



# Submission to the House of Commons Standing Committee on Finance

**PRE-BUDGET CONSULTATIONS FOR THE 2014 FEDERAL BUDGET**



**Cover Photos (Left to Right):**

Lakeland College - apprentice student in the Gasfitter program.

College of the Rockies - Practical Nursing students with a computer-operated simulated patient.

Holland College - Heritage Retrofit Carpentry student

Northwest Community College's School of Exploration & Mining -  
First Nations student in the Workforce Exploration Skills Training program



The Association of Canadian Community Colleges (ACCC) is the national and international voice of Canada's publicly-funded colleges, institutes and polytechnics (hereinafter referred to as colleges). With campuses in 1,000 urban, rural and remote communities, these institutions educate learners of all ages and from all socio-economic quarters. They partner with small- and medium-sized enterprises (SMEs) to foster innovation and business growth by supplying graduates with advanced skills and providing applied research and development support.

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# Submission to the House of Commons Standing Committee on Finance

## **PRE-BUDGET CONSULTATIONS FOR THE 2014 FEDERAL BUDGET**

Canada's long-term prosperity depends on providing Canadians with the education and skills needed to participate fully in our economy, and on enhancing the ability of companies, particularly small-and- medium-sized enterprises, to become more productive and innovative.

The recommendations of the Association of Canadian Community Colleges (ACCC) focus on investments in education and skills training, infrastructure improvements and innovation and commercialization.

## Education and Skills Training

With growing skills gaps, demographic pressures and increasing technological sophistication of the workplace, employers report that recruiting personnel with the advanced skills needed for productivity and growth are top constraints to business success.

ACCC partners such as the Canadian Construction Association, Canadian Manufacturers & Exporters and the Canadian Chamber of Commerce indicate that Canada is not adequately addressing current and future skills needs of the workplace. Unless mitigating measures are adopted to address the skills mismatch and shortages, in less than 10 years employers will not find the qualified candidates for 1.5 million available jobs. Seventy percent of new jobs now require a post-secondary credential.



Priority solutions should focus on enhancing the educational outcomes of Aboriginal peoples, disadvantaged youth and people with disabilities to ensure all have essential skills for employment; improving the integration of immigrants; enhancing the efficiency of apprenticeship systems; and providing college and institute students with the global experience employers require.

Governments, educational institutions, the private sector and civil society must work cooperatively to address the skills challenges. ACCC is committed to moving forward on this issue and will be hosting a National Skills Summit October 20 - 21, 2013 in Ottawa. The Summit will assemble senior leaders across economic and social sectors, key government leaders, and ACCC member Presidents from all regions of the country.

### **Recommendation:**

Ensure all Canadians have the advanced skills required to participate in the economy by:

- Increasing access to post-secondary education for vulnerable Canadians, including Aboriginal peoples, disadvantaged youth, and persons with disabilities;
- Improving inter-jurisdictional mobility and completion grants for apprentices;
- Supporting immigrant integration programs and services; and
- Increasing international mobility opportunities for Canadian college and institute students.

## Federal Funding and Policy Measures:

- Ensure the Post-secondary Student Support Program, administered through Aboriginal Affairs and Northern Development Canada, funds all eligible First Nations and Inuit students. The most recent estimates from the Assembly of First Nations are from 2008 and indicate that \$724 million was needed to support the number of First Nations learners qualified to attend post-secondary education.<sup>1</sup>
- Reduce federal expenditures on post-secondary education tax credits and RESP savings programs by 10% to increase Canada Study Grants for vulnerable groups.
- Implement a policy change to the Aboriginal Skills and Employment Training Strategy to include support for pre-requisite and essential skills education.
- Enhance investment in the Canadian Immigrant Integration Program, and college/institute immigrant programs and services.
- Build on the Budget 2013 commitment to improve mobility for apprentices. Improve apprenticeship completion rates by doubling the Apprenticeship Incentive Grant, for an additional \$50 million per year, and make it tax exempt.
- Create an international student mobility program *InternationalNow – Global Internships for College and Institute Students*. This program would support 3,000 students for a total of \$9 million per year.

