



EDUCATION:

Education & Training Policies

October 2006

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This document has summarized the OCC policies related to education in the province of Ontario. It also includes references to approved OCC resolutions, and a list of existing legislation and bills in the legislature.

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EDUCATION & TRAINING POLICY

Ontario must be able to produce, attract and educate individuals that will be able to contribute significantly to reducing the province's prosperity gap. A more innovative workforce will lead to increased productivity which is critical to Ontario's success. This can only be achieved when government, businesses and individuals continue to invest in education and training.

The Ontario government must pursue policies that will encourage both businesses and individuals to make investments in further education and training. The OCC has developed a number of resolutions that, if adopted, will assist the government in undertaking an aggressive plan of action in regards to the skills shortage in Ontario.

SKILLED LABOUR SHORTAGE

SUPPORTING APPRENTICESHIP TRAINING

The education and training system in Ontario is not producing enough skilled trades workers to meet current industry demand, and this shortage will impede Ontario's businesses' ability to compete, grow and prosper. An aging workforce, combined with a shortage of young people entering the skilled trades, threatens the future prosperity of Ontario's economy.

In this dynamic global marketplace, Ontario businesses rely on highly skilled and educated individuals to be competitive. Based on our research, Ontario will face a shortage of about 100,000 skilled trades workers in the manufacturing sector over the next 15 years, due to retirement.

This shortage will not only affect business

but will also have a substantial impact on government revenues. The Ontario Chamber of Commerce has identified a 430 per cent return on investment from apprenticeship training. That is, for every one dollar invested in training a manufacturing apprentice, there is a \$4.30 return on that investment. If these 100,000 retiring skilled manufacturing employees are not replaced, over the next 15 years the provincial and federal governments would stand to lose between \$1.2 billion and \$1.3 billion in combined taxation revenue. That is about \$82 million per year in lost tax revenue from the manufacturing sector alone - almost enough to train 650 tool and die makers per year over the next 15 years. The impact to Ontario's economy will be the cumulative loss of some \$43 billion by 2020. To prevent this potential loss, business and government need to invest \$10 billion to train another 100,000 workers in skilled trades, just to offset the loss from retirement, according to our report.

Industry groups such as Ontario Forestry Association, and the Canadian Tooling and Machining Association (CTMA) have reported that approximately one-third of skilled trades people will need to be replaced, over the next two to five years, due to retirement. A total of 52 per cent of skilled trades people are expected to retire within the next 15 years and 45 per cent of all steel trades people will retire in the next five years. If those workers are not replaced by 2020, Canada will be short one million workers.

The Ontario Chamber of Commerce urges the Government of Ontario **to work with the federal government and private sector to promote careers in the skilled trades, and encourages the Canadian Apprenticeship Forum and Skills Canada to promote skilled trades to the primary influencers of students.** (see Appendix 1, page 20)

There are currently over 700,000 students

attending 830 secondary schools in the public and separate school systems in Ontario. When Canadian high school students were asked what their intentions were upon graduation, 83 per cent responded that they plan to attend college or university but only 51 per cent actually do. A very small number enroll in apprenticeship programs, and the remainder go straight to work, travel, or become unemployed.

The Ontario government must create a permanent and clearly defined process to provide students ready access to skilled trades training. (see Appendix 1, page 20)

Human Resources Development Canada (HRDC) estimated that over the next five years, occupations that require less than high school education will account for under six per cent of new job opportunities, while more than 70 per cent of new jobs will require at least some post-secondary education. Despite the recognized value of achieving a

high school education, it has been reported that as many as 32 per cent of students in Ontario do not finish high school.

The Ontario Chamber of Commerce urges the Government of Ontario to sponsor a coordinated effort among all stakeholders to enhance the image of the skilled trades, with our youth, their parents and teachers. (see Appendix 1, page 28)

The four-year secondary school curriculum in Ontario is destination based; meaning high school students are focused on a final destination, be it college, university, apprenticeship, or straight to work. In order for students to make the right choices for themselves, they need to know early on what careers are available to them and how they can prepare for these jobs. Since high school students must begin to make choices for their future in Grade 9, they need to be exposed to the variety of careers available in Grades

7 and 8. This gives students a better idea of what they are working towards in high school and what courses are required to get there. There are approximately 700,000 high school students in Ontario's publicly funded system but only 20,000 employers are involved in schoolwork programs. New ways must be found to encourage employers to collaborate with the school system to ensure that students have access to workplace experience.

The Ontario Chamber of Commerce urges the Government of Ontario **to encourage business to offer experiential learning opportunities for cooperative education students (high school and college/university) and provide new opportunities and incentives to business to participate in providing classroom infrastructure and technical support.** (see Appendix 1, page 28)

SKILLS SHORTAGE – STATS AT A GLANCE

- 45 per cent of all tradespersons are expected to retire by 2006 (careersintrades.ca)
- 50,000 skilled trades people will be needed in the next five years (Canadian Tooling and Machining Industry)
- Over the next 10 years, Canada's industry will be short 81,000 employees (Mining Industry Training and Adjustment Council)
- A study by the APMA predicts a shortage of 14,468 industry jobs over the next 10 years (Skills Canada)
- Local 183 (largest local in North America) could lose between 5,000 and 7,000 workers out of its 24,000 members over the next five years due to retirement (Apprenticesearch.com); It is estimate that the shortage of workers in Canada's construction industry is between 35,000 and

60,000 workers (Skills Canada).

- In the manufacturing sector, there is an estimated 400,000 workers required in the next 15 years due to retirement (Canadian Labour and Business, 2004 and the Canadian Manufacturers and Exporters, 2005)
- Between 18,000 and 19,000 new jobs will be created within the next five years in the industry (Canadian Collision Industry Forum)
- Canada is already short between 25,000 and 60,000 workers (Canadian Construction Association)
- In the next two decades, 40 per cent of new jobs will be in the skilled trades and technologies. In 1998, that number was less than 20 per cent (skillswork.com)
- By 2007, more than one-third of jobs created in Canada will require a skilled trade designation or a college diploma (Job Futures 2000,

skillswork.com)

- By 2020, it is estimated that Canada could be short about one million workers (Conference Board of Canada, 2000)

NATIONAL APPRENTICESHIP CERTIFICATION PROGRAM

The Ontario government must work with the federal government and other provinces on establishing a national apprenticeship certification process for Canada. (see Appendix 1, page 29) 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 45 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. Unfortunately, Ontario has not made the Red Seal Program mandatory. The Ontario Chamber of Commerce urges the Government of Ontario to adopt the Red Seal Program as mandatory for Ontario designated apprenticeship trades and to work with the other provinces and territories to make the training and certification procedures and requirements uniform across Canada, facilitating a streamlined certification process. (see Appendix 1, page 29)

TECHNOLOGICAL CURRICULUM

Technological education is another essential tool to competitiveness and skills training. It allows students to experience first hand skills training and gives them the opportunity to visit work sites and interact with volunteer mentors. The current secondary school curriculum introduced technological education in grades 11 and 12 but it would be much more effective if it were introduced

to children at a younger age and carried through at all levels. The Ontario Chamber of Commerce urges the Government of Ontario to establish strong and sustainable technological education programs in elementary and secondary school curriculum in Ontario and to help facilitate the integration of technical education in schools by earmarking funding for teacher training in technological education. (see Appendix 1, page 32)

ELIMINATING BARRIERS

Ontario has become a destination of choice for many highly skilled and educated individuals from across the globe. Our province has accumulated a large pool of untapped talent and skill set that if utilized effectively could close the vast prosperity gap. However, many of these individuals are finding it very difficult to find jobs and build careers that they were trained to do in their home country. Ontario cannot afford to lose this valuable

resource of talent. Eliminating barriers for internationally-trained professionals and trades people is essential to enhancing Ontario's workforce and to combat any future skills trades shortage in Ontario.

