BUSINESS + HIGHER EDUCATION ROUNDTABLE

Different by Design:
Building Smarter Post-Secondary Systems for Canada

PREFACE: WHY DIFFERENTIATION MATTERS NOW

Canada's publicly-funded post-secondary systems are under pressure. Our institutions are expected to deliver world-class research, broad access, strong community connections, and workforce-ready graduates, while contending with fragmented funding, unclear mandates, growing competition, and declining public trust.

This report makes the case that Canada needs a smarter, more coherent approach to differentiating our post-secondaries — one that recognizes and embraces diverse missions, strengths, and regional roles. Our case is informed by input from decision-makers across industry, higher education, and government, heard at roundtables and summits convened by BHER as a part of our ongoing national initiative to reform higher education for a better economic future.

1. **Part One** introduces the concept of institutional differentiation and examines how high-performing systems in other countries use role clarity, funding models, and labour market alignment to support excellence, equity, and innovation.

2. **Part Two** examines how Canada's policies and funding encourage homogenization, creating inefficiency and mission drift. It highlights the design challenges — access, student navigation, employer engagement, and federal–provincial misalignment — that must be resolved for differentiation to succeed.

3. **Part Three** outlines a policy agenda for differentiation, including regional mandates, equity-informed funding, hub-and-spoke models, and digital/WIL infrastructure — shifting Canada from one-size-fits-all toward sustainable systems that deliver excellence, access, and innovation.

We offer a new vision for Canadian public post-secondary policy: one that recognizes that no single institution can do everything and that real excellence comes from empowering each institution to do what it does best.

PART ONE

THE GLOBAL CASE FOR DIFFERENTIATION

OVERVIEW

Canada's post-secondary institutions play a vital role in solving societal needs (curing diseases or developing new tech), national needs (responding to the economy, global security, immigration, and talent pipelines), and regional needs (community and labour market demands).

Currently, Canada's post-secondary policies and funding models push all institutions to answer all three kinds of needs, despite the fact that a university, polytechnic, or college might have strengths that are better suited to addressing particular priorities over others.

International evidence shows that institutional differentiation — a deliberate policy move to leverage institutions' distinct strengths by focusing on the needs they can best meet — can increase efficiency, alignment with labour markets, strategic collaboration, research excellence, and educational access. We can see pockets of coordinated differentiation around Canada, most notably in the provincial Université du Québec system. International examples show us why and how to build beyond what we have.

We've identified ***six design principles*** based on compelling international examples for what differentiated systems do well:

1. High-performing systems assign clear roles to teaching- and research-focused institutions, reducing mission overlap and sharpening institutional focus.

Canada's research-intensive universities are globally competitive, but asking every institution to pursue the same mix of research, teaching, and community roles dilutes excellence and spreads resources too thin. A stronger approach is to make space for certain institutions to go deeper into discovery research, while enabling others to double down on teaching, employability, applied research, or apprenticeship training.

International systems show how this can work. Germany maintains a clear binary structure between Universitäten (research-intensive) and Fachhochschulen (applied and industry-connected), while Finland separates traditional universities from universities of applied sciences, the latter tightly aligned with regional labour markets. These models ensure resources for workforce development are intentional, not an afterthought.

For learners, clarity of roles makes the system easier to navigate. They know where to find world-class research opportunities and where to pursue applied, career-focused education, allowing them to choose pathways that fit their ambitions with confidence.

2. In strong systems, polytechnics and teaching universities are recognized as distinct institutions with dedicated roles in applied learning, innovation, and workforce development – on equal footing with research universities.

In strong systems, applied institutions are pillars of innovation and workforce development. Canada's polytechnics, colleges, and teaching-focused universities do critical work to meet regional labour needs and national applied research priorities in fields like health, trades, and technology. Yet they are too often treated as second-tier, reflected in lower funding, limited recognition, and policy frameworks that privilege research universities.

International peers show another way. Germany, Austria, and Switzerland position their Fachhochschulen as central to both education and innovation. These applied universities offer professional training in engineering, applied sciences, and applied arts, while being fully integrated into national R&D strategies and industry partnerships. In Australia, recent reforms have increased the national recognition of Vocational Education and Training (VET) providers as essential to the country's economic strategies, expanding the system's focus to more than just traditional universities. These successful models demonstrate how applied institutions can be elevated in status, funding, and strategic value.