## Intended Beneficiaries:

- Canadian companies, to address the skills mismatch and shortages;
- Aboriginal peoples, the fastest growing and youngest segment of the population;
- The nearly one in ten young Canadians aged 20 to 24 who are neither employed nor in education;<sup>2</sup>
- People with disabilities, as nearly half remain on the sidelines;
- Immigrants, as integration remains a challenge;
- Apprentices, to improve completion rates;
- Canadian post-secondary students, to provide the global experience employers seek (only 1.1 % of college students and 2.2% of university students are able to study abroad);<sup>3</sup>

## General Impacts:

More than a third of Canadian companies report difficulties in filling jobs in 2013, up from 25% in 2012.<sup>4</sup> Strategic investments in education and skills training will ensure companies have the talent pool to address shortages and increase productivity. Increased access to post-secondary education will improve educational attainment and employment outcomes for Aboriginal peoples, immigrants and other vulnerable groups. Enhanced mobility and incentive grants for apprentices will address shortages in skilled trades professions, the jobs most difficult to fill in 2013.<sup>5</sup> Increased international mobility opportunities for college/institute students will provide employers with the talent needed to compete globally.

A highly skilled workforce that engages the talents of every Canadian is the sole path to sustainable economic growth for Canada.

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<sup>1</sup>Assembly of First Nations. Supporting First Nations Learners Transitioning to Post-Secondary. Final Report. March 31, 2012.

<sup>2</sup>Tal, Benjamin. Dimensions of Youth Employment in Canada. CIBC Economics – In Focus. June 20, 2013.

<sup>3</sup>Internationalizing Canadian Colleges and Institutes - The First National Report on International Education and Mobility. Association of Canadian Community Colleges. June 2010.

<sup>4</sup>ManpowerGroup. 2013 Talent Shortage Survey Research Results.

<sup>5</sup>Ibid.

## Infrastructure

Adequate institutional capacity to provide employers with skilled graduates is key to Canada's economic and social success. The 2009 Knowledge Infrastructure Program investments made a difference, delivering 246 projects for colleges and institutes. However, these investments are insufficient to support the capacity growth required at colleges and institutes to meet the needs of employers.

The 2011 ACCC Survey of Institutional Capacity, Facilities and Equipment Needs identified programs with the longest waitlists: health, trades and engineering technology. This Survey also identified equipment upgrade needs at \$463 million and deferred maintenance at \$3.6 billion.

Investments to upgrade college and institute equipment and address the backlog in deferred maintenance are necessary measures to effectively address the skills gaps and shortages. The survey indicated that 35% of equipment used in college and institute programs was below standard. The backlog in deferred maintenance remains a significant challenge, limiting the quality and adequacy of instructional space. In some instances the deferred maintenance challenges render facilities unusable. This impacts the excellence of the learning experience for students.

Natural disasters, such as the recent one in Alberta, require extraordinary investments to bring facilities back to standard, or indeed, be replaced.



### **Recommendation:**

Establish a College/Institute Equipment and Deferred Maintenance Fund to ensure institutions have current and relevant instructional equipment and adequate facilities to meet the demands of the workplace. This will enhance the capacity of colleges and institutes to produce graduates with the advanced skills employers seek and help address the skills gap.

## **Federal Funding and Policy Measures:**

- Budget 2013 included post-secondary education infrastructure within the Building Canada Fund and colleges and institutes are cautiously optimistic this will further address infrastructure requirements. In January 2013, 81 ACCC members identified 312 ready-to-go infrastructure projects totaling \$4.5 billion.
- A new College/Institute Equipment and Deferred Maintenance Fund valued at \$500 million over five years, to improve college and institute capacity, enhance program delivery, address waitlists for high demand programs and produce more graduates with advanced skills for employment.

## **Intended Beneficiaries:**

Equipment investments will:

- Provide companies with employees who have experience in leading-edge technologies, critical to business productivity.
- Ensure that students train on equipment that is relevant to the workplace, thereby maximizing their employment opportunities;
- Complement equipment donations by Canadian companies to support program delivery.

