



FOI Documents Show Fanshawe College's Product Testing Facility A Financial Drain on the College's Resources

FOR IMMEDIATE RELEASE

JUNE 4, 2020 – Fanshawe College's product testing facility in London, Ontario, built with \$8.1 million from the Federal Economic Development Agency for Southern Ontario (FedDev Ontario) and a matching amount from provincial funding to the College, is hemorrhaging red ink and costing Fanshawe millions of dollars to keep the Centre operating.

This drain on Fanshawe's resources, revealed in documents obtained by the Canadian Council of Independent Laboratories (CCIL) under a freedom of information request, comes at a time when the College has been trying to raise emergency funds for students financially hurt by the COVID-19 crisis.

The Canadian Centre for Product Validation (CCPV), which opened in 2016, had an ambitious plan to capture a large percentage of the product testing and validation market in Canada. But CCPV has lost money every year and its deficit is increasing.

The Centre's accumulated deficit as of March 2019 was \$3.8 million. In 2018, a College financial analyst determined that CCPV's annual sales would need to be \$3.4 million to break even, yet sales were only about \$363,000 in fiscal 2018-2019.

CCPV is in such financial straits that the College has agreed not to collect rent for the CCPV facility. The documents even confirm that the College does not believe that the financial situation for the CCPV will improve and consequently the Board of Governors agreed in 2019 to write off \$4.6 million of the \$10 million spent to construct the 4-year-old CCPV building.

CCIL was opposed to the CCPV from the start because it was intended to compete with the private sector by offering services already commercially available. In December, 2015, CCIL called for a halt to this "misuse of taxpayers' money" and urged the federal department overseeing FedDev to investigate the matter – which never occurred.

“We questioned why public funds would go to support this scheme, and indeed why Fanshawe’s Board of Governors approved the plan,” says Tony Araujo, President of CCIL. “Turns out, the Centre has been and will continue to be a drain on the financial resources of the College.”

CCIL represents the independent, private-sector laboratories in Canada. Its members operate more than 460 laboratories across the country, carrying out a broad array of testing services on construction materials, manufactured goods, minerals, oil and gas, crops, food, air, water, soil, and more.

– 30 –

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