

**Submission to the House of Commons Standing Committee on
Finance**

Pre-Budget Consultations for the 2015 Federal Budget

Growth and Prosperity for All Canadians



Atlantic Provinces Community
College Consortium

Consortium des collèges
communautaires des
provinces de l'Atlantique

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Growth and Prosperity for All Canadians

The Atlantic Provinces Community College Consortium (APCCC) believes that a vibrant economy is the key for continued growth and for the prosperity of the countries citizens. In an increasingly global community Canada must improve its competitive position to maintain and grow our economy. In order to improve our competitiveness, investments in skills development and innovation are critical. There is also a need to examine the unique situations facing different regions of the country and tailor solutions to ensure the prosperity of communities across the country.

Atlantic Canada has a strong network of colleges present in over 50 communities across the region. The college network offer a broad range of credentials and are well positioned to work within their communities to address the unique circumstances and training needs of the area. Colleges serve to foster local economic and social development. They provide opportunities for academic upgrading and they partner with employers to ensure programs respond to labour market needs. Colleges also support innovation through applied research.

Our submission addresses the following two themes identified by the Finance Committee:

- *Supporting families and helping vulnerable Canadians by focusing on health, education and training*
- *Increasing the competitiveness of Canadian businesses through research, development, innovation and commercialization.*

Labour Market Challenges in Atlantic Canada

Atlantic Canada is faced with unprecedented opportunity amidst growing labour market challenges. In its Major Projects Inventory 2014, the Atlantic Provinces Economic Council (APEC) reports that there are 439 major projects in various stage of development in Atlantic Canada with a record value of \$122 Billion. Current year spending on those projects was \$15.1 Billion, also a record high. These projects bring tremendous opportunity to the region.

Despite these opportunities, overall employment in Atlantic Canada continues to be much weaker than the national average. Despite high levels of unemployment, employers continue to face challenges in finding the skilled labour required. Atlantic Canada also faces demographic challenges associated with low birth rates, out-migration of workers (particularly to Western Canada), and an aging population. In its report card, The Aging Workforce in Atlantic Canada, APEC reports substantial changes in the composition of Atlantic Canada's workforce. In the 50-plus age cohort, there are now 65,000 more people employed than in 2008, while the 15-49 age cohort saw employment falling by 52,000 in the same period. That trend will pose significant challenges to employers over the next 10 to 15 years as the older cohort begin to retire.

The APCCC believes that the federal government should consult with Atlantic provincial governments on the unique labour market and demographic challenges facing Atlantic Canada and consider appropriate measures to address the issues.

There is no single solution to addressing the challenges facing Atlantic Canada. Action will be required in a number of areas such as:

- Improving the employability of youth;
- Increasing education and training opportunities for the most vulnerable;
- Improving the integration of immigrants into the labour market;
- Addressing infrastructure challenges; and
- Improving labour market information.

1. Employability of Youth

Targeted measures are needed to improve the employability of youth. Youth continue to experience high unemployment. College programs are a critical component to address this issue. College programs will provide youth with the job-ready skills that employers demand. In addition, college programs provide work integrated learning experiences that are important in linking young people to employers. Virtually all programs offered by colleges include some form of work placement. Efforts are needed to encourage more youth to consider college programming and incentives are needed to support employers that provide work integrated learning experiences for youth.

International study experiences improve cross-cultural understanding, enable youth to be more adaptable and foster a stronger sense of citizenship in Canada and globally. These experiences also improve the employability of youth, making them more attractive to employers in a global marketplace. Only 1.1% of college students study abroad.

Recommendations:

- Introduce financial incentives to help employers reduce and offset the costs of hiring co-op students by allowing them to recoup a portion of the students' wages.

- Consider measures to encourage youth to seek the job-ready skills provided by colleges. In particular, Canada needs to do a better job of developing a culture that places value on trades professions and dispelling the myths with high school students and parents that a university education is the best path to success. Government should consider a national marketing campaign on the value of trades' professions as career choices
- Fund academic mobility programs that support pan-Canadian and international learning opportunities for college and institute students.

2. Education and Training Opportunities for Vulnerable Canadians

To address skills gaps, Canada must enhance the educational and labour market outcomes of Aboriginal peoples, disadvantaged youth and people with disabilities. Aboriginal peoples continue to experience significant gaps in educational attainment and employment, compared to non-Aboriginal people. The same applies for many people with disabilities.

