

TIME FOR ACTION

ACCC SUBMISSION TO THE HOUSE OF COMMONS STANDING COMMITTEE ON FINANCE PRE-BUDGET CONSULTATIONS 2006

Brief prepared by: Association of Canadian Community Colleges
200 - 1223 Michael Street North
Ottawa, Ontario K1J 7T2
Tel.: 613-746-2222 Fax.: 613-746-6721
Web: www.accc.ca

Date: September 2006



As the national and international voice of Canada's 150 publicly-funded community colleges, institutes of technology, cégeps and university-colleges across Canada, a primary role of the **Association of Canadian Community Colleges** is to engage proactively in discussions and debate with respect to the role and capacity of these institutions in the nation's economic and social development. With campuses in over 900 communities across the country, 1.5 million full-and part-time learners, and 60,000 professionals, our institutions play the pivotal role in employer, individual and government-funded skills updating and have traditionally been the implementors of federal retraining programs for the unemployed.

Association of Canadian Community Colleges
200 - 1223 Michael Street North
Ottawa, Ontario K1J 7T2
Tel.: 613-746-2222
Fax.: 613-746-6721
Web: www.accc.ca

Canadian society is undergoing a significant transformation, largely in response to the forces of globalization and the development of the knowledge/information economy. For Canada, the key to economic and social well being of its communities lies in the knowledge-and-skills base of our citizens, i.e. our human capital infrastructure. Canada must design policies and programs which give **all** Canadians entry to the skills-based economy and then help them remain active participants.

Canada will need to mobilize all its resources to remain competitive in the global economy .

A skilled workforce is the defining element which separates winners from losers. Canada needs to understand this and act now! We are beyond the point of rhetoric.

Colleges and institutes are vital players in achieving a skilled workforce. While their key role is recognized, what they need now is assistance to leverage their contribution.

Since Canada's primary competitive advantage will be the quality of its workforce, the Association firmly believes that training and skills development are critical for an economy that is knowledge based. Significant progress has been made in building a prosperous and inclusive society, where Canadians have the opportunity to develop the skills and knowledge that enable them to contribute to society and the economy. However, Canada must ensure that it has a highly skilled adaptable labour force that can respond and drive the economy of tomorrow, and to be able to make the best use of the skills of those already in the labour market.

We must get past the rhetoric and promises that don't move to action. While Canada debates, our competitors are making dramatic strides. Investments in human capital must be the critical priority of the government's social and economic future. It is imperative that Canada develop a comprehensive Pan-Canadian Workforce Development Agenda.

A Pan-Canadian Workforce Development Agenda

The Agenda - a set of major national policies and initiatives - will ensure that Canada has the resources in place to build a highly skilled and adaptable workforce, compete in a global marketplace.

Principles

- The agenda must be based on the principle of inclusivity, providing access to learning opportunities for **all** Canadians. They must have the opportunity to develop and use their skills and knowledge to the fullest. This includes:
 - ▶ upgrading the current workforce, including the underemployed and working poor,
 - ▶ accelerating the provision of skilled trades training,
 - ▶ facilitating the application of new technologies,
 - ▶ the skills inclusion of those without post-secondary education,
 - ▶ meeting the learning needs of aboriginal peoples,
 - ▶ facilitating immigrants labour market integration,
 - ▶ providing enhanced learning opportunities for people disabilities,
 - ▶ Canadians living in urban, rural, remote and northern areas,
 - ▶ targeting the waste productivity of the un-employed, adult learners with low/basic essential skills, older displaced workers who lack the necessary skills to successfully re-enter the job market, and the untapped pool of skilled women in non-traditional roles.

- While the Federal Government must take a leadership role, there must be a concerted effort with provinces, territories and communities. Communities are best attuned to human resources needs with their own environment. The creation of community partnerships which bring together industry, labour, community economic development organizations, colleges and institutes and other public education providers is vital.

- The agenda must promote a commitment to lifelong learning among our citizens, encouraging individual investment in learning. Canada must develop a culture in which individuals value knowledge and training and possess the means to seek these opportunities.

