

CANADA-SASKATCHEWAN LABOUR MARKET AGREEMENT 2009-10 ANNUAL PLAN

PURPOSE

In accordance with Section 22.2 of the Canada-Saskatchewan Labour Market Agreement and Section 27.13 of the Canada-Saskatchewan Omnibus Amending Agreement, the government of Saskatchewan has developed the following plan for 2009-2010.

The plan is divided into several sections that provide an overview of Saskatchewan's labour market, program priorities and funding allocations:

- Current Labour Market Challenges in Saskatchewan, Program Priorities and Future Projections;
- Eligible Clients Targeted as Priorities;
- Program Priorities and Projected Expenditures;
- Description of Program Priority Areas, Intended Objectives, Planned Activities, Projected Expenditures and Expected Results for 2009-10; and,
- Description of Saskatchewan's Consultation Process.

ENVIRONMENTAL SCAN

Saskatchewan Labour Market Priorities

The Ministry of Advanced Education Employment and Labour (AEEL) will continue to oversee the management and operation of the Canada-Saskatchewan Labour Market Agreement. The Ministry promotes provincial economic growth and prosperity through strategic leadership that encourages and supports the development of a diverse, highly skilled and productive workforce; attraction of new residents to the province; creation of fair, safe and supportive workplaces; a fair and balanced labour environment; and dynamic and integrated innovation. AEEL and its partners are committed to help all Saskatchewan residents achieve their desired learning and employment outcomes.

The 2009-10 LMA Annual Plan aligns with AEEL's goals and key priorities for the fiscal year. The Plan communicates a framework for the Ministry's activities and reflects the Ministry's primary areas of focus. This includes:

- Ensure a skilled workforce to meet existing and future labour market demand;
- Increase education levels and labour market participation of First Nations and Métis people to meet existing and future labour market demand;
- Support increased retention of immigrants to Saskatchewan; and,
- Ensure accessibility and affordability of post-secondary education.

Saskatchewan's LMA Plan strives to engage maximum labour market participation from the province's potential labour pool and respond effectively to the economic downturn. The Ministry is responding to the economic downturn by enhancing existing programs, increasing capacity and developing new initiatives to meet the needs of individuals, communities, industries and the economy to set the province on track for continued labour market development and economic growth.

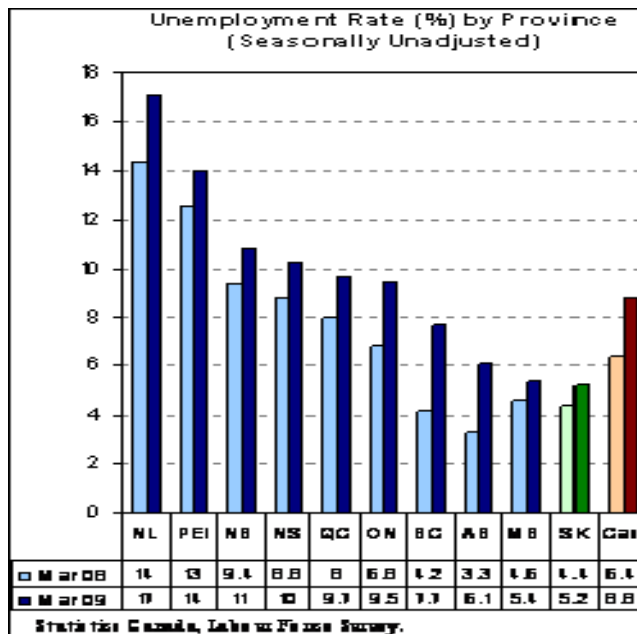
Labour Market Overview

Although Saskatchewan is faring better than other Canadian jurisdictions and our economy has shown resilience, the province is not immune to the economic downturn. Saskatchewan's economy is still growing, albeit at a slower pace than in the recent past. Unlike other provinces, Saskatchewan's employment, earnings, and population numbers continue to show growth. The province remains among Canada's leaders in numerous economic indicators and is forecasted to lead the nation in economic growth for 2009.

