

64. A Canada Job Grant Program for All Canadian Business

The Canada Job 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 Job 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 (four months); and the funding dried up too quickly.

Background

In Budget 2007, the Government introduced the Labour Market Agreements with an investment of \$3 billion over six years to assist Canadians who were 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 were to be reformed to directly connect skills training with employers and jobs for Canadians with the Canada Job 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, requires 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 Job 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 growth¹.

Issues

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

- 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.
- The 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

¹ <http://www.actionplan.gc.ca/en/initiative/canada-job-grant>

large portion of the funding available, leaving less funding 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 closes off too quickly and, due to the lack of awareness and communication about the program, means that the money runs out before most companies know it exists.
- There are too many constraints on the program as to which personnel and which companies are eligible for funding.
- Approvals are not received in a timely manner. Applicants do not find out if they have been approved until four months after they applied, in which time it often means that the program they wanted to access, or funding they had set aside, is no longer available.

Conclusion

The Canada Job Grant is ineffective, difficult to apply for and is inequitable from 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.

Recommendations

The federal government, in concert with provincial and territorial governments, develop program guidelines to improve the performance of the Canada Job Grant program, particularly its equity to small business training needs and a timelier decision-making framework.