

# OCC SKILLED WORKFORCE POLICIES



2011 - 2012



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# AGENDA

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## OCC SKILLED WORKFORCE POLICIES: 2011-2012

### INTRODUCING ONTARIO'S MOST VALUABLE RESOURCE

In an increasingly borderless world, investing in productivity-enhancing innovation is key to economic success. Developing countries such as China and India have begun to compete in the more complex value added markets previously dominated by the developed world, and are recording record growth rates. The emergence of these countries as contenders on a global stage is placing a greater emphasis on technological upgrading and knowledge transfer as key determinants of competitiveness.

Across the industrialized world, aging workforces and declining populations are shrinking the available pool of labour. As more and more baby boomers retire, the supply of labour in Canada is expected to drop precipitously below demand. Using a moderate population growth estimate, the labour deficit is poised to reach more than one million by 2031.<sup>1</sup>

The new realities facing Ontario present a substantial challenge to policy makers. However, where there is challenge there is also opportunity. Crises present society with tough choices, but they are also an opportunity to evaluate past practices and focus on renewal. One thing is certain - we cannot afford to be complacent. We must take stock of our competitive advantages as a province and demonstrate the leadership necessary to pave the way for a prosperous economy.

Building an economy where all boats can rise starts with investing in the most important resource of any country – its people. The rapid turnover of technology and ever expanding network of data and information have led to a reevaluation of the importance of knowledge to the economic process. Economists now conclude that human capital – the ideas, skills and expertise of people is a key driver of economic growth.

As Ontario's economy progresses, it will depend more and more on individuals with the core skills necessary to compete in emerging sectors of the economy. A few core skills that are currently in demand are:

- Advanced skills with technology, and how to apply technology effectively to business
- Management leadership skills
- Interpersonal/team-building skills
- Computer skills
- Information sourcing and management

Providing all members of society with the opportunity to develop new skills and apply them to the jobs that are in demand is the surest way for Ontario to meet the challenges of the 21<sup>st</sup> century. Ontario is in a good position to accomplish this goal. It boasts one of the most culturally and ethnically diverse populations in the world and its 63 percent postsecondary attainment rate is one of the highest of all OECD countries.

The challenge Ontario faces is developing its extensive pool of talent to its full potential. Currently many members of society are excluded from pursuing a top tier education due to a one-size fits all approach to education in the province. In addition, supports to an expanded education system, such as infrastructure, equipment, and student aid, are currently not rationed in accordance with the most pressing economic and social needs. If Ontario is to turn the challenges of the 21<sup>st</sup> century into opportunities to engage all of its citizens

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<sup>1</sup> Miner, Rick. 2010. "People without Jobs, Jobs without People: Ontario's Labour Market Future". [www.minerandminer.ca](http://www.minerandminer.ca)

in building a prosperous and sustainable economy, the government must be willing to think outside the box when it comes to education to ensure that our greatest resource does not go untapped.

## **A NEW EDUCATION PARADIGM**

In comparison to other jurisdictions, Ontario has taken notable steps to increase the rate of participation in post-secondary education. In the 2011 Budget, the government announced that it will create more than 60,000 new post-secondary spaces by 2015-16 through additional operating grants to colleges and universities.

While this is a positive achievement, it obscures the fact that postsecondary education is not equally accessible to all members of the population. The current system caters primarily towards the 18-24 year old segment of the population, and is not readily accessible to marginalized groups such as aboriginals and immigrants. This poses a problem for developing the advanced analytical and social intelligence skills that are the foundation of the new economy.

There is currently a limited range of options available for those who wish to pursue these skills outside of a traditional degree/diploma. Front line workers are the first to be affected by economic restructuring triggered by technological change. However, upgrading the skills of adult workers is a challenge given that adult-centred courses are generally only available during the day and require full time enrollment. Their disproportionate work and familial obligations may prevent adult workers from taking advantage of such programs (see *Accessible Adult Postsecondary Education; Maximizing Postsecondary Education Contributions to Provincial Economy*, Appendix).

Furthermore, programs targeting adults are generally not designed with the most sought after skills in mind. For example, the government's Second Career program, which targets displaced workers, is restricted to training for Skill Level B and C positions under the National Occupation Classification Matrix. There is no similar funding available for individuals pursuing careers in professional Skill Level A positions that are, or soon will be, in high demand, and can often be obtained at a comparable cost. These designations could take longer to complete than the time currently allotted in the Second Career program. By not providing displaced workers with access to these in-demand skills, the government is passing up a valuable opportunity to strengthen Ontario's human capital advantage (see *Skills Training*, Appendix).

Similarly, the Ontario economy would benefit from more programs that target the aboriginal and immigrant communities. Canada has a rich diversity of races, cultures and faiths. Canada's First Nations population is growing by 29 percent per year, making it the fastest growing population in the country. Similarly, Canada has the highest rate of immigration in the developed world. Statistics Canada predicts that by 2031, one in three Canadians will belong to a visible minority, and one in four will be foreign born. However, Ontario's education and training system does not adequately address the unique challenges these groups face. While the national jobless rate is 7.4 percent, it is much higher for recent immigrants (13.6 percent) and off-reserve aboriginals (15.2 percent).

As it stands there is a significant gap in educational attainment between Ontario's aboriginal and non-aboriginal populations. According to the 2006 Canadian census, 26 percent of the mainstream population has a university degree, compared to only 9 percent of aboriginal people. Ontario's Aboriginal Institutes form an integral part of the post-secondary education system, integrating accredited university and college programs with the social and cultural traditions of first-nations communities. However, the institutes do not have access to several funding envelopes that are available to mainstream colleges and universities for expenditures such as operations, program development and delivery, research, and capital investments.

Similarly, there are currently thousands of new Ontarians with the requisite skills to fill key job market vacancies that lack the assistance they require to participate in the workforce on equal terms. The need for skilled workers is especially acute in Northern Ontario, where both incentives to relocate and immigration supports are fewer than in the Southern part of the province. The Conference Board of Canada estimates the cost of underemployment among internationally trained newcomers at between \$3.4 and \$5 billion annually. Although small steps have been taken to address this issue, such as bridge training programs that help foreign trained professionals adapt to the job market, government programming could do much more to support the settlement and integration of newcomers to the province.

In order to more effectively integrate immigrants into the workforce, the government must provide skilled immigrants with streamlined and affordable opportunities to put their existing skills and experience to work. Post-secondary programs need to have a fast track option that recognizes foreign trained professionals' existing credentials. A program modeled on the national Red Seal Program - which allows qualified tradespeople from any province or territory to relocate anywhere in Canada without having to obtain further qualifications - should also be created for skilled immigrants (see *Integrating Skilled Immigrants into the Ontario Labour Workforce*, Appendix).

The government has a strong track record of investing in post-secondary education. However, in order to tackle the challenges at hand, more than incremental increases to the education budget is required.

There is a clear need for more flexible education and training programs that will make learning and development opportunities available to all Ontario citizens throughout the course of their careers. The Ontario government should develop a comprehensive strategy for post-secondary education that targets a diverse range of stakeholders and incorporates innovative delivery mechanisms geared towards flexible education options.