While the recession started to take hold in the rest of Canada by mid-2008; Saskatchewan continued to experience growth in both the labour force and employment. This likely reflected a 'catch-up' of unfilled demand for workers. However, there are signs that Saskatchewan's economy is slowing down, with recent declines or lower growth in key economic indicators such as manufacturing shipments, international exports, and retail sales. This is beginning to show in the labour market. Since December 2008, labour force gains have been exceeding employment gains. Monthly job postings in SaskJobs remain above 8,000; however, there have been year-over-year declines in monthly postings since October 2008. There have been four consecutive months of increasing unemployment numbers, increasing

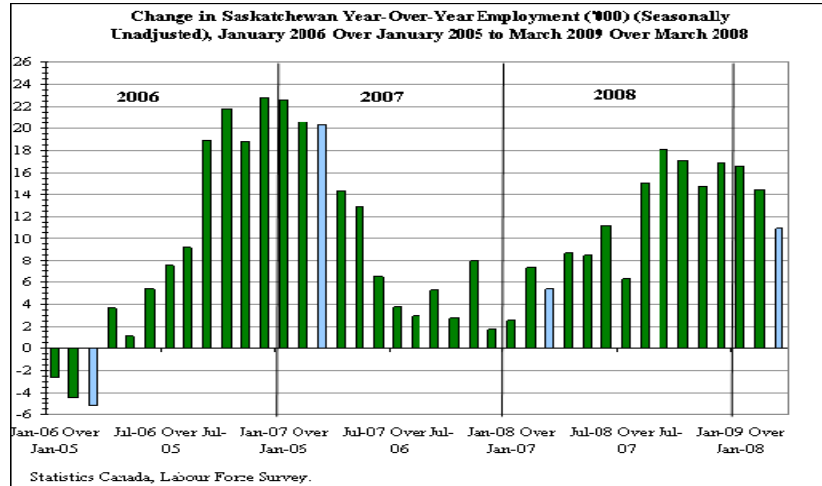
Employment Insurance beneficiaries since November 2008, and more widespread layoffs across sectors. The number of unemployed individuals in March 2009 was 28,100, an increase of 5,200 from March 2008. Layoffs have been announced in the potash industry, gold mining and steel-making sectors.

Despite a slowing economy, Saskatchewan continues to fare better than the rest of Canada. Saskatchewan is the only province with positive real GDP growth forecast for 2009,



and is largely expected to lead the country in economic growth this year. With an unemployment rate of 5.2% in March 2009, Saskatchewan also has the lowest unemployment rate in the country; well below the national average of 8.8%.

There were 511,000 people employed in Saskatchewan in March 2009. This is up 10,900 jobs (2.2 per cent) from March 2008. Provincial employment has reached historic levels for 36 consecutive months, with year-over-year employment gains that exceeded 20,000 per month in late 2006 and early 2007. Employment gains remained positive, but smaller, throughout the remainder of 2007 and by mid-2008, there was renewed strength in the labour force, with year-over-year monthly employment gains of 15,000 or more that carried into January 2009. Employment remains strong in 2009, with year-over-year gains of 14,500 in February 2009 and 10,900 in March 2009.



Saskatchewan's strong employment growth is currently leading the nation. Saskatchewan's annual employment growth was 1.7% in 2006 (fourth highest among all provinces), 2.1% in 2007 (tied for fourth) and 2.2% in 2008 (second highest). Saskatchewan had no change in its employment growth in the first three months of 2009 compared to the same period in 2008. All other provinces, however, had negative growth that ranged from - 1.7% in Alberta to -8.9% in PEI, with a national decline of -3.2%. In March 2009, Saskatchewan's year-over-year employment growth was 2.2% compared to the national average of -1.8%.

