



OCC Submission on Postsecondary Education Review

Presented to The Honourable Bob Rae
Advisor to the Premier and Minister
Postsecondary Education Review Secretariat
2 Bloor Street West, Suite 700
Toronto, ON M4W 3R1

November 15, 2004

cc: The Honourable Dalton McGuinty, MPP, Premier of Ontario
cc: The Honourable Gerard Kennedy, MPP, Minister of Education
cc: The Honourable Mary Anne Chambers, MPP, Minister of Training Colleges and Universities
cc: OCC Membership

Ontario Chamber of Commerce
180 Dundas Street West, Suite 505
Toronto, ON M5G 1Z8
T: 416.482.5222
F: 416.482.5879



OCC Submission on Postsecondary Education Review

Dear Mr. Rae:

The Ontario Chamber of Commerce (OCC) is a federation of 160 local chambers of commerce and boards of trade in the Province of Ontario, representing 57,000 businesses of all sizes, in all economic sectors and from every area of the province. The OCC's mandate is to advocate strong policies on issues that affect its membership throughout Ontario's business community.

The OCC believes the Government of Ontario has made positive steps in recognizing the importance of postsecondary education with this initiative and the release of the Discussion Paper, *Higher Expectations for Higher Education*. The OCC is pleased to participate in the important discussions surrounding post-secondary education issues.

Postsecondary education is an essential component of a strong, growing and vibrant economy. The OCC's over-arching goal has always been to make Ontario the most competitive jurisdiction in North America; a highly educated and skilled workforce improves worker productivity, and over the long-term leads to economic growth and prosperity for our province.

The OCC's Education and Training Committee – whose own mandate it is to ensure that Ontario's education and training system be an integral part of the province's competitive advantage – has prepared this submission for the Postsecondary Review Secretariat.

Sincerely,

A handwritten signature in black ink, appearing to read "Len Crispino", with a stylized flourish extending from the end.

Len Crispino
President and CEO

EXECUTIVE SUMMARY

This submission was prepared for the Honourable Bob Rae, Advisor to the Premier and Minister of Training, Colleges and Universities, as well as the other members of the Advisory Panel of the Postsecondary Review: Leslie Church, Ian Davidson, The Hon. William Davis, Don Drummond, Inez Elliston, Richard Johnston, and Huguette Labelle. The mandate of the Panel is to provide Premier McGuinty and Minister Chambers advice on the design and funding of Ontario's postsecondary education system. The final report is expected by January 2005.

The submission was prepared by the Ontario Chamber of Commerce and its Education Committee. Though the Province of Ontario has a number of strengths, it also has a number of opportunities before it to make it a more prosperous economy; improving postsecondary education is one of the key challenges currently before the province.

The key recommendations that the Ontario Chamber of Commerce urges the Secretariat to recommend to the Premier and Minister of Training, Colleges and Universities are to:

- Recognize that the third component of Ontario's postsecondary education system is apprenticeship.
- Recognize the important role business must play in the evolving education system.
- Explore partnership opportunities between educators, government and business in the classroom.
- Establish strong and sustainable technological education programs in elementary and secondary school curriculum in Ontario.
- Partner with stakeholders to create applied courses for teachers which will focus on educating them on new and emerging careers, the labour market and career opportunities.
- Work with the federal government and private sector to promote careers in the skilled trades to all of the primary influencers of students.
- Develop a communications strategy to promote skills training and apprenticeship; promote OYAP and increase its reach and awareness.
- Have school boards work closely with local chambers and boards on a number of issues including, but not limited to, mentorship, promoting skilled trades, gaining the business community's perspective, providing greater opportunities for co-operative/apprenticeship programs, working with postsecondary institutions and career planning.
- Bring university funding up to the national average, incrementally by the budget year 2007/08; and increase funding to the Ontario Colleges of Applied Arts and Technology.
- Increase the current Ontario Co-operative Education Tax Credit.
- Work with the federal government to immediately begin negotiations for a Labour Market Development Agreement.
- Immediately review the current financial aid system and improve it so that no student is denied access to postsecondary education because of financial reasons.
- Establish a standard application process for entrance into vocational training.
- 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.
- 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.
- Support initiatives to improve education, training and access for under-represented groups.

TABLE OF CONTENTS

EXECUTIVE SUMMARY.....	3
TABLE OF CONTENTS.....	4
INTRODUCTION.....	5
POSTSECONDARY EDUCATION: KEY THEMES	7
I. SYSTEM DESIGN: NEXT GENERATION WORKFORCE	7
<i>High School.....</i>	9
<i>Apprenticeship and Skilled Trades</i>	11
II. FUNDING: OPPORTUNITIES FOR IMPROVEMENT.....	14
<i>Universities</i>	14
<i>Colleges.....</i>	16
III. ACCESSIBILITY: CURRENT BARRIERS.....	17
<i>Co-operative Education Tax Credit.....</i>	17
<i>Labour Market Development Agreement.....</i>	19
<i>Awareness: One-Stop Postsecondary Shop</i>	20
<i>Access to Capital: Driving Research & Development.....</i>	21
<i>Student Financial Aid System</i>	23
<i>Credit Transfers</i>	25
<i>Improving Access for Underrepresented Groups</i>	26
IV. QUALITY AND ACCOUNTABILITY	32
REFERENCES.....	33

INTRODUCTION

The Ontario Chamber of Commerce applauds the Ontario Government for establishing the Postsecondary Review Secretariat. Higher education in Ontario currently faces a number of challenges that need to be addressed collectively and immediately. It is not just the responsibility of the government to ensure that the province's education system is reaching its highest potential, it is also the responsibility of universities, colleges, educators, trainers, students, apprentices, parents, communities and businesses.

Recently, the OCC held its inaugural Ontario Economic Summit (OES), bringing together business, government, labour and academia to discuss, debate and identify actionable solutions to some of the key priorities for the province; "Next Generation Workforce" was considered one of the most dominant, actionable and important items. The goal of the Summit is, over the long-term, to leverage Ontario's assets and drive sustainable growth and prosperity through leadership, innovation and collaboration. This goal will be a recurring theme throughout this submission.

Education is vital to the success of our economy. A recent paper published by TD Economics for the OES¹ lists a number of key challenges which Ontario needs to address to be able to leverage its many assets into a higher standard of living. The number one challenge cited in the report is raising the quality of the labour force. "The province's education system, which has the job of honing the skills of the next generation of workers, is currently feeling enormous strains." The Institute for Competitiveness and Prosperity says that investing in higher education is key to innovation and productivity growth. Yet, they also estimate that per-student funding for universities is only 58 per cent of the average of 14 US states.

