

A CANADA JOBS GRANT PROGRAM FOR ALL CANADIAN BUSINESS (2016)

The Canada Jobs Grant program helps Canadian businesses offset the high cost of training needed to improve employee skills which, in turn, keeps their businesses competitive and growing.

The problems however, with the Canada Jobs Grant are numerous. Some examples: few businesses know that the grant exists; the grant is difficult to access and apply for; if a company did apply, it took too long until they heard if they were approved (4 months); and the funding dried up too fast.

Background

In Budget 2007, the Government introduced the Labour Market Agreements with an investment of \$3 billion over six years to assist Canadians who are low-skilled or not eligible for Employment Insurance (EI) benefits.

Economic Action Plan 2013 announced the Government's intention to renew the Labour Market Agreements with provinces and territories in 2014 with investments of \$500 million per year. The Agreements will be reformed to directly connect skills training with employers and jobs for Canadians with the Canada Jobs Grant - the centrepiece of the new agreements. The Grant will account for \$300 million of total annual Labour Market Agreement funding from the federal government on full implementation in 2017-18.

The grant, as delivered through Labour Market Agreements, will require matching from employers as well as provinces and territories. Businesses with a plan to train Canadians for an existing job or a better job will be eligible to apply for a Canada Jobs Grant. The grant will provide access to a maximum of \$5,000 federal contribution per person towards training at eligible training institutions. This means the grant could provide \$15,000 or more per person, including provincial/territorial and employer contributions.

Upon full implementation of the grant under the Labour Market Agreements, nearly 130,000 Canadians each year are expected to be able to access the training they need for gainful employment or to improve their skills for in-demand jobs.

The remaining funding of \$200 million per year will continue to be transferred to provinces and territories to support delivery of critical employment services, such as counselling, job search assistance, and administration.

The Government will work in cooperation with its provincial and territorial partners to transform the way Canadians get training to help achieve our shared objectives of creating jobs and economic growth.*

*www.actionplan.gc.ca/en/initiative/canada-job-grant

Issues

Each province manages their own Canada Jobs Grant funding and therefore has developed different criteria and qualifications for the program. This creates inequities province to province. In other words, some provinces received funding all year (Alberta) and some funding ran out before it even got off the ground (BC).

- There is no sustainable funding throughout the year; therefore there is not always funding available when employers require training or programs offered later in the calendar year.
- Application process is difficult and often takes too long to process.
- There is no cap on the amount of funding a company can apply for. This means that large employers applying for an amount of funding appropriate for their number of staff may secure a large portion of the funding available, leaving less available for the many smaller employees needing the grant dollars.
- The process to obtain employees through this program does not fit within normal hiring processes.
- Funding closed off too quickly and due to the lack of awareness and communication about the program meant that the money ran out before most companies knew it existed.
- There were too many constraints on the program as to which personnel and which companies are eligible for funding.
- Approvals were not processed in a timely manner. Applicants did not find out if they were approved for 4 months after they applied, in which time it often meant the program they wanted to access, or funding they had set aside, was no longer available.

Conclusion

The Canada Jobs Grant is ineffective, difficult to apply for and is inequitable province to province and business to business. This program needs to be immediately restructured with tighter and clearer guidelines to allow access for all Canadian businesses to receive funding for training.

THE CHAMBER RECOMMENDS

That the Federal Government in concert with the Provincial Governments:

1. work towards the standardization of the program criteria, guidelines and create a platform to measure success.
2. create a specific time frame for approval/disapproval that is no longer than 6 weeks
3. create a process for an expedited approval/disapproval process under special circumstances
4. implement a sustainable funding model to ensure equal access throughout the year; and
5. to ensure maximum diversification of the fund, set reasonable maximum amounts per company and per employee

Submitted by Thrive Business Strategies