| Inter-Provincial Employment Growth Rates (%) | | | | | |
|--|-------|------|------|-----------------------|--------------------------|
| Region | 2006 | 2007 | 2008 | YTD 2009 ^A | March 2009 ^{AA} |
| Canada | 1.9% | 0.0% | 1.5% | -3.2% | -1.0% |
| NL | 0.7% | 0.6% | 1.5% | -8.7% | -1.6% |
| PEI | 0.6% | 1.0% | 1.3% | -8.9% | -3.6% |
| NS | -0.3% | 1.3% | 1.3% | -3.0% | 0.6% |
| NB | 1.4% | 2.1% | 0.9% | -4.0% | -0.5% |
| QC | 1.3% | 2.3% | 0.8% | -3.4% | -1.5% |
| ON | 1.5% | 1.6% | 1.4% | -3.5% | -2.3% |
| MB | 1.2% | 1.6% | 1.7% | -1.8% | -0.2% |
| SK | 1.7% | 2.1% | 2.2% | 0.0% | 2.2% |
| AB | 4.8% | 4.7% | 2.8% | -1.7% | -1.0% |
| BC | 3.1% | 3.2% | 2.1% | -3.8% | -3.6% |

Statistics Canada, Labour Force Survey.

In terms of wages, Saskatchewan workers continued to experience strong increases in wages. The average weekly earnings in Saskatchewan in January 2009 increased by 6.3 per cent over January 2008, the second largest growth among provinces in Canada, behind Alberta (7.9 per cent) but well above the national average of 3.2 per cent in January 2009.

Despite the economic growth in Saskatchewan, many people continue to experience barriers to employment or are unable to make a permanent attachment to the labour market. Ensuring more people in Saskatchewan, particularly those under-represented in the labour market, have the skills and knowledge they need is key to labour market inclusion and the province's current and future economic prosperity.

Program Priorities

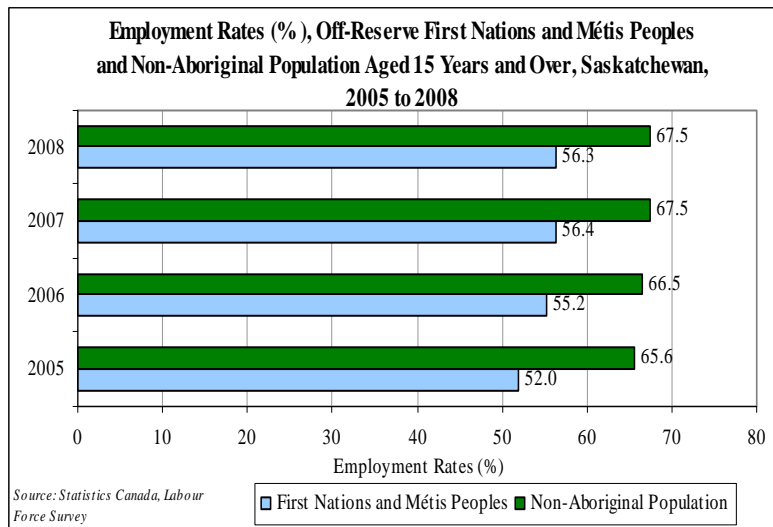
As indicated in the 2008-09 LMA Plan, the continued high demand for labour in the province has created opportunities to move under-represented groups, many who have multiple barriers to labour market attachment, into the workforce. In particular, this includes First Nations and Métis people, single parents, low-income individuals, persons with disabilities and new immigrants. Addressing these barriers often requires a longer-term continuum of interventions that tend to be more costly than interventions for individuals who have had an attachment to the labour market.

First Nations and Métis Populations

Saskatchewan's growing First Nations and Métis population make it unique to many Canadian provinces. First Nations and Métis people make up 14.9 per cent of Saskatchewan's population, which is the second highest proportion in Canada. The First Nations and Métis population is much younger than the non-Aboriginal population, with a median age of 21.7 for First Nations and Métis, compared to 39.7 for non-Aboriginals. Saskatchewan's First Nations and Métis youth population presents a significant opportunity for the province to meet labour market needs;

however, efforts must be made to improve literacy rates, education levels and labour market attachment – all of which are significantly below those of the non-Aboriginal population.

First Nations and Métis people are becoming more



active in the Saskatchewan labour market; however, they still participate less than non-Aboriginal people. The First Nations and Métis populations have a lower participation rate and employment rate than the non-Aboriginal population, as well as a higher unemployment rate.