Deferred maintenance investments will:

- Contribute to the viability and prosperity of communities, particularly in rural and remote areas where colleges and institutes are major contributors to community economic development;
- Increase access to post-secondary education through enhanced learning facilities that would otherwise not be available.

## **General Impacts:**

Investments in college/institute equipment and infrastructure would support job creation and build on the legacy of the Knowledge Infrastructure Program to allow Canada to meet the demand for advanced skills.

College and institute enrolment is strong, however many institutions are at, or near capacity, with waitlists for high demand programs. The need to address essential deferred maintenance impacts instructional budgets and decreases institutional capacity. Currency of facilities and equipment is essential to ensuring excellence.

## Innovation and Commercialization

The Science, Technology and Innovation Council 2012 report confirmed that Canada continues to lag in private sector investment in innovation and transferring knowledge into the marketplace. This is in part because Canada invests heavily in pure research while providing modest support for applied research. Our country's productivity depends on our ability to help businesses, in particular small- and medium-sized enterprises (SMEs), improve products, processes and services.

Colleges and institutes respond to the applied research needs of industry, especially SMEs, the source of 70% of new jobs. Yet, only 2.5% of the \$2.9 billion of federal research investments that flow to post-secondary education institutions are targeted for college and institute applied research partnerships with businesses and communities. Increased federal support would substantially increase the capacity of SMEs to raise productivity through innovation, build social innovation partnerships, and provide opportunities for college and institute students to gain industry-driven applied research skills.



### Recommendation:

Support college/institute research partnerships with industry and community partners through:

- additional college-based Technology Access Centres (TACs) under the Tri-Council College and Community Innovation (CCI) Program;
- an expanded definition of partners under the CCI Program to include community, social and public service organizations;
- funding for all regional economic development agencies to establish college/institute research and commercialization programs to address local needs; and
- applied research awards for students in college diploma programs, in addition to degree programs.



## **Federal Funding and Policy Measures:**

- Fund 30 new TACs under the CCI program at a cost of \$10.5 million per year to provide more SMEs and communities with college/institute expertise, product and process innovation services and skills development. The CCI program currently funds 18 TACs.
- Expand the definition of an eligible partner under the CCI Program to include community, social and public service organizations to support college/institute social innovation partnerships and contribute to community socio-economic development.
- Build on the success of the Applied Research and Commercialization Initiative through the Federal Economic Development Agency for Southern Ontario, by supporting targeted programs for college-SME applied research partnerships through all regional economic development agencies.
- Establish a dedicated envelope of \$2.25 million per year for 500 applied research awards for college and institute students in diploma, post-graduate and degree programs. Budget 2013 announced that students in college/institute degree programs would be eligible for the NSERC Industrial Undergraduate Student Research Awards. Students in diploma and post-diploma programs are not eligible. A more inclusive program would provide more students with industry-relevant research experience that contributes to business innovation.

## **Intended Beneficiaries:**

- Canadian companies, in particular SMEs. In 2011-12, 4,586 companies (72% micro-enterprises and SMEs) partnered with colleges and institutes.
- College and institute students gain relevant applied research experience through interactions with industry and community partners, and are employment ready. In 2011-2012, 24,108 college and institute students were engaged in applied research projects.
- Community, social and public service organizations contribute to community wellbeing through social innovation partnerships.

## **General Impacts:**

Federal government investments in the CCI Program are showing results. The 2012 evaluation of the early stages of the CCI Program indicates that a high proportion of companies improved their research capacity, leading to substantially improved products (77%), product development (69%) and product prototypes (69%). Companies also reported substantially improved processes or services to market and enhanced abilities to attract or make research investments.<sup>6</sup>

With skills shortages jeopardizing economic growth, these additional investments will expand Canada's talent pool and would substantially increase the capacity of SMEs to raise productivity.

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<sup>6</sup>Goss Gilroy Inc. Evaluation of the College and Communities Innovation Program – Final Report. Natural Sciences and Engineering Research Council. February 2013.