The OCC recognizes and commends the government for the progress it is making to support internationally trained professionals and trades people. However, much more still needs to be done. The OCC recommends that the provincial government **continue to support and provide funding for the certification, licensing and accreditation of internationally trained professionals and trades people; and further encourage and support cooperative programs that help to integrate internationally trained professionals and trades people into Canada's business sector.** (see Appendix 1, page 36)

It is important that the government

continue to support and expand programs that allow foreign trained professionals and trades people to be recertified and integrated quickly into their field in Ontario's workforce. The Colleges of Applied Arts and Technology in Ontario are well positioned to provide bridging programs, ESL instruction, employment and placement linkages to Ontario employers, and other resettlement supports in communities across the province. The Ontario Chamber of Commerce urges the Government of Ontario **to develop and fund a postsecondary education process model for the integration of immigrants that would encompass a comprehensive suite of programs and services including information access, assessment services, advising and counseling; and education and training programs for immigrants within the communities they serve.** (see Appendix 1, page 40)

The OCC also encourages the Ontario

Government to work with municipalities, settlement agencies, business organizations and other stakeholder groups across the province to develop incentives and supports to industries and municipal governments to enable the resettlement of immigrants throughout the province. (see Appendix 1, page 40)

FUNDING

CO-OPERATIVE EDUCATION TAX CREDIT

Improvements to the existing Co-operative Education Tax Credit (CETC) would encourage more employers to hire more co-op students. This would make talented future employment prospects more accessible to small and medium sized businesses in the Province and would help more highly skilled and experienced post-secondary graduates entering the workforce.

Through co-operative education, students

benefit from the opportunity to practice the latest theories and approaches in their particular discipline. Students gain particular benefit from co-op work terms at small and medium sized businesses. There, they can more transparently see business strategy develop, participate more fully in several aspects of the business and develop a taste for entrepreneurship. Improvement to the current program will encourage more co-op participation by small and medium sized firms.

The Ontario Chamber of Commerce urges the Ontario Government to increase the current \$1,000 Ontario Co-operative Education Tax Credit (CETC) from \$1,000 to \$2,500 per work term for each co-op student and raise the eligible expenses from 10 per cent to 25 per cent and lobby the federal government to match the CETC for a total of \$5,000. (see Appendix 1, page 41)

STRATEGIC RE-INVESTMENT IN UNIVERSITIES

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 global marketplace.

The OCC applauds the Ontario Government for the number of programs they have introduced targeting education and training, including the \$6.2 billion for universities, colleges, training and apprentices by 2009-10 in support of skills development and postsecondary education. However, even with this cash infusion, universities and colleges in Ontario still remain under-funded. In the spring 2005 budget, the government announced a plan to increase funding for Ontario universities by more than half a billion dollars per year over the next five

years. While the government has addressed a pressing need with this initiative, provincial funding to universities will still remain below the level seen in the mid-1990s.

The OCC understands the dilemma the government currently faces in regards to providing more funding towards post-secondary education. The OCC believes there are multi-faceted solutions to help resolve this dilemma. **The Ontario Chamber of Commerce urges the Government of Ontario to allow post-secondary institutions the flexibility to determine fees, on a program by program basis to be determined by value and market conditions.** (see Appendix 1, page 44). Granting universities this authority will allow them to align tuition with the actual cost of delivering the program.

The OCC also urges the Government of Ontario **to examine the Blair government model in Great Britain where flexible tuition**

fees for institutions are matched by special grants and tuition subsidies for lower income students – those who can afford to contribute to the cost of their education do so. Loans are available that provide for repayment rates based on income after graduation. (see Appendix 1, page 44).

FUNDING FOR COLLEGES

Ontario's colleges are significant engines of the Ontario economy but they rank as the lowest funded in Canada. Quality programs and the required funding are critical to Ontario's competitive future. While there has been investment and promotion of the skilled trades/apprenticeship programs to secondary school students in recent years, Ontario colleges have not seen an increase in their funding that would help them to address the skilled workforce shortage through training and education. 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.

The Ontario Chamber of Commerce urges the Government of Ontario to increase funding to the Ontario Colleges of Applied Arts and Technology of approximately \$90 million per year for the next four years, resulting in an additional \$1,600 per student in operating funding over the four years. (see Appendix 1, page 48)

INCREASING POST-SECONDARY FUNDING

In order to maintain our current competitive advantage, the Ontario government, and Ontarians, must invest more in the province's postsecondary education system. While funding for Ontario's colleges has started to turn around in the past year, the capacity of Ontario's colleges to serve the province is still threatened by the cumulative impacts of past chronic under-funding. Higher funding levels are needed if we are to restore our most

significant competitive advantage, according to a report released by the Association of Colleges of Applied Arts and Technology of Ontario.

A post-secondary education has substantial private benefits to students. The private economic benefits to graduates of undertaking higher education are significant. The economic benefits of obtaining a degree, diploma or trades certificate includes higher salaries and wages, more rapid career advancement and earning growth, increased job satisfaction and reduced chances of unemployment.

To realize these benefits, students must also incur additional costs, in the form of tuition and other student fees, books and materials while studying. However, studies have shown the post-tax, real private rate of return to university education is between 14-17 per cent for men, and between 15-19 per

cent for women. Estimated rates of return to college education were similar, if not higher, since direct costs are lower and duration of study is shorter.

As a result of these substantial private rates of return we believe the Ontario government should institute a number of taxation changes and tax incentives to make the financing of post-secondary education more manageable and attractive. Post-secondary education is of benefit to both the individuals who participate in it and to society in general. Government needs to make a number of policy changes to increase the level of public and private investment in the post-secondary system to ensure Ontario's skilled and education work force remains one of our key competitive advantages. **The Ontario Chamber of Commerce urges the Government of Ontario to use the tax system to facilitate greater private investment in post-secondary education**

and postsecondary institutions. (see Appendix 1, page 50)

STAY IN SCHOOL INITIATIVE

Some reports indicate that as many as 32 per cent of all students in the Province of Ontario do not complete their secondary school diploma, resulting in an unacceptably high number of youth who are ill prepared to secure meaningful employment or pursue post secondary education.

The OCC commends the Ontario Government for identifying the high drop out rate as a priority and introducing legislation to keep students in school until the age of 18. However, without proper funding, secondary schools are challenged to provide alternatives that engage all student populations.

Additionally, the lack of technical skills centers in most communities across the province means the majority of elementary

and secondary school students do not have the option to experience a curriculum that profiles skilled trades as a viable career option.

The Ontario Chamber of Commerce urges the Government of Ontario to allocate resources and permanent funding to establish programs and leaders throughout the province to develop technical high school skills learning centres that allow for the optimal usage of facilities and provides equal access to all students regardless of career choice. (see Appendix 1, page 53)

The Ontario Chamber of Commerce urges the Government of Ontario to provide permanent funding within the current funding envelope to school boards to deliver "School to Work" programs such as, School within a College, that provide a second chance for those students who may otherwise not complete their secondary

school diploma. (see Appendix 1, page 53)

CERTIFICATION FOR COGNITIVELY CHALLENGED WORKERS

The Canadian Association for Community Living states that 65 per cent of adults with intellectual disabilities are unemployed and 80 per cent of these adults live below the poverty line. The unfair disadvantage is solely due to their disability, making it difficult to access the necessary training which could potentially lead to higher paid employment. Limited access is a result of the lack of specialized training institutions.

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 are a large number living with intellectual disabilities that have the functional capacity to achieve a higher level of education after high school. However, in Ontario individuals

with intellectual disabilities 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.