## **SUPPORT FOR WORKPLACE LITERACY AND ESSENTIAL SKILLS**

In light of the stark discrepancies between the various segments of Ontario's population, it is no surprise that demand for essential skills such as literacy is at an all time high. According to Human Resources and Skills Development Canada, 48 percent of Ontarians possess less than the high school literacy equivalency, putting them below the level required to participate fully in modern society. In order to equip every Ontarian with the skills for success, the fundamental building blocks of a knowledge economy must be put in place. Literacy skills prepare employees for the technological advances that are spurred on by a more competitive global marketplace, allowing them to tackle the complex jobs that make up the new economy.

Since 2009 the Ministry of Training Colleges and Universities has been running a literacy and basic skills pilot project. Through this project, service delivery organizations team up with employers to develop flexible training programs that are tailored towards the specific needs of each individual workplace. Each workplace undergoes a needs assessment, which identifies the various requirements for literacy and other essential skills and combines multiple training modules into one program.

This project represents an innovative model with the potential to generate high returns. As the skills shortage intensifies, the need for flexible programs tailored towards essential skills such as literacy is sure to increase. In order to ensure that Ontario workers are prepared to adapt to the changing requirements of their jobs, the government must scale up its support for workforce skills training through setting out a strategic plan matched by long-term funding.

To ensure that government programs are accompanied by practical eligibility and reporting requirements, the government should confer responsibility for program design and delivery to local training "hubs" with first-hand knowledge of regional economic priorities. These hubs should provide employers and employees with

immediate assistance and information on, among other things, financial incentives and stigma-tackling awareness programs (see *Workplace Literacy*, Appendix).

## **INVESTING IN SKILLED TRADES**

The movement towards a more knowledge-intensive economy will not eliminate the need for investments in infrastructure and capital stock to keep the economy running. However, if current trends are any indication, there will soon be insufficient recent graduates entering the skilled trades to offset the retirement of qualified journeypersons; the construction sector alone is forecasting a national shortfall of one million workers by 2020.

As it stands, certain skilled trades have restrictive ratios on the number of apprentices to journeypersons that can be taken on by a business. Under the Trades Qualification and Apprenticeship Act roughly 80 percent of Ontario's skilled trades are required to have three journeypersons for every one apprentice, setting Ontario apart from the majority of other provinces. This policy exacerbates the existing labour shortage, having a disproportionate impact on less densely populated cities and towns that do not possess large unionized businesses with the ability to support rigorous apprenticeship training programs.

Although research has long painted a gloomy picture, the government has made little headway on this issue. It has indicated that the issue will be taken up by the new Ontario College of Trades, which is expected to become fully operational in 2012.

The College of Trades' success in modernizing apprenticeship training will depend on having an industry-led decision-making process which allows standards to be set with the consent and consensus of all stakeholders in Ontario's economy. If there are too many divergent interests or too much bureaucracy, which could easily become the case, the College will be unable to fulfill this mandate (see *Increasing Skilled Trades*, Appendix).

## **PLACING A PREMIUM ON HIGHER LEARNING**

Colleges and universities will continue to play a pivotal role in equipping Ontario for success in an increasingly complex and competitive world. It is estimated that over the next three to four years the proportion of jobs requiring some form of postsecondary education will rise to over 75 percent. As the economy shifts towards a greater emphasis on highly skilled, knowledge-based jobs, there will be an increased need for Ontarians with advanced degrees (Masters, PhDs) and specialized skills (professional and business degrees) to help grow emerging sectors such as green energy, digital media, and life sciences. This will require targeted investments not only in post-secondary enrollment but in education infrastructure, basic and applied research, and financial aid for graduate and PhD students.

The government is taking steps in the right direction, with Budget 2011 announcing an additional \$309 million over four years in operating funding for colleges and universities. The government has also taken steps to expand graduate education, committing to create 6,000 new spaces for Masters and PhD students by 2015-16.

These investments represent a considerable show of support at a time when the government is faced with significant fiscal constraints. However, they do not go far enough. Despite the significant and welcome increases the province has made in the last few years, Ontario is dead last in Canada in terms of operating grants per capita, trailing the Canadian average by 24 percent. In real dollars, Ontario spends less on post-secondary education per student than two decades ago. As a result, Ontario currently has the worst student to faculty ratio in Canada, with Ontario students having less interaction with full-time, tenure-stream faculty than their counterparts elsewhere.

To provide a quality education and a positive experience for the student, more funding must be devoted to reducing class sizes and enabling the recruitment of permanent, full-time faculty. Without addressing the



existing deficiencies, adding additional spaces could result in decreased quality of education, as institutions search for shortcuts to make up for the shortfall. The government must step up its commitment through an aggressive funding strategy based on future growth projections that will achieve a competitive level of annual operating funding.

In addition to facing a significant operating crunch, Ontario's colleges and universities are grappling with aging education infrastructure in need of major renewal and modernization. Today's research and learning requires modern, technologically advanced academic infrastructure. The long-term construction needs required to keep pace with current and expected growth run in the tens of billions of dollars. The government must make the large-scale investments necessary to cover the spiraling costs of campus renewal, campus modernization, and new infrastructure, in order to ensure a stable and competitive education system (see *Maximizing Postsecondary Education Contributions to the Provincial Economy, Provincial Funding for Post-Secondary Infrastructure*, Appendix).

Finally, to ensure that all students who are eligible and qualified have the opportunity to pursue a post-secondary education, the government must provide fair and equitable access to student aid that covers the cost of living and associated student costs, and ensure that overall funding is sufficient to meet demand. The Minister of Training, Colleges and Universities' recently made several modifications to the Ontario Student Assistance Program (OSAP) designed to tie available aid to inflation on a go-forward basis and increase the overall level of support.

However, the existing criteria unfairly exclude the children of small business owners from qualifying for funding by defining the net income of small family businesses as family income. This puts the families of small business owners at an unfair disadvantage. The government must continue to improve access to student aid in the province by leveling the playing field between working families and the families of small business owners (see *Small Business Access to Student Loan*, Appendix).

## **APPENDIX: POLICY RESOLUTIONS**

### ***Workplace Literacy***

(Adopted May 1, 2010)

#### **ISSUE**

In the 21st century, there is a need for a more highly skilled and trained workforce. Literacy, but more specifically workplace literacy, is an area in which more research and work must be undertaken. Improved policy direction is needed at the provincial level which will assist government in undertaking an aggressive plan of action in regards to the provincial skill shortage while accommodating the private sector's skills needs.

#### **BACKGROUND**

ABC Canada Literacy Foundation believes that enhanced literacy skills prepare employees for work or technological related changes, and set the company up to be more competitive. In addition, the OCC believes benefits do not only translate into quantitative results (financial results), but also qualitative – in that it will improve citizens' quality of life, and have long-term social and environmental impacts and results.