- It must capitalize on the significant contribution that aboriginal peoples and immigrants make to our society and our economy.

Supporting a Pan-Canadian Workforce Development Agenda

Access to post-secondary education and training are key to building Canada's future workforce. We must, as a nation, address our real problems and engage a proactive strategy to ensure that quality, post-secondary education and training are within reach of every Canadian. Post-secondary education and skills training are essential priorities of a Pan-Canadian Workforce Development Agenda.

As an essential component of prosperity, the federal government must act now to reinvest in the quality, capacity and access to Canada's post-secondary and skill system.

We wish to draw the committee's attention to the following three (3) key initiatives:

Post-Secondary Education Transfer

According to Human Resources and Skills Development Canada data, the challenge to strengthening the economy/labour market alignment is expected to become even more compelling. HRSD forecasts that some form of post-secondary education will be required for 72 percent of the 1.3 million new jobs created.

As countless presentations by the Association and other groups to the Standing Committee over the numerous years have demonstrated - the massive cuts to PSE transfers have had serious deleterious impacts for individuals, for communities and for our country.

Furthermore, the blend of PSE transfers into the Canadian Health and Social Transfer (CHST) has led to a lack of transparency and accountability back to Canada's Parliament. The people of Canada expect more accountability for the spending of their money - they want clear objectives and measurable outcomes. Health care was separated from the CHST for exactly these reasons.

The Association recommends the separation of post-secondary funding from the Canada Social Transfer, and the creation of a separate Post- Secondary Education Transfer Fund, restoring funding to 1992/93 levels, adjusting for inflation and demographic growth.

Supporting a Pan-Canadian Workforce Development Agenda

A New Learner Support System

The confusing and prevalence of many different types of financial assistance mechanisms for post-secondary learning add to the access barriers for many current and potential learners.

Research has shown that reducing financial barriers in the first couple of years of post-secondary education leads to successful completion and graduation of all Canadians.

The Association recommends the creation of a new Learner Support System which:

- ▶ **is guided by principles of universality, portability, simplicity, rationality and flexibility,**
- ▶ **reduces complexities of existing systems,**
- ▶ **increases access to post-secondary education,**
- ▶ **includes grants for the first two years of post-secondary education, and**
- ▶ **supports bridging mechanisms for the disadvantaged - including those with low literacy skills.**

Infrastructure

Colleges and institutes must be at the forefront in meeting the changing complex skill set needs of Canadian business. Human Resources and Social Development Canada (HRSDC) predicts that the largest percentage of new job creation will occur in occupations that require college diplomas or trades certificates such as construction and transportation trades health and human services, computer technology, and protective services.

To achieve their mandate, colleges and institutes must have modern infrastructure and tools in place. However, the current and future ability of Canada's public colleges and institutes to meet our national resource needs is being challenged by the crumbling infrastructure and aging equipment.

As Canada's largest skill trainers (1.5 million learners) we need modern equipment and facilities to prepare Canada's skilled workforce. These facilities and equipment are extremely expensive and require constant renewal.

We acknowledge that the most recent federal budget included some funds. However, that only can address a small portion of the needs of our institutions.

Supporting a Pan-Canadian Workforce Development Agenda

As an example, the ACCC, the Canadian Apprenticeship Forum and the Construction Sector Council with the support of HRSDC, undertook an in-depth study to address the technology and equipment challenges facing colleges and institutes in meeting the existing and future training needs of trades people. The results of the study indicated that colleges and institutes would require approximately \$608.9 million to upgrade their equipment such that 80% would be considered modern and up-to-date.

There is also clear indication by our membership that these equipment challenges also exist in health, applied sciences, engineering technologies and other skills training programs. Colleges and institutes must have access to the required resources if they are to respond to rapidly changing technological and skills requirements of industry.

Back in the 60's, the Federal Government clearly saw an important investment role and acted accordingly. We would argue the time is again upon us for clear action.

The Association recommends the creation of a College and Institute Infrastructure Enhancement Fund including funds for modernization and equipment acquisition.