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

- **Explore and support certification programs designed to give workers with intellectual disabilities the skill sets that would enable them to earn self-sustaining wages.**
- **To work with local and federal governments to develop a grant system that subsidizes the participation of workers with intellectual disabilities in these specialized certification courses, in particular co-op placement for entry-level jobs.**
- **To support the establishment of 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. (see Appendix 1, page 56)

MINERAL AND MINING EXCELLENCE STRATEGY

Provincial education and research related to mining is scattered in small programs largely in southern Ontario. As a result, no institution or region has the critical mass to attract the best students and researchers from around the world who can drive technical and economic development.

Northern Ontario is the prime producer of nickel, gold and copper. It also has a diverse and favourable geology including a highly developed mining service and support sector. Many of the world's foremost authorities

on geology and minerals are based within the region along with a strong network of expert government staff and a highly skilled and knowledgeable workforce. The OCC recognizes the government's commitment to the mining sector by its recent investment of \$10 million towards the Centre for Excellence in Mining Innovation at Laurentian University in Sudbury. The OCC urges the government to invest further by creating a single provincial cluster for mining research and education located in the main mining region of the province, by concentrating provincial resources, including education and innovation funding. (see Appendix 1, page 58) This investment will assist in meeting Ontario's goal of becoming North America's top performing jurisdiction for research and development.

Supporting Apprenticeship Training

(adopted May 6, 2006)

ISSUE:

An aging workforce, combined with a shortage of young people entering the skilled trades, threatens the future prosperity of Ontario's economy.

BACKGROUND:

For Ontario's manufacturers, as well as economic sectors like the construction industry, one of the biggest problems today is the shortage of skilled labour. This problem is particularly acute in trades that have traditionally developed new workforce entrants by means of apprenticeship programs. The supply of young people entering the workplace is decreasing; the total labour force is aging; and the immigration to Canada of skilled trades-people has declined. Canada does not train

enough apprentices nor does the education system and Canadian social perception value a career in skilled trades. Parents have not encouraged their children to enroll in job training programs such as apprenticeship programs, and instead want them to grow up to be lawyers, doctors or accountants. Statistics also show that employers do not invest in skilled trades training at the same levels as their competitors in other industrialized countries.

The provincial and federal governments are aware of these issues, and have launched a number of programs designed to inform and educate young people about opportunities in skilled trades and apprenticeship, and to support and encourage employers to participate in apprenticeship programs. Businesses and business groups have also joined in promoting skilled trades and apprenticeship programs, particularly in educating employers regarding existing

programs to support such training.

Given that skilled trades play a strategic importance to our economy along with the fundamental role played by employers in providing education and training in those areas, we believe that more needs to be done. The Ontario government already supports employers by providing training opportunities through the “Co-operative Education” credit that provides up to \$6,000 per student over two years to employers training students in industries identified as “leading edge technologies”. We believe that the role of employers in ensuring sufficient opportunities for apprenticeship training in skilled trades is equally important.

RECOMMENDATIONS:

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

1. Extend the existing Ontario “Co-operative Education” tax credit from industries defined

as “leading edge technologies” to include all employers participating in apprenticeship training programs.

2. Assess the economic impacts of the tax credit to determine if it is adequate to contribute positively to the desired outcome of reducing the skilled trades shortage.

Skills Agenda

(adopted April 30, 2004)

ISSUE:

A skilled workforce is critical to Ontario’s competitiveness. The global economy has Ontario competing against many other regions to secure business and social investment. So far, an important competitive advantage for our province has been its skilled workforce. However, Ontario’s ability to continue to compete on this basis cannot be taken for granted.

BACKGROUND:

Like other industrialized countries, Canada's population is aging and its birth rate is relatively low. At the same time, our province will continue to expand economically and the demand for skilled labour will continue to increase. Some industries in Ontario already face acute labour shortages.¹ If these labour shortages are to be minimized, we need to ensure that our feeder group – the population aged 15 to 19 years old – are educated, skilled, and knowledgeable about career options. We also need to ensure that skilled immigrants are fully employed in their areas of expertise as soon as possible upon arrival. Clearly, if Ontario is going to maximize its competitive skills advantage, action needs to be taken to ensure that the talents and skills of our youth and immigrants are fully developed and recognized.

There are currently over 700,000 students attending 830 secondary schools in the public

and separate school systems in Ontario. When Canadian high school students were asked what their intentions were upon graduation, 83 per cent responded that they plan to attend college or university but only 51 per cent actually do. A very small number enroll in apprenticeship programs, and the remainder go straight to work, travel, or become unemployed.

Human Resources Development Canada (HRDC) estimated that over the next five years, occupations that require less than high school education will account for under six per cent of new job opportunities, while more than 70 per cent of new jobs will require at least some post-secondary education.² Despite the recognized value of achieving a high school education, some reports indicate as many as 32 per cent of students in Ontario do not finish high school. These youth will have to compete for the six per cent of jobs that require less than high

¹ For example those industries involved in die casting, plastics, metal fabricating and tooling and machining face a critical shortage of workers.

² Knowledge Matters: Skills and Learning for Canadians, Canada's Innovation

Strategy, 2002.

school education, which is why this group has an unemployment rate of 18 per cent compared to seven per cent for youth who have a university degree.³

The new four-year secondary school curriculum in Ontario is destination based. Meaning high school students are focused on a final destination, be it college, university, apprenticeship, or straight to work. In order for students to make the right choices for themselves, they need to know early on what careers are available to them and how they can prepare for these jobs. Since high school students must begin to make choices about their future in Grade 9, they need to be exposed to the variety of careers available in Grades 7 and 8. This gives students a better idea of what they are working towards in high school and what courses are required to get there. There are approximately 700,000 high school students in Ontario's publicly funded system but only 20,000 employers are

involved in schoolwork programs. New ways must be found to encourage employers to collaborate with the school system to ensure that students have access to workplace experience.

The student population of any one school in the province is determined by the demographics of the population living in the schools catchment area. While one high school may have a student population that is university bound, other high schools may have the opposite. The report by the Education Equality Task Force, 2002 (the Rozanski report) recognized that the needs of students in one jurisdiction were not necessarily the needs of those in another. The same principle applies to schools within boards. School boards need to ensure that their principals have the flexibility to respond to the needs of their student body.

According to Statistics Canada, trade/

³ Knowledge Matters: Skills and Learning for Canadians, Canada's Innovation Strategy, 2002.

vocational and preparatory training enrolments have declined 22 per cent between 1995/96 and 1999/2000. Universities were designed to get most of their student population directly from high school. The same cannot be said for the trade/vocational route. In 2001, only 40 per cent of total college registrants came from secondary school. Historically, the average age of those entering apprenticeship programs in Ontario is 27 years old, which leads to talents being wasted even lost permanently.

Last year, the federal government completed national consultations on innovation and learning and found a consensus that the number of apprenticeships needed to be increased. Human Resource Development Canada (HRDC) and Ontario's Ministry of Training, Colleges and Universities have committed to promote careers in the skilled trades and change perceptions of jobs in skilled trades. While this is a good step much

more needs to be done by the government and private sector to ensure that young people and their influencers have the facts on skilled trades.

The Ontario government's Pre-Apprenticeship Training Programs that are targeted at individuals who are already out of school is a step in the right direction but not nearly enough. The program has spent \$7.1 million to support job skills and trade readiness over the past two years but the government's own estimate is that the pre-apprenticeship program has helped only 750 people from across Ontario. This needs to be dramatically increased. Pre-apprenticeship and other bridging models must become as familiar a part of the education and training landscape as university and college programs.