For learners, this recognition matters. It means access to programs that connect directly to careers and innovation pipelines, ensuring that applied research and career pathways are seen as vital to the economy, not secondary to it.

3. Effective systems use funding models that reward institutional focus, rather than one-size-fits-all growth.

High-performing post-secondary systems fund institutions based on what they do best, not on one-size-fits-all growth. Canada's current funding models often reward sameness, pushing institutions to expand indiscriminately instead of deepening their distinct strengths. Reforming these systems isn't only about efficiency – it's about impact.

Nordic and European models provide clear lessons. Finland, Sweden, and Norway tie significant portions of funding to differentiated performance metrics, such as graduation rates, research output, knowledge transfer, and equity safeguards. Ireland uses strategic performance agreements between government and institutions to align funding with national priorities, rewarding mission clarity rather than duplication. These approaches, which carefully choose achievable performance metrics to steer the system toward fulfilling needs, ensure institutions specialize and collaborate.

For learners, funding tied to institutional focus means programs are better resourced, teaching quality is strengthened, and credentials reflect the institution's true strengths. Instead of spreading resources thin, differentiated funding produces clearer pathways and higher-quality learning outcomes.

4. Leading systems embed work-integrated learning and apprenticeships as core components of education — not optional add-ons.

High-performing post-secondary systems embed hands-on experience across disciplines. Much of Canada, by contrast, still treats work-integrated learning (WIL) as an add-on rather than a foundation. If we want graduates to succeed, employers to find talent, and research to connect with industry, WIL must become core system infrastructure.

Switzerland offers a strong model: its dual-pillar system integrates WIL into both universities and vocational institutions, supported by deep employer partnerships. Germany's duales studium (dual study) programs go further, combining paid employment contracts with academic learning in an apprenticeship-style model for many fields beyond the trades. Students earn income, build networks, and gain practical experience while studying, so they graduate with both a credential and a resume.

For learners, treating WIL as core requirement means practical experience is not a privilege limited to a few institutions or programs, but a standard feature of every credential. Students enter the job market with both academic knowledge and employer-validated skills.

5. Leading systems invest in digital and lifelong learning infrastructure to expand access and adaptability.

High-performing post-secondary systems don't just differentiate institutional missions — they also differentiate delivery. Flexible, hybrid, and lifelong learning pathways let students start locally, study part-time, stack credentials, and re-enter education throughout their careers. This is critical not only for equity and access, but for helping workers keep pace with rapid labour market change.

Germany's Weiterbildung programs and Singapore's SkillsFuture initiative show how this can be done at scale. Both embed reskilling and upskilling into national policy, with strong digital platforms, funding incentives, and employer partnerships that make continuous learning a system expectation. New Zealand has developed a national approval system for micro-credentials, showing how micro-credentialing for learners at all career stages can be incorporated into an existing national qualifications framework for non-university higher education.

For learners of all ages, differentiated Canadian systems that treat digital and lifelong learning as core infrastructure would ensure that everyone — from rural learners to mid-career workers — can access flexible, portable education across their lifetimes.

6. High-performing systems align programs with real labour market needs through structured employer engagement and skills forecasting.

Canada is producing too many graduates without clear career pathways, while employers struggle to fill critical roles. This mismatch stems from how little labour market alignment is built into university systems. While polytechnics and colleges use employer advisory committees, these mechanisms should be a standard across all institutions. In differentiated systems, industry would play a structured role in shaping programs to meet societal, national, and regional needs.

Switzerland and Finland offer strong models. Switzerland uses industry councils and real-time labour market tracking, while Finland applies regional foresight to anticipate future skills and adjust offerings. These approaches give systems the flexibility to stay ahead of change.

For learners, this means confidence that their education leads to real opportunities and reduces the time between learning and earning. Programs shaped by labour market data and employer partnerships prepare graduates for in-demand jobs, not outdated ones. Canada, by contrast, has yet to fully connect education and workforce strategy.

PART TWO

DESIGN CHALLENGES FOR DIFFERENTIATION IN CANADA

OVERVIEW

Differentiation is not an abstract policy goal. It's a systems-level design challenge: aligning institutions with distinct purposes, while ensuring that learners, communities, and the economy are still served across Canada. Well-coordinated systems must be more than the sum of their institutional parts — they must be experienced by students, understood by employers, and supported by collaborative governance. These are not problems with differentiation, but challenges that must be addressed for differentiated systems to succeed.

