunity to build on these fundamentals, continuing progress toward an inclusive, innovative and sustainable future for Canada. Polytechnics are partners for achieving this vision.

Canada's polytechnics are leaders in the delivery of applied, industry-aligned education with workplace experience built in. Institutions offer both a breadth of credentials to new entrants and programs designed to upskill workers in a rapidly evolving labour market. Moreover, institutions support business innovation by working collaboratively to address the challenges faced by companies of all sizes in all sectors of the economy.

Canada's polytechnics offer solutions by:

- Developing highly skilled graduates in priority and high-growth sectors
- Providing lifelong learning opportunities to a diverse population looking to address skills mismatches and advance their careers
- Supporting companies, not-for-profit organizations and entrepreneurs as they pursue innovative solutions to real-world challenges
- Serving as exemplars for sustainability

We are pleased to offer recommendations to enable the federal government to harness polytechnic capacity to address today's challenges and seize Canada's unlimited potential.

Boosting Canada's Innovation Potential

Modernize Canada's academic research and development system with more flexible funding mechanisms that fully utilize capacity across the post-secondary research ecosystem

Over the last 20 years, polytechnics have become important partners for Canadian businesses and communities seeking to improve performance, streamline processes and solve complex challenges. In 2021-22 alone, the 13 members of Polytechnics Canada conducted 3,870 partner-driven research projects, addressing the needs of 3,059 firms and community organizations. They leveraged \$1.47 from other sources for every dollar invested by the federal government. They engaged more than 21,300 students in applied research activity, developing the next generation of innovation-enabled talent.

Building on the recent report from the Advisory Panel on the Federal Research Support System, we recommend modernization of the Tri-Council agencies include a complete review of program eligibility, project evaluation processes and capacity within the entirety of Canada's research ecosystem. While granting agencies rely heavily on a primary investigator's academic credentials and publications, this fails to capture the diversity of today's academic research and means Canada is not taking full advantage of capacity within the ecosystem.

We recommend modernization include:

- Mission-driven research within all agencies with a view to taking full advantage of expertise resident at polytechnics and colleges. This will require giving more weight to industry experience and capability, enabling faculty release provisions for the college sector and ensuring evaluators fully appreciate a full range of indicators of capacity and expertise. Recognizing the urgency often associated with partner-driven research, evaluation and approval processes must also be streamlined. We anticipate this will encourage more collaboration within the ecosystem, drawing on expertise from discovery research through to the realization of commercial potential.
- Mechanisms to enable and support relationship-building for researchers undertaking partnerships with Indigenous communities and businesses. Applied research funding is largely short-term in nature, inhibiting opportunities to build relationships, fully understand the nature of the challenge and establish trust. A fund that enables longer-term relationship-building is essential to enabling academic institutions to fully support their Indigenous partners.
- Alignment with business innovation programs and bodies like the Canada Innovation Corporation and Global Innovation Clusters, ensuring academic-side funding is available to support initiatives identified by entrepreneurs and businesses. Polytechnics have the space, equipment and expertise often required by those benefiting from business-facing innovation programs. Because institutions are not eligible applicants to such funding, their contributions are often limited by available resources. It is essential that investments available to businesses are matched with support for academic partners positioned to assist them.

Create a dedicated Tri-Agency funding allocation for Indigenous-led applied research

We recommend that a dedicated funding stream be established in consultation with Indigenous researchers, communities and businesses. Indigenous-led applied research stands to be an important way to address the unique challenges faced by communities, particularly if it is designed to be flexible, culturally sensitive and tailored to the aspirations of Indigenous communities.

Canada's commitment to the United Nations Declaration on the Rights of Indigenous Peoples underscores the importance of self-determination for Indigenous communities pursuing economic, social and cultural development. A program exclusively focused on funding applied research projects initiated by Indigenous entrepreneurs, businesses, associations or communities would:

- Empower Indigenous communities to actively participate in shaping their own research agendas, fostering self-determination and decision-making in matters of research and development
- Aid in safeguarding and transfer of Indigenous knowledge, languages and traditional practices, contributing to the broader goals of cultural revitalization
- Identify and capitalize on opportunities for economic growth within Indigenous communities, fostering entrepreneurship and creating sustainable employment opportunities

Funding should be accompanied by navigation to post-secondary institutions that house facilities, equipment and expertise relevant to Indigenous-identified research, activating a community positioned to support and encourage community-led research.

Building a Sustainable Canada

Relaunch a \$3.5 billion post-secondary infrastructure program that enables institutions to invest in green infrastructure and ensure campuses meet sustainability standards

Post-secondary campuses across the country are community hubs, positioning them to be ideal exemplars of green retrofits and net-zero infrastructure. However, the physical spaces at these institutions are aging, with limited funds to deal with deferred maintenance, expanded program offerings and the ongoing need to stay abreast of emerging occupations. A targeted, federally funded post-secondary infrastructure program is again required to enable institutions to pursue projects that enhance sustainability-focused education, promote inclusivity and foster innovation.