Each year the province receives over 100,000 immigrants – approximately 60 per cent of all immigrants to Canada. These immigrants

are highly skilled (the province estimates that 72 per cent of these immigrants have some post-secondary education and/or training).⁴ According to the federal government, despite having a higher level of education immigrants face an increasingly difficult time in the jobs market and suffer economic loss because their education is not recognized. These immigrants represent the majority of underutilized Canadians who lose between \$4.1 billion and \$5.9 billion in income each year according to the Conference Board of Canada.⁵ This is because employers are either not hiring new immigrants or they do not know how to verify foreign credentials using the existing World Education Service and other credentialing services.

RECOMMENDATIONS:

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

1. Partner with the Ontario College of Teachers, colleges and industry training

centres, to create hands-on courses for teachers that will focus on educating them about new and emerging careers, the labour market, and career opportunities in various sectors including the skilled trades.

2. Amend the provincial funding formula to provide flexibility to school boards in Ontario to grant school principals greater scope in budgeting and staffing in order to better respond to the needs of their particular student bodies in allocating their budgets to assist with career planning and readiness.

3. Work with the federal government and private sector to promote careers in the skilled trades, and encourages the Canadian Apprenticeship Forum and Skills Canada to promote skilled trades to the primary influencers of students.

4. Create a permanent and clearly defined process to provide students ready access to skilled trades training. This includes regular communication by the province of apprenticeship intakes and the establishment

⁴ "Integrating International Trained and Educated Professionals and Trades people into Ontario's Economy," Access to Professions and Trades Unit, Ministry of Training, Colleges and Universities, August 2002.

⁵ "Brain Gain: The Economic Benefit of Recognizing Learning and Learning Credentials in Canada," The Conference Board of Canada, 2001.

of a standard application process for entrance into vocational training.

5. Provide enhanced funding to more equitably address the needs of students who are not college or university bound.

Narrowing the Skills Gap

(adopted May 6, 2006)

ISSUE:

Ontario businesses are increasingly having trouble finding the skilled and talented people they need to compete in the global knowledge-based economy, thereby constraining Ontario's competitiveness, productivity and economic progress.

BACKGROUND:

Recent research from prominent organizations proves that businesses are having trouble finding the skilled and talented people they need.

Manpower Inc.'s (the world's leading staffing firm) January 2006 survey of 1,000 Canadian employers found that that 66 per cent are having a tough time finding qualified job applicants.

The Canadian Federation of Independent Businesses 2002 survey of 6,740 small and medium-sized business owners found that 50 per cent were concerned with the shortage of qualified labour and 60 per cent said it would be harder to find employees in the next three years.

The Conference Board of Canada 2002 employer survey found that significant numbers of government and private sector organizations were experiencing skills shortages and projected that the trend would intensify in next three to five years especially for particular occupations (professional and technical positions, senior management and executives, middle managers and supervisors)

The Hamilton Training Advisory Board 2005 survey of 200 small and medium-sized Hamilton businesses found that skills shortages, recruitment and succession planning were three of their top-five HR issues.

The Ontario Chamber of Commerce reports that 52 per cent of skilled trades people are expected to retire within the next 15 years and 45 per cent of all steel trades people will retire in the next five years. The same report states that by 2020, if those workers are not replaced, Canada could be short one million workers.

RECOMMENDATION:

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

Establish a task force to:

1. Document the best practices of local organizations across Ontario that are successfully leading community-based

workforce development;

2. Examine the feasibility of establishing a program that would reward the leading organizations with additional resources, support and exposure; and

3. Collaborate with the leading organizations, such as Chambers of Commerce and Boards of Trade, to construct and promote a workforce development model that can be customized by other Ontario communities to meet their unique needs.

Apprenticeship

(adopted May 6, 2006)

ISSUE:

The current education and training system in Ontario is not producing enough skilled trades people to meet current industry demand and this shortage could impede Ontario businesses' ability to compete and grow.

BACKGROUND:

Apprenticeship training allows employers to provide apprentice employees with on-the-job training and is based on provincial standards developed by the industry and endorsed by the Ontario government. Currently, there are over 200 apprenticeship trades in Ontario and employers assume about 85 per cent of the cost of training apprentices through wages and time invested into training.

The Ontario Youth Apprenticeship Program (OYAP) allows high school students to complete studies for their high school diploma while they work at an apprenticeship for co-operative education credits.

Industry groups such as Ontario Forestry Association, the Auto Parts Manufacturers Association (APMA) and the Canadian Tooling and Machining Association (CTMA) have reported that approximately one-third of skilled trades people will need to be

replaced, over the next two to five years, due to retirements. More needs to be done to ensure that Ontario has the necessary skilled workers to remain globally competitive.

We have traditionally relied on immigration to meet our shortage of skilled trades people. However, a "Made in Ontario" solution would allow the province to produce more of our own skilled workers through apprenticeship programs and would provide a better solution to the current skilled trade shortage.

It is interesting to observe that our government substantially funds our colleges and universities, but private industry bears the majority of apprenticeship training costs. In Europe, up to \$5,000.00 per employee is available from the government for training, and even larger credits are available in the southern United States.

The availability of skilled labour is a key factor when industry decides where to locate new

investment.

Furthermore, more needs to be done to enhance the image of skilled trades. Skilled trades workers earn above average incomes and career earnings rival those of many accredited professions. Statistics Canada indicates that the unemployment rate for tool and die makers is less than 0.7 per cent, which signifies a high demand.

The Thunder Bay Chamber of Commerce believes that a review of the current funding for technological equipment at the elementary and secondary school level is required to ensure the competitiveness of Ontario's education system. The current funding benchmarks were set at 1997 levels and must be adjusted to reflect the advancements in technology, and the increased demand for computer and other similar learning materials, which represents an important component of student curriculum.

RECOMMENDATIONS:

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

1. Sponsor a coordinated effort among all stakeholders to enhance the image of the skilled trades, with our youth, their parents and teachers.
2. Redirect and target funds for technical education in Ontario's schools, including investing in pupil places, qualified teachers and modern equipment and technology, so that Ontario is positioned to provide world-class programs in technology education.
3. Encourage business to offer experiential learning opportunities for cooperative education students (high school and college/university) and provide new opportunities and incentives to business to participate in providing classroom infrastructure and technical support.

National Apprenticeship Certification Process

(adopted April 30, 2005)

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 should work with the federal government and other provinces on establishing a national apprenticeship certification process for Canada.

BACKGROUND:

The Government of Canada recognizes that Canada's future competitiveness depends on a highly skilled work force. They have recently announced the formation of a new Apprenticeship Advisory Committee to consult with business, labour and provincial and territorial governments to support its

Workplace Skills Strategy.

Currently, the Government of Canada's Apprenticeship and the Interprovincial Standards "Red Seal" Program (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 forty-five 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 specifically set out 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 that would augment this process. A National Occupational Analysis (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:

- Streamlined, uniform procedures for training and certification
- A uniform process for the assessment of prior learning
- Benchmarks 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 for relocation of 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 the Red Seal 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 over the long-term to develop a national certification process for apprenticeship by 2008 through the Red Seal Program.

Supporting Technological Education in Ontario's Curriculum

(adopted May 1, 2004)

ISSUE:

Developing multi-year plans for renewing and supporting technological education programs in the secondary school curriculum in Ontario is essential to competitiveness and skills training.

BACKGROUND:

Technological education is vital to a strong and successful co-operative education and

the Ontario Youth Apprenticeship Program (OYAP). Sustainable technological education relies on strong community and industry partnerships.

The technological education program in Grades 11 and 12 encompasses both broad-based technology (which includes communications, construction, health, hospitality, manufacturing, and transportation) and computer studies, each involving a unique approach to curriculum content and delivery. The Ontario curriculum, grades 11 and 12: Technological Education 2000, was implemented in 2001 for grade 11 students and the new curriculum was implemented in 2002 for grade 12 students.

