

16 July 2020

The University of New Brunswick [UNB] appreciates the opportunity to provide recommendations to the Standing Committee on Finance, informing its discussion of fiscal and policy choices as the Government of Canada considers the next federal budget.

UNB is New Brunswick's national comprehensive university, engaged globally but informed by its presence in Canada and in New Brunswick. UNB seeks to serve the public good through teaching and learning, intensive research and innovation, and the mobilization and dissemination of knowledge through public engagement.

The importance of UNB's mission in New Brunswick is evidenced by the impact described in a recent evaluation of its impact by ESMI, a leading provider of economic impact studies in Canada, the US and internationally. The report qualifies UNB's FY (fiscal year) 2018-19 contribution to the Canadian economy at \$1.8 billion, approximately 5.2% of the total gross provincial product (GPP) of New Brunswick.

A strong and healthy Canada requires strong and healthy provinces, and the Committee will be familiar with New Brunswick's significant demographic, economic and fiscal challenges. The COVID-19 global pandemic and the post-pandemic recession complicate New Brunswick's path to economic recovery and sustainability.

UNB is deeply engaged in returning New Brunswick to economic growth, with a strategic plan that emphasizes the role of innovation and entrepreneurship in creating enhanced economic productivity, global competitiveness and job growth opportunities.

Federal priorities and investments play a significant role in enabling economic development and recovery in New Brunswick. In building the next Budget, the Government of Canada is presented with an opportunity to set the stage for accelerated progress toward economic growth and sustainability.

Although COVID-19 is inhibiting economic activity in New Brunswick, the province has experienced some success in mitigating the spread and impact of the coronavirus. As a result, New Brunswick has the potential to emerge earlier than other markets, creating a competitive advantage for Canada. Budget 2021 is an opportunity for the Government of Canada to invest in accelerated recovery and to enable longer term economic reform.

The University of New Brunswick is responding to the need for collaboration in advancing an economic recovery plan for New Brunswick and its people. We see three potential areas as holding particular promise:

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Reshaping the workforce for emerging needs

Economic prosperity across Canada requires a workforce that will meet the demands of a highly competitive and globalized economy. In New Brunswick, Premier Higgs frequently highlights the need to fill 120,000 jobs in the next seven years with future-ready workers.

As many Canadians experience the impact of the pandemic on employment security, they turn to higher education as a pathway to a better and more secure future for themselves and their families. Employers are experiencing the disruption of the pandemic and responding to the need for enhanced industrial productivity, turning to artificial intelligence (AI) and other advanced technologies.

At UNB, we think that a flexible and accessible university education is a pathway to a workforce that is adaptable, resilient and prosperous. We see enormous value in expanding access to online education as well as targeted micro-credentials aimed at upskilling and re-skilling professional learners toward further employment opportunities. When we create opportunities for Canadians to engage in lifelong re-skilling and up-skilling, everyone benefits.

Harnessing applied innovation to accelerate economic recovery

A focus on economic productivity is essential to Canada's competitive position, and strengthens UNB's effectiveness as an instrument for regional economic adjustment.

UNB is working closely with industry to build on recognized strengths in areas such as cybersecurity and smart grid technology, and industry collaboration is fostering new opportunities with advances in small modular reactors, additive manufacturing and digital off-site construction.

UNB remains dedicated to strengthening our communities and environment recognizing the need to steward our human and natural resources even while faced with economic challenges. UNB's recognized research strengths in water (marine and river systems), security, energy and health are addressing New Brunswick's most pressing issues with bold new solutions.

Building adaptable, affordable, and responsive health care systems

Even before the effects of the COVID-19 pandemic, New Brunswick's health care system was deeply challenged to respond to the needs of an aging population as well as

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embrace emerging and innovative health care practices, and the realities of responsible fiscal management.

For these reasons, UNB has prioritized health as a strategic focus. UNB's Integrated Health Initiative is designed to alter the trajectory of our health care system by providing practitioners, government and system leaders with innovative tools and options to improve outcomes for patients, taxpayers and communities.

In considering the choices available to the Committee, we suggest that *now is the ideal time for Canada to leverage the advantages of its global position in post-secondary education, in support of economic recovery and competitiveness.*

Canada's universities are rapidly transitioning to alternative forms of program delivery. As UNB and other universities adapt, innovation in program delivery is providing a new and scalable accessibility to life-long and professional learners. These changes enable the delivery of programs in ways that meet the individual needs of workers and their families, and more readily engage rural and remote regions.

A. Investments that support re-skilling and up-skilling can address the precarious employment of many Canadians, while reshaping Canada's workforce to meet the demands of the future.

Investment in Canada's ability to attract global talent to grow our economy and our communities is especially important at this time. Canada's post-secondary institutions are instrumental for attraction of global talent, and an important economic export.

B. Investing in Canada's capacity to process the significant backlog of international student visa applications will create opportunities for industry, communities and institutions.

Post-doctorate and graduate students play a particularly important role in building industrial capacity for innovation in Canada. In the post-pandemic environment, industrial gains in productivity and competitiveness are critical to Canada's fiscal and economic outlook.

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- C. By investing in initiatives that facilitate student visas and work permits, Canada will be better positioned to create economic opportunities and secure a competitive global position.**

A return to higher productivity and economic growth is propelled by innovation. Among OECD countries, Canada is notable for its high reliance on the university sector and federal funding for Research and Development (R&D). Examined on a per capita basis, the R&D funding gap between Nova Scotia and New Brunswick [two similar and adjacent provinces within the same region] reveals the unintended consequence of the current regionalized approach to R&D spending: New Brunswick is experiencing an 'innovation gap'.

- D. A strategic, focused investment in the intensity of Canada's industry-university collaborative innovation efforts can be a useful and cost-effective tool for countering the impact of the post-pandemic recession and the heightened competitive pressures that it will bring to Canadian employers and startups.**

A key driver of economic growth and innovation is the prevalence of and support for engineers and entrepreneurs. UNB has a national reputation, having been voted Canada's most entrepreneurial university by StartUp Canada previously. Despite this, and also having the first engineering school in Canada, the province is falling behind, with the number of engineers in NB (3.7) per 1,000 now falling well below the Canadian average. This has a demonstrable effect on economic activity.

- E. Economic modelling demonstrates that an increased supply of engineering graduates, coupled with increased industry-focused translational research can rapidly accelerate the New Brunswick economy. For New Brunswick, a strategic, focused investment in the capacity to support growth in the production of new, industry aligned engineering graduates would have sustained economic benefits.**

Canadians need a health care system that is more responsive to patients, more adaptable to emerging needs and more affordable to government and taxpayers. A healthy population is a prerequisite for a high-performing workforce, a

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productive economy and resilient communities.

F. Investment in collaborative innovation enables health reforms, easing the tension between health care priorities and fiscal responsibilities for federal and provincial governments.

UNB is Canada's oldest English-speaking university but we remain future-focused, building a better future for New Brunswick and its people. Thank you for considering this submission as a commitment to our shared effort in building a rapid recovery from the COVID-19 pandemic.