It is simple economics, investments in higher education represent investments in the future prosperity of the province. While university graduates comprise 15 per cent of the population over age 18, they contribute almost 35 percent of all income taxes – or more than twice their "population share."²

A highly skilled and educated workforce in today's knowledge-based economy is critical to the success of our province. Investments in higher education means more prosperity, increased competitiveness and a higher standard of living; it is key to a healthy and innovative society. Chronic under-funding for postsecondary education, lack of innovative solutions and a number of access barriers has placed Ontario at a competitive disadvantage, not just with our neighbouring US peers, but our own neighbouring provinces.

Ontario's higher education system must perform to its fullest potential and has to be a key priority for the province to ensure that graduates – our future leaders and decision makers – can make critical contributions to Ontario's economy.

¹ TD Economics, Special Report, *Ontario: The Land of Opportunity*, September 28, 2004 [Online] Available <http://www.td.com/economics/special/ont04.pdf>.

² AUCC, Foundation for the Future

The objectives of the submission are to address the key themes of the *Higher Expectations for Higher Education* Discussion Paper:

- System Design
- Accessibility
- Funding
- Quality and Accountability

This submission has been prepared by the Ontario Chamber of Commerce and its Education Committee whose members represent numerous areas of Ontario's education system, and come from across Ontario:

- John Hertel (Committee Chair) - Exceleration Business Performance, Mississauga
- Prakash Bansod - Meadowvale Information Technology Inc., Mississauga
- Gary Blazak - University of Western Ontario, London
- Don Drone - Wellington Catholic District School Board, Guelph
- Rod Eastman - Dofasco Training and Development Centre, Burlington
- Sevilla Leowinata - Brown Leowinata Consulting, Nepean
- Bill Reith - Ontario Secondary School Teachers Federation, Toronto
- Sherry Robinson - RBC Financial Group, Scarborough
- Ted Seath - Durham College, Oshawa
- Gail Smyth - Skills Canada-Ontario, Kitchener
- Bill Young - Wigamog Inn Resort, Haliburton

Stakeholder Relations is also a very important element to the Committee. Over the past few years the committee has developed close relations with:

- Office for Partnerships for Advanced Skills (OPAS)
- Council of Universities (COU)
- Association of Colleges of Applied Arts and Technology (ACAATO)
- Provincial Partnership Council
- Canadian Apprenticeship Forum
- Skills Canada
- Ontario's Teachers Federation
- Yves Landry Foundation
- YMCA

I. System Design: Next Generation Workforce

The OCC applauds the government for recent announcements made in its Fall Economic Statement earlier this month. The 2004 Ontario Economic Outlook and Fiscal Review highlighted several initiatives in support of higher education and training:

- Funding an expansion of the apprenticeship system by 7,000 new registrants annually.
- Encouraging businesses to hire and train more apprentices in the skilled trades by lowering their costs through the proposed Apprenticeship Training Tax Credit.
- Providing funding to update technology and equipment at colleges.
- Eliminating barriers to employment faced by skilled immigrant workers and providing funding for bridge training programs.
- Funding alternative academic upgrading and skills training options for youth who drop out of school.

As set out in the government's *Progress Report 2004*, the expected results are increased participation in post-secondary education and training, more internationally trained people becoming qualified to work in Ontario, and greater high school completion rates. The above mandated efforts will serve well the goal of fostering a more educated public and skilled workforce.

However, the OCC also recognizes that while education is worthy of more financial support from the government, with a number of competing priorities for funding, a huge lump sum is not feasible at the present. The Ontario Government is currently grappling with twin challenges of a budgetary deficit and its own election promise to increase postsecondary spaces by 50,000.³ However, the McGuinty Government was not explicit on whether spaces would be in colleges or universities. Currently, provincial funding per college student is \$4,800 and it is \$6,600 per university student. Investments in higher education represent positive economic and social benefits to the province. College and university graduates enjoy higher earnings and lower unemployment than those who do not go onto postsecondary education.⁴

Society as a whole benefits from postsecondary education in terms of the net flow of resources from graduates. For instance, university graduates make up just about 15% of the population between the ages of 24 and 65, but pay 33% of all personal income taxes and receive 8% of all government transfer to individuals (in the form of payments under programs such as employment insurance or social assistance).⁵

In addition, individuals with higher education are less likely to commit crime, make more efficient use of the health care system, are more likely to be active in civic affairs, and are more likely to participate in volunteer activities and to donate to charities.

³ Urquhart, Ian. "Colleges, universities gird for fight." *Toronto Star*. November 10, 2004. [Online] at http://www.thestar.com/NASApp/cs/ContentServer?pagename=thestar/Layout/Article_Type1&call_pageid=971358637177&c=Article&cid=1099998247900

⁴ Canada Millennium Scholarship Foundation, "Summary of Major Themes," *The Price of Knowledge 2004: Access and Student Finance in Canada*. November 10, 2004 [Online] http://www.millenniumscholarships.ca/en/research/pok_key_findings.htm

⁵ *ibid*

The OCC strongly encourages the government to explore the role of business in the province's education system. Corporate investment in universities is nothing new and going into the future it can make the difference between quality programming and facilities and sub-par learning environments. **The current education system needs private sector funding, but stable multi-year contributions need to be established as expenditures continue to rise. Higher education not only benefits students it benefits business and the capacity to do business well.**

Ontario's next generation workforce begins at home and in the classroom. Starting in the early years, children have the opportunity to be exposed to the education system. In high school, students study all subjects of a comprehensive curriculum geared towards university studies. Students need to be aware that they have several options before them when graduating from secondary school:

- Attending college
- Attending university
- Becoming an apprentice or skilled trades worker

The OCC recommends that the Government of Ontario acknowledge and recognize the third component of postsecondary education: the apprenticeship system.

Students are influenced by their own goals, their studies and curriculum, parents, teachers and surroundings. The next generation workforce needs to be fostered, not just funded, and it will require attitudinal changes as well. As fundamental as the knowledge-based economy is, so too is having a strong skilled trades workforce. According to the APMA and CTMA, approximately one-third of skilled trades workers may retire by 2010. According to an OCC member survey on skilled trades and apprenticeship reform in Ontario (January 2004), 41 per cent of respondents estimate that their organization will face a skilled trades shortage in less than five years. Ontario's baby boom generation hits the tradition age of retirement, 65, by 2011 – in general, workers in Ontario retire at a younger age than in the past (Statistics Canada). More needs to be done to increase awareness among high school students, teachers and parents about the opportunities and options available when it comes to skilled trades professions. According to respondents of the OCC member survey, the number one cause for shortages of skilled trades workers and apprentices is that skilled trades **are not viewed as desirable professions**, thereby decreasing the supply of potential candidates.

North American culture has created a climate in which we judge a person's worth more on his or her salary than on the value of his or her work. This in turn is rooted in the educational aspirations of students and their parents and mentors. It is assumed that Ontario students should at least aspire to a university education. This devalues the worth and dignity of skilled trades and common labour. People who fill positions like these remain key – even to an advanced industrial economy like Ontario's. Agriculture, for example, remains Ontario's second largest industry, yet many people who move it forward are perceived as low-value labourers.