Under the former government, the new curriculum was followed by the implementation of the Technological Education Renewal Initiative, or TERI, which is a four-year \$90 million funding initiative to

refurbish and update the capital equipment required to offer courses in the Broad Based Technology and Computer Studies subject areas in the Ontario curriculum.

In the 2003-04 school year, the first year of TERI, \$8 million dollars was allocated to district school boards. The 2003-04 TERI allocations to boards are comprised of base funding plus an amount to reflect enrolment in technological education. District school boards received their 2003-04 TERI funds from the Ministry in September 2003.

Schools are to develop multi-year plans for renewing the technological education programs. Some components of this planning include: developing community partnerships, supporting student success on the literacy test, planning clear pathways for students, relating the plan for technological education to the school's plan for continuous improvement, planning for at-risk students,

incorporating experiential learning.

In 2003-04 schools and boards report back on how they have allocated the funds to support technological programs. An interim report is due back to the Ministry in February 2004. A final report is due back to the Ministry in May 2004.

The philosophy that underlies the teaching of broad-based technology is that students learn best by doing. The curriculum in this area takes an activity-based, project-driven approach to learning that provides students with knowledge, skills, and experiences in the subjects of their choice.

In each technological education course, students assess related education and career opportunities and requirements, as well as the pathways from school to work. Where possible, students will visit work sites and interact with volunteer mentors. In addition,

by learning to work independently and cooperatively to complete relevant tasks and produce useful products, students will appreciate and understand the expectations of the workplace.

Technological education programs lend themselves well to planned learning activities outside the classroom. Wherever possible, students should be encouraged to participate in programs such as cooperative education, school-work–transition programs (including the Ontario Youth Apprenticeship Program), and programs related to articulation agreements. In general, technological education programs should be designed to take advantage of local opportunities for students to combine work experience and classroom learning. Programs may also be modified to reflect community needs. In-class and out-of-class components must be carefully matched and monitored so that students' learning experiences are relevant

and authentic.

As with most education programs, technological education programs would be most effective if introduced to children at a young age and carried through at all levels. In some cases, introduction of technological education in grades 11 and 12 may be too late. It is important to build these skills into the primary education system and to embed children with the tools needed to further their education on all levels.

The 2003 Ontario Budget contained total gross capital expenditure of \$3,170 million, of which \$258 million was allocated to “other” initiatives such as technological education, though it is unclear how much of the amount is specifically dedicated to technological education. This amount represents only eight percent of the total expenditures. The plan is part of the SuperBuild capital investment plan for 2003-2004, now that SuperBuild

no longer exists it is important that the new government clarify their commitment to technological education and that the TERI continue.

RECOMMENDATIONS:

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

1. Establish strong and sustainable technological education programs in elementary and secondary school curriculum in Ontario.
2. Help facilitate the integration of technical education in Ontario’s schools by earmarking funding for teacher training in technological education.
3. Continue to recognize the importance of technological education by supporting the Technological Education Renewal Initiative (TERI) and to clarify its commitments in this area.

Eliminating Barriers for Internationally-Trained Professional and Trades People

(adopted May 1, 2004)

ISSUE:

Eliminating barriers for internationally-trained professionals and trades people is essential to enhancing Ontario's workforce and to combat any future skills trades shortage in Ontario. It is important that the government continue to support programs that allow foreign trained professionals to be recertified in their specific field, and to find gainful employment within Ontario.

BACKGROUND:

In today's competitive marketplace, a company's performance is directly tied to the skills of its executives and skilled workers.

The McGuinty government is investing in

new programs to help internationally-trained trades people and professionals continue their careers in Ontario and contribute to the province's economic growth. Ontario's prosperity depends on building an economy based on superior skills and high standards. The skills that immigrant professionals and trades people bring to Ontario are a brain gain for the economy. In February 2004, the McGuinty government announced a \$4 million investment over three years in projects and services to remove barriers that prevent the internationally-trained from pursuing their careers in Ontario.

This investment will help strengthen bridge training programs for internationally-trained individuals, including teachers, engineering technicians and technologists, pharmacists and medical professionals and technologists. The Bridge Training Program supports the development and implementation of sustainable projects that expedite licensing

and accreditation of qualified immigrants for employment in strategic skills areas. Projects are offered by sector-based partnerships including employers, educational institutions, occupational regulatory bodies, and community agencies.

Recent investments include:

Bridge Training Project for Teachers

More than \$1 million over 18 months will be invested through a partnership with the Ontario College of Teachers, the project will provide assistance or services to more than 2,000 internationally-trained teachers to ensure they have the skills to be educators in Ontario's publicly funded school system.

CON*NECT

This is an investment of \$611,750 for one year. CON*NECT will develop a system within Ontario's colleges that will allow the internationally-trained to put their skills

and experience to work in Ontario, without duplicating prior training. The Ministry of Training, Colleges and Universities launched CON*NECT in partnership with the Colleges of Ontario Network for Education and Training, George Brown College, Centennial College and Fanshawe College.

Career Bridge

An investment of \$701,000 for three years, Career Bridge is an internship program for the internationally-trained. Career Bridge gives employers in the Greater Toronto Area access to qualified, experienced, skilled immigrants in sectors including information technology, engineering, manufacturing, sales and marketing, as well as accounting and finance. Currently, 27 employers have committed to place 45 interns while 43 internationally-trained individuals are now working and developing Canadian experience. Career Bridge is undertaken in cooperation with the Toronto City Summit Alliance.

The Ontario economy requires a solid supply of skilled and experienced workers. Without skilled labour, Ontario cannot compete in the global marketplace. As the province's population ages and as people retire in growing numbers, more and more of our labour force will be internationally trained. It is vital that the Ontario government help immigrants continue their careers in Ontario and ensure that their programs are effectively put into place to help internationally trained workers receive certification and gain access to employment in their elected fields. It is also important the government work to improve access for immigrants to education, training and apprenticeship programs.

RECOMMENDATIONS:

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

1. Continue to support and provide funding for the certification, licensing, and accreditation of internationally trained professionals and

trades people in accordance with Ontario's standards.

2. Provide bursaries directly to internationally trained professionals and trades people to facilitate recertification in Ontario.

3. Further encourage and support cooperative programs that help to integrate internationally trained professionals and trades people into Ontario's business sector and ensure that they are in compliance with, and familiar with, Ontario's standards.

4. Work with the federal government and business partners to assist in making businesses across the province aware of the existence of World Education Service and other credentialing services and encourage their use.

Integrating Immigrants into the Ontario Workforce

(adopted May 6, 2006)

ISSUE:

Without the funding by the Province of Ontario in programs and supports that are offered by Colleges of Applied Arts and Technology to assist the integration of immigrants into the Ontario Workforce, the economy will not be able to prosper and meet global productivity levels.

BACKGROUND:

The Ontario economy is facing very significant challenges: an aging population, fast-paced technological changes and globalization that has brought new competition to our doorstep. These challenges could have a profound impact on the health of our economy and the standard of living of all Ontarians.

The most direct effect of an aging population is a skills shortage. The problems created by skills shortages are already beginning to have an impact. According to the Ontario Chamber of Commerce, approximately 52 per cent of skilled trades people are expected to retire within the next 15 years. The same report also states that by 2020, if those workers are not replaced, Canada could be short one million workers.

At the same time, the knowledge-based global economy demands highly skilled workers. The accelerating pace of technological change means their training cannot stop at age 22. It will be necessary to continuously educate and re-train workers throughout their lives to update or transform their skill set to use new technology and meet new needs.

