

July 5, 2013

The Honourable Diane Finley
Minister of Human Resources and Skills Development
House of Commons, Confederation Building
Ottawa, ON K1A 0A6

RE: Canada Job Grant

Dear Minister Finley:

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 60,000 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 promote economic renewal and business competitiveness in Ontario.

On behalf of the Ontario Chamber of Commerce, I am writing to provide input on the proposed Canada Job Grant (CJG), as described in Economic Action Plan 2013.

As you know, Ontario's unemployment rate is 7.3%, above the national average of 7.1% unemployment. As such, we support your government's efforts to work with employers to achieve Ontario's labour market goals. We also agree that employers need to play a more active role in skills training.

We also feel that a training program such as the CJG would have to be part of a comprehensive suite of employment and training supports that addresses the varied needs of employers and individuals in Ontario's diverse labour market.

In this regard, we have the following questions with respect to the CJG:

- 1. What evidence exists to suggest this type of training program works?** The federal government has not yet provided evidence that suggests the CJG program will work in highly diversified labour markets like Ontario's.
- 2. What measures will the federal government take to ensure that small and medium sized businesses (SMEs) as well as northern and rural businesses are able to access training programs?** The CJG's requirement for businesses to provide matching funds of up to \$5,000 may benefit larger businesses more than SMEs, who make up 99% of businesses in Ontario. The cost of accessing the CJG, both in terms of time and money, may act as a prohibitive barrier to SMEs. Additionally, businesses in rural communities and in the northern portion of our province may not have access to the breadth of training facilities that will enable them to capitalize on a program like the CJG.

3. **What assurances can you give that federal Labour Market Agreement (LMA) funds will continue to address the needs of key populations who face serious barriers to labour market participation?** As detailed in Economic Action Plan 2013, the CJG could be used by “businesses with a plan to train unemployed and underemployed Canadians for an existing job or a better job”. The CJG would potentially exclude groups who face severe labour market barriers, including those who may not be employment-ready and those who may need literacy upgrading or skills. As recent Ontario Chamber of Commerce research shows, vulnerable groups including Aboriginals and persons with disabilities have tremendous untapped economic potential.

4. **What assurances can you give that the CJG will not place additional training costs on cash strapped provincial governments?** By restructuring LMAs to make way for the CJG, the federal government is focusing resources away from those individuals with the most precarious labour market attachments. The federal government risks pushing a huge fiscal burden on to the provinces at a time when deficit reduction is the top priority of the business community.

I will be pleased to share your answers with our members. If you have any questions, you may direct your staff to contact Josh Hjartarson, Vice President Policy & Government Relations, Ontario Chamber of Commerce, at 416-482-5222, ext. 2320, or joshhjartarson@occ.on.ca.

Thank you for your time and consideration.

Yours sincerely,

Allan O'Dette, President & CEO, Ontario
Chamber of Commerce

cc: Kellie Leitch, Parliamentary Secretary to the Minister of Human Resources and Skills
Brad Duguid, Minister for Training, Colleges, and Universities