Homogenization and Its Consequences

Current Canadian policy and funding systems do not differentiate. Instead, they tend to privilege the traditional archetype of the comprehensive research university. This dynamic creates four major problems:

1. **Mission Drift.** Institutions are pulled away from certain core strengths — such as teaching, skilled trades training, or applied research — when those strengths are undervalued in funding and recognition systems.

2. **Inefficient Use of Public Funds.** Overlapping graduate programs, underused research infrastructure, and repetitive branding efforts take up scarce resources that could be directed to different community or labour-market needs.

3. **Systemic Mediocrity.** When all institutions are encouraged to do the same things, not enough of them excel. The result is duplication, weak specialization, and lost opportunities for collaboration.

4. **Equity Loss.** Narrow definitions of excellence deprioritize the institutions and programs that expand access for rural, Indigenous, low-income, and first-generation learners.

The issue is not institutional ambition, but the incentives that push institutions toward sameness rather than specialization.

Additionally, Canada has historically prioritized access by establishing "full-service" institutions in every province and territory, expecting each to offer teaching, research, and community engagement. While this has achieved geographic coverage, it has not produced functional differentiation. The result: systems that ensure institutions exist everywhere, but without clarity of role or specialization.

Design Challenges for Differentiation

Fixing homogenization does not mean that no programs ever appear twice. When there is high demand and labour market alignment, it may be entirely appropriate to offer similar programs across many institutions. Differentiation is about avoiding duplication where unnecessary, and reinforcing regional responsiveness where needed, by improving system-wide coherence. To evolve toward modern, coordinated systems that reduce homogenization, Canada must also confront four design challenges:

1. **Reconciling Differentiation and Access.** Differentiation requires focus, but access requires breadth. The challenge is to design systems where specialized institutions coexist with strategies for regional and digital access, rather than forcing each institution to do everything. Differentiation should reflect strategic alignment with real needs, not create artificial exclusivity.

2. **Making Differentiation Understandable to Students.** Most learners choose institutions based on geography or brand, not mission. For differentiation to work, mandates must be clear and visible in the student experience: through advising, transfer pathways, and career outcomes.

3. **Engaging Employers with Institutional Purpose.** Employers too often default to recruiting from research universities or their alma maters, even when colleges or polytechnics are better aligned with workforce needs. Differentiation depends on employers being partners in shaping and valuing diverse institutional strengths.

4. **Coordinating Across Jurisdictions.** Provinces govern and fund institutions, while Ottawa controls major research investments. This federal–provincial divide undermines system coherence and often reinforces homogenization. A more deliberate alignment of mandates and incentives is required. divide undermines system coherence and often reinforces homogenization. A more deliberate alignment of mandates and incentives is required.

Why It Matters

Differentiation doesn't limit ambition — it directs it. To succeed, Canada must align mandates, funding, and accountability to support diverse institutional purposes, reconcile specialization with access, and improve coordination. Without this shift, institutions will stay stretched thin, and too many learners will be underserved.

PART THREE

POLICY DIRECTIONS FOR A DIFFERENTIATED SYSTEM

OVERVIEW

The challenges identified in Part Two are not insurmountable. They are the result of policy design, which means they can also be addressed by policy solutions. This section offers seven policy suggestions to address those challenges directly.

Each policy proposal includes examples of promising or successful institutional practices that show how much of what is needed already exists – just in fragmented, under-supported forms. These strategies are about scaling success, protecting equity, and aligning incentives with the real value that institutions deliver.

1. DIFFERENTIATE BY FUNCTION, NOT STATUS

Addresses: *homogenization, mission drift, access*

Small, remote, and teaching-focused institutions are the backbone of access and regional development. They deliver skilled trades training, applied learning, workforce-aligned credentials, regional innovation, and culturally grounded education. Yet too often they are pushed toward homogenization by funding and accountability systems that equate success with research output. When every institution is judged against the same narrow model, functional excellence in teaching or applied delivery is undervalued and underfunded.

More coherent systems would reward institutions for excelling in their distinct mandate. Governments can enable this by embedding role-specific priorities into funding formulas, program approval processes, and accountability frameworks – measuring excellence in teaching, applied innovation, Indigenous knowledge, and community alignment alongside research. Differentiation by function makes space for multiple forms of excellence. For learners, this means clearer choices, more relevant programming, and stronger pathways to employment and community impact.