Most of the new pool of labour must be drawn from immigration. Currently, immigrants represent 30 per cent of all new

labour market entrants and according to the Ontario Ministry of Finance, new Canadians may be the only source of net labour force growth within the next decade.

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 trades people to be recertified quickly and integrate quickly into their field in the Ontario workforce.

The need for skilled employees exists across all industries and sectors across the province. Colleges of Applied Arts and Technology in Ontario are well positioned to provide bridging programs, ESL instruction, employment and placement linkages to Ontario employers, and other resettlement supports in communities across the province.

RECOMMENDATIONS:

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

1. Develop and fund a post-secondary education process model for the integration of immigrants that would encompass a comprehensive suite of programs and services including information access, assessment services, advising and counseling and education and training programs for immigrants, which each post-secondary institution can implement when facilitating the integration of immigrants within the communities they serve.
2. Work with municipalities, settlement agencies, business organizations and other stakeholder groups across the province to develop incentives and supports to industries and municipal governments to enable the resettlement of immigrants throughout the province.

Improvements to Ontario's Co-operative Education Tax Credit

(adopted April 30, 2005)

ISSUE:

Improvements to the existing Co-operative Education Tax Credit (CETC) would encourage more employers to hire more co-op students. This would make talented future employment prospects more accessible to small and medium sized businesses in the province and would help develop more highly skilled and experienced post-secondary graduates entering the workforce.

BACKGROUND:

Since its inception at the University of Waterloo in 1957, co-operative education programs, which combine academic study with alternating terms of paid work experience related to academic studies, have benefited Ontario students, employers and

post-secondary institutions. There are now 38 institutions offering 650 co-op programs for more than 40,000 co-op students in colleges and universities in Ontario.

Through co-operative education, students benefit from the opportunity to practice the latest theories and approaches in their particular discipline. Co-op work experience augments classroom experience. Work terms, in a variety of industries, give students a competitive edge when entering the workforce.

Students gain particular benefit from co-op work terms at small and medium sized businesses. There, they can more transparently see business strategy develop, participate more fully in several aspects of the business and develop a taste for entrepreneurship. Improvements to the current program will encourage more co-op participation by small and medium sized firms.

According to Education at Work Ontario Inc. (EWO - formerly Co-op Ontario), co-op students are half as likely to need student assistance (OSAP) as non-co-op students. By borrowing significantly less they also have lower education debt loads. Co-op students are more successful in gaining permanent employment after graduation, earning higher salaries and wages and paying commensurately higher income taxes than non-co-op-students. They are also more likely to find permanent employment more closely related to their studies than regular students.

The Co-operative Education Tax Credit helps to create employment opportunities by providing corporations and unincorporated businesses with a refundable tax credit for hiring post-secondary education students. Employers hiring co-op students are able to fill temporary human resource needs during staff leaves or for short-term projects.

Because of the co-op students' up-to-date understanding of technology, often these projects explore business alternatives or de-risk technology choices for companies which then in turn enables companies to grow. Co-op placements lower future recruiting costs provide opportunity to mentor bright and enthusiastic students, and train future employees/colleagues to help build their business. Employers are also able to build a link to universities on which to form relationships with professors, laboratories, business schools and technology clusters.

Colleges and universities also benefit through strong relationships with business, industry and professions who provide valuable feedback about course curricula and content, enabling them to better meet the needs of the workplace.

EWO estimated (2002) that co-op students earn (before taxes) over \$378 million and

that Ontario employers that hired them saved over \$30 million as a result of their work.

With double cohort in 2004, we are at the beginning of a 4-5 year bulge of students competing for study related work terms. Something must be done or we risk a higher unemployment rate for our university and college students with a likely higher drop out rate as a result. A vibrant co-op system is one of the surest ways to attract students to universities and colleges from early high-school and to avoid the employment-malaise that is contributing to the K-12 crisis becoming prevalent in the U.S.

While the current provincial tax credit is an incentive, more could be done to encourage small and medium sized businesses to hire co-operative education students. Once administrative costs and training costs, among other costs, are considered, the current refundable tax credit to a maximum

of \$1,000 per student does not amount to a significant incentive for existing and potential employers. In comparison, employers in Quebec have tax credits that amount to almost three times the Ontario maximum.

The cost of an increase to this already existing program will likely be largely offset by an increase in tax revenue collected from the creation of these higher paying jobs and more qualified applicants. According to Sandvine Incorporated, a Waterloo based network technology company, co-op students they hire at \$15,000 for a four-month work term and new engineering grads starting at a salary of \$60,000, respectively pay approximately \$2,500 and \$14,000 in income tax.

To further support small and medium sized businesses in the province and provide more highly skilled and experienced post-secondary graduates entering the workforce, enhancement of the existing Co-operative

Education Tax Credit (CETC) would encourage more employers to hire more co-op students to help boost growth in their businesses and drive the Ontario economy.

RECOMMENDATION:

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

1. Increase the current \$1,000 Ontario Co-operative Education Tax Credit (CETC) from \$1,000 to \$2,500 per work term for each co-op student and raise the eligible expenses from 10 per cent to 25 per cent, and further that,
2. Lobby the Federal Government to match the CETC for a total of \$5,000

Strategic Re-investment in Ontario Universities

(adopted May 1, 2004)

ISSUE:

Ontario's universities provide us with a

unique economic advantage that is being quickly 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.

In the absence of a province-wide review of the entire education system from pre to post secondary levels - including skilled trades training, this recommendation attempts to address just one of the issues facing Ontario's education system and by association, its economy.

BACKGROUND:

Currently, Ontario ranks 10th and last among the provinces in university funding when measured against per student funding, per capita funding or by any other measure. Allowing for inflation and enrollment growth, operating grants for universities in Ontario declined by \$348 million between

1995/96 and 2000/01 according to a study – ‘University Funding Cuts: Shortchanging Ontario Students’ – released by the Canadian Centre for Policy Alternatives.

During this time Ontario has cut funding more than 59 of 60 jurisdictions in North America. Only Ontario and Hawaii have cut their total funding to universities over this period.

Over the past six years the funding gap between Ontario and the average of the other provinces has widened from \$1,114 per student to \$1,734 per student. In contrast, over the same period of time tuition and other fees paid by Ontario’s university students have increased by \$579 million or 69 per cent, according to the study.

For its part, the Provincial Government is committed to making improvements for post-secondary students and institutions, but at the same time is faced with the prospects

of a large deficit. While working on a long-term solution, tuitions have been frozen for a two year period.

The Premier himself has told us as recently as the Ontario Chamber of Commerce Business Achievement Awards that he wants to see Ontario develop its knowledge based workforce by modeling itself after the Massachusetts’s experience where 48 per cent of the population receives a university education compared to 28 per cent in Ontario. This is a noble ambition indeed - but hardly an achievable legacy under the current funding model.

These cuts in government grants and the shifting of the financial burden to students have severely restricted many potential students’ access to higher education and thereby undermine the principle of universality. In the long run, this will further damage Ontario’s competitiveness.

Ontario's Task Force on Competitiveness, Productivity and Economic Progress (generally known as the "Roger Martin Task Force") has documented a 10 per cent 'prosperity gap' between Ontario and comparable U.S. states, and a 15 per cent 'prosperity gap' between Canada as a whole and the United States. The Task Force identified our lower investment in post-secondary education and particularly the under-production of graduate degree holders, as a key factor in this prosperity gap. "Investment in education affects productivity and prosperity throughout our society".