The European model – arguably a successful one – does the opposite. The European culture does not devalue the worth of ordinary labourers to the same extent as ours does. This dampens the expectation that earnings will always be higher with an advanced education when this is not always the true. Think of dry-wallers in high demand periods.

A shift in attitudes is required for:

- Educators

Our current curriculum is very academic and geared towards university studies. As important as this is, it is very important to recognize that not all high school students end up in universities. Realizing that courses such as Woodworking / Shop and Cooking / Home Economics, to name a few, are capital intensive, it is critical that students have this option in their studies in their elementary years.

The OCC recommends that educators and government team up with business to explore potential areas of partnership in the classroom. All students should be required to take such applied courses, from middle elementary (Grade Six) through to at least Grade Nine.

- Parents and Students

As important as professional occupations (e.g., lawyer, accountant, consultants, etc.) are, parents should help their children make informed decisions by also recognizing the importance and valid career choices of the over 200 skilled trades professions (e.g., cook, carpenter, mold maker, electrician, etc.). Parents are key influencers when it comes to their children's decisions and have a very important role to play with regards to promoting awareness of the several options – not just university – available to students upon graduating from high school.

Like parents, students need to be aware of all of their options when graduating from high school and to recognize the many different gratifying professions there are, from carpentry to consulting.

High School

Supporting Technological Education in Ontario's Curriculum

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

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 to embed within children the tools needed to further their education on all levels.

The 2003 Ontario Budget's contained total gross capital expenditure of \$3.17 billion, of which \$258 million was allocated to "other" initiatives which technological education, though it is unclear how much of the amount is dedicated to this. This amount represents only eight percent of the total expenditure. The plan was part of the former SuperBuild capital investment plan for '03-'04. Now that the SuperBuild program no longer exists, it is important that the new government clarify its commitment to technological education and that the TERI continue.

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.

Apprenticeship and Skilled Trades

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.

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.⁶ If these labour shortages are to be minimized, we need to ensure that our feeder group – the population aged 15 to 19 years old – is 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 after they arrive. 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 Catholic 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.⁷ Despite the recognized value of achieving a high school education, a surprising 22 to 25 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 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.⁸

⁶ For example those industries involved in die casting, plastics, metal fabricating and tooling and machining face a critical shortage of workers.

⁷ *Knowledge Matters: Skills and Learning for Canadians*, Canada's Innovation Strategy, 2002.

⁸ *Knowledge Matters: Skills and Learning for Canadians*, Canada's Innovation Strategy, 2002.

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.

Such initiatives could include having school boards work closely with local chambers of commerce and boards of trade on a number of issues:

- Business mentors for teachers
- Business mentors for students
- Opportunities for business tours for students and teachers
- More involvement in “Career Days”
- Provide more opportunities for co-operative and/or apprentice programs
- Partner with local chambers to promote skilled trades and gain business perspective through interactive sessions
- Postsecondary education institutions to reach out more to local business community on programming, e.g., what employers needs are, etc.

The student population of any one school in the province is determined by the demographics of the population living in the school’s catchment area. While one high school may have a student population that is university bound, other high schools may have the opposite. The Report of 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/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 potentially leads to talents being wasted or lost.

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. 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).⁹ 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.¹⁰ 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.

In 2003, members of the Ontario Chamber of Commerce unanimously adopted a resolution on apprenticeship. The first recommendation called on 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. Since then the OCC has undertaken a number of initiatives to further enhance and promote skilled trades professions. First, a new award for the category of Skills Development and Training was introduced at this year's Outstanding Business Achievement Awards (OBAA) – a gala dinner which recognizes business excellence in Ontario – usually attracts almost 1,000 attendees from across the province, primarily from the business community but several key government dignitaries attend as well. The new award recognizes business excellence in the area of skills development and training.

Secondly, recognizing the importance of skilled trades and apprenticeship in Ontario, the OCC has undertaken to provide a forum where business, government, educators, apprentices and labour groups can come together to identify actionable solutions and champions to some of the key issues facing this area.

The OCC is conducting this workshop to engage in a meaningful and solutions-based dialogue on how to combat the skilled trades shortage in Ontario. Since the primary issues surrounding skilled trades and apprenticeship reform have already been identified in other reports and studies, the workshop will remain focused on identifying solutions to two key issues:

- Identifying and Developing Solutions for Barriers to Training in Ontario
- Enhancing the Image of Skilled Trades in Ontario

The final long-term goal is to change the behaviour of key stakeholder groups, influence provincial policy, and collectively and individually commit to a strategy to improve awareness of skilled trades professions and increase the number of skilled trades workers and apprentices in Ontario.

⁹“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.

¹⁰ “Brain Gain: The Economic Benefit of Recognizing Learning and Learning Credentials in Canada,” The Conference Board of Canada, 2001.

The Workshop will be taking place on November 26 and we are honoured to have the Honourable Mary Anne Chambers, Minister of Training, Colleges and Universities, as its keynote speaker. Findings from the Workshop will be presented in early 2005.

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 which will focus on educating them on 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 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.
6. Have school boards work closely with local chambers and boards on a number of issues including, but not limited to, mentorship, promoting skilled trades, gaining the business community's perspective, providing greater opportunities for co-operative/apprenticeship programs, working with postsecondary institutions and career planning.

II. Funding: Opportunities for Improvement

Universities

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.

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%, 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 noted in his address at 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% of the population receives a university education compared to 28% in Ontario. This is a noble ambition indeed - but certainly a challenge to achieve 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% '*prosperity gap*' between Ontario and comparable U.S. states, and a 15% '*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% or \$1.52 for every dollar invested in Ontario universities.

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.

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.

Colleges

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.

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 toward 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.

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

III. Accessibility: Current Barriers

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 develop more highly skilled and experienced post-secondary graduates entering the workforce.

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 the Province.

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 businesses. 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, training costs, etc. 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. For example, 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.

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% to 25%, and further that,
2. Lobby the Federal Government to match the CETC for a total of \$5,000.

Labour Market Development Agreement

A federal-provincial training agreement between the federal government and the Province of Ontario would help keep Ontario's pool of labour competitive in terms of its skills and would ensure that Ontario gets its fair share of federal training dollars. Ontario remains the only province that has not signed a training agreement with the federal government.

The OCC was pleased to hear the Minister of Finance address a long-overdue issue in his recent speech to the Legislature on the delivery of the Fall Economic Statement. The Minister stated in his remarks that "the Ontario and federal governments will soon announce agreements on labour market services and immigration." The OCC has long advocated that the Ontario government immediately begin/restart negotiations with the federal government that will lead to the signing of a Labour Market Development Agreement. A federal-provincial training agreement between the federal government and the Province of Ontario would help keep Ontario's pool of labour competitive in terms of its skills and would ensure that Ontario gets its fair share of federal training dollars. Ontario remains the only province that has not signed a training agreement with the federal government. The OCC was pleased to hear the Minister address labour market services in his speech, but remains cautious as we await further details.