CURRENT STATE:

Canada has several strong examples of functional differentiation, but few are fully supported or protected by policy and funding systems.

- **Yukon University** integrates skilled trades, academic degrees, and Indigenous knowledge tailored to northern learners, specializing in climate resilience and community-focused innovation.
- **Okanagan College** aligns applied research and programming with regional needs in clean tech, viticulture, and construction, and leads in sustainability and Indigenous partnerships.
- **British Columbia Institute of Technology (BCIT)** and **Saskatchewan Polytechnic** deliver applied research and workforce training province-wide across vast geographies.
- **New Brunswick Community College (NBCC)** and **Nova Scotia Community College (NSCC)** provide career-focused training that underpins rural economic development across Atlantic Canada.
- **First Nations University of Canada** delivers Indigenous-centered education rooted in cultural knowledge, community priorities, and language revitalization.

These institutions already demonstrate strong models of functional excellence. Building on their success through recognition in funding formulas and accountability frameworks would help ensure their distinct contributions are sustained and strengthened over time, and support more institutions to excel.

Differentiation also depends on institutions themselves embracing the value of distinct missions, as we see in the examples of success. Policy and funding levers alone can't transform institutional culture; the cultural shift must also come from within. Leadership, faculty, and boards must align around purpose as policy begins to reward specialization and the public holds institutions accountable for results.

2. DEVELOP COORDINATED DELIVERY NETWORKS

Addresses: *inefficient use of public funds, access, making differentiation understandable to students*

Coordinated delivery networks are structured partnerships between institutions that allow students to start programs locally while benefiting from the research capacity and expertise of larger institutions. Well-designed coordinated delivery networks reflect collaboration, not hierarchy. With the right policy scaffolding, these networks can reduce duplication and increase differentiation while also expanding access, anchoring research intensity, and supporting workforce responsiveness.

Coordinated delivery networks reframe the hub-and-spoke model by shifting away from defining entire institutions as hubs or spokes, toward defining roles based on disciplines, programs, or regional functions. For example, a polytechnic might act as a hub for applied research in advanced manufacturing, while serving as a spoke in a research university-led network for health innovation. A teaching-focused university may be a hub for delivery in underserved rural regions, while relying as a spoke on laboratory infrastructure shared by a larger hub partner in other fields. In this model, any institution can act as a hub or spoke depending on the strengths it can bring to fulfill specific needs.

For students, the success of coordinated delivery networks depends on seamless credit transfer, portable credentials, and clear advising, making it possible to start locally, continue without losing credits, and graduate with credentials that are recognized and valued across regions and sectors. Without this scaffolding, learners risk losing time, money, and momentum when moving between institutions or regions.

Equally important is governance: current funding models often reward competition rather than collaboration, leaving institutions little incentive to share programs or infrastructure. A coordinated framework should include provincial funding streams and accountability mechanisms that reward cooperation and resource-sharing. Employers and communities should also be treated as active nodes in the network—helping shape programs, ensure labour market alignment, and integrate applied research into regional priorities.

CURRENT STATE:

Delivery partnerships already exist across Canada but remain largely ad hoc and reliant on local leadership.