Universities can and do contribute to the local economies of the municipalities where they are located and have a profound impact on the overall economy of the Province of Ontario. As an example, In London, it is estimated that, the University of Western Ontario:

- Creates \$1 billion+ of economic benefit in the community

- Sustains 15,000 direct jobs,
- Spends \$158 million in the acquisition of goods and services (\$74 million in London)
- Sees student spending of \$139 million (another \$129 million in London),
- Enables University visitor spending of \$19 million+ and,
- Western grads who elect to stay in London contribute another \$275 million to the local economy.
- and, Western pays approximately \$1.4 million annually in municipal taxes.

In 2001, the Council of Ontario Universities commissioned Enterprise Research Canada to produce a report on the Economic Impact of Ontario's Universities. It found that in 1998, the Province of Ontario invested just over \$2.1 billion in university education from which they received a return of more than

\$3.2 billion in revenues generated directly and indirectly by the university sector. This amounted to a return of 152 per cent or \$1.52 for every dollar invested in Ontario universities.

Summary

In the short term, we are faced with the challenge of chronic under-funding for universities compounded by a freeze on tuitions. At the same time we want universality in our education system with a fair funding formula for student tuitions. We claim to want our educational institutions to act more entrepreneurially but we prohibit them from doing so. These multi-faceted problems must be met with multi-faceted solutions. We therefore respectfully submit the following.

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 2007/08.
2. Allow post-secondary institutions the flexibility to determine fees, on a program by program basis to be determined by value and market conditions.
3. Examine the Blair government model in Great Britain where flexible tuition fees for institutions are matched by special grants and tuition subsidies for lower income students – those who can afford to contribute to the cost of their education do so. Loans are available that provide for repayment rates based on income after graduation.

Funding for Colleges of Applied Arts and Technology

(adopted May 1, 2004)

ISSUE:

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, when we need them. Ontario's severe shortage of skilled workers is hurting the province's ability to compete and thrive. 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.

BACKGROUND:

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". Colleges create a 12 per cent average return on taxpayer investment, and a 9 per cent average annual return to those who attend in terms of additional income. All provincial government investment in colleges is recovered in 10.7 years.

Despite decreasing provincial funding, colleges have increased enrolment significantly – 49 per cent – in the past 15 years, contributing most of the skilled workforce to Ontario's growing economy. Colleges have made significant productivity

improvements by reducing program hours and support infrastructure. They have not run deficits looking for bailouts. They have attracted significant corporate support for capital projects. Tuition fees have increased significantly and new sources of revenue have been actively pursued. Colleges now receive about \$4,700 in grants for each full-time student per year, down 44 per cent from over \$6,000 in 1989. While college enrolment has increased by 49 per cent over 15 years, there has been no additional funding provided to cover the costs of serving more students, collective agreement costs, inflation, increased energy costs, etc. Ontario colleges are now the lowest funded in the nation.

The Association of Colleges of Applied Arts and Technology has made a comprehensive case to government. It calls for an infusion of \$360 million over four years to move towards the national average of \$6,300 per

student by 2007/08, which would be invested in student access and success strategies, educational technology, instructional equipment, program renewal, staff renewal, apprenticeship, workforce development and economic development strategies. Currently colleges in Ontario receive \$4,700 per capita 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. There is an acknowledged shortage of skilled trades workers in Ontario. While there has been investment and promotion of the skilled trades/apprenticeship programs to secondary school students in recent years, Ontario colleges have not seen an increase

in their funding that would help them to address the skilled workforce shortage through training and education. 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.

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.

RECOMMENDATIONS:

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

Increase funding to the Ontario Colleges of Applied Arts and Technology by approximately \$90 million per year for the next four years, resulting in an additional \$1,600 per student in operating funding over the four years,

bringing the per student funding in Ontario to \$6,300 in 2007/08 up from the current \$4,700 per student.

Increasing Post-secondary Education Funding in Ontario

(adopted April 30, 2005)

ISSUE:

An educated and skilled workforce is critical to Ontario's competitiveness. In order to maintain our current competitive advantage, the Ontario government, and Ontarians, must invest more in the province's post-secondary education system.

BACKGROUND:

The global economy has Ontario competing against many other regions to secure business and social investment. So far, an important competitive advantage for our province has been its skilled workforce. However, Ontario's

ability to continue to compete on this basis cannot be taken for granted.

Education is at the heart of our economy and our society. Our post-secondary institutions furnish their graduates with the knowledge and skills that better enable them to generate the innovative ideas, technology, productivity increases and entrepreneurial activities that drive social and economic growth.

As the Rae Review points out “public benefits of higher education are, by their nature, difficult to measure but best estimates of the social rate of return is between 7 – 10 per cent.” Higher education means higher wages (for graduates). Higher wages for graduates also means higher tax revenues for governments.

Investment in education affects productivity and prosperity throughout our society. Most researchers who have analyzed Canada’s and

Ontario’s productivity challenge conclude that education is an important part of the solution. Investments in post-secondary education in Ontario have grown at a moderate rate over the last decade. However, Ontario has lost significant ground relative to investments made in public and private post-secondary institutions in the US.

It is well known that Ontario ranks at or near the bottom in terms of provincial operating funding to universities, on a per-student basis, on a per-capita basis and on a ‘per \$1,000 of provincial personal income’ basis. Ontario would have to invest an additional \$850 million in the post-secondary system in order reach the average level of investment made by the other nine provinces.

Post-secondary education also has substantial private benefits to the student. The private economic benefits to graduates of undertaking higher education are significant.

The economic benefits of obtaining a degree, diploma or trades certificate have been shown to include higher salaries and wages, more rapid career advancement and earnings growth, increased job satisfaction and reduced chances of unemployment. As the Rae Review discussion paper Higher Expectations for Higher Education outlines, post-secondary education is worth more than \$1 million additional dollars to the student based on lifetime increases in salary and improved advancement opportunities during their career.

To realize these benefits, students must also incur additional costs, in the form of tuition and other student fees, books and materials, and foregone earnings while studying. However, studies have shown the post-tax, real private rate of return to university education is between 14-17 per cent for men, and between 15-19 per cent for women. Estimated rates of return to

college education were similar, if not higher, since direct costs are lower, and duration of study is shorter.

As a result of these substantial private rates of return we believe the Ontario government should institute a number of taxation changes and tax incentives to make the financing of post-secondary education more manageable and attractive.

We also believe the Ontario government should try to work more effectively with the four pillars of public education (universities, colleges, apprenticeships, and career colleges) and the private sector to increase private funding within the post-secondary system.

While higher tuition fees account for some of the difference in spending capacity of universities in the US, they are not the only source of additional revenues. The largest sources of additional revenues to US public

and private universities are private gifts and donations as well as endowment income. Private donors invest at a much higher rate in US schools than in Ontario schools. These investments increased spending capacity at US public schools by \$2,000 per student, and by \$9,366 per student at private schools. On average, endowment assets at US private institutions are \$126,000 per full-time equivalent student and \$15,000 at public universities. The average endowment in Ontario is \$7,000. The difference is partially a result of current taxation policies that make investments in post-secondary institutions less attractive to private investors than investments to other sectors, which receive more favourable tax treatment.

Post-secondary education is of benefit to both the individuals who participate in it, and to society in general. Government needs to make a number of policy changes to increase the level of public and private investment in

the post-secondary system to ensure Ontario's skilled and educated workforce remains one of our key competitive advantages.

RECOMMENDATIONS:

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

Use the tax system to facilitate greater private investment in post-secondary education and post-secondary institutions.

Permanent Support for Stay in School Initiative

(adopted May 6, 2006)

ISSUE:

Some reports indicate as many as *51,000 students, approximately 32 per cent of all students in the province of Ontario, do not complete their secondary school diploma resulting in an unacceptably high number of youth who are ill prepared to secure meaningful employment or pursue post

secondary education.