There is a correlation between investment in human capital and productivity rates. ABC Canada Literacy Foundation and the Conference Board of Canada state improved literacy leads to a more efficient and vibrant workforce, in which there are less error rates and higher productivity.

A recent study by Dr. Rick Miner has forecasted that by 2031, about 77percent of the Ontario workforce will need post-secondary education or training. A challenging task lies in moving the proportion of skilled workers from the existing level of 60percent to 77percent by that time.

Furthermore, by 2016, there will be 450,000 unskilled workers that won't be able to qualify for the skill vacancies that will exist in Ontario. This number, if action isn't taken, will increase to 700,000 in subsequent years. Also, by 2011, there will be 500,000 skilled vacancies which will grow to about 2 million by 2031.

Now, with a drop in productivity in a number of sectors, and with more people retiring, there will be a need to transition into the new economy. As a result, a skilled and highly literate workforce is key.

Literacy can be measured on a prose and document literacy scale of 1 to 5. Level 3, equivalent to high school completion, is the desired target that is needed in today's changing skill demands of a knowledge-based economy. Four out of 10 Canadians aged 16-65 struggle with low literacy rates, as they fall below the level 3 (of 5) prose literacy scale – which impedes them from advancing with respect to skills training. In addition, the International Adult Literacy and Skills Survey has found that 16percent of adults in the province do not have basic literacy skills. An additional 26percent would benefit from literacy upgrading.

Significant work in workplace literacy is required and can be measured in both qualitative (social) and quantitative (financial) outcomes.

Improved literacy in the workplace boosts productivity. According to The International Survey of Reading Skills (ISRS) and ABC Canada Literacy Foundation, it is estimated that employers will receive a 251percent rate of return on workplace learning programs. Improved literacy skills among employees bring about numerous benefits, both to the individual worker and to the organization.

On a global level, studies indicate that a 1percent rise in a country's literacy level, relative to the international average, is associated with an eventual 2.5percent rise in labour productivity and a 1.5percent rise in the per capita GDP. This 1percent increase in literacy rates would boost the national income by as much as \$32 billion.

While much is being done by the Ontario Government with respect to a skilled workforce - with the introduction of the provincial nominee program, the Literacy and Basic Skills Program, apprentice tax credit changes and the current development of an Adult Literacy Curriculum - there is more work to be done.

For instance, improvements and solutions include the development of a formal, broader "adult literacy policy" on which to build strategy to tackle and improve the literacy and essential skills deficit. Last year, for instance, over \$90 million were invested in the Literacy and Basic Skills program. The Literacy and Basic Skills Program assisted about 52,000 learners in 2008-09, with 68percent of exiting learners going on to further education and employment. These rates, while significant and a great start, should aim to be higher. Programs such as LBS exist, but there is no broader Ontario Adult Literacy Policy framework.

Therefore, the development of a comprehensive, broader Ontario Adult Literacy Policy could help set the framework for a long-term strategy.

There also is a need for more centralized infrastructure and 'stigma' tackling programs. At times, it may be possible that adult workers, whether they be newcomers or domestically born, may not necessarily have the confidence or ability about having to retrain or develop their workplace literacy and learning skills. This could in turn lead to more workers being unemployable, set a financial burden on the province, and be bad for business and the bottom line.

Ontario should improve infrastructure, in that it should build on the recent changes to Employment Ontario's employment one-stop shop for unemployed workers and make improvements to it, establishing streamlined, time-efficient central rounded one-stop workplace literacy and essential skills hubs. The hubs will allow business employers, and employees, to avoid any regulatory red tape and know "where to go" immediately for assistance and information on, among other things, workplace literacy program related financial incentives and stigma-tackling awareness programs.

In all, more work needs to be done with respect to workplace literacy, otherwise, results could be damaging to the social and economic well-being of all Ontarians, and Canadians, over time.

## RECOMMENDATION

The Ontario Chamber of Commerce urges the Government of Ontario to:

Establish a long-term provincial adult literacy and essential skills workplace strategy that supports literacy and the basic skills training in the workplace in order to meet current and future labour market skill requirements. The strategy's framework needs to identify current gaps, need requirements and improvement to infrastructure for employers, employees and government in establishing workplace adult literacy training initiatives by:

- a. Setting out a required plan for long-term provincial funding to incent employers and employees to engage in continuous learning, including adult literacy and essential skills;
- b. Aligning and coordinating with other workplace strategy initiatives developing across Canada;
- c. Developing timelines for its objectives, and establishing systems of measurement to determine outcomes and quantify success; and
- d. Consulting with business, labour, government, post-secondary institutions and provincial literacy representatives.

## ***Accessible Adult Postsecondary Education - An important step to restoring sustainable economic prosperity in Ontario***

(adopted May 2, 2009)

### **ISSUE**

The current economic crisis has made it clear that an economic transformation must take place in Ontario. Developing, nurturing and growing the creativity, innovativeness and productive talents of Ontario's people will be determinative in achieving the desired transformation. To produce a greater share of creative, innovative and productive workers in Ontario, the current rate of participation in post-secondary education will have to be increased significantly.

### **BACKGROUND**

Seventy percent of the future jobs that will be created in Canada will require some post secondary education. As of 2007, participation in post-secondary education for those 18-24 years age was estimated to be approximately 40 percent. Based on the current participation momentum, it is estimated that in the next twenty years the participation rate will reach no more than 50 percent.

If immigrants and the older segment of the population are taken into account, the estimated participation rate may rise by another 10percent over the next 20 years. These are optimistic estimates and also do not take into account the percentage of those enrolled that will not complete their post-secondary education. Accordingly, within the next twenty years we can, at best, expect to achieve a 60 percent rate of participation.

Ontario has taken some notable steps aimed at increasing the rate of participation in post-secondary education of the 18-24 year old segment of the population; however, Ontario needs to place more emphasis on the working adult segment of the population (i.e. immigrant and existing population 24+ years of age). They will play a key role in helping Ontario to create a workforce with the requisite skills for the jobs of the future.

Innovative programs aimed at allowing the working segment of the adult population to pursue post secondary education while continuing to work are essential. Employers, in particular SMEs, cannot afford to lose employees for extended periods of time and employees cannot afford to leave for extended periods of time due to financial and family responsibilities. Recent surveys indicate that the second most cited major challenge was the business disruption caused as a result of releasing employees for in-class training and the resultant conflict with work hours.

Awareness of programs and incentives in Ontario and at the federal level for worker training, whether through post-secondary education or otherwise, has been cited by other studies as another obstacle to wider uptake of training initiatives.

Scheduling, awareness and other barriers may account in part for a less than 30 percent participation rate of adult workers in Canada in job-related education and training. By way of comparison, the rate of participation in the U.K. is almost 35 percent and nearly 45 percent in the US (Goldenberg, 2006).

Although there are some post secondary courses and programs available online or at night, programs focused on analytical and social intelligence skills, such as programs in the sciences and engineering, are generally only available during the day and/or require full time enrolment. Furthermore, some of the courses are ill suited to provide some of the core critical skills that SMEs need and will need in the future.