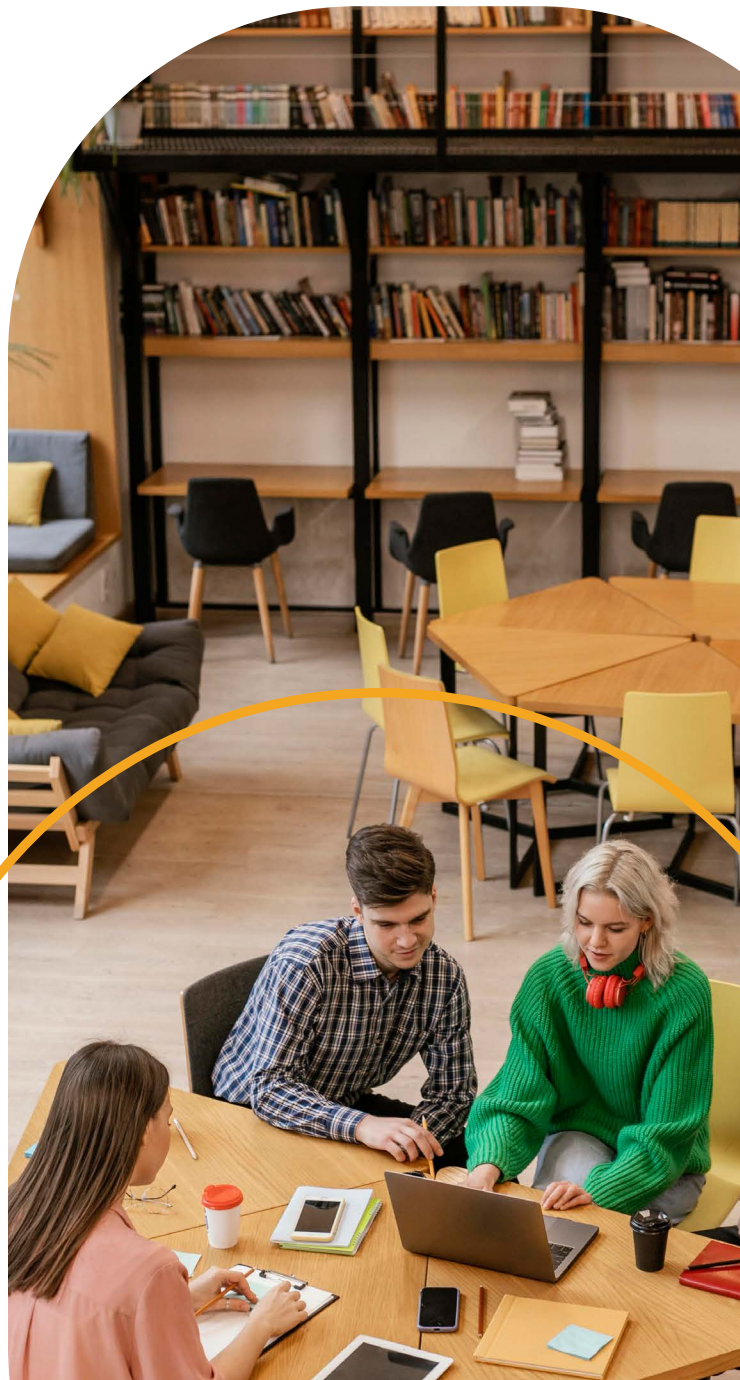
- In British Columbia, **UBC Okanagan** and **Okanagan College** align in health and sustainability, while **Vancouver Community College** and **Simon Fraser University** have formalized transfer pathways for applied STEM programs. They are all supported by province-wide digital tools through BCcampus.
- In Alberta, the **University of Alberta** and **University of Calgary** collaborate with **NAIT, SAIT, NorQuest**, and **Bow Valley College** in nursing, technology, and health.
- In Ontario, **University of Toronto** and **York** work with **Seneca, Humber**, and **George Brown** in business, media, and health.

- In Atlantic Canada, natural hub-and-spoke dynamics exist between **Dalhousie, University of New Brunswick, NBCC**, and **NSCC**.

- In Quebec, the **Université du Québec** network shows how institutional collaboration can be defined by function: large research universities anchor the system while highly specialized institutions focus on delivering graduate-only programs (INRS), applied engineering infrastructure (ÉTS), fully online delivery (TÉLUQ), or graduate-level training in public administration (ENAP).

- Across provincial jurisdictions, the newly launched **Prairie Polytechnics Innovation Network Accelerating Commercialization for Local Ecosystems (P2INACLE**) brings together NAIT, SAIT, Red Deer Polytechnic, Saskatchewan Polytechnic, RRC Polytechnic, and Northwestern Polytechnic to coordinate the delivery of applied research strengths and state-of-the-art facilities to local businesses in mining, energy, and aerospace and defence.

Across Canada, many hub-and-spoke efforts remain ad hoc rather than strategic. Spokes often operate without sustained support, while hubs take on research costs without system-wide capacity sharing. With stable incentives, shared accountability, and meaningful roles for employer and community partners, these networks could evolve from patchwork arrangements to coordinated systems — reducing duplication, expanding access, and strengthening student mobility and innovation capacity.



