

SASKATCHEWAN
MINISTRY OF THE ECONOMY

LABOUR MARKET DEVELOPMENT AGREEMENT (LMDA)

LABOUR MARKET AGREEMENT (LMA)

2012-2013
ANNUAL PLAN

CANADA-SASKATCHEWAN LABOUR MARKET AGREEMENT and LABOUR MARKET DEVELOPMENT AGREEMENT 2012-13 ANNUAL PLANS

PURPOSE

In accordance with Section 22.2 of the Canada-Saskatchewan Labour Market Agreement and with Section 3.3 of the Canada-Saskatchewan Agreement on Labour Market Development, the Government of Saskatchewan has developed an annual plan for 2012-13 that integrates the required planning processes under each Agreement.

The plan is divided into the following sections:

- Saskatchewan Environmental Scan
- Labour Market Priorities
- Labour Market Agreement
 - Eligible Clients
 - Program Priorities
 - Program Funding Allocations (Projected Expenditures)
- Labour Market Development Agreement
 - Eligible Clients
 - Program Funding Allocations (Projected Expenditures)
 - Joint Federal-Provincial LMDA Management Committees
 - Expected Annual Outcomes and Savings
- Consultation Process

The integrated plan for 2012-13 provides a framework for the Ministry's key activities. As well, it outlines projected program and funding allocations, and is subject to revisions based on changing employment and training needs of clients and changes in the economy and labour market.

ENVIRONMENTAL SCAN

OVERVIEW

The strength of Saskatchewan's labour market throughout the recession continued in 2011 to reach all-time highs in the labour force, employment, and full-time employment for the sixth year in a row. Employment growth outpaced the labour force in 2011, resulting in fewer unemployed and a lower unemployment rate of 5.0% that was once again the lowest among provinces and well below the national rate of 7.4%. Wages continued to rise in 2011, with the third highest increase among provinces.

Population growth has also continued, with an all-time high 1,072,082 people residing in the province as of April 1, 2012. Saskatchewan had the second highest growth among provinces last year, behind Alberta, with an increasing share of growth attributed to international migration.

A strong economy in 2011 encouraged population growth and labour market expansion, despite excessive moisture in the spring. An average of 3.9% real GDP is expected for the province, based on the average forecast among major economic forecasters. Saskatchewan led the country on several key growth indicators throughout the year, including exports, new motor vehicle sales, retail sales, and manufacturing shipments. Major forecasters expect Saskatchewan to be one of the top performers in economic growth in 2012, 2013, and beyond.

DEMOGRAPHICS

Saskatchewan's population has increased for 24 consecutive quarters. A population gain of 17,064 in 2011 was the highest annual increase on record. The province's population growth rate of 1.62% was the second highest among provinces, behind Alberta at 2.03%, and above the national growth rate of 1.1%. An increasing share of Saskatchewan's population growth is from international migration, 62.5% in 2011 compared to 52.5% in 2010.

Inter-provincially, there was a net gain of 1,181 people, accounting for 6.9% of the population increase. Most of Saskatchewan's inter-provincial gain was from Ontario (+1,376), Manitoba (+289) and Nova Scotia (+272). There were net inter-provincial losses with only two provinces – Alberta (-948) and British Columbia (-139).

LABOUR MARKET

In 2011 (12 month annual average), Saskatchewan's labour market exhibited continuing strength. The size of the labour force (employed and unemployed) expanded by 500 (0.1%) to reach an all-time high of 553,500. The number of people working also reached an all-time high of 525,900. Employment increased by 1,600 (0.3%), but more importantly, the number of full-time jobs increased by 4,800 (1.1%) and part-time jobs fell by 3,300 (-3.5%).

Saskatchewan's employment growth of 0.3% ranked eighth among provinces and was below the national average of 1.6%. Stronger employment growth by other provinces is largely attributed to recovery from the global recession. Saskatchewan has posted record highs for growth in the labour force, employment, and full-time employment for the past six years.