Recommendations:

- Increase support for the Post-secondary Student Support Program, administered through Aboriginal Affairs and Northern Development Canada, to ensure all eligible First Nations and Inuit students have access to funding.
- Support essential skills development through training and certification of essential skills trainers at colleges and institutes.
- Establish a pilot project to develop innovative outreach and education and training delivery models to target vulnerable groups through partnerships between industry and colleges and institutes.
- Increase non-repayable student financial assistance and bursaries for youth from low-income families, youth with disabilities and for Non-Status and Métis youth.

3. Immigrant Integration and Temporary Foreign Workers

Atlantic Canada faces demographic challenges and skilled worker shortages. Targeted measures are required to attract skilled immigrant workers to the region in the high demand fields. These measures should consider the unique challenges of the Atlantic region.

Atlantic Canada has also experienced a growing need for temporary foreign workers (TFWs) to sustain industries. In its report card [The Growing Role of Temporary Foreign Workers in Atlantic Canada](#), APEC notes that the number of TFWs in Atlantic Canada has grown threefold since 2005. Despite that growth, they represent only 1% of total employment in the region compared to 1.9% nationally. Increasingly, TFWs are needed in rural areas to support low wage industries where outmigration has stripped the area of their prime age working population. TFWs are also used to fill needs for specialized skills in many of the region's major projects. Changes to the TFW program need to carefully balance the needs of this region while protecting Canadian interests.

Recommendations:

- Support the continuation and expansion of pre-departure services for immigrants.
- Introduce measures and review policies regarding the attraction, support and retention of international students intending to study in high demand fields with a view to easing their pathway to immigration.
- Create a pilot project to enable colleges and institutes to support international students studying in high demand fields, who decide to become immigrants.
- Consult with the Atlantic Provinces on the impact of changes to the TFW program.

4. Infrastructure

Many colleges and institutes are at, or near capacity, with waitlists for high demand programs. Investments are required to upgrade college/institute infrastructure and instructional equipment to ensure students develop skills on equipment found in the workplace and enhance their employment opportunities.

Recommendation:

- Establish a College Equipment and Deferred Maintenance Fund to ensure institutions have current and relevant instructional equipment and adequate facilities to meet the demands of the workplace.

5. Labour Market Information

The improvement of supply and demand side labour market information (LMI) is a cross-cutting measure that has been identified by business and industry and governments. Business and industry leaders emphasize the need for better data at local and regional levels and more granular data for key industry sectors. On the supply side, the federal government has indicated an interest in collecting data on how post-secondary institutions are responsive to labour market needs. To achieve this, the Government of Canada must improve national data on all types of learners served by colleges and institutes. Data collected through the Statistics Canada Post-secondary Student Information System (PSIS) does not include students in upgrading, apprenticeship, bachelor degrees and post-graduate programs.

Recommendation:

- Improve Statistics Canada data collection on colleges and institutes through PSIS to capture the full range of education programs: upgrading, certificate, diploma, apprenticeship, bachelor degree and post-graduate diplomas.

Increasing Canada's Competitiveness through Innovation

Atlantic Colleges are well known for being responsive to community and government needs. Our colleges are particularly adept at working closely with business and the small and medium-sized enterprises (SMEs) that are so critical to our region's prosperity. Colleges make important contributions to SMEs by providing skilled workers; adapting programs to meet emerging standards; and by partnering to translate knowledge into practical applications that open new markets and create high value jobs. Some of this knowledge transfer occurs informally through regular interaction with business, while other opportunities are created through formalized applied research projects. Colleges in Atlantic Canada have increased applied research capability and are participating in world-class projects that spawn innovation and increase our competitive advantage.

Annual federal investments through the Government of Canada's Tri-Council College and Community Innovation Program is making a real difference in growing the capacity of colleges and institutes to engage in industry-driven research and providing SMEs with the expertise required to develop new or improved products, processes or services. However, these investments are not meeting the increased demand for Innovation Enhancement (IE) grants, Applied Research Development (ARD) grants and Technology Access Centers (TAC).

College students are an integral part of college applied research activity. Through applied research projects, students gain hands-on experience to address real world challenges and improve their competitiveness in the job market. However, college students in diploma and post-graduate diplomas are not eligible for funding under the Natural Sciences and Engineering Research Council Industrial Undergraduate Student Research Awards. Internships for college students are needed to provide industry-relevant research experience that complements their learning and helps businesses innovate.

Recommendations:

- Increase the budget of the Tri-Council College and Community Innovation program by \$25 million annually:
 - \$15 million to meet the increased demand for Innovation Enhancement and Applied Research and Development grants;
 - \$ 7 million to fund 20 additional Technology Access Centres, and
 - \$ 3 million to establish a dedicated envelope within the CCI for 650 applied research awards for students in college diploma, degree and post-graduate programs
- Open international research opportunities for college/institute students in diploma, degree and post-graduate programs.