3. POSITION RESEARCH-INTENSIVE UNIVERSITIES AS SPECIALIZED INNOVATION HUBS

Addresses: *federal-provincial coordination, systemic mediocrity*

Canada's research universities carry a dual responsibility: they are expected to provide broad undergraduate access while also leading the country in advanced research and innovation. These institutions educate tens of thousands of students each year, producing graduates who enter every sector of the economy. At the same time, they anchor national innovation ecosystems through world-class research, commercialization, and global partnerships.

The challenge is that policy and funding frameworks often blur these roles, pushing research-intensive universities to stretch into functions better served by colleges, polytechnics, and regional teaching-intensive universities. The result is unnecessary duplication and missed opportunities for national innovation leadership.

To unlock their full potential, these institutions should continue to fulfill their undergraduate teaching role, but be primarily empowered and resourced to act as national leaders in R&D, ecosystem development, commercialization, and IP mobilization. Clearer role differentiation would allow them to sustain broad access while concentrating specialized capacity in research and innovation. For students, this clarity ensures they can access world-class research opportunities while also benefiting from institutions that remain focused on teaching, applied learning, and regional access, rather than being stretched too thin to excel at either.

CURRENT STATE:

- **University of Waterloo** combines co-op education with progressive IP policies, driving one of North America's most successful startup ecosystems.
- **University of Toronto** leads globally in biomedical science, AI, and quantum computing, anchoring the Toronto-Waterloo corridor.
- **University of Calgary** focuses on energy transition, digital innovation, and entrepreneurship, supported by public-private partnerships.
- **Université Laval** advances research in agriculture, health, and Francophone economic development.
- **University of Manitoba** specializes in infectious disease, agri-tech, and Indigenous health, leveraging strong provincial and federal ties.
- Other institutions like **Concordia, Carleton, York, and Guelph** are innovation leaders in aerospace, cybersecurity, digital arts, and agriculture, which are unique areas of specialization not oversaturated in the research university space.

Despite these areas of strength, federal and provincial systems continue to prioritize publication over commercialization, with inconsistent IP policies and limited support for applied research. Coordinated, differentiated systems would not only clarify the teaching and discovery roles of research-intensive universities but also elevate the applied research contributions of polytechnics, ensuring that both fundamental breakthroughs and practical innovations are backed by policy, funding, and strategy. Together, these complementary strengths can drive access, economic growth, and a more responsive national innovation agenda.

4. STRENGTHEN DIGITAL AND HYBRID DELIVERY

Addresses: *making differentiation understandable to students, access, equity loss*

Expanding access to post-secondary education in Canada doesn't require duplicating physical campuses. It requires building a scalable, high-quality digital and hybrid infrastructure that meets learners where they are – throughout their lives. Digital and hybrid models should enable students not just to start from anywhere, but to return as their careers evolve: studying part-time, reskilling in mid-career, and stacking credentials across institutions and time. This flexibility is especially critical for rural, remote, working, and non-traditional learners who need education pathways that adapt to changing work and life circumstances.

To realize the full potential, we must treat digital and hybrid delivery as core system infrastructure. That means investing in reliable digital access, consistent articulation frameworks, and faculty development — not leaving innovation to one-off, institution-specific projects. For learners, this means flexible opportunities to upskill and reskill throughout their lives — whether returning mid-career, studying while working, or building stackable credentials that evolve with the labour market.

CURRENT STATE:

Canada's digital learning ecosystems expanded rapidly during the COVID-19 pandemic, but it remains fragmented and uneven. Quality, infrastructure, and transferability vary by region, and most initiatives are still isolated pilots rather than systemic design.

- **Athabasca University** has long played a national role as a fully online institution, offering asynchronous degree programs that expand access for working and remote learners.
- **York University's** YUCO platform delivers scalable hybrid general education for students balancing work or caregiving.
- **eCampusOntario** and **BCcampus** provide shared tools, open resources, and digital pedagogy support, but their effectiveness depends on sustained provincial buy-in.
- Institutions like **Seneca Polytechnic, Thompson Rivers University**, and **University of Manitoba** are building hybrid-first programs.

These innovations serve learner flexibility, but system-wide coordination would make them stronger. Treating digital and hybrid delivery as national learning infrastructure would not only improve access and student experience but also make lifelong upskilling and reskilling a practical reality. In a labour market where careers span decades and skills must be continuously refreshed, digital and hybrid delivery is not an option — it's the backbone of Canada's talent strategy.