Saskatchewan's off-reserve Aboriginal population continued to have success in the labour market in 2011. The working-age population aged 15 and older was 69,800. The Aboriginal labour force increased by 3,400 (7.9%) nearly four times

the population increase of 1,400 (2.0%), pulling more Aboriginal workers into the labour market looking for work. Employment increased by 2,600 (7.1%) to a record high of 39,200 and Aboriginal youth employment increased by 600 (6.8%). The Aboriginal unemployment rate was 15.5%, a slight increase of 0.5 percentage points from a year ago.

Saskatchewan's annual average unemployment rate of 5.0 per cent in 2011 was down by 0.2 percentage points from 2010, still the lowest in Canada and well below the national average of 7.4 per cent. The province saw a decrease in the number of unemployed, which dropped by 1,100 (-4.0%) to 27,600. Decreased unemployment was the result of a larger increase in employment (+1,600) and a smaller increase in the labour force (+500).

There was a corresponding decrease in the number of Employment Insurance (EI) beneficiaries. In 2011, an average of 10,543 people received regular EI benefits, a decrease of 2,323 (-18.1 per cent) from the 12,866 average number of recipients in 2010. Saskatchewan also continued to have among the lowest number of EI beneficiaries on a per capita basis in Canada at 1.2 per thousand in December 2011 (Alberta was lowest at 1.0 per thousand).

Average weekly earnings continued to rise in 2011, with a 3.8% increase in 2011 that was the third highest among provinces and above the national increase of 2.6%. With inflation factored in, Canada had a real wage rate decline of 0.3% in 2011. Saskatchewan managed a real wage increase of 1.0%, still third highest among provinces.

FUTURE PROJECTIONS

Looking forward, Saskatchewan is expected to be a top performer for economic growth in 2012, with an average forecast of 2.9%, second among the provinces (behind Alberta) and above the national rate of 2.0%. Saskatchewan's economic prosperity is forecast to continue into 2013 and beyond due to rising demand for the province's natural resources, increased capital expenditure, and broad-based growth across a number of sectors including mining, oil and gas, manufacturing, agriculture, and utilities. Income growth is expected to increase personal consumption and spur retail sales growth.

The provincial 2012 Budget released on March 21st forecasts real GDP growth of 2.8% in 2012 and 2.6% in 2013. Employment is expected to increase 1.1% in 2012 and 0.8% in 2013 with a turnaround expected in manufacturing, and above-average growth in the forestry, fishing, mining, oil and gas sector.

New employment opportunities through economic growth, and the replacement of workers due to attrition (retirements and deaths) are expected to require 75,000 to 90,000 workers over the next five years.

CHALLENGES

Saskatchewan, while registering a number of positive economic results, still has many challenges to face. These include: high unemployment rates for some population groups; a concern that regular Employment Insurance recipients are exhausting their benefits; declining youth employment; the educational gap between the Aboriginal and non-Aboriginal population; a growing number of people not participating in the labour market; and growing labour demand and tightening of labour market conditions that are accompanied by skilled labour shortages.

- The off-reserve Aboriginal unemployment rate of 15.5% in 2011 is three times higher than the provincial unemployment rate of 5.0%. The First Nations unemployment rate of 21.5% is four times the provincial rate.
- The youth unemployment rate was 10.4% in 2011, well below the national average of 14.2%, but up 1.0 percentage point from 2010 compared to a national decrease of 0.6 percentage points.
- The number of unemployed dropped by 1,100 (-4.0%) in 2011 compared to a 2,323 decrease (-18.1%) in the number of regular EI beneficiaries. There is a concern that beneficiaries may be exhausting their benefits, although the EI statistics do not provide the type of data that would answer this question.
- Since 2008 there has been a decline in employment among young people (aged 15 to 24) in Saskatchewan, averaging 2,800 (-3.2%) per year. A recent analysis shows that this decline was not because there are fewer young people, as the youth population increased during this period. Saskatchewan's decline was part of a widespread youth employment decline in Canada, with every province having a decline; however, youth in Saskatchewan were more greatly impacted than other provinces – Saskatchewan's average decline of 3.2% per year was greater than the national average decline of 2.3% per year. Saskatchewan's youth employment began to improve in the fourth quarter of 2011 and continues into the new year, that may be an indication of a trend shift.
- There is a widening educational gap between the non-Aboriginal population and the Aboriginal population including First Nations and Métis people. Gaps, expressed in percentage points, increased from 2001 to 2006 for high school completion and post-second completion, according to census data. For high school completion, the gap increased from 15.1 in 2001 to 21.5 in 2006 between the non-Aboriginal population and the Aboriginal population, and was larger and widened more for First Nations from 17.9 to 27.7 over the same period. The post-secondary completion gap is not as pronounced but still widened from 15.7 in 2001 to 16.2 in 2006 between the non-Aboriginal

population and the Aboriginal population, and was also larger and widened more from 18.5 to 20.2 for First Nations over the same period.