In order to support economic growth in Ontario, it is critically important that Ontario's workers have the skills and abilities that are required by Ontario's employers. As Ontario transitions from its traditional industrial economy to a new economy based on high-technology and specialized knowledge, the need for labour market training and adjustment programs cannot be overstated.

Stalled negotiations between the federal and provincial government regarding the labour market development agreement has been a major problem for several years. Ontario risks lost competitiveness as a result of the lack of investment in local training and development funding.

The provincial and federal governments should immediately begin/restart negotiations with the provincial government that will lead to the signing of a Labour Market Development Agreement.

Awareness: One-Stop Postsecondary Shop

Ontario requires an online portal to house all the information available regarding postsecondary education options. TVOntario's submission on the Postsecondary Review¹¹ highlighted a "provincial information clearinghouse" already existing at TVOntario: its CareerMATTERS website, which can be found at the following link: http://www.ilc.org/cfm/CM/index.cfm?Menu_ID_Sel=200&Lang_Sel=1.

CareerMATTERS is one example of the kind of portal students and parents need to make informed decisions regarding education, training and career options.

It offers links including:

- Ontario English high school curriculum
- Highlights of apprenticeship training, college, university and other postsecondary programs
- Over 500 job descriptions
- Other resources
- Assessment quiz

Human Resources and Skills Development Canada, formerly HRDC, also offers excellent resources to individuals and businesses regarding:

- Career planning
- Training and learning
- Program and funding opportunities

The Government of Canada's website, www.jobfutures.ca, is another excellent site for recent graduates. It is a career tool to help plan for the future and provides detailed information on over 200 occupational groups and it describes the work experiences of recent graduates from 155 programs of study.

These types of online resources are key to helping students plan for their future. It would be a daunting challenge to recommend the creation of one online portal housing *all* the information available, but rather to recommend that all of these resources, and others, be promoted to a wider audience. Organizations such as ours would be happy to help promote some of these websites on our own website. It is critical to ensure that all individuals, regardless of their socio-economic status, geographic location or any other barriers, have the access to such information. As the TVOntario submission states: "Accessibility starts with awareness of the wealth of opportunities available in Ontario."

Awareness for OYAP

The Ministry of Training, Colleges and Universities offers the Ontario Youth Apprenticeship Program (OYAP). OYAP offers students entering grade 11 and who are at least 16 years old to enter the area of apprenticeship. By participating in the program a student can work towards a career in a skilled trade as a registered apprentice, and eventually a certified skilled worker or journey person, while completing his or her Ontario Secondary School Diploma. OYAP helps young people obtain placements in 130 skilled trades that can be learned through apprenticeship training. Students register as apprentices and

¹¹ "TVOntario and the Postsecondary Education Review," October 28, 2004 [Online] Available <http://www.raereview.on.ca/en/library/ArticleFile.asp?Instance=137&ID=CAFED267DC95485BBC7600783B84C961>

begin their formal apprenticeship training while they are still in school. With both a diploma and the skills to get the job done when they graduate, these students have a big head start. After being hired, many apprentices will, because of their skills, be asked to train new apprentices, or will find opportunities to manage operations, start their own businesses, or use their experience as a base for technological or engineering studies at a college or university.

According to an OCC member survey on education issues conducted in May 2003, only about 15 per cent of respondents have participated in OYAP, while 23 per cent have not even heard of it. The government needs to leverage this asset and work stakeholders to promote OYAP and increase its reach and awareness.

Access to Capital: Driving Research & Development

Collectively more can be done to invest in Research & Development (R&D) both publicly and privately. Some believe that there is a current disconnect between who uses pure research and applied research. Another issue relates to the patents of intellectual capital...partner with Canadian universities and business for applied research.

The Ontario Government is moving forward on a new research and commercialization framework that will aim to increase business investment and involvement in research performed by Ontario's public research institutions.¹² Recently, the Premier announced \$300 million over four years in funding support for public research infrastructure.¹³ This framework consists of:¹⁴

- Realigning Ontario's science and technology programs—which strengthen Ontario's research capacity and bolster innovation—to focus on commercialization.
- The Ontario Research Commercialization Program, which will provide \$27 million over four years to help public research institutions identify discoveries with commercial potential.
- The Ontario Commercialization Investment Funds program, which would provide up to \$36 million to leverage up to \$120 million in new pools of seed capital for spinoff technology
- Companies created by faculty, staff and students at Ontario public research institutions.

In addition, Ministry spending over four years on training and apprenticeship program activities, set at \$0.3 billion in 2004-05, will increase the number of apprenticeship registrations by 7,000 annually. This spending will also support the integration of internationally trained professionals into Ontario, including bridging training programs that provide Canadian work experience.¹⁵ These commitments from the Ontario government are a step in the right direction towards strengthening the existing labour pool and realizing the full potential of Ontario's youth.

In 2001 alone, the commercialization of university research resulted in \$48 million in royalties, 1, 015 invention disclosures, 381 new patents and 354 new licenses. To date universities have spun off 680 new companies that employed more than 19, 000 people in 2001 and accounted for close to \$2.6

¹² Ministry of Finance, Economic Outlook and Fiscal Review. November 2004: 16.

¹³ *ibid.*, 16.

¹⁴ *Ibid.*, 16

¹⁵ Ministry of Finance, Economic Outlook and Fiscal Review. November 2004: 51

billion in revenues. Commercialization activities have already increased substantially and will continue to grow.¹⁶

In a special report by the Council for Ontario Universities entitled, *The University-Private Sector Interface and the Ontario Economy*, by Professor David Johnson, it was reported that the total public and private investment in research and development in Ontario and Canada is among the lowest of the G7 countries, but the amount performed by the higher education sector, and the proportion of industry-funded R&D performed by universities, is the highest in the G7.¹⁷ The report cited numerous examples to industry-university collaboration in Ontario and cites obstacles such as lack of clarity and agreement on intellectual property policies, and lack of sufficient communication and awareness between the two sectors.

The report also sets out a number of excellent recommendations including:¹⁸

- Commit to establish at least one 3-5 year strategic partnership agreement with one or more specific university (and/or college) within the next twelve months, detailing the type and range of cooperative activities intended
- Expand support for co-op education, giving undergraduate and graduate students as well as researchers direct experience in linking theory and application through focused co-op placements in the workplace
- Press the Ontario government to develop a comprehensive university research policy, as recommended by the Smith Panel and the Munroe-Blum Report
- Reaffirm the recommendations of the Munroe-Blum Report, *Growing Ontario's Innovation System: The Strategic Role of University Research* on its five themes to (1) create an optimal university research competitiveness and construct a world-class infrastructure, (3) expand the impact of university research and foster entrepreneurship, (4) foster local, national and global innovation networks and global profile, and (5) celebrate our people, achievements and success

The Ontario government, universities, and the private sector must continue to work together towards more consistent and complementary relations where all parties are committed to similar goals. For example, as pointed out in the report, policies at all levels of government concerning zoning and land use, transportation and other infrastructure, taxation, student assistance, and other issues can be coherently constructed to provide incentives and encouragement to university-industry collaboration.¹⁹ The government also benefits from such arrangements and should find ways to facilitate these interactions.