5. EMBED WORK-INTEGRATED AND EXPERIENTIAL LEARNING AS CORE SYSTEM FUNCTIONS

Addresses: *employer engagement alignment, workforce alignment, equity loss, making differentiation understandable to students*

Work-integrated learning (WIL) and experiential education must be treated as system infrastructure, not optional enrichment. Embedding applied learning across programs links students directly to labour markets, reduces skills gaps, and supports equity by improving economic and social mobility for first-generation, rural, and under-represented learners. Institutions that integrate WIL into their core mandate build stronger talent pipelines and deliver graduates who are both job-ready and adaptable in a fast-changing economy.

Moving from pilots to permanence requires embedding WIL into provincial mandates, funding formulas, and credential design. This means providing stable capacity-building for employer partnerships (especially SMEs), supporting faculty to integrate applied projects into curriculum, and empowering regional intermediaries to coordinate delivery.

CURRENT STATE:

Current funding and governance models still treat WIL as peripheral. Canada has world-leading examples, but they are fragmented and uneven.

- While the **University of Waterloo** operates large, globally recognized co-op programs, many smaller institutions – especially those serving diverse and regionally unique populations – struggle to scale paid placements due to limited employer connections and funding.
- **Seneca, Humber, and George Brown** have embedded WIL across business, health, and media programs.
- Institutions like **Saskatchewan Polytechnic**, **NBCC,** and **NorQuest** integrate applied projects into workforce programs.
- National WIL delivery leaders like **CEWIL Canada** and BHER have expanded placements, particularly in SMEs and social sectors.

Designing WIL as a system-wide expectation ensures that all learners—not just those at well-connected institutions—graduate with practical experience, employer connections, and clearer pathways to meaningful work. For institutions, it embeds reciprocal partnerships with employers and drives innovation in talent development. At the system level, treating WIL as core infrastructure links education directly to workforce needs, strengthening equity, employability, and economic resilience across Canada's post-secondary landscape.

6. LEGISLATE REGIONAL MANDATES

Addresses: *homogenization, mission drift, access, federal-provincial coordination*

Differentiation cannot succeed without clear mandates. Legislated mandates would define institutional roles by strengths, geography, populations served, and economic alignment, giving governments tools to coordinate investments, prevent overlap, and protect institutions from unsustainable mission drift. Rather than simply increasing bureaucracy, however, clear mandates should give institutions more freedom to act within their specialized roles.

Implementing legislated mandates in Canada will require serious coordination across jurisdictions. While provinces hold constitutional responsibility for post-secondary education, the federal government plays a powerful role through research funding, innovation strategy, and labour market policy. Currently, there is not enough coordination between these two levels of government, or among different provincial governments. However, they must work to align their efforts in order for differentiation to succeed. A coherent system of regionally responsive mandates requires collaborative mechanisms across all orders of government. Designing these mechanisms is a necessary and achievable challenge, vital to national success.

CURRENT STATE:

While no province currently legislates missions by geography or function, several have partial frameworks:

- Ontario uses Strategic Mandate Agreements (SMAs) to outline institutional strengths. Colleges like **Algonquin** and **George Brown**, and polytechnics like **Humber** and **Seneca**, specialize in applied health, trades, and co-op programming. Yet SMAs are administrative agreements, not binding legislation, and drift persists.

- Alberta has one of the most explicit frameworks through its Roles and Mandates Policy, with **NAIT** and **SAIT** positioned as applied polytechnics tied to Alberta's energy and tech economies. Still, their roles remain policy-based, not legislated.

- British Columbia respects institutional catchment areas and features **BCIT** as a polytechnic anchor in the Lower Mainland. Coordination through **BCcampus** strengthens collaboration, but no statute protects roles across the system.

- Quebec maintains structural segmentation between CEGEPs and universities.Institutions like **Laval** play clear Francophone and regional roles, but mandates are not formally codified. The networked **Université du Québec** model is a strong example of how a provincial government can coordinate mission clarity across multiple institutions without imposing homogenous hierarchy, but the model does not apply to Québécois institutions outside of the UQ.

- Saskatchewan and Manitoba rely on tradition: **Saskatchewan Polytechnic** and **University of Manitoba** each serve important functions, but role overlap persists.

- Atlantic Canada depends on colleges like **NSCC** and **NBCC** for rural access and workforce delivery, but differentiation arises from geography rather than policy design.