High School Completion Gaps with Non-Aboriginal Population, SK, 25 to 64 Years of Age			
Percentage Points = pp			
	Aboriginal	Metis	First Nations
1996 Census	17.3 pp	12.2 pp	20.1 pp
2001 Census	15.1 pp	10.9 pp	17.9 pp
2006 Census	21.6 pp	12.3 pp	27.7 pp

Post-Secondary Completion Gaps with Non-Aboriginal Population, SK, 25 to 64 Years of Age			
Percentage Points = pp			
	Aboriginal	Metis	First Nations
1996 Census	15.4 pp	11.0 pp	17.9 pp
2001 Census	15.7 pp	11.5 pp	18.5 pp
2006 Census	16.2 pp	10.3 pp	20.2 pp

- The labour force population (aged 15 and older) increased by 9,100 in 2011 and the labour force increased by 500. This means there were an additional 8,600 people that did not enter/dropped out of the labour force in 2011. This increase is attributed to the non-Aboriginal population and mostly Canadian-born, with a significant number being females aged 25-54 and men aged 55 and older who were not wanting to work or not available to work.
- Demand for labour, particularly skilled labour, has been growing. Job vacancies on SaskJobs, Saskatchewan's premier job posting site, have been significantly increasing year-over-year since May 2011, e.g. most recently, vacancies were up 56% in January 2012 and up 53% in February 2012. Generally, 80% of vacancies in 2011 required at least high school graduation, and 46% required post-secondary education or management skills.
- Statistics Canada's new job vacancy survey showed Saskatchewan having the highest vacancy rate in Canada at 2.65% (tied with Alberta) as of September 2011, and the tightest labour market conditions demonstrated by the lowest unemployment-to-job vacancies ratio of 1.5 among provinces. The Conference Board of Canada Help-Wanted Index similarly shows that Saskatchewan has generally had the highest labour demand (new, unduplicated online job postings) and tightest labour market conditions (unemployed to available online job postings) among provinces in 2011.

- In the Conference Board of Canada's most recent provincial outlook (Winter 2012), it notes that as a result of competing for skilled labour with neighbouring provinces, Saskatchewan's labour markets are tightening up and are expected to remain tight.

Additional challenges and risks to Saskatchewan's economy and labour market are increasing competition with Alberta for skilled workers and labourers that could exacerbate shortages and limit economic growth, forecasted strong wage growth that will fuel income growth but could deter business expansion, continued volatility in commodity prices driven by uncertainty about the European financial crisis and weakened demand in European countries, and slowing economic growth in emerging countries such as China and India.

LABOUR MARKET PRIORITIES

The Ministry of the Economy has assumed responsibility for the oversight of the Canada-Saskatchewan Labour Market Development Agreement and the Canada-Saskatchewan Labour Market Agreement on behalf of the Government of Saskatchewan from the former Ministry of Advanced Education, Employment and Immigration. The Ministry of the Economy brings together the Ministry of Energy and Resources; Enterprise Saskatchewan; the immigration and labour force development functions from the Ministry of Advanced Education, Employment and Immigration; the economic development functions from the Ministry of First Nations and Métis Relations; and the tourism functions from Tourism, Parks, Culture and Sport.

The new Ministry will achieve better alignment and co-ordination between:

- the Government's economic development policies and programs for the whole province;
- resource sector development, which is driving much of the province's growth; and,
- labour market development, which is critical for ensuring that growth opportunities are realized.

The labour force development component of the Ministry of the Economy will continue to focus on the following key strategies:

Develop and implement a provincial strategy for First Nations and Métis people to increase participation and success in the labour force.