If employers can identify and agree on the skills needed for the future, we should provide ways for more people to obtain them. In addition to the essential employability skills that all college programs are required to deliver the "future" skills we should also enhance are:

- High skills with technology, and how to apply technology effectively to business
- Intercultural awareness/interpersonal skills/team building
- Emotional intelligence
- Customer service, considering customer diversity
- Time management
- Workplace diversity training
- Information sourcing and management

Given our ageing population and that workers will be retiring later, the ability for these workers to access post secondary education while continuing to work will go a long way to ensuring that businesses, in particular SMEs, are able to remain competitive in the global marketplace.

## **RECOMMENDATIONS**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Through the Ministry of Education and the Ministry of Colleges, University and Training - develop and implement a strategy over the course of the next year specifically aimed at enhancing and facilitating the rate of participation by the adult working population in post-secondary education/training opportunities.
2. Through the Ministry of Education and the Ministry of Colleges, University and Training begin consultation in late 2009 with providers and business (in particular small and medium sized enterprises) and develop programs aimed at developing skills of the future that will be more accessible to working adults and address barriers such as scheduling. These programs should be in place by the 2011 Budget.
3. In collaboration with the federal government, immediately consolidate all information regarding available programs and incentives in one central electronic repository in regards to adult workers wishing to pursue post secondary education and training initiatives.

## ***Skills Training***

(adopted May 2, 2009)

### **ISSUE**

As our economy enters into a recession, tens of thousands of Ontarians will lose their jobs. More significantly, many of these jobs will not return when the economy starts to grow. How will the Ontario government help these individuals develop the new skills needed to re-enter the workforce?

### **BACKGROUND**

It is common knowledge that the Ontario economy, in general, is entering a difficult period in which many people will lose their jobs. Particular attention has been paid to the automotive sector which represents a significant part of Ontario's GDP. However, some economists predict that the manufacturing sector, as a whole, will diminish as a percentage of Ontario's GDP. This will result in many jobs disappearing permanently.

While certain sectors are projected to diminish over time, there are projections that Ontario will experience significant labour shortages within the next few years as baby boomers retire.

This confluence of events presents a great opportunity to develop the programs to assist these unemployed individuals and help them develop the skills that will be in great demand in the near and mid-term future.

The Ontario Government has developed the "Second Career" program to help pay for tuition, living expenses, etc. so that displaced workers can receive the education they need to help them develop new careers. However, the program criteria are unnecessarily restrictive in that the program only covers tuition in a traditional classroom setting, and only provides a short timeframe for an individual to receive a desired designation.

Changes must be made to Second Career in order that the program can help many more displaced individuals and recognizes new training techniques that are becoming more popular these days. Greater coordination is also needed with the government's initiatives in developing an innovation economy.

Most importantly, the designations needed to compete in the new economy could take more time than what is currently provided in Second Career. Lengthening the timeframe will allow these individuals to receive education in new professions that will be in high demand in the future.

### **RECOMMENDATION**

The Ontario Chamber of Commerce urges the Government of Ontario to:

Expand Second Career by:

- Including education through an on-line learning environment,
- Lengthening the timeframe to earn the desired accreditation; and
- Adding to the existing level B skills, the level A professional skills in particular those professions where the Province of Ontario has a demonstrated shortage of such professionals.

## ***Integrating Skilled Immigrants into the Ontario Labour Workforce***

(adopted May 2, 2009)

### **ISSUE**

Without a rapid and substantive allocation of funding by the Ontario Government for existing programs – both private and public - that support the re-training and integration of skilled immigrants into the Ontario workforce, the already dismal provincial economy will regress to a position in the national and global community that will be difficult to recover.

### **BACKGROUND**

In January 2008, Federal Finance Minister Jim Flaherty said Ottawa needed to find ways to help Canada draw talented immigrants to the country to help avert an economic collapse. Indeed, the minister was quoted as saying that labour shortages are one of the “most daunting economic challenges” Canada will face in coming years.

For years, researchers have been warning about potential labour shortages across Canada, yet governments have not responded. In 2008, Statistics Canada stated that a widespread shortage of workers impacting a broad range of occupations will occur and pointed out that by 2015, immigrant workers will be required to sustain the skilled labour workforce since there are too few naturalized Canadians graduating to meet the demands.

An alarming combination of factors is bearing down on Ontario: an aging population and low birth rate, coupled with a globalized and technologically progressive economy that has helped to generate competition from emerging countries. This dynamic, while not necessarily unique to Ontario, will be more acutely felt by Ontario employers and businesses since has very large manufacturing and resource based sectors.

Moreover, since the labour market and economy are so tightly bound, a shortage of skilled trade and sector specific workers can severely damage an economy. When the ratio of workers arriving to the workplace dips below the number leaving it, it will create a drag on the economy and stagnate an already challenging economic climate.

Recently, there has been some work to address these concerns. For example, there is Global Experience @ Work, an Ontario Chamber of Commerce initiative designed to engage employers in efforts to integrate internationally trained professionals and trades people. It sponsors local community projects and received financial support from the Ministry of Citizenship and Immigration.

There is also the Red Seal Program, which allows skilled apprentices and qualified tradespersons to practice the trade in any province or territory in Canada where the trade is designated without having to write further examinations. Red Seal however does not assist foreign trained apprentices and certified journeypersons. The Ontario government should look to adopt the core concepts of the Interprovincial Standards Red Seal Program and standardize apprenticeship training and certification programs and increase the types of trades included in the Red Seal Program.

Eliminating barriers for internationally trained professionals and trades people is essential to enhancing Ontario’s workforce. It is important that the Government of Ontario continue to support and expand programs that allow foreign trained professionals and skilled trade persons to be re-certified and integrated quickly into streams of labour that are identified as being a priority area first.



## RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Engage directly with employers and colleges to identify which areas of the labour and professional sectors is a priority for skilled worker placement.
2. Develop and fund a postsecondary education process for the integration of immigrants that would encompass a comprehensive suite of programs and services including, but not limited to: accessible labour market information, counseling and advisory services and 'bridge' training courses that improve an individual's existing foreign training and education should they not meet the standards under the Red Seal Program.
3. Consult with municipalities, community settlement organizations and business groups in a consistent and inclusive manner to better attract, retain and develop immigrants into the community and sector.
4. Provide more funding for English or French as second language training programs as it pertains to the skilled workforce integration into Ontario.

## ***Maximizing Post-Secondary Education Contributions to Provincial Economy***

(adopted May 2, 2009)

### **ISSUE**

Post-Secondary Education makes a significant contribution to developing Ontario's pool of talented, skilled, leading-edge human capital, and to the research that drives innovation and commercialization. To help Ontario weather the current economic turbulence, and to advance Ontario's transition to a competitive, highly innovative, knowledge-based economy, supports for Ontario's Post-Secondary Education system and infrastructure must be enhanced.