Contributing to Economic Development: Applied Research, Commercialization and Diffusion

“Canada’s relative competitiveness is slipping. Our productivity levels do not make us a strong player globally. We struggle in basic commerce: the taking of new products and services to market. Furthermore, there is a leadership vacuum around this issue. Leadership must come from a combination of the business, government and academic communities”.

Picking a Path to Prosperity, A Strategy for Global-Best Commerce. Leaders Roundtable on Commercialization, The Conference Board, 2006

If Canada is to increase its place amongst OCED nations in terms of its relative R&D investment, the Federal Government must support and strengthen the capacity of SMEs and their communities to be innovative, adopt and adapt technological processes and to develop and bring products and services to market rapidly. Our constituency of small and medium-size businesses lack the resources and technological expertise to develop new products or services or to take that product development and/or services to commercialization. While large companies often have the resources to undertake applied research themselves, the small and medium size business sectors and communities, for the most part, do not have the financial, physical or human resources to undertake the development necessary for maintaining the level of quality and productivity to ensure their competitiveness.

Colleges and institutes across Canada are well positioned to act as an incredibly valuable resource. They provide applied education and training, conduct applied, industry-led research and work on industry problems or goals. The research, development and commercialization process in colleges and institutes primarily involves development and commercialization and is inherently applied; focussing on market need, technology transfer, new processes and prototypes - all with the sound applications to economic development. Most importantly, the results of college and institute applied research **reach** the marketplace, the workforce and the Canadian public.

Unfortunately, the unique potential of applied skills and physical resources resident in colleges and institutes for industrial support at the technology transfer, product development, and commercialization levels is **not sufficiently capitalized on and exploited**.

The signal from government, whether intended or not, is that it continues to marginalize the important contributions of colleges and institutes to the innovation, research and technology transfer needs of business and industry - be they large multi-national companies or, more critically, the small and medium enterprises in all region of the country.

The time has come for the Federal Government to recognize that colleges and institutes are major partners in Canada's economic development.

It is time that the Federal Government build upon the unique relationship between colleges and institutes and their business and industrial partners.

The Association recommends the creation of a College and Institute Research Development and Commercialization Support Fund. The Fund would be guided by the following principles:

- ▶ **designed, funded and administered exclusively for colleges and institutes,**
- ▶ **strengthen the innovative capacity of communities and their SME's,**
- ▶ **bring new services and products to market ,**
- ▶ **develop highly skilled expertise to enhance economic development.**

Final Word

The Association wishes to thank the committee for the opportunity to present the views and priorities of its 150 member institutions. In closing, we recall to your attention our primary recommendations:

- **We must get past the rhetoric and promises that don't move to action. While Canada debates, our competitors are making dramatic strides. Investments in human capital must be the critical priority of the government's social and economic future. It is imperative that Canada develop a comprehensive pan-Canadian Workforce Development Agenda.**
- **The federal government must act now to reinvest in an essential component of prosperity: the quality, capacity and access Canada's post-secondary and skill system.**
- **The Association recommends the separation of post-secondary funding from the Canada Social Transfer, and the creation of a separate Post-Secondary Education Transfer Fund, restoring funding to 1992/93 levels, adjusting for inflation and demographic growth.**
- **The Association recommends the creation of a new Learner Support System which:**
 - ▶ **is guided by principles of universality, portability, simplicity, rationality and flexibility,**
 - ▶ **reduces complexities of existing systems,**
 - ▶ **increases access to post-secondary education,**
 - ▶ **addresses the concerns of Aboriginal communities, immigrants and other disadvantaged groups,**
 - ▶ **includes grants for the first two years of post-secondary education**
- **The Association recommends the creation of a College and Institute Infrastructure Enhancement Fund including funds for modernization and equipment acquisition.**
- **The Association recommends the creation of a College and Institute Research Development and Commercialization Support Fund. The Fund would be guided by the following principles:**
 - ▶ **designed, funded and administered exclusively for colleges and institutes,**
 - ▶ **strengthen the innovative capacity of SMEs and their communities,**
 - ▶ **bring new services and products to market rapidly**
 - ▶ **develop highly skilled expertise.**