



## **Provincial and Territorial Labour Market Ministers Urge the Federal Government to Reconsider Proposed Changes to Skills Training and Labour Market Funding**

**TORONTO, September 24, 2013** – On behalf of Canada’s Premiers, provincial and territorial Labour Market Ministers met to discuss skills training and the renewal of Labour Market Agreements that are set to expire in April 2014. At the Council of the Federation meeting in July, Premiers unanimously expressed concern that the proposed Canada Job Grant would jeopardize the success of current labour market programs already in place. The Premiers of British Columbia and New Brunswick were asked to take the lead on issues related to labour market and skills training.

Provinces and territories have jurisdiction for skills training and labour market programs and, as such, they are best placed to design and deliver programs and services that reflect local labour market needs. As a key priority for all provinces and territories, they have made important investments and have worked closely with industry and those in need of training in the design and delivery of labour market programs. Last year alone, provinces and territories invested approximately \$22 billion on post-secondary education and skills development.

Provinces and territories strongly agree that Canadians need all governments to work together to help workers acquire the skills they need to be successful in today’s demanding labour market. Provincial and territorial ministers seek a meeting at the earliest possible time with federal Employment and Social Development Minister Jason Kenney. They look forward to meeting with the federal Minister to discuss the renewal of federal, provincial, and territorial Labour Market Agreements. They believe that an evidence-based approach is required to address the diverse needs of the country’s labour markets. Urgent action is needed to avoid disruption in skills training for Canadians.

Ministers are engaging industry and stakeholders in their jurisdictions and are hearing that the proposed Canada Job Grant does not meet the needs of employers and stakeholders.

Three overriding concerns are shared by all provinces and territories and were echoed in their consultations.

(1) Diverting current funding to the proposed Canada Job Grant puts at risk successful programming that improves the employability and labour market participation of: youth, persons with disabilities, Aboriginal people, recent immigrants, social assistance recipients, long-term unemployed and older workers.

Improving labour market participation for these groups, who are underrepresented in the labour market, is exactly what the Labour Market Agreements were designed to do when they were signed in 2008. The federal proposal, if fully implemented, would take \$600 million per year out of this programming.

Reviews of current Labour Market Agreements have demonstrated their effectiveness. For example: 86% of clients are employed after leaving the program compared to only 44% before entering the program, and increased average earnings of \$323 per week after completing a program.<sup>1</sup>

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<sup>1</sup> These figures do not apply to Quebec, which conducts its own evaluations. Nevertheless, the results of Quebec’s evaluations are comparable and also demonstrate clearly the effectiveness of programming under the LMA.

(2) The great majority of small and medium-sized businesses would be unable to participate because of the need for the business to cost-match the program. Ministers are strongly supportive of the involvement of employers in improving the skills of their current and future employees, however the administrative burden that could fall to these businesses is of significant concern.

(3) The flexibility to tailor programs within each province and territory, a key strength of the current agreements, will be lost. The current proposal would be a step back to the failed "one size fits all" approaches of the past that did not work.

Ministers today released a report entitled, "[Building Skills Together](#)", detailing the critical importance of skills and training; the success of the current programming under Labour Market Agreements and their concerns about the federal proposal.

Ministers look forward to meeting with the federal Minister this fall to discuss ways forward for a successful renewal of Labour Market Agreements. Working collectively, governments can develop evidence-based solutions, respecting the principle that federal funding for employment and training supports should be flexible, equitable, long-term and predictable and not mandate cost matching. Ministers also reiterated that federal funding agreements or initiatives such as the Canada Job Grant must allow jurisdictions to opt out with full compensation.

Ministers will continue to engage with industry and other stakeholders to work towards a competitive labour market that includes all Canadians.

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