Such partnership agreements could include such features as sabbatical research opportunities (in industry labs), visiting industry scientists as speakers in university classes, conferences or workshops, discussion with students about career opportunities, student interaction with corporate scientists in the work environment (for example, internships or co-op placements), input about needed skills for

¹⁶ AUCC, "Contributing to Knowledge." *Election 2004 Tip Sheets*, November 5, 2004 [Online] Available at http://www.aucc.ca/publications/reports/2004/index_e.html

¹⁷ Johnson, David. Council of Ontario Universities, Special Report, *The University-Private Sector Interface and the Ontario Economy*, October 2004: 1

¹⁸ *ibid.*, 3

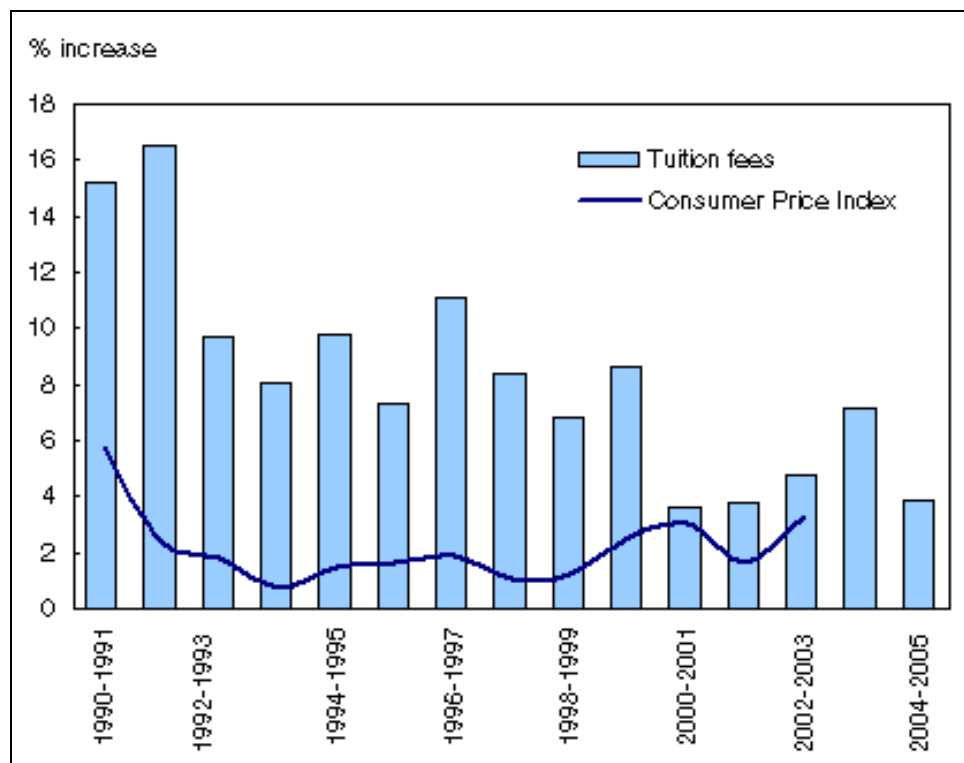
¹⁹ Johnson, David. Council of Ontario Universities, Special Report, *The University-Private Sector Interface and the Ontario Economy*, October 2004: 13

curriculum planning, endowed professorships, (named) fellowships in subject areas where the company wants to recruit, research on vexing problems, and community and capacity building.²⁰

Student Financial Aid System

With increasing enrolment in universities, rising operating budgets of postsecondary institutions, insufficient government transfers, growing tuition fees, and increased student debt in the face of less student aid funding from a scaled-down student aid scheme, the current student aid system is in need of an urgent overhaul. A strategic reworking of the current system is needed in order to facilitate a stronger support for students who wish to pursue postsecondary studies.

Rates of increase in undergraduate tuition fees versus inflation²¹



(Source: [University tuition fees](#). Statistics Canada, *The Daily*, Thursday, September 2, 2004)

Both college and university tuition have continued to rise over the last ten years, with average tuition fees rising faster than inflation (see above figure). The largest increases in tuition over this period have been seen in medicine and law, and particular dentistry, where the average tuition fee quadrupled from \$2,688 to \$11,185.²²

²⁰ *ibid.*, 13

²¹ Culture, Tourism and the Centre for Education Statistics – Research Paper, Statistics Canada, “Paying for Higher Education,” *Education Matters*. November 5, 2004 [Online] at <http://www.statcan.ca/english/freepub/81-004-XIE/200409/peps.htm>

²² *ibid*

In a report entitled *Meeting the Need: A New Architecture for Canada's Student Financial Aid System*, The Institute for Research on Public Policy (IRPP) reported that there are a number of problems with the current "student-centered model" of financial aid in Canada which include:²³

- The "independent student" category is too easily accessed;
- The assistance limits, which have not changed since 1994 despite rising tuition fees, are inadequate;
- The expectations of parental contributions are wrong.

The authors propose a single and coherent system that would "deliver the full amount of aid required to those who need it in an efficient, effective and non-wasteful manner."²⁴

This system would include:

- Full coverage of the difference between costs and resources available to students through a loan/grant support package. There would be no unmet need;
- Loans themselves would be capped at \$5,000 per year;
- A supplementary loan system for those whose parents do not make the contributions expected of them or who cannot make their own contributions;
- A relief program for those facing high debt-to-earnings ratios in repayment periods.

The OCC recommends that the Ontario Government immediately review the current financial aid system, and improve it so that no student is denied access because of financial reasons. Thresholds for financial assistance urgently needs to be increased to reflect the real rising costs incurred by students. These should be reviewed and adjusted regularly to ensure they remain current. The government should strongly consider adopting the above suggestions recommended by the Institute for Research on Public Policy.

The costs of attending postsecondary institutions have been rising and universities have become more selective in admitting students.²⁵ Youth from high-income families are twice as likely to attend university as youth from low-income families.²⁶ Student finance turns into an access issue when students do not have the money to pay for higher education or must incur large amounts of debt to do so.