BACKGROUND:

The province of Ontario acknowledges that the education system must work with the unique strengths and interests of every student and has initiated a program entitled “Student Success Strategy” that encourages youth to stay in school. The Ontario government is to be commended for identifying the drop out rate of secondary school students as a priority; however, secondary schools are challenged to provide alternatives that engage all student populations.

School Boards face challenges in providing successful “School to Work” programs due to limited resources. There are pilot programs operating across the Province that are demonstrating measurable success, however, these programs are operating in isolation and do not receive sustainable funding from the Province. At present, there is no funding

mechanism in place for dual credit delivery or school to work initiatives in general, thus, long term planning is not possible and sustainability is always an issue. One example of a program that is achieving positive outcomes is “School within a College”, a partnership between the Grand Erie District School Board, Brant Haldimand Norfolk Catholic District School Board, Fanshawe College, Mohawk College and the business community.

Students identified as being at risk of dropping out and are older than the typical secondary school student are offered the alternative of completing their diploma in a College setting while, concurrently, they enroll in a limited number of College courses. This is a good example of a “School to Work” initiative that feeds directly into the apprenticeship program and addresses the lack of skilled/trained workers that threatens the business community. Statistics quoted by the Province

indicate that *33.6 per cent of individuals without a high school diploma require income assistance compared to 6.7 per cent of those who graduate. It is clear that school to work programs such as “School within a College” addresses the issue of a lack of skilled/trained workers, the unacceptably high drop out rate and is a sound financial investment for the future.

Additionally, the lack of technical skills centers in most communities across the Province means that the majority of elementary and secondary school students do not have the option to experience a curriculum that profiles skilled trades as a viable career choice. Clearly, accessible technical skills training is needed which would enable students to choose their career pathway based on the best information and experiences possible. An example of a successful program of this nature is the Centre for Skills Development & Training located in Burlington, Ontario.

This program, a partnership with the Halton District School Board, is a leading provider of quality career and workforce development programs, products and services designed to meet current and emerging market needs. Areas of specialty include pre-apprenticeship trades and technology training. This program represents an important first step for youth down their career path.

RECOMMENDATIONS:

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

1. Allocate resources and permanent funding to establish programs and leaders throughout the province to develop technical high skills learning centres that allow for the optimal usage of facilities and provides equal access to all students regardless of career choice.
2. Provide permanent funding within the current funding envelope to school boards to deliver “School to Work” programs such as, School within a College, that provide a

second chance for those students who may otherwise not complete their secondary school diploma.

Leave No One Behind: Certification for Cognitively Challenged Workers

(adopted April 30, 2005)

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 65 per cent of adults with intellectual disabilities are unemployed and 80 per cent of these adults live below the poverty line. The unfair disadvantage is solely due to their disability, making it difficult to access the necessary training which could potentially lead to higher paid employment. Limited access 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, these individuals 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.

The Information Technology (IT) sector is an example of where 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.” The Report goes on to state that the major challenge facing practitioners designated to

train people with intellectual disabilities is that there could be an eventual breakdown in reading comprehension. This observation highlights the training of individuals with certain intellectual disabilities and to become valuable assets to an organization is possible.

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 past, the ageing 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 likely to provide the essential economic support that they were once capable of in the past.

RECOMMENDATIONS:

The Ontario Chamber of Commerce urges the Government of Ontario:

1. To explore and support certification programs designed to give workers with intellectual disabilities the skill sets that would enable them to earn self-sustaining wages.
2. To work with local and federal levels of Governments to develop a grant system that subsidizes the participation of workers with intellectual disabilities in these specialized certification courses, in particular co-op placement for entry-level jobs.
3. To support the establishment of 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.

Focused Strategy for Mineral and Mining Excellence

(adopted May 6, 2006)

ISSUE:

Ontario, committed to developing as a knowledge and technology supplier to the world and currently Canada's leading mining jurisdiction, lacks a comprehensive strategy to make mining and the mineral sector a key component of its continued growth on the world stage. Further, that provincial education and research related to mining is scattered in small programs largely in southern Ontario, so that no institution or region has the critical mass to attract the best students and researchers from around the world and hence to drive technical and economic development.

BACKGROUND:

Ontario, Canada's largest producer of metals

and supplier of technology and services to the mining industry nationally and globally, exported approximately \$12.6 billion worth of metal, minerals and metal products in 2003.

The production of metals and metal products make up the second largest sector in Ontario's real gross domestic product for the major manufacturing sectors at 14.45 per cent. Mining is second only to transportation equipment (22 per cent), and almost as large as oil and petroleum products (9.52 per cent) and plastic and rubber products (7.72 per cent) combined. The sector accounts for 14 per cent of Ontario's goods-producing labour force, employing 23,300 people in 2003. Approximately 80 per cent of Ontario's metals and metals products production takes place in northeastern Ontario, according to the Ministry of Northern Development and Mines (Ontario Mineral and Exploration Statistics 2003, MNDM 2004 publication).

The northern regions of the province, the prime producers of both mineral and mining products, supplies and services, contribute significantly to Ontario's ranking as the number one nickel and gold producer and number two copper producer in Canada. Globally, Ontario is ranked 4th in the nickel and 9th in the gold production markets (Ontario Mineral and Exploration Statistics 2003).

The Ontario mining sector spends an average of more than \$900 million on goods and services helping other companies in other industries sustain their profitability and employment. Of this, about \$380 million is spent within an 80-kilometre radius of operating mines.

Northern Ontario, with its diverse and favourable geology including immense areas of high mineral potential, has a highly developed mining service and support sector.

Those highly competitive businesses are already meeting the demands of today's international export-oriented climate. Many of the world's foremost authorities on geology and minerals are based within the region along with a strong network of expert government staff and a highly skilled and knowledgeable workforce.

Currently, Ontario helps fund the Ontario Centres of Excellence. This is a not for profit organization comprised of five centres of excellence in the areas of energy, materials & manufacturing, photonics, communications & information technology and the environment. Although mining contributes 12.6 per cent of Canada's total export earnings, there is no centre of excellence for mining.

Rising to meet Ontario's goal of becoming North America's top performing jurisdiction for research and development, northern Ontario has laid the foundation for a world-

class geoscience centre that would partner Ontario's publicly funded institutions with private companies, further enhance the province's industries and add considerably to the skilled workforce required for an innovative and dynamic economy.

RECOMMENDATIONS:

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

1. Make a firm public commitment to making Ontario the world's leading jurisdiction in technology and knowledge production related to the discovery, production and use of metals by creating a single provincial cluster for mining research and education located in the main mining region of the province, by concentrating provincial resources, including education and innovation funding.
2. Commit to fully exploiting the potential of Ontario's mineral resources by undertaking an energetic program to expand the mining supply and services sector and the downstream

value-added enterprises in Ontario's mineral industry through immediate and aggressive lobbying of the federal government to ensure that mining is included in the federal commercialization agenda.

3. Create a provincial centre for excellence in mining research and education, located in the main mining region of the province, by concentrating provincial resources, including education and innovation funding.

PROVINCIAL LEGISLATION & BILLS

Bill 52, Education Statute Law Amendment Act (Learning to Age 18),

University of Ontario Institute of Technology Act, 2002, S.O. 2002, c.8, Sched. 0

Apprenticeship and Training Act, 1998, S.O. 1998, c.22

Education Act, R.S.O. 1990, c. E.2.

Ontario College of Applied Arts and Technology Act, 2002, S.O. 2002, c.8, Sched. F

Post-secondary choice and Excellence Act, 2000, S.O. 2000 c.36, Sched.

Private Career Colleges Act, 2005, S.O. 2005, c.28

Trades Qualification and Apprenticeship Act, 2000

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