### **BACKGROUND**

#### Human Capital for Ontario's Knowledge and Emerging Economy

Ontario has an enviable achievement in having the highest percentage of Post-Secondary Education participation for young adults in the world with 40 percent of our 18-24 year olds having attended college or university. The Ontario job market overwhelmingly favours individuals with a university or college education. However, as the economy shifts towards a greater emphasis on highly skilled, knowledge-based jobs, and emerging sectors (green energy, new technology, digital media etc.) the province will need to produce greater numbers of Ontarians with advanced degrees and specialized skills to fill critical roles in the economy. Investing in college and university infrastructure in knowledge-based and emerging sectors would significantly contribute to shaping the future growth of the Ontario economy.

The Ontario government has made important investments in Post-Secondary Education through the \$6.2 billion "Reaching Higher" strategy, which began in 2005. These investments have had a meaningful impact on the quality of Post-Secondary Education in Ontario. However, the Reaching Higher funds are winding down, and Ontario still lags behind competitor jurisdictions like the United States, where both private and public investments per student far outpace Ontario's. The challenge moving forward is to sustain the many achievements made in the Reaching Higher plan in a prudent manner that is sensitive to the fiscal challenges facing the province.

#### Fueling an Innovative Economy through Research

In a knowledge-based economy, people with advanced degrees such as Masters, PhDs, professional degrees and business degrees are the essential source of highly skilled knowledge workers. Those with advanced degrees represent the much needed big-picture thinkers, the skilled researchers, and the creative innovators who will participate in the transfer of new knowledge to other sectors of the knowledge-based economy.

The Ontario government has identified the expansion of graduate education as a key part of efforts to increase broad participation in Post-Secondary Education in the province. Expanding graduate education is also a core priority of Ontario universities, who are working with the government to produce more of these highly skilled degree-holders.

The Conference Board of Canada has observed that "innovation is an essential component of a high-performing economy, and it is also critical to environmental protection, to a high-performing educational system, to a well-functioning system of health promotion and health care, and to an inclusive society." University-based discoveries have the potential to transform Ontario, Canada, and the world. Made-in-Ontario research is already leading to incredible innovative developments.

Research-intensive universities have a key role in initiating, leading and driving innovation. According to the Association of Universities and Colleges of Canada, the university sector is the third largest investor in Canadian research and development, contributing \$4.3 billion (18 percent) to the enterprise in 2005. Ontario's universities are actively collaborating with the private sector through research partnerships, convergence centres such as MaRS, and research internships for students.

Bringing research to the market through commercialization is an important contribution of Ontario's universities. Between 2002 and 2005, Ontario's research intensive universities produced 65 spin-off companies, and these innovative additions to the provincial economy are employing Ontarians and generating significant revenues.

When compared to our peers internationally, however, Canada's standing in discovery-oriented scholarship and research appears to be far from secure. In its 2007 Report Card on Canada, the Conference Board of Canada found that measured as a percentage of GDP, Canada invests in R&D at a rate that leaves us 12th among those OECD comparators. In fact, our rates of investment actually declined between 2001 and 2005. Considering this and other indicators, the Conference Board ranked Canada 14th out of 17 comparator nations on innovation.

#### Integrating foreign-trained professionals as quickly as possible into the Ontario economy

Recognizing the skills shortages in Ontario and the availability of new Canadians with skills and experience that are in demand, there is an opportunity to focus on projects that will bridge this significant productivity gap.

The needs in the Post-Secondary Education infrastructure sector include:

- Developing and deploying innovative programming and services for Internationally Trained Individuals and other New Canadian students;
- Language training, academic upgrade programming, preparatory and alternative school programs that have a flexible intake process;
- Enhancing language training and fast-track Post-Secondary credential opportunities with work placements for newcomers to Canada.

#### Preparing for Additional Growth and Ensuring Access to Post-Secondary Education

Over the past several years, demand for Post-Secondary Education spaces has increased significantly. Projections indicate that demand will continue to grow. With current Ministry of Finance population projections indicating that more than half of Ontario's population between the ages of 15 and 21 will reside in the Toronto region by 2021, it is clear that the GTA will remain the core source for growth in Post-Secondary Education demand.

In order to increase numbers of degree, advanced degree, and diploma holders, Ontarians who historically don't participate in Post-Secondary Education will need to be attracted to universities and colleges to pursue studies. In a troubled economy, we can expect that more students will need to turn to student aid to attend Post-Secondary Education. It will be critically important that student aid levels keep pace with economic realities, particularly with cost of living, cost of studies, and increasing demand.

Meanwhile, campus infrastructure is aging. Much of Ontario's Post-Secondary Education infrastructure was built in the 1960s and 1970s, and is in need of major renewal and modernization. Today's learning and research requires modern, technologically advanced academic infrastructure particularly to prepare graduates for jobs in the knowledge-based economy and emerging sectors and to strengthen Ontario's ability to compete in the 21st century.

The Council of Ontario Universities estimates the sector's need for campus renewal and modernization totals \$1.6 billion, and long-term new construction needs to keep pace with current and expected growth are estimated at \$9.4 billion by 2021. Educational Consulting Services Corporation assessed college facility needs in 2007 and its report concluded a \$700 million cash infusion was needed to deal with the deferred maintenance backlog, and that \$80 million annual would be needed once the backlog of renewal projects had been addressed.

Early in 2008, the Ontario government commissioned the Courtyard Group to look at capital requirements at colleges and universities. This work is nearing completion and will provide the government with a very strong argument for the need to invest in the infrastructure of our Post-Secondary institutions.

In terms of operating costs, colleges are facing a funding gap of about \$95 million (Source: Colleges Ontario) and universities \$511 million (Source: Council of Ontario Universities).

## **RECOMMENDATIONS**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Assess current Post-Secondary Education participation and future growth projections, and operating costs funding gaps, and develop an aggressive funding strategy to be implemented within three years that addresses the approximately over \$600 million annual operational funding shortfall, that helps achieve a more internationally competitive level of annual operating funding (above OECD average of funding per student) for Post-Secondary Education.
2. Provide dedicated and internationally competitive levels of funding for research and applied research, and additional supports for graduate students such as scholarships to help Ontario universities attract and retain the best minds.
3. Keep up with the monumental levels of growth in Post-Secondary Education participation and prepare the system to accept even greater growth, by providing needed large scale investments in campus renewal, modernization, and new infrastructure as recommended in the Courtyard Group study, to be implemented immediately.
4. Target Post-Secondary Education infrastructure investments in knowledge-based and emerging sectors, and towards more effectively integrating foreign-trained professionals into the Ontario economy.
5. Link student aid through OSAP to the cost of living and associated student costs, and ensure overall OSAP funding is adequate to meet demand.
6. Make funding available to post-secondary institutions wishing to create or enhance through intensified industry-post-secondary institution partnerships the creation, or enhancement of existing, high technology and innovation parks.