Millennium scholarships reports that while the average debt upon graduation has declined, this reflects program changes making some students ineligible for loans, the constant level of the maximum amount that could be borrowed. The drop in student debt from public loans also may have been offset by an increase in borrowing from private institutions and by the fact that a number of parents take out loans to help finance their children's studies.²⁷

²³ Institute for Research on Public Policy (IRPP), News Release, "Canada Needs a New Student Financial Aid Architecture," August 24, 2004. November 5, 2004 [Online] at <http://www.irpp.org/newsroom/index.htm>

²⁴ Institute for Research on Public Policy, News Release, "Canada Needs a New Student Financial Aid Architecture," August 24, 2004. November 5, 2004 [Online] at <http://www.irpp.org/newsroom/index.htm>

²⁵ Millennium Scholarships, "Summary of Major Themes," *The Price of Knowledge 2004: Access and Student Finance in Canada*. November 10, 2004 [Online] http://www.millenniumscholarships.ca/en/research/pok_key_findings.htm

²⁶ *ibid.*

²⁷ Millennium Scholarships, "Summary of Major Themes," 2004-10-11 [Online]

Credit Transfers

In *Ontario: The Land of Opportunity*, a report produced by TD Economics, it is noted that it will be important for the postsecondary education sector to increase the degree of collaboration between universities and colleges. For example, by making more transfer credits available between the two to satisfy the growing demand for combined theoretical and applied education.²⁸

Additionally, students need to be provided with opportunities to realize their full potential and obtain the skills and knowledge necessary to be able to contribute to the best of their ability in the labour market. Students already realize the importance of a postsecondary education. Postsecondary institutions need to work together to ensure students have various avenues to attain the skills needed to succeed. Credit transfers are one means by which to achieve and it is crucial going forward that universities and colleges expand this effort for the betterment of the postsecondary system. Currently, it appears that colleges and universities often operate in silos.²⁹ This may have been acceptable twenty or thirty years ago but for today's quickly changing knowledge-based economy it is fundamental that these two institutions be able to work together and foster each of their strengths, typically that is for universities to concentrate on the theoretical or academic approach to learning, while colleges focus on the applied approach.

It is not uncommon for a college student, upon graduation, to pursue a university degree, and vice versa; some university graduates go to college to learn the "applied" part of their studies. Recognizing this trend, universities such as York University already have a transfer credit policy in place to facilitate the credit transfers of college students to university. York automatically grants transfer credit to any admitted applicant who has studied at an accredited postsecondary institution prior to applying to York. The amount of transfer credit depends on the grades received, the courses taken and the program being applied for. Transfer credit is given based on what was previously studied and how it relates to what the applicant plans to study. Currently, college applicants need to have a 3.0 grade point average (B / 70% or equivalent) on a 4-point scale, including all attempted courses.³⁰ Upon completing a three-year diploma in an academic program, a student may receive up to seven full York University courses. Completing a two-year diploma in an academic program rewards a student with up to five full York University courses. Generally speaking, five full courses are equivalent to one year of university study. Applicants who have completed a minimum of two semesters in an academic diploma program with an overall average of at least 3.0 (B/70%) on a 4-point scale or equivalent are also eligible for credit transfers.³¹

The Postsecondary Education Review raises the question of whether "selected colleges" should be allowed to deliver the first two years of some university programs, as is done in British Columbia and various junior colleges in the United States.³² Some may argue that this will diminish the colleges intended role to provide skills training to students who do not want to attend university. This viewpoint identifies a one-sided representation of how the system is meant to work and only serves to

²⁸ TD Economics, Special Report, *Ontario: The Land of Opportunity*, September 28, 2004 [Online] Available <http://www.td.com/economics/special/ont04.pdf>.

²⁹ *ibid.*

³⁰ York University. "Transfer credit / advanced standing policy for applicants to York University." [Online] Accessed November 11, 2004 at: <http://www.yorku.ca/web/futurestudents/transferecredit/#caat>

³¹ *ibid.*

³² Urquhart, Ian. "Colleges, universities gird for fight." *Toronto Star*. November 10, 2004. Nov. 11, 2004 [Online] at: <http://www.thestar.com/NASApp/cs/ContentServer?pagename=thestar%2FUtilities%2FJavaSearch&searchstring=education>

widen the gap between two important institutions in the postsecondary system: It also is based on an assumption that the roles of postsecondary institutions cannot evolve to suit the changing needs of society. It pits one against another, neglects the student perspective, and does not support the current push towards a skilled and highly educated workforce.

Credit transfers simply enable and provide an opportunity for college graduates fast-track their university education. These students will also get into the workforce faster and avoid duplication in their studies, which can serve to be a major deterrent from pursuing postsecondary education.

Additionally, high school graduates who did not apply to go to university due to the increasingly high marks required for admission can have a second chance to pursue this option. According a Stats Canada Report entitled, *Paying for Higher Education*, in 2002, students who reported grades below 70% in the final year of high school were less likely to continue on to postsecondary education than students who reported grades of 70% and above.³³

Improving Access for Underrepresented Groups

Canada is a long way from ensuring equitable access to the education opportunities citizens require in order to benefit from the knowledge economy.³⁴ While these barriers are, for the most part, income-related, this does not mean that the problem is simply insufficient funds.

i. Immigrants

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.

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

³³ Culture, Tourism and the Centre for Education Statistics – Research Paper, Statistics Canada, “Paying for Higher Education,” *Education Matters*. November 5, 2004 [Online] at <http://www.statcan.ca/english/freepub/81-004-XIE/200409/peps.htm>

³⁴ Millennium Scholarships, “Summary of Major Themes,” 2004-10-11 [Online]

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, and accounting and finance. Currently, 27 employers have committed to place 45 interns, and 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.

The more quickly an immigrant gains the language skills to get a job and be self-supporting, the greater the chances of acceptance and integration into the mainstream society; and the quicker an immigrant can have their foreign credentials evaluated, the quicker they will be able to participate in the labour force.³⁵ In the 1990s, immigrants represented 57 percent of the labour force and will continue to account for a large percentage of the labour force in the coming years.³⁶

The Provincial Assessment Committee of the Canadian Information Centre for International Credentials prepared draft guidelines for assessing foreign credentials. Entitled the General Guiding Principles for Good Practice in the Assessment of Foreign Credentials, section 34 of these guidelines

³⁵ Veeman, Nayda. "The Case for Adult Education as a Public Investment," *Policy Options* (November 2004): 55. Accessed November 8, 2004 [Online] at <http://www.irpp.org/po/index.htm>

³⁶ Veeman, Nayda. "The Case for Adult Education as a Public Investment," *Policy Options* (November 2004): 55. Accessed November 8, 2004 [Online] at <http://www.irpp.org/po/index.htm>

recommends the use of “Assessment Criteria” for evaluating foreign credentials. Here they are listed below:³⁷

A variety of criteria should be applied to determine the level and type of educational programs, including:

- entrance requirements (e.g. What are the normal admission requirements for entrance to the program? What is the level of studies in the home country?)
- full-time duration of study program (e.g. What is the normal full-time duration of the program?)
- structure of program (e.g. How is the program structured? What type of program is it, such as vocational, academic, etc.?)
- contents of the program (e.g. In what discipline of studies? What courses? How many hours of studies?)
- purpose of degree (e.g. For what purpose was the program completed? Was it for a professional qualification or prerequisites to further studies?)
- bridges to traditional degree (e.g. What access does the program give to other programs in the home country?)

