

Standing Committee on Finance (FINA)

Pre-budget consultations 2012

Fanshawe College

Responses

1. Economic Recovery and Growth

Given the current climate of federal and global fiscal restraint, what specific federal measures do you feel are needed for a sustained economic recovery and enhanced economic growth in Canada?

Fanshawe College agrees with the submission of ACCC in that colleges play an integral role driving the economic growth of our country and it starts with investing in our human capital. Numerous reports have clearly shown there is a critical shortage of advanced skills facing employers and that the Government of Canada should introduce measures to enhance the educational achievement of Aboriginal peoples and disengaged youth, improve the employment outcomes of immigrants, enhance the efficiency of apprenticeship systems, and ensure all Canadians have essential skills for employment. As the ACCC submission points out and we concur in, most new jobs in Canada are created by small-and medium-sized enterprises (SMEs). Yet, there remain gaps in the Government of Canada's support to help them overcome barriers to innovation. SMEs need targeted applied research and rapid technology transfer support to make their products, processes and services more competitive. Colleges and institutes support economic growth by supplying graduates with advanced skills, re-skilling displaced employees, offering customized education, and providing applied research and development support. Aligned with the needs of employers, and operating on the leading edge of skills identification, economic trends and market shifts, colleges benefit from business and industry input for curriculum development through Program Advisory Committees. We would urge the Government of Canada to launch a national dialogue with provincial/territorial governments, educational institutions, the private sector and communities at large to identify measures to mitigate Canada's demographic deficit, skills shortage and innovation challenge.

2. Job Creation

As Canadian companies face pressures resulting from such factors as uncertainty about the U.S. economic recovery, a sovereign debt crisis in Europe, and competition from a number of developed and developing countries, what specific federal actions do you believe should be taken to promote job creation in Canada, including that which occurs as a result of enhanced internal and international trade?

ACCC has thoroughly advanced the position of colleges like Fanshawe College and institutes across this country when they urge the Government of Canada to create a national job creation strategy that includes support for small-and medium-sized enterprises (SMEs), additional knowledge infrastructure investments, growth in the capacity of apprenticeship systems and promotion of Canadian education exports. SMEs constitute 98% of Canadian companies. Sixty percent of working Canadians are employed by SMEs. They represent half of Canada's economy and generate most new jobs. Increased support for skills development and innovation in Canada's SME sector will do more than any other measure to improve productivity and create jobs. Measures to address job creation should include infrastructure investments. The Government of Canada's Knowledge Infrastructure Program (KIP) supported much-needed job creation during the recession while delivering 246 projects with a value of \$1.8 which expanded the capacity of Canada's colleges and institutes. The KIP investments made a significant difference but there remains unmet demand. A 2011 survey of institutional capacity identified college infrastructure needs totaling \$6 billion with 1,285 ready-to-go infrastructure projects. Investments in

college and institute infrastructure would support job creation and build on the legacy of KIP to allow Canada to meet the demand for advanced skills. At Fanshawe, 85% of college graduates find employment within six months of graduation with the vast majority staying within our region. This is an important factor given that the London-area has had one of the highest unemployment rates for the past three years and continued efforts by all three levels of government to support Colleges as an economic driver of job opportunities is critical. With this in mind, the results of a 2012 survey of Canadian employers by the Manpower Group, indicate skilled trades occupations are the most difficult positions to fill. Apprenticeship completion rates lag compared to registrations. Key challenges to completion include financial barriers and the lack of interprovincial mobility during apprenticeship training. Trades professions must be valued. Measures to enhance apprenticeship systems include: promoting apprenticeship as a post-secondary pathway for youth; fast-tracking Employment Insurance claims for apprentices during in class training; removing the requirement for apprentices to declare the Government of Canada Apprenticeship Completion Grants as taxable income; and improving interjurisdictional mobility for apprentices. Canada is a trading nation. Fanshawe College has been successful attracting international students. In the last fiscal year, Fanshawe served 1,431 international students from more than 50 countries, whose room and board, transportation, and other personal expenses generated roughly three-million dollars in added income to our economy. We have increased international revenues by more than 400 percent in the past six years. By the end of 2013, we aim to boost our international enrolment by an additional 3 percent. Companies seek employees with global experience to grow their business and create jobs. Further investments in marketing Canadian education abroad will attract quality international students who may choose to stay in Canada. Increased international mobility opportunities would provide Canadian students with the global experience employers seeking.

3. Demographic Change

What specific federal measures do you think should be implemented to help the country address the consequences of, and challenges associated with, the aging of the Canadian population and of skills shortages?