## ***Immigration***

(adopted May 5, 2008)

### **ISSUE**

Canada requires immigrants to sustain the current professional services and labour force by 2012. "Net international migration continues to be the main engine of population growth in Canada" (Canada Population, Statistics Canada, July 2006, <http://www.statcan.ca/Daily/English/060927/d060927a.htm> accessed Feb. 13, 08). In addition, "Projections based on current fertility rates, current immigration levels and moderately rising life expectancy show the ratio of the population age 65 and over to the population of traditional working age (18-64) rising from 20 percent in 2006 to 46 percent in 2050" (C.D. Howe, 2006, P.1). Taking action to increase the diversity of communities accelerates economic growth and ensures professionals and skilled labourers exist to fill current and future employment opportunities.

Under serviced areas in Ontario, specifically Northern Ontario face challenges to meeting the skilled labour shortage and immigration demands. Immigration in Northern Ontario is not happening to the extent that it is in Southern Ontario, as it is not a primary immigration port, incentives to relocate do not exist as they do for Southern locations, resources to promote and provide effective immigration supports are limited, and there are cultural issues. In addition, the incentives immigrants gain initially when entering Canada are lost when they move outside of major Canadian cities to their Northern locations.

By assessing current local immigration efforts and processes, communities can determine ways to better collaborate and successfully adapt immigrants. Many communities, including Sault Ste. Marie are being proactive to develop strategies, resources and tools to attract immigrants to fill the job shortages that currently exist and to prepare for future demands. Several newcomers are recognizing the advantage of Northern communities - a safe environment to raise a family and maintain a balanced lifestyle. Northern communities require the capacity, resources and financial support to provide the assistance employers and immigrants need to implement and build on the strategies and plans initiated.

### **BACKGROUND**

A comprehensive immigration strategy that embraces local and regional needs assists in addressing systemic and operational approaches to immigration and recruitment and ensures the community attains and retains skilled labourers and professionals. By taking steps to improve the attraction, integration and retention of immigrants, communities build the foundation for continued economic growth. Ontario's Minister of Immigration, Mike Colle, announced plans to invest \$1.75 million to promote the hiring of skilled immigrants... Such companies represent 97 percent of Ontario businesses but may be reluctant to hire immigrants because they don't have the resources or expertise to evaluate their foreign education and job experience.

Ontario has border communities to the USA and should work together to solve immigration issues with the USA.

## RECOMMENDATIONS

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Provide incentives to under serviced communities in Ontario, to attract immigrants to the area and remove barriers to entry for immigrants, especially those related to secondary migration locations.
2. Establish processes and resources to assist under serviced communities, in Ontario, to ensure effective and coordinated settlement of newcomers. For instance, establish positions and/or organizations that serve as immigration support agencies to coordinate, facilitate and deliver services to employers and immigrants.
3. Promote immigration and integrate evaluative mechanisms to recommend potential immigrants who have the greatest opportunity for economic success. Develop evaluation tools (online) for instance a credential assessment database that employers can use to quickly obtain eligibility, for employers or immigration support agencies to ensure those immigrants who have a high rate of economic success are identified and accepted into Canada. Provide similar tools for accreditation and financial assistance to employers for immigrants to pursue additional training needed for them to meet Canadian standards.

## ***Increasing Skilled Trades***

(adopted May 5, 2008)

### **ISSUE**

Many independent contractors across the province report a constant stream of inquiries from young Ontarians wanting to become electricians.

A high number of journeypersons have or will retire and there aren't enough apprentices to take their place, creating skilled trade shortages. Certain skilled trades have restrictive ratios on the number of apprentices to journeypersons that can be taken on by businesses. **The ratios are determined by the Trades Qualification and Apprenticeship Act. Since these are now mandatory and, since they are part of the legislation, they can only be changed by an Act of Parliament in Ontario.** Journeyperson ratios refer to the **number of journeypersons required by regulation to supervise and train each apprentice.** These ratios exacerbate Ontario's current and increasing skilled trades-shortage and directly contradict Ontario government policy to encourage Ontarians to enter the skilled trades. The ratios are also in direct contrast to the policies of most other Canadian provinces who have corrected ratios in restricted trades to encourage more apprentices to enter the workforce and train directly with skilled journeypersons.

### **BACKGROUND**

Placing an artificial quota on the number of people entering the skilled labour force can have disastrous consequences, as exemplified by Ontario's current physician shortage, which was caused by restrictions on medical school placements in the 1990s. Apprentices, like physicians, become experts in their fields over several business cycles: therefore, it is short-sighted to artificially restrict entry into the workforce, even when there is **currently** no critical demand for them.

Outdated ratios in some trades directly undo the work of Ontario government programs, such as OYAP. The Ontario Youth Apprenticeship Program encourages high school students to enter the skilled trades. They get temporary apprenticeship status and get school credits for their training with qualified trades people. They are exempt from the apprenticeship ratio rules. But when they graduate, they lose their exemption and need to be terminated from their work if there are insufficient numbers of journeypersons in the workplace.

How do Ontario's ratios compare to other jurisdictions in Canada? Ontario stands at a variance with rest of the country where overall 1:1 ratios are the norm. As an example, see the illustrated Ellis Chart below, published by the Interprovincial Standards (Red Seal) Program using 2004 figures. This reflects the Electrical Trade Apprenticeship Ratios by province, proving an obvious dichotomy between Ontario and the rest of Canada.

Education/Entrance Requirements (by Province)										
Province	NL	NS	PEI	NB	QC	ON	MB	SK	AB	BC
Ratio – Journeyperson/Apprentice	1:1	1:1	1:1 3:1	1:1	2:1	1:1 3:1	1:1 2:1	1:1	1:1	1:4

PEI, Ontario and Manitoba each show two ratios. This reflects a progressive scale. For instance, Ontario generally operates on the 3:1 ratio over 80percent of the time. A smaller company, therefore, employing 8 electricians will never have more than 4 apprentices at a given time under current legislation.

As far as safety concerns, we have uncovered no supporting evidence one way or another that would say a proposed 1:1 ratio is less or more safe than a 3 to 1 ratio. According to the WSIB, the electrical trade is the lowest skill trade with claim ratios across the board.

Restrictions in ratios also have a negative effect on the economies of Ontario rural communities, which are less likely than large cities to have large unionized companies able to take on new apprentices. The lack of opportunity for young people to learn skilled trades in their home communities contributes to the 'out-migration' of rural Ontario youth. **It must be stressed that the impact on small businesses is greatest, thereby compounding the challenge in many rural communities where small business (under 20 employees) can represent the highest number of companies, reaching as high as 80 to 90 percent.** Ontario workers who wish to learn their trade in small businesses are therefore unfairly restricted from entering the workforce in their chosen trades.

One of the unintended consequences of restriction to access to trade certification may be increased activity in the underground economy by uncertified trades people. This is certainly a safety issue, both for the worker and the client.

A one-to-one ratio between apprentice and journeyman provides direct training and supervision for the apprentice. Lowering the ratio in no way decreases the safety conditions for apprentices on job sites, or reduces the employers' responsibilities for employee safety, which are dictated by the Occupational Health and Safety Act. The Occupational Health and Safety Act further binds employers to assign duties to employees according to skills and level experience.

The Conference board of Canada predicts that Canada could experience a shortage of one million workers within the next decade. Without the ability to hire new apprentices due to the ratio requirements, the overall effect on our future economic health could be serious.