- Support completion of the report of the Joint Task Force on First Nations and Métis Education and Employment, review report and initiate response to recommendations to increase First Nations and Métis participation and success in education and the labour force.

- In partnership with the Department of Aboriginal Affairs and Northern Development Canada (AANDC) and provincial tribal councils, increase labour force participation for First nations people by delivering on-reserve active measures such as youth career planning and skills development, short-term training and partnership with industry and public sectors to develop training and employment opportunities.
- Continue implementation of the revised approach to Adult Basic Education and Skills Training programs that are community-based, focus on literacy and numeracy, and improve employment outcomes.

Ensure a skilled workforce to meet existing and future labour market demand

- Continue the work of the Labour Market Task Force.
- Develop and begin implementation of a Saskatchewan Labour Market Strategy.
- Provide training programs to meet the labour market needs of employers across various sectors of the provincial economy, including but not limited to mining, health, childcare, construction, and oil and gas.
- Provide work readiness and lifeskills programs for those with barriers to employment and assist individuals in achieving sustainable employment.

Improve the effectiveness and efficiency of programs, services, and systems to ensure the best use of public funds.

- In partnership with Human Resources and Skills Development Canada, complete the Canada-Saskatchewan Labour Market Agreement Evaluation.
- Continue to achieve organizational excellence by focusing on citizen-centered delivery of programs and services.

PROGRAMS AND SERVICES

In 2012-2013, the province will continue to provide a broad range of programs and services that directly link individuals to employment opportunities. A continuum of programs and services will allow individuals to move from basic skills development to higher level skills and training, with an array of program supports available to ensure program success.

Saskatchewan is working to maximize opportunities for Saskatchewan people through deliberate investments in:

- transitions to employment for our remaining unemployed population;
- post-secondary education and skills training for new workers and the up skilling of experienced workers through programs, supports and services; and,
- supports for workforce retention.

Key services delivered through Career and Employment Services offices include:

Self services – access to computers to prepare resumes, look for jobs on-line or search for information about training and education; job connection through participation in job search workshops.

Assisted services – assessing for employment service needs, stability and transition planning, career and employment planning and counselling, service referrals to agencies and employability assessment and testing.

Job Search Website – Saskjobs.ca is available to employers whose positions are located in Saskatchewan to post their jobs. Job seekers can view opportunities and post their resumes on the site.

Employment and training programs and services include opportunities for:

- training and Adult Basic Education programs through institutions, including: Saskatchewan Institute of Applied Science and Technology (SIAST); regional colleges; Dumont Technical Institute; and, Saskatchewan Indian Institute of Technologies;
- apprenticeship training provided through the Saskatchewan Apprenticeship and Trade Certification Commission, employers and industry associations;
- employment development initiatives that assist individuals to gain employability skills, life skills, workplace literacy and other essential skills needed to attain employment provided by institutions and community-based organizations; and,
- income support including the Provincial Training Allowance (employment development), the Apprenticeship Training Allowance, and the Skills Training Benefit for Employment Insurance clients in need of retraining in order to re-enter the labour market (financial assistance for the incremental costs of training).

FRENCH LANGUAGE SERVICES

Saskatchewan provides access to labour market services in French through designated staff in four locations in the province. As well, the Ministry has in place a funding partnership with the Assemblée Communautaire Fransaskoise for the operation of five Action emploi SK offices across the province, translation of job postings, and a French language career services website and job bank. Action emploi offices, located in the main Francophone communities, provide single window access to career and employment services for French speaking clients.

ACTIVE MEASURES

The Saskatchewan Government is committed to increasing First Nations and Métis employment in our province. The province supports the federal government's objectives to improve employment outcomes for First Nations and reduce dependency on Saskatchewan Reserves.

Active Measures is a policy initiative lead by the Aboriginal Affairs and Northern Development Canada (AANDC) to introduce services and supports to assist individuals to transition from federal income assistance to training and employment. The Government of Saskatchewan has been sharing information with AANDC on the provincial approach to programs and services for social assistance clients. Existing services through the Canada-Saskatchewan Career and Employment Services offices are being made available to minimize duplication and co-ordinate existing services.