Here again, we support ACCC's submission which points out this country is facing a debilitating demographic deficit, compounded by the increased technological sophistication of the workplace. 70% of new jobs now require a post-secondary credential. Within a decade, it will be 80% while our post-secondary achievement rate is 60%. Within 10 years, employers will not find qualified candidates for 1,500,000 available jobs. For example, the information and communications technology sector will need 106,000 analysts, technicians and consultants; the mining industry must find 65,000 tradespeople, operators, and primary production managers; and upwards of 10,000 skilled tradespersons will be needed in the steel sector. According to Stats Can report of May 2012, 13% (906,000) of youth aged 15 to 29 are neither employed nor in education (NEET), and 63% of NEET youth (570,000) are in a vulnerable situation. Youth were hit hard in the recession and have not benefited significantly from the recovery, in particular those without a high school diploma. This group is at risk of becoming discouraged, further disengaged and socially excluded. Increased opportunities for NEET youth should include more non-repayable post-secondary grants and essential skills development tied to work experience to provide transferable skills for employment. Immigration is also part of the solution as we pointed out in the previous question and Fanshawe College is doing its part, but employment outcomes must be improved. The results of the Government Canada funded Canadian Immigration Integration Program demonstrate that pre-departure orientation improves immigrants' employment outcomes, other complementary measures include occupation-specific language training, bridging programs and financial assistance. With lower educational attainment and employment rates, the gap between Aboriginal and non-Aboriginal peoples persists. As the youngest and fastest growing segment of the

population, Aboriginal peoples offer enormous potential to address skills shortages. In the next ten years, the natural resources sector predicts it will need to fill approximately 400,000 new jobs while the same number of Aboriginal peoples will enter the labour market. We encourage the Government to improve educational investments in post-secondary education and adult upgrading and provide more non-repayable grants for Non-Status, Métis and First Nations people off-reserve.

4. Productivity

With labour market challenges arising in part as a result of the aging of Canada's population and an ongoing focus on the actions needed for competitiveness, what specific federal initiatives are needed in order to increase productivity in Canada?

Commentary about Canada's innovation deficit has been extensive. Canada's productivity depends on our ability to help businesses develop and test new products, adopt innovative processes and adapt technologies to gain competitive advantages. Fanshawe College has done its part. We are seen as an innovator and leader in sustainability, largely as a result of the ongoing research of our Centre for Sustainable Energy and Environments (CSEE). The Centre is engaged in multiple projects with industry including renewable energy management, solar panels and arrays, wind turbines, and sustainable building design. Those projects align with city and regional economic development goals to establish the area as a centre for green technologies, advanced manufacturing, and sustainable infrastructure. Research, innovation, and partnerships are major priorities at Fanshawe. In our minds, it's all about putting knowledge to work. Students gain relevant applied research experience through interactions with employers. A Canadian Federation of Independent Business survey from May 2009 shows SMEs report shortages in jobs requiring college or apprenticeship credentials on a ratio of four to one over university graduates. Furthermore, it says Internships, co-ops and placement programs have always been geared toward graduate-level students and newly minted university graduates; therefore, industry has had only that finite talent pool from which to choose when accessing placement programs, leaving substantial resources in colleges untapped. In 2010-11, 13,585 college students were engaged in applied research. An investment to support college student internships under the NSERC College and Community Innovation Program would be a sound investment and provide more companies with access to highly talented interns. SMEs across all sectors often lack the expertise and resources needed to be competitive and require distinctive approaches to innovation assistance. Colleges are responsive to the industrial and technical drivers of the economy and are natural catalysts of incremental innovation. Colleges help SMEs grow by focusing on product and process innovation, improvements to technologies, marketing, and growing the pool of highly skilled professionals needed to thrive in a global economy. Investments in college based Technology Access Centres and Innovation Enhancement Grants under the Natural Sciences and Engineering Research Council's (NSERC) College and Community Innovation (CCI) Program would leverage the applied research capacities of colleges to support SMEs, stimulate innovation, increase productivity, and foster business creation and expansion.

5. Other Challenges

With some Canadian individuals, businesses and communities facing particular challenges at this time, in your view, who is facing the most challenges, what are the challenges that are being faced and what specific federal actions are needed to address these challenges?

There is nothing new or further we can add to the submission by ACCC. Canada needs to develop a vision for a higher level of educational attainment as a national goal. With growing skills gaps, demographic pressures and increasing technological sophistication in everything we do, Canada must do all in its power to equip every citizen with the skills required to participate in the economy. All levels of government have a responsibility to work together to make this goal a reality. Partnerships among the private sector, public sector, not for profits and citizen engagement should all play a part. If we are

successful, not only will we use education to build the economy of the future, but it will ensure that all Canadians can make a living in the career of their choice, while raising their families to have hopes and dreams of the future. It will ensure we are competitive and innovative and SMEs will thrive. It will also open the door to new Canadians who come here to learn and build for tomorrow.