## **RECOMMENDATION**

The Ontario Chamber of Commerce urges the Government of Ontario to:

Re-align ratios in restricted trades to allow for one-to-one ratios between apprentices and journeymen.



## ***National Apprenticeship Certification Process***

(adopted May 5, 2008)

### **ISSUE**

Ontario's prosperity is dependent on its skilled workforce and would benefit from a process which allows the interprovincial mobility of apprentices and skilled trades people in Canada. The Ontario government must work with the federal government and other provinces on establishing a national apprenticeship certification process for Canada.

### **BACKGROUND**

The Government of Canada's Apprenticeship and the Inter-provincial Standards "Red Seal" Program ([www.red-seal.ca](http://www.red-seal.ca)) encourages the standardization of provincial and territorial apprenticeship programs and certification, to provide greater mobility across Canada for skilled workers.

Currently, apprenticeship programs are administered by the education, labour or training ministry or department in each province or territory under the guidance of the Canadian Council of Directors of Apprenticeship (CCDA). Each province and territory has an appointed Director of Apprenticeship for this purpose. Also, the Red Seal program is supported by a network of advisory bodies, such as Apprenticeship and Certification Boards, Local Advisory Committees and Provincial Advisory Committees across the provinces and territories.

The Red Seal Program was established to provide greater mobility across Canada for skilled workers. It allows qualified trades persons to practice the trade in any province or territory in Canada where the trade is designated without having to write further examinations. To date, there are 49 trades included in the Red Seal Program on a national basis. The Red Seal program is only mandatory in those jurisdictions where it has been expressly indicated in their apprenticeship legislation. Ontario has not made the Red Seal Program mandatory.

Upon completion of a training program, apprentices and certified journeypersons must successfully pass an Interprovincial Standards Examination in order to obtain a "Red Seal" endorsement on their Certificates of Qualification and Apprenticeship. Having a Red Seal Endorsement is beneficial for skilled tradespersons since they do not have to write any further examinations to obtain a certificate from that province or territory.

The OCC recommends that Ontario legislate the Red Seal Program as mandatory as the first step towards facilitating a national apprenticeship certification process and take the lead on pushing the other provinces to do so as well. Currently, training and certification of skilled workers in Canada are responsibilities delegated to the provinces and territories.

The OCC believes the Government of Ontario should work with the other provinces to adopt a uniform system for the certification of apprentices across Canada through the Red Seal Program. There are a number of features under the Red Seal Program which would augment this process. A National Occupational Analysis ([http://www.red-seal.ca/Site/trades/analys\\_e.htm](http://www.red-seal.ca/Site/trades/analys_e.htm)), developed for each Red Seal trade, is currently used as a base document for the development of interprovincial standard examinations and is widely used by provinces and territories for curriculum development. The Ellis Chart gives an interprovincial overview of the 13 Canadian apprenticeship systems, provides an inventory of the more than 300 designated trades and indicates which provinces have apprenticeship training programs in place for each trade. The Ellis Chart also gives information on training, certification, education/entrance requirements and prior learning assessment and accreditation processes. In addition, efforts are already underway to expand the program and to streamline the existing process for the development and revision of national occupational analyses and examinations.

The OCC believes a national certification system should include the above features in addition to:

- A streamlined, uniform procedures for training and certification
- A uniform process for the assessment of prior learning
- Benchmarking of training programs and sharing of best practices
- One body responsible for certifications

The OCC believes the benefits of such a uniform training and certification system would be:

- Improved interprovincial mobility of apprentices between the provinces and territories giving apprentices more choice about where they want to work
- The removal of barriers to relocation for apprentices, between the provinces and territories.
- Assurance that all apprentices and skilled tradespersons are similarly qualified across the provinces and territories
- Certified skilled tradespersons from outside of Canada will know that the requirements are the same no matter which jurisdiction they plan to settle in
- Ability of employers to recruit workers outside the province
- Opens the door for more trades in Canada to be designated as Red Seal Trades
- Formalization of the apprentice training systems and enhancement of the profile of apprenticeship as a whole in Canada

## **RECOMMENDATIONS**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Adopt a Red Seal Program or a similar program as mandatory for Ontario designated apprenticeship trades.
2. Work with the other provinces and territories to make the training and certification procedures and requirements uniform across Canada, facilitating a streamlined certification process.
3. Work with the Government of Canada to develop a standardized national certification process for apprenticeship by 2010.

## ***Leave No One Behind: Certification for Cognitively Challenged Workers***

(adopted May 5, 2008)

### **ISSUE**

Current post secondary programs designed to assist people with intellectual disabilities only offer rudimentary life skills training that lead to entry level, low paying jobs. There is a large segment of the population living with intellectual disabilities that have the functional capacity to achieve a higher level of education after high school. Creation of specialized programs, designed to train these individuals on specific tasks that are in high demand by the corporate community, will allow them to become more self sustainable and increase their contributions to the overall economic well being of Ontario.

### **BACKGROUND**

The Canadian Association for Community Living states that 65percent of adults with intellectual disabilities are unemployed and 80percent of these adults live below the poverty line. The higher incidence of poverty among individuals with intellectual disabilities is due to the lack of access to the necessary training, which could potentially lead to higher paid employment. Limited access to training is a result of the lack of specialized training institutions.

By developing a special purpose education program, individuals with limited access to specialized training will be able to acquire skills that could potentially lead to higher disposable incomes. According to the provincial government's Adult Education Review (May 2004), "technological change has led to increased demand for employers for workers with higher levels of skill and education." This report goes on to explain that jobs requiring less than a high school education, contributed to less than one tenth of the job growth between the years 1996 and 2001.

In Ontario, individuals with intellectual disabilities currently do not have access to post secondary institutions that will train them to complete specialized tasks that would help increase their marketability in many industries.

Information Technology (IT) is one example of a sector in which workers trained to complete very specific tasks could be beneficial. Although there are limitations depending on the level of a person's disability, Literacy Link South Central, states that "individuals with intellectual disabilities can learn to read and [probably be taught] to decode anything." This observation highlights that with appropriate training, individuals with certain intellectual disabilities can become valuable assets to an organization.

The creation of a special education program would empower individuals with skills that would help make them less dependent on their family and government funded social networks. Although these networks have been reliable in the past, the aging demographics have made it imperative that alternative solutions be found. As parents supporting individuals with intellectual disabilities begin to retire and grow older, they will be less able to provide the essential economic support that they were capable of in the past.

## **RECOMMENDATIONS**

Ontario Chamber of Commerce urges the Government of Ontario to:

1. Take immediate steps to support certification programs designed to give workers with intellectual disabilities the skill sets that would enable them to earn self-sustaining wages.
2. Immediately work with local and federal levels of government to develop incentives that encourage the participation of workers with intellectual disabilities in these specialized certification courses, in particular co-op placement for entry-level jobs.
3. Immediately develop and support an adult education and training system that improves opportunities for adults with intellectual disabilities to increase job related skills, pursue further education and training and ultimately to enhance personal well-being and quality of life.