PROVINCIAL LABOUR MARKET STRATEGY

The Ministry of the Economy is leading the development of a provincial Labour Market Strategy. The Strategy will include:

- Consideration of other Provincial strategies directly impacting the labour market that are currently planned or in development;
- Additional actions to address the labour market development needs related to Government's vision of a more diversified, knowledge-based, innovation-driven economy;
- A comprehensive communications strategy;
- Further articulation of the role and contributions for all labour market partners to ensure the expected results are achieved; and,
- Identification of how results will be measured and reported.

ACCOUNTABILITY

The province will continue to ensure public accountability and effectiveness in programs and services. As part of the provincial government accountability framework, the province will continue to report publicly on outcomes and undertake evaluations of specific programs.

LABOUR MARKET AGREEMENT

ELIGIBLE CLIENTS

The LMA focuses on the following priority client groups:

1. Unemployed individuals who are not Employment Insurance eligible clients, including but not limited to:
 - individuals impacted by the economic downturn;
 - immigrants;
 - Aboriginal peoples;
 - older workers;
 - youth;
 - social assistance and transitional employment assistance recipients;
 - individuals who are low skilled;
 - persons with disabilities; and
 - new entrants or re-entrants into the workforce.
2. Employed individuals who are low skilled, in particular, employed individuals who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills

PROGRAM FUNDING ALLOCATIONS

Distribution of LMA funds by program areas for 2012 - 2013:

Programs and Activities	LMA (Annual Allocation)
Develop Individuals' Foundational Skills	\$2.197M
Increase Access to Skills Training	\$3.224M
Respond to Labour Market Needs	\$9.107M
Information Technology / Administration	\$.800M
Total	\$15.328M

PROGRAMS AND ACTIVITIES

FOUNDATIONAL SKILLS DEVELOPMENT

Objective:

- To develop the basic education and workplace skills of low-skilled learners, job seekers and marginalized workers to gain and maintain sustainable employment.
- To improve the foundational skills of under represented workers to strengthen labour market attachment in the context of the economic downturn.

Planned Activities:

- Adult basic education on-reserve through the province's training system.
- On-the-job workplace essential skills training in partnership with firms and/or sectors to support business and industry, equity organizations and training institutions to provide training for low-skilled job seekers and employees.
- Increased capacity for job coaches and learner supports for First Nations and Métis people.

Expected Results:

- Individuals will develop foundational skills to assist in strengthening existing labour market attachment or supporting transitions to further education, training or employment.

SKILLS TRAINING

Objective:

- To provide individuals with access to technical skills training needed to successfully participate in the labour market by increasing the training capacity in Saskatchewan.

Planned Activities:

- Delivery of skills training programs at the Regina and Saskatoon Trades and Skills Centres in areas experiencing skills shortages.
- Apprenticeship and training opportunities within the Saskatchewan post-secondary training system.
- Activities will include components of workplace essential skills and will respond to industry-identified labour market needs.
- Increased capacity for skills credit training.

Expected Results:

- Learners will develop technical skills required in the labour market, allowing them to gain employment and strengthen their labour market attachment.

RESPOND TO LABOUR MARKET NEEDS

Objective:

- To improve the labour market participation of marginalized individuals through enhanced employment assistance, skills development, and supported employment opportunities.

Planned Activities:

- Provide employment assistance to individuals experiencing barriers to finding or maintaining employment through a flexible array of programs, services and supports, including appropriate and customized assessments, counselling services, referrals to service providers, income support, skills development and supported employment interventions that will enhance an individual's employability.
- Programs and services delivered through community-based organizations and institutions that provide individuals with basic employability skills, life skills, workplace literacy and other essentials needed to attain employment.
- Income support for new immigrants accessing short term bridging programs.
- Transition to employment supports for persons with disabilities.

Expected Results:

- Participants will have improved occupational and employability skills that will strengthen their labour market attachment.

INFORMATION TECHNOLOGY AND ADMINISTRATION

Objective:

- To provide management and administrative support to the Canada-Saskatchewan Labour Market Agreement.

Planned Activities:

- Implement reporting processes to capture client data requirements as per the agreement.

Expected Results:

- Meet the reporting requirements of the agreement.

