

November 7, 2013

Thomas A. Lukaszuk
Deputy Premier
Minister of Enterprise and Advanced Education
408 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Dave Hancock, QC
Minister of Human Services
408 Legislature Building
10800 - 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Lukaszuk and Minister Hancock:

On behalf of the Alberta Federation of Labour (AFL), our affiliated unions, and more than 160,000 members of the labour movement, I am writing to express our concerns about the diversion of funding to the Canada Jobs Grant program.

As it stands, funding for the proposed Canada Jobs Grant will come from current programs that help marginalized workers, such as young people, indigenous peoples, and people with disabilities.

These are precisely the people in Alberta who are suffering from the highest rates of unemployment and underemployment.

This funding is used to assist immigrants to access labour market opportunities, to increase literacy rates, and to collaborate with industry to integrate marginalized workers. These are programs that are effective.

Instead of funding programs that are working for the people who need help the most, the Canada Jobs Grant subsidize already-successful employers with no guarantee that any new jobs or training are being created.

The anticipated \$900-million price tag of this program will come at the cost of axing \$300-million of existing programs, and place an additional \$300 million burden on provincial governments. On top of being an ineffective and employer-driven plan, it's a bad deal for taxpayers.

The AFL takes the position that – in the context of persistently high unemployment among certain populations – labour force training programs should be increased, not reduced. Furthermore, training programs should be led by the government because businesses will not hire marginalized workers without incentives.

Although we welcome initiatives to increase skills development and employer investment in training, we are concerned that the Canada Jobs Grant program is fundamentally flawed and will not have the desired impacts for several reasons:

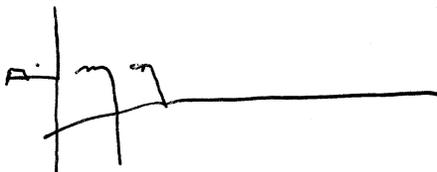
- The program is employer-driven and workers cannot access it directly. This will leave out workers whose employers are not willing or able to access the program.
- There is no evidence that the Grant provides enough incentive for employers to increase their spending on training, but if they do not participate there is no training. This is cause for great concern as research shows a lack of employer willingness to invest in workplace training across the country.
- Due to limited resources, small and medium sized employers will have more difficulty accessing the Grant than large employers, while public sector employers appear to be ineligible for the program.
- There is no guarantee that the Grant will go towards new training programs. Instead, it may serve to subsidize employers' existing training programs, which has no benefit to workers who are in need of new, additional training opportunities.
- There is no equity provision in the Grant, while most existing employer sponsored training in Canada goes to employed, male, higher educated workers in management jobs.

The Alberta Federation of Labour urges you to take a strong position against the diversion of funds away from Labour Market Access programs that are working. More training programs are needed to enable greater participation in the labour force, but cannot come at the cost of scuttling existing programs.

We encourage you to seek additional ways to empower more Albertans, to provide more training opportunities, and more routes for the unemployed and underemployed to enjoy the Alberta Advantage. It is our opinion that, as it is currently structured and funded, the Canada Jobs Grant will do the opposite.

I look forward to your reply. I can be reached directly at 780-218-9888.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gil McGowan', followed by a long horizontal line extending to the right.

**Gil McGowan, President
Alberta Federation of Labour**