## ***Improve Transparency and Small Business Access to Student Loan***

(adopted May 5, 2008)

### **ISSUE**

A small business that re-invests its net income into the business to create Ontario jobs, improve productivity and more is penalized when it comes to the Canada-Ontario integrated student loan application. The offspring students of such owners are at a disadvantage to a regular employee of another Ontario company. Open and transparent OSAP criteria must be created to ensure consistency for all Ontario student loan applicants.

### **BACKGROUND**

The objective of student financial assistance is to assist eligible students who do not have the resources to meet the costs of postsecondary education. The intention is to promote equality of opportunity for postsecondary studies by providing financial assistance for educational costs and basic living expenses where students (and their families) do not have the resources to meet these costs.

The purpose is to supplement, not to replace, the financial resources that students and their families, if applicable, are expected to contribute. Assistance is based on financial need as established by the federal and/or provincial governments and as determined by the ministry through an assessment of your Ontario Student Assistance Program (OSAP) application.

The Province of Ontario is committed to ensuring that all qualified students continue to have access to high-quality educational programs that will provide them with the skills and expertise they need for future success. The Province of Ontario provides the Ontario Student Loan portion of the Canada-Ontario Integrated Student Loan. Access grants are provided to first-time, first-year and to second-year postsecondary students to help them with their tuition costs. In addition, a number of scholarships, grants, and bursaries are offered to assist eligible students, and the province provides a range of initiatives to help students manage their student loans.

A number of our small business owner members have indicated that their student children applicants have been turned down for the Canada-Ontario integrated student loan. (OSAP is the application point for the loan.) It appears that the net income of the small family business is considered family income. Rather than re-invest in the business and create local jobs and grow the economy, the small business is expected to liquidate its income and give to the student for their education.

There appears to be no criteria upon which the loans are assessed. OSAP was unable to provide or direct the members or our Chamber to a transparent set of criteria for assessing applications.

Without the criteria, we can only assume that small business owner families are being held to a different standard and expectation than families of regular wage earners.

This is a LOAN. If the government truly is "committed to ensuring that all qualified students continue to have access to high-quality educational programs that will provide them with the skills and expertise they need for future success", then they should look for ways to minimize barriers and provide greater access.

## **RECOMMENDATION**

The Ontario Chamber of Commerce urges the Government of Ontario to:

Make public clear and transparent criteria for financial assistance resources and expected family contributions in applications for the integrated student loans.

## ***Strategic Re-investment in Ontario Universities***

(adopted May 1, 2010)

### **ISSUE**

Ontario's universities provide us with a unique economic advantage that is quickly being eroded. Their role as vital economic generators in the province has been severely crippled by chronic under funding thus weakening our competitive position in the national and global marketplace.

### **BACKGROUND**

We need re-investment in post-secondary education because Ontario needs to be a magnet for the world and Ontario students need the capacity to become leaders in a competitive and emerging, knowledge-based economy.

For instance, Ontario's five-year investment in the "Reaching Higher Plan", aimed to assist with student aid and in accommodating some growth in enrolment. In terms of funding, aside from what universities received in the Reaching Higher plan over 5 years (2005-2010), universities have received funding, including \$150 million in operating funding in the 2009 Ontario budget.

According to the Council of Ontario Universities however, with respect to operating grants per capita, when compared to other provinces, Ontario is dead last in Canada, despite the significant and welcome increases the Province has made in the last few years. There has been much unexpected student growth over the years, which has translated into less funding per student. Ontario universities, between 2004-2005 and 2008-2009, added over 25,000 undergraduate spaces and over 10,000 graduate spaces. This has translated into the addition of approximately 100,000 students since 2002-03.

Therefore, although the Province has provided more, there is more to improve on and which can be done. Ontario, after the most welcome funding plans, however, is still not equal to the other provinces when it comes to core funding per university student.

### **RECOMMENDATIONS**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. Bring university funding up to the national average, incrementally by the budget year 2012/2013; and
2. Allow universities the flexibility to determine fees, on a program by program basis to be determined by value and market conditions.

## ***Funding for Colleges of Applied Arts and Technology***

(adopted May 5, 2008)

### **ISSUE**

Ontario's colleges still remain well below the national funding level despite the government's 2005 investment in postsecondary education. Without a major new investment by the provincial government, Ontario's colleges of applied arts and technology won't be able to educate and train the workers we need.

### **BACKGROUND**

Ontario's severe shortage of skilled workers is hurting the province's ability to compete and thrive. A recent Conference Board of Canada report (September 2007) suggests that by 2025, Ontario could face a shortfall of 364,000 workers. By 2030, that number could escalate to more than half a million workers. A skilled workforce is essential to the health of the Ontario economy and given that the college system is one of the primary sources of job-ready skilled workers, the Ontario government needs to ensure that they receive sufficient funding.

Ontario colleges are severely under-funded; they do not have the resources they need to fill the growing skilled workers gap. It is time to recognize the pivotal role Ontario's colleges play in supporting the province's economic growth and prosperity by investing in their success.

Colleges are economic engines that have earned huge returns for Ontario business, industry, citizens and the government. They are social and economic "profit generators", not "cost centres".

Ontario's colleges provide educational opportunities for over 75,000 new students each year. The vast majority of college programs provide career focused education that is needed for success in the workplace.

In 2003, Ontario colleges ranked 47th of 60 provinces and states in college operating expenditure per FTE and 46th of 60 for college tuition and fees as a percent of total operating expenditures. In 2005/06, a significant funding investment from the province raised the total college grant and fee levels to \$7,300 per student. While the new funding has brought Ontario colleges up to 80percent of the 2003/04 national average, they still remain in 10th place compared to 2003/04 funding levels in other provinces.

Ontario colleges receive less funding per student than public secondary schools or universities. On a per student basis, in 2005/06 college students were funded by the Ontario government at a level 38.3percent less than a university student and 47percent less than a secondary school student.

Ontario colleges are significant engines of the Ontario economy but they are the most poorly funded in Canada. Quality programs and the requisite funding are critical to Ontario's competitive future. It is up to the government to ensure the college system is able to provide the best skilled workforce through high quality, properly funded programming. The next 20 years will be critical for Ontario's labour force. The aging population and the low birth rate will result in a critical shortage of skilled workers in key sectors of our economy. Increased investment in Ontario colleges of applied arts and technology is therefore not only a wise investment in human capital but also a sensible fiscal investment.

Colleges Ontario has stated that it will require a minimum of \$400 million over the next four years to bring Ontario colleges in line with the national average.



Investing in colleges today will reap tremendous rewards in the future for students, businesses, communities and the province as a whole. Ontario's colleges create job-ready citizens, more competitive businesses, thriving communities and a better Ontario.

## **RECOMMENDATION**

The Ontario Chamber of Commerce urges the Government of Ontario to:

Within the current spending envelope, increase operating funding to the Ontario Colleges of Applied Arts and Technology by 2012 to bring college funding in line with the Canadian average.



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