



CMC | Canadian
Manufacturing
Coalition

June 27, 2013

The Hon. Diane Finley, P.C., M.P.
Minister of Human Resources & Skills Development Canada
140, Promenade du Portage
Gatineau, QC K1A 0J9

Re: Canada Jobs Grant

Dear Minister:

On behalf of the Canadian Manufacturing Coalition (CMC), our 100,000 member companies and their nearly two million direct employees across Canada, we are writing to provide our input and direction on the creation and design of the Canada Jobs Grant (CJG) as announced in the Economic Action Plan 2013.

Our associations and members are very supportive of the Government's decision to include company directed skills training as a major policy tool to address current and growing skills and labour shortages across Canada. In a recent survey completed by the CMC, it was found that nearly 50 per cent of our member companies are experiencing labour shortages. These shortages have contributed to nearly one-third of companies reporting output constraints, with an equal number saying that they would need to consider moving production outside of Canada in the next five years.

Solving these labour challenges will require a focused effort to improve both the size and quality of the labour pool, a process which requires the active engagement of government, labour, academic institutions, and industry. An important element of this strategy must be the improvement of skills among existing employees and training of new employees, so that companies may improve their processes and products, thereby remaining globally competitive.

Over the past several weeks, many of our associations and members have participated in consultations across the country on the creation of the proposed CJG. We thank you for providing the opportunity to comment and input into the program design at its earliest stages. Based on these initial consultations, we want to provide our input into the program's potential design and highlight three critical areas where the Canada Jobs Fund requires further amending to ensure its success.

Our primary concern from the discussions to date is that the program design is following existing models of training delivery in Canada, specifically fixed-term programs delivered through formal training centres and educational institutions. While this model may work for some training, we believe the model doesn't adequately reflect current business realities and will significantly limit the success of the program. Our associations and member companies pushed the government to create the CJG because we believed the program would be driven by companies to meet their labour needs to help them become more productive.

To ensure the successful implementation of the CJG, we believe the following elements are critical for program inclusion:

Supporting Small and Medium-size Enterprise (SME) Participation:

To realize the expressed goals of the CJG, widespread employer participation will be critical. The requirement that employers match financial contributions of up to \$5,000 may limit full SME participation. To better support SME participation, "in-kind" contributions from businesses should be included. These "in-kind" contributions could take the form of the payment of salaries, wages for in-house trainers, equipment and facilities used for training, or time away from work duties. By recognizing and accommodating the unique challenges facing SMEs, this program can better encourage their participation and ultimately realize the expressed goals of the policy.

Increase Access to Training:

The focus on providing training at colleges or trade union centres raises the concern that the individuals who are further away from the labour market will be excluded from fully participating in the program. Most training today is delivered through these mechanisms and while much of it is world class, it is not meeting the needs of industry. This is why we called on the government to create an employer-directed training fund.

To succeed today, companies are building specialized training centres based on sector, region or specific company needs, as well as providing hands-on training at the job site across company operations. This type of training is much more adaptive and flexible to current business realities and does not restrict company participation based on location, sector or size of company and should be included in the CJG. Ideally, the CJG will create training hubs, pooled training centres and alternative delivery models for training through associations. It is our hope that through this process the program may reduce costs and maximize the delivery of critically important training.

Broaden the definition of qualifying training:

The definition of training must not be specifically constrained to a narrow set of skills or training modules delivered by a select number of institutions. In order to build globally competitive companies and workforces, companies must train their employees on a wide range of skills including technical, process improvement and operational efficiency, product development, management, sales and international business, among others. This type of training can be both short-term and life-long. Limiting the qualifying training to a fixed term, a few skill sets, or to specific institutions under the CJG could exclude a significant amount of training that is critical for companies to compete and grow.

Our associations and members fully support the direction of CJG, but we do not believe that the program as currently being proposed, will meet the needs of industry in Canada or the goals of the government. Our members are investing heavily in employee training today and will do more if given the proper tools. We look forward to working with you constructively to create an effective program that will meet the expected outcomes of increasing company directed training that helps address skills and labour shortages across Canada.

If you have any questions on any of the above recommendations, please contact any of us at any time.

Sincerely,



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