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.

ii. Aboriginals

Participation rates for Aboriginal Peoples continue to lag behind those for the rest of the population.³⁸

The Department of Indian Affairs and Northern Development (DIAND) provides Post-Secondary Education (PSE) support to eligible Indian and Inuit students through the Post-Secondary Student Support Program (PSSSP) and the University College Entrance Preparation Program (UCEP) to assist First Nation students with the cost of tuition fees, books and travel, and living allowances, when applicable.³⁹ One consistent finding which arises from the study is that the educational careers of

³⁷ Canadian Information Centre for International Credentials, Provincial Assessment Committee. *General Guiding Principles for Good Practice in the Assessment of Foreign Credentials*. Accessed November 12, 2004 [Online] at <http://www.cicic.ca/pubs/prncpen.stm>

³⁸ price of knowledge

³⁹ “Postsecondary Education Programs,” http://www.ainc-inac.gc.ca/ps/edu/ense_e.html

registered Indians have a different pattern than those of other Canadians. That is, registered Indians take longer to reach a given level of attainment, but seem to be more willing to continue their education or return to complete their education at an older age, compared to others.⁴⁰ However, enrolment is steadily rising. There were nearly 27,000 Indian and Inuit students enrolled full- and part-time in post-secondary institutions in 1994/95 compared with slightly more than 8,000 in 1983/84. Nearly 90% were full-time students in 1994/95.⁴¹ It is essential that these efforts continue to be supported and the growing demand to obtain a postsecondary education among this underrepresented group continues to be met with sufficient resources.

Delegates to Ontario Chamber of Commerce's Ontario Economic Summit initiative strongly recommended that the Government of Ontario support those initiatives that serve to improve education, training and access of the Aboriginal workforce to meaningful employment opportunities.

iii. Low-Income Families

Youth from high-income families are twice as likely to attend university as youth from low-income families.⁴² Young people from lower-income families are also affected by poorer secondary school performance and poor information about the costs and benefits of postsecondary education.⁴³

As with tuition increases, the pressure on grades poses a particular obstacle to lower-income students, since they are more likely to have missed out on the various forms of support that tend to foster academic achievement.⁴⁴

iv. Low-Literacy People

Literacy in general is an important factor in determining whether a person will or can pursue postsecondary studies.

In 1998, the Ministry of Education and Training prepared a report entitled *Adult Literacy in Ontario: The International Adult Literacy Survey Result*. Some of the significant findings include:

- Ontario has higher literacy levels than the national average. 55.8% of Ontario's adult population has sufficient literacy skills while the national average is 52.4%. In addition, Ontarians have higher numeracy skills than Canada as a whole: 57% versus 52%.
- In Ontario, 20.2% of the adult population does not have basic literacy skills while a further 24% could be considered to have inadequate skills to meet changing labour market needs.
- There is little difference in the Ontario results from LSUDA (1989) and IALS (1994).
- As in all other jurisdictions, literacy levels in Ontario decline after age 45.
- Most graduates of secondary school have achieved level 3 literacy.

⁴⁰ Indian and Northern Affairs Canada, Research & Analysis Directorate, *Aboriginal Post-secondary Education and Labour Market Outcomes Canada, 1996*. Accessed November 15, 2004 [Online] at http://www.ainc-inac.gc.ca/pr/pub/ra/pse_e.pdf

⁴¹ Department of Indian Affairs and Northern development, "Increase in post secondary education enrolment" Issue No. 9 - December-January 1996. accessed November 15, 2004 [Online] http://www.ainc-inac.gc.ca/nr/nwltr/sts/1996fs-9_e.html

⁴² Millennium Scholarships, "Summary of Major Themes," 2004-10-11 [Online]

⁴³ Culture, Tourism and the Centre for Education Statistics – Research Paper, Statistics Canada, "Paying for Higher Education," *Education Matters*. November 5, 2004 [Online] at <http://www.statcan.ca/english/freepub/81-004-XIE/200409/peps.htm>

⁴⁴ Millennium Scholarships, "Summary of Major Themes," 2004-10-11 [Online]

- Ontario's Francophone community has lower literacy results than the general population.
- There is little difference in the Ontario results between men and women. Ontario females had higher results than men on the prose tests while males outperformed females in the document tasks. There was little difference in the quantitative tasks. **Employed Ontarians are more likely to have higher literacy results than those unemployed.**

While it is imperative to ensure literacy rates in Ontario remain competitive, a 2004 Statistics Canada Serge Coulombe, Jean François Tremblay and Sylvie Marchand provides an economic argument for educating those at the lower literacy levels. They show that educating the least educated has a greater impact on GDP than increasing the skill levels of those with higher literacy skills.⁴⁵

This translates into helping those who are falling behind and underachieving in high school.

There are clear and significant differences in the literacy attainment of individuals with differing levels of education.⁴⁶ It was apparent that those who graduated with college or university degrees had a higher level of literacy than those who only graduated with a high school diploma.⁴⁷

There is a strong and consistent relationship between literacy and income from salary and wages.⁴⁸ Only individuals who had a high literacy level (level 4/5) were found in the highest quintile when it came to earnings.⁴⁹

Those with English mother tongue are also a highly educated group: 47% have completed university and 72% have completed some form of post-secondary program. In contrast, only 21% of those whose first language is neither English nor French have completed a post-secondary program.⁵⁰

v. Life-long Learning: Adult Education

Adult education and training contribute to the skill enhancement and skill retention rates of workers. There is currently no universal publicly funded system of adult basic education in Canada. Instead, adults functioning at a low literacy level usually avail themselves of a patchwork of volunteer programs or projects offered by community-based organizations. There is no reliable schedule of adult learning opportunities, nor do all Canadians have access to the funding for study at the basic level.⁵¹

The federal government gave up its role in funding adult basic education in the 1990s with the signing of a labour market agreement with each province. It now allots \$1 per capita to the National Literacy Secretariat for literacy activities other than service delivery; 25 percent of this funding goes to public awareness projects and literacy awards in an effort to increase demand for literacy programs. There is no comprehensive strategy for increasing learning opportunities for adults.⁵²

⁴⁵ Veeman, Nayda. "The Case for Adult Education as a Public Investment," *Policy Options* (November 2004): 55. Accessed November 8, 2004 [Online] at <http://www.irpp.org/po/index.htm>

⁴⁶ Ministry of Education and Training, *Adult Literacy in Ontario: The International Adult Literacy Survey Results* (1998). Accessed November 15, 2004 [Online] <http://www.edu.gov.on.ca/eng/training/literacy/internation/internat.pdf>: page 11

⁴⁷ *ibid.*, page 11

⁴⁸ *ibid.*, page 31

⁴⁹ *ibid.*, page 31

⁵⁰ *ibid.*, page 21

⁵¹ *ibid.*, 55

⁵² *ibid.*, 55.