LABOUR MARKET DEVELOPMENT AGREEMENT

ELIGIBLE CLIENTS

The LMDA focuses on Employment Insurance (EI) eligible clients who are unemployed individuals:

1. for whom a benefit period is established pursuant to *The Employment Insurance Act (Canada)* or whose benefits period has ended within the previous 36 months; or
2. for whom a benefit period is established pursuant to *The Employment Insurance Act (Canada)* in the previous 60 months and who:
 - a) were paid special benefits (maternity or parental) pursuant to section 22 or 23 of the *Employment Insurance Act (Canada)* during the benefit period.
 - b) subsequently withdrew from active participation in the labour force to care for one or more of their new-born children or one or more children placed with them for the purpose of adoption; and
 - c) is seeking to re-enter the labour force.

PROGRAM FUNDING ALLOCATIONS

Distribution of LMDA funds by program areas for 2012-2013:

Program Areas	LMDA
Targeted Wage Subsidies	\$0.0M
Self Employment	\$0.4M
Skills Development	\$28.84M
Employment Assistance Services	\$4.552M
Regional and Sectoral Partnerships	\$2.6M
Research and Innovation	\$0.70M
Total	\$37.092M

Note: Funding categories are based on Annex 1 (test of similarity); all figures are estimated allocations and may be adjusted dependent upon provincial labour market and economic activity.

It is anticipated that the funding allocations will vary dependent upon the labour market and economic activity in the province over the course of the next year. The funding allocations are estimates based on current program activity. Client needs and uptake will depend on the provincial economy.

JOINT FEDERAL-PROVINCIAL LMDA MANAGEMENT COMMITTEES

Joint Evaluation Committee

- Develops the evaluation framework for provincial programs and services.
- Recommends evaluation priorities to both orders of government with respect to programs and services under the LMDA.

Labour Market Information (LMI)

- Partner in the development/enhancement/updates and dissemination of key LMI products such as the Saskatchewan Employment Forecast, Saskatchewan Job Futures, and the Relevance magazine.
- Collaborate on federal/provincial/territorial LMI initiatives through the Forum of Labour Market Ministers LMI Working Group and subcommittees on administrative data; labour forecasting, LMI standards and guidelines, and wage and salary information.

Information/Data Exchange

- The province will continue to ensure that the exchange of information and data analysis is accurate, effective, efficient and accessible.

EXPECTED OUTCOMES AND SAVINGS

In accordance with Section 8.1 of the Canada-Saskatchewan Agreement on Labour Market Development:

Canada and Saskatchewan agree to use the following primary indicators for measuring the results of the provincial programs supported under this Agreement:

- a) active EI claimants as a percentage of total EI clients including reachback clients who access provincial programs and services;*
- b) returns to employment/self-employment of EI clients, with an emphasis on active EI claimants;*
- c) savings to the Employment Insurance Account.*

The 2012-2013 projected outcomes and savings are based on the assumption that Service Canada will continue to work collaboratively with the province to ensure an effective referral process is in place so that Employment Insurance claimants are aware of and have timely access to Part II benefits.

Saskatchewan estimates 11,500 EI clients will be served of which 65 per cent (7,475) will be active employment insurance claimants. There will be approximately 4,850 active claimants who return to employment or self-employment after being referred to Saskatchewan's provincial programs and services. The count includes those returning to work during their benefit entitlement period and those returning to work after their entitlement period.

Saskatchewan also estimates that there will be savings to the Employment Insurance Account of \$35.0 million for 2012-2013.

CONSULTATION PROCESS

The former Ministry of Advanced Education, Employment and Immigration undertook planning with stakeholders to determine program and service gaps in order to effectively plan programming and priorities for workforce development regionally and provincially. These needs assessments reflect the labour market and training needs of Saskatchewan communities, employers, workers, learners, new Canadians, and individuals experiencing barriers to the labour market.

Planning and consultations occur continuously throughout the year. Career and Employment Services regions, the Saskatchewan Institute of Applied Science and Technology, provincial regional colleges and the Saskatchewan Apprenticeship and Trades Certification Commission determine education and training priorities on an on-going basis. In addition, consultations are conducted with First Nations and Métis organizations, community based organizations that deliver employment programs, organizations that deliver services to immigrants, and industry sectors and businesses to determine emerging labour market needs.