## ACCC Member Colleges, Institutes and Polytechnics 2012-2013

### British Columbia

Camosun College  
Capilano University  
Collège Éducacentre  
Douglas College  
University of the Fraser Valley  
Justice Institute of British Columbia  
Kwantlen Polytechnic University  
Langara College  
College of New Caledonia  
Native Education College  
Nicola Valley Institute of Technology  
North Island College  
Northern Lights College  
Northwest Community College  
Okanagan College  
College of the Rockies  
Selkirk College  
Vancouver Community College  
Vancouver Island University

### Yukon

Yukon College

### Alberta

Bow Valley College  
Grande Prairie Regional College  
Grant MacEwan University  
Keyano College  
Lakeland College  
Lethbridge College  
Medicine Hat College  
NorQuest College  
Northern Alberta Institute of Technology  
Northern Lakes College  
Olds College  
Portage College  
Red Deer College  
SAIT Polytechnic

### Northwest Territories

Aurora College

### Manitoba

Assiniboine Community College  
University College of the North  
Red River College  
École technique et professionnelle, Université de Saint-Boniface  
Winnipeg Technical College

### Nunavut

Nunavut Arctic College

### Saskatchewan

Carlton Trail Regional College  
Cumberland Regional College  
Great Plains College  
North West Regional College  
Northlands College  
Parkland College  
Saskatchewan Indian Institute of Technologies  
Saskatchewan Institute of Applied Science and Technology  
Southeast Regional College

### Ontario

Algonquin College  
Collège Boréal  
Cambrian College  
Canadore College  
Centennial College  
La Cité collégiale  
Conestoga College Institute of Technology & Advanced Learning  
Confederation College  
Durham College  
Fanshawe College  
Fleming College  
George Brown College  
Georgian College  
Humber College Institute of Technology & Advanced Learning  
Lambton College  
Loyalist College  
The Michener Institute for Applied Health Sciences  
Mohawk College  
Niagara College  
Northern College  
St. Clair College  
St. Lawrence College  
Sault College  
Seneca College  
Sheridan College Institute of Technology and Advanced Learning  
Université de Guelph, Campus d'Alfred  
University of Guelph, Kemptville Campus

### Quebec

Cégep de l'Abitibi-Témiscamingue  
Collège Ahuntsic  
Cégep André-Laurendeau  
Cégep de Baie-Comeau  
Cégep Beauce-Appalaches  
Champlain Regional College  
Cégep de Chicoutimi  
Dawson College  
Cégep de Drummondville

Collège Édouard-Montpetit  
Cégep Garneau  
Cégep de la Gaspésie et des Îles  
Collège Gérald-Godin  
Heritage College  
Institut de technologie agroalimentaire  
Cégep John Abbott College  
Cégep de Jonquière  
Cégep de La Pocatière  
Collège Laflèche  
Cégep Limoilou  
Collège Lionel-Groulx  
Collège de Maisonneuve  
Cégep Marie-Victorin  
Cégep de Matane  
Collège Mérici  
Collège Montmorency  
Cégep de l'Outaouais  
Cégep régional de Lanaudière  
Collège de Rosemont  
Cégep de Sainte-Foy  
Cégep de Saint-Hyacinthe  
Cégep Saint-Jean-sur-Richelieu  
Cégep de Saint-Jérôme  
Cégep de Saint-Laurent  
Cégep de Sept-Îles  
Collège Shawinigan  
Cégep de Sherbrooke  
Cégep de Trois-Rivières  
Vanier College  
Cégep de Victoriaville  
Cégep du Vieux-Montréal

### New Brunswick

New Brunswick College of Craft and Design  
New Brunswick Community College  
Collège Communautaire du Nouveau-Brunswick

### Newfoundland and Labrador

College of the North Atlantic  
Marine Institute  
Centre for Nursing Studies

### Nova Scotia

Cape Breton University  
Canadian Coast Guard College  
Dalhousie Agricultural Campus of Dalhousie University  
Nova Scotia Community College  
Université Sainte-Anne - Collège de l'Acadie

### Prince Edward Island

Holland College  
Collège Acadie Î.-P.-É.



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