The unique contributions of Canada's post-secondaries are held together by convention, not statute, leaving the system vulnerable to duplication, competition, and diluted impact. Legislation would formalize clarity. Institutions should be resourced and evaluated on their ability to meet regional, national, and societal needs according to their strengths – not on conformity to a single model of success. For learners, this would mean clearer choices, stronger local options, and pathways that reflect the economic realities of where they live. For governments, it would deliver coherence, specialization, and equity across post-secondary ecosystems.

7. BUILD EQUITY SAFEGUARDS INTO FUNDING

***Addresses:** access, equity loss, systemic mediocrity, making differentiation understandable to students*

In well-designed differentiated systems, equity is not an add-on — it is a core design principle built directly into funding formulas. Institutions serving rural, Indigenous, low-income, and first-generation learners often face the most complex challenges, while also generating some of the most profound social and economic benefits. Inclusive access, cultural responsiveness, and regional service mandates are essential forms of excellence and must be recognized as such.

Funding models tied too narrowly to outcomes like graduation rates or graduate earnings risk penalizing the very institutions doing the hardest and most necessary work. Equity-based provisions help ensure access-oriented institutions are resourced because of their student populations, not in spite of them.

CURRENT STATE:

Many Canadian institutions sit at the front lines of equity, but remain under-supported by conventional funding systems.

- **First Nations University of Canada** provides Indigenous-centered education across Saskatchewan, prioritizing language revitalization, land-based learning, and cultural continuity. Its students often face structural barriers like intergenerational trauma and geographic isolation, yet conventional metrics rarely capture its transformative role.
- **Indigenous Institutes** recognized under Ontario's Indigenous Institutes Act deliver community-led, culturally grounded programs that sustain Indigenous knowledge systems and sovereignty. But measures like research income or employment statistics fail to reflect their value.
- **University College of the North (Manitoba), Yukon University, and Aurora College (Northwest Territories)** serve remote and northern learners with few local alternatives, operating in high-need, low-scale contexts that volume-based formulas consistently disadvantage.

Policy experiments exist, but remain limited. Ontario's SMA3 agreements allow for "institution-specific differentiation metrics," but equity outcomes remain marginal. Alberta's abandoned performance-based funding lacked any demographic adjustment. Across provinces, most formulas prioritize headcount, completion, and earnings — metrics that structurally disadvantage institutions focused on access and equity.

A stronger approach would embed equity into the funding architecture itself. That means weighting formulas to reflect student demographics, regional context, and the complexity of institutional mandates. Equity indicators — such as cultural responsiveness, access, and community engagement — should be measured alongside traditional outcomes.

Dedicated funding for wraparound supports like housing, child care, and mental health would further recognize the realities learners face. For students, equity-informed funding means choosing a regional, Indigenous, or northern institution wouldn't mean sacrificing quality or support — but gaining access to education designed for their success.

CONCLUSION

DESIGNING FOR COHERENCE AND IMPACT

Differentiation is not a threat to access or quality — it's the way to deliver both. Well-designed systems don't ask every institution to do everything. They resource and recognize institutions for their distinct strengths — whether advancing world-class research, driving workforce development, expanding community access, leading applied innovation, or sustaining Indigenous knowledge — so that learners, employers, and communities are better served.

Truly differentiated systems are not hierarchies. They are networks of specialized institutions working in concert toward shared national goals, grounded in regional realities, and supported by coherent policy frameworks. Canada already has the ingredients for such systems: globally competitive research universities, strong polytechnics and colleges, Indigenous institutes, and a diverse talent pipeline. What's missing is alignment — of mandates, funding, and governance.

The window for action is narrowing. Skills mismatches are growing, research competitiveness is slipping, and public trust is weakening. Without deliberate reform, Canada risks a future of costly duplication, diluted excellence, and institutions pulled away from their core purposes. With the right levers — funding reform, mandate clarity, mobility infrastructure, and federal-provincial coordination — differentiation can become a system discipline that delivers excellence, equity, and long-term national competitiveness.

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ABOUT BHER

The Business + Higher Education Roundtable (BHER) is the only organization in Canada that brings together leaders from the country's top companies and post-secondary institutions to build a better social and economic future. As Canada's leading cross-sector convenor and driver of change, we collaborate with our members to tackle some of Canada's biggest skills, talent, innovation, and productivity challenges.

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