The OCC is encouraged by the Ontario Government's recent undertaking of the Adult Education. The purpose of the review is to establish a framework for a system of adult education and training that improves opportunities for adults to increase job-related skills, pursue further education and training and ultimately to enhance personal well-being and quality of life. The discussion paper, "Adult Education Review", reports that the "government is committed to providing Ontarians with access to an adult education and training system that addresses current and anticipated economic and social challenges." These challenges include rapid technological growth and the projected slow growth of the labour force due to youth dropout rates and an aging population.

Statistics Canada defines adult education as "organized, structured programs of education adapted to the needs of persons 17 and older who are not in the regular school, college or university systems." Some provinces within Canada have their own definitions of adult education; however, Ontario is not amongst this group. One of the key questions that is to be addressed in the review concerns whether the province should adopt its own definition.

The government plans to focus on program areas that are deemed critical for adults who must re-enter into the workplace, those who must upgrade their skills to remain employed, as well as those adults who want to integrate into society. Programming areas to be examined include: adult English or French as a second language, basic literacy and numeracy, adult credit and non-credit programs, continuing education programs; correspondence/self-study and distance delivery; adult Native language programs; citizenship preparation; and academic upgrading.

The discussion paper highlights that immigration will continue to account for a large percentage of the new entrants to the labour force; this includes adults who received their training and education abroad. The adult education review is to be coordinated with the government's efforts to eliminate barriers facing these individuals.

It is noted that individuals with poor language skills have higher unemployment rates and participate less in the workforce. It was revealed in the 1994 International Adult Literacy Survey, that 20 percent of Ontario adults do not have the basic reading, writing and numeracy skills necessary for work. As adult education and training will contribute to the skill enhancement and skill retention of workers, it is expected that a focus on improving adult education in Ontario will help to alleviate these problems. Furthermore, studies highlighted in the discussion paper cite that adult education contributes to improved health and well-being. A study conducted by the Council on Scientific Affairs indicated that patients with inadequate literacy skills were nearly twice as likely to have been hospitalized.

The government must create a flexible framework that will facilitate the development of clear learner pathways, the recognition of prior adult learning, the development of policies that support the accessibility of services and accountability for the effectiveness and efficiency of programs; it will also need to include mechanisms to allow the system to respond to the needs of society and the economy.

The OCC believes that more must be done for adult education and looks forward to the review.

IV. Quality and Accountability

Quality assurance mechanisms in Ontario's postsecondary education system vary by type of institution and program. They include ⁵³

- legislation (statutes and regulations)
- key performance indicators (KPI)
- affiliation
- credit transfer and articulation
- external and internal review
- professional accreditation
- other organizations related to quality assurance

According to the Canadian Information Centre for International Credentials, the term quality assurance relates to the achievement of educational program standards established by institutions, professional organizations, government, and/or standard-setting bodies established by government.⁵⁴ This organization has the view that “the absence of a formal, national system of accreditation for postsecondary education providers in Canada makes it challenging to obtain a clear picture of how quality is assured at both the institutional and program levels.”⁵⁵ There are key areas which need attention: the absence of provincial accreditation systems for public education providers and the lack of information on quality assurance mechanisms used by institutions in other countries, private corporations, and professional organizations.⁵⁶

The Ontario Government should explore adopting system-wide benchmarks, or, as ACAATO has recommended in its submission *Achieving High Expectations in Ontario's Postsecondary Education Sector: A Plan for Change*, that an independent Higher Education Agency be created with a mandate that covers strategy, policy, and funding advice to the Minister and operational responsibility for credit transfer.

⁵³ CICIC, <http://www.cicic.ca/postsec/accreditation/accreditation.en.stm#ON>

⁵⁴ Canadian Information Centre for International Credentials. Fact Sheet #5: Recognition of Postsecondary institutions in Canada. Accessed November 11, 2004 [Online] at www.cicic.ca/factsheets/factsheet5en.stm

⁵⁵ *ibid.*

⁵⁶ CICIC, <http://www.cicic.ca/factsheets/factsheet5en.stm>

REFERENCES

Canada Millennium Scholarship Foundation, "Summary of Major Themes," *The Price of Knowledge 2004: Access and Student Finance in Canada*. November 10, 2004 [Online]
http://www.millenniumscholarships.ca/en/research/pok_key_findings.htm

AUCC, "A Foundation for the Future." *Election 2004 Tip Sheets*, November 5, 2004 [Online] Available at
http://www.aucc.ca/publications/reports/2004/index_e.html

TD Economics, Special Report, *Ontario: The Land of Opportunity*, September 28, 2004 [Online] Available
<http://www.td.com/economics/special/ont04.pdf>.

Urquhart, Ian. "Colleges, universities gird for fight." *Toronto Star*. November 10, 2004. [Online] at
http://www.thestar.com/NASApp/cs/ContentServer?pagename=thestar/Layout/Article_Type1&call_pageid=971358637177&c=Article&cid=1099998247900

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

"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.

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

AUCC, "Contributing to Knowledge." *Election 2004 Tip Sheets*, November 5, 2004 [Online] Available at
http://www.aucc.ca/publications/reports/2004/index_e.html

Johnson, David. Council of Ontario Universities, Special Report, *The University-Private Sector Interface and the Ontario Economy*, October 2004: 1

Johnson, *University-Private Sector Interface and the Ontario Economy*, 3

Culture, Tourism and the Centre for Education Statistics – Research Paper, Statistics Canada, "Paying for Higher Education," *Education Matters*. November 5, 2004 [Online] at <http://www.statcan.ca/english/freepub/81-004-XIE/200409/peps.htm>

Culture, Tourism and the Centre for Education Statistics – Research Paper, Statistics Canada, "Paying for Higher Education," *Education Matters*. November 5, 2004 [Online] at <http://www.statcan.ca/english/freepub/81-004-XIE/200409/peps.htm>

Institute for Research on Public Policy, News Release, "Canada Needs a New Student Financial Aid Architecture," August 24, 2004. November 5, 2004 [Online] at <http://www.irpp.org/newsroom/index.htm>

York University. "Transfer credit / advanced standing policy for applicants to York University." [Online] Accessed November 11, 2004 at: <http://www.yorku.ca/web/futurestudents/transferecredit/#caat>

Veeman, Nayda. "The Case for Adult Education as a Public Investment," *Policy Options* (November 2004). November 8, 2004 [Online] at <http://www.irpp.org/po/index.htm>