The Post-Secondary Institutions Strategic Investment Fund was last launched in 2016 to accelerate the strategic construction, repair and maintenance of infrastructure at post-secondary institutions across Canada. In the intervening years, the infrastructure needs at institutions have continued to evolve.

We believe our public post-secondary institutions are important contributors to a net-zero Canada. Polytechnics embody the green transition in three ways: training the next generation of skilled workers in occupations where electrification, technology adoption and green skills will be essential; supporting businesses and community partners to address sustainability and process improvement through applied research; and, acting as examples in the broader community, with solar panels, green walls and zero-waste initiatives that will pave the way to a sustainable future. Federal support is required to fully realize this capacity.

Preparing a Future-Ready Workforce

Establish a \$25 million per year training equipment fund for Canada's hands-on learning institutions to support skills development for a rapidly evolving labour market

Polytechnic institutions excel at preparing students for the workforce, giving them the skills, competencies and confidence to hit their careers running. This is a daunting task given the pace of change in today's workplaces, which are facing cybersecurity threats, green transition, digital adoption, an aging population and more. Developing workforce-ready talent requires substantial investments in learning infrastructure, including simulators, robots and research instruments.

To ensure that new labour market entrants have the skills needed in high-demand sectors across the country, we must invest in spaces equipped with the latest tools and technologies. Our polytechnics urgently need support to ensure they can continue to meet industry demand in the skilled trades and other technical professions. We view this investment as a critical part of Canada's green transition, ensuring institutions can provide learners with the knowledge and skills to contribute to a net-zero workforce.

We recommend the introduction of a program to enable institutions to invest in the hardware, software and cybersecurity needed to deliver industry-aligned education.

Restructure the Canada Training Benefit to increase awareness, navigation and upfront financial supports for workers

Recent labour market trends indicate a greater need for upskilling and reskilling workers across industries. To address this, we recommend the government work with regional skills organizations to better identify and validate critical workplace skills needs. For example, Calgary Economic Development is actively identifying opportunities to diversify the local economy and upskill the local population. They work closely with the Southern Alberta Institute of Technology to develop flexible, responsive programming in areas of high demand. This is a critical missing ingredient in the current version of the Canada Training Benefit.

With a detailed understanding of local labour market needs, the Canada Training Benefit can be restructured to both provide financial assistance and navigate workers to relevant training programs. Rather than reimburse 50 per cent of the cost of training on an individual's tax return, which presents upfront barriers for those most in need, we recommend institutions be empowered to offer free training in areas of identified demand. This speaks to enabling regional skills organizations to both liaise with employers and fund training that suits labour market requirements.

Establish permanent baseline funding for the Student Work Placement Program, with additional investments designed to address the lingering impact of the pandemic on Canada's youth

For the last six years, federal investments in work-integrated learning (WIL) have been easing transitions from education to employment by supporting student work placements. While polytechnics have long touted the benefits of industry-aligned education and provided WIL opportunities like professional practicums and clinical placements within their programs, federal wage subsidies have been critical to increasing the supply of relevant, paid employment opportunities for Canada's youth.

The Student Work Placement Program has become an important ingredient in the effort to offer WIL placements across every program and to every student. Rather than semi-regular extensions, the time has come to establish permanent baseline support for this program, which offsets wages paid to students during placement. The need continues to be urgent: according to a 2023 survey conducted by The Harris Poll, 37 per cent of Canadian businesses report having open positions they cannot fill. This program opens the door to a talent pool that might otherwise be overlooked.

In addition to baseline funding, we recommend the federal government consider how the Student Work Placement Program could also address the setbacks faced by particular segments of the youth population during the pandemic. International students, for example, were less likely to benefit from social/cultural experiences gained both on campus and through polytechnic employer networks. Given that Canada hopes many of these students will remain after graduation to fill labour market gaps and make a permanent home here, this setback stands to adversely affect labour market integration.

Currently, international students are ineligible for Student Work Placement Program wage subsidies. We recommend that, for the next five years, Employment and Social Development Canada pilot international student eligibility for this program in occupations experiencing labour shortage. By tracking transition to permanent residency and labour market integration, the federal government can determine whether this should become a permanent feature of the program.

During the pandemic, post-secondary institutions were temporarily added as eligible employers under this program. While this provision has since expired, we recommend its reinstatement, particularly in fields and programs where students outnumber available placements. This would ensure students who face barriers have access to relevant work experience for their post-graduation résumés.

Our Members