The educational attainment levels of First Nations and Métis people are increasing but remain below the attainment levels of non-Aboriginal people. The proportion of individuals with a post-secondary certificate, diploma or degree among the First Nations and Métis population aged 25-64 was 39.7%, compared to 55.9% in the non-Aboriginal population. There are also differences among First Nations and Métis in levels of educational attainment. The on-reserve First Nations population has lower levels of educational attainment than their off-reserve peers. In 2006, 30.5% of the on-reserve population had a post-secondary certificate, diploma or degree, compared to 43.9% of those living off-reserve.

Immigrants

Immigrants made up 5.9% of Saskatchewan's labour force in 2006, compared to 21.2% of the Canadian labour force. The labour market outcomes for recent immigrants (those who arrived between 2001 and 2006) in Saskatchewan are only slightly less favourable than those for the Canadian-born population. The employment rate of recent immigrants in Saskatchewan was 64.1% and the unemployment rate was 6.4%. The employment rate for the Canadian-born was one percentage point higher and the unemployment rate was 0.7 percentage points lower.

Recent immigrants in Saskatchewan's labour force are highly educated. In 2006, more than 62% of recent immigrants in Saskatchewan's labour force have post-secondary education, compared to 55.2% for all immigrants and 42.3% for non-immigrants.

Increasing Literacy Levels

While Saskatchewan scores well in the International Adult Literacy and Life Skills Survey (IALLS) in comparison to the Canadian average, a significant proportion of the working-age population is below Level 3, the minimum level that is required for individuals to be able to function effectively in a knowledge-based economy. Many of these people are working – therefore they are less likely to be identified and linked to appropriate programming.

Of great significance, literacy levels among the urban First Nations and Métis population are particularly low compared to the non-Aboriginal population. Over 60% of the urban First Nations and Métis population in Saskatchewan scored below Level 3 on the prose scale of the 2003 IALSS, in comparison with 39% of the non-Aboriginal population of Saskatchewan.

Strategic Focus

The programs and services focus on preparing individuals now for employment and economic growth opportunities that will be available when the global and national economy turns around. Given Saskatchewan's demographics, labour market shortages and economic conditions it is important that the province moves forward to ensure it is prepared for the future and can meet current labour market demand. These programs and services will concentrate on preparing people for employment, as well as facilitate and build linkages among individuals, community partners, employers and governments.

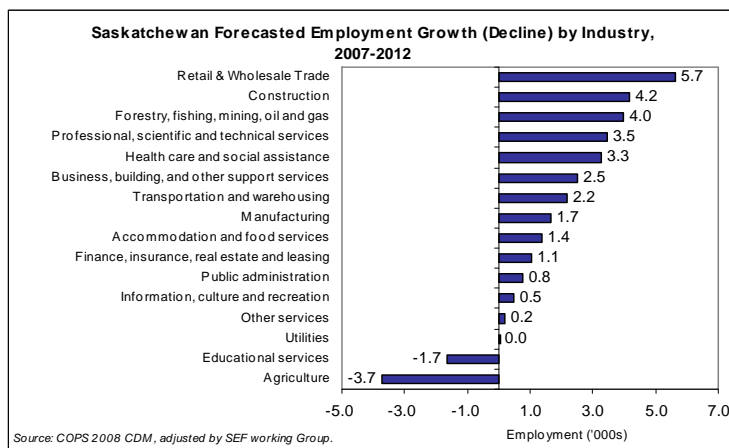
Over the next year, the strategic focus for the province will be a continuation of those priorities identified in the 2008-09 LMA Plan. These priorities provide a range of opportunities that provide a continuum of programs and services with a direct focus on linkages to employment. The continuum moves from basic skills development to higher level skills and training, with an array of program supports available to ensure program success. The priorities include:

- Developing individuals' foundational skills, including the provision of adult basic education and workplace essential skills;
- Increasing skills training opportunities to respond to learner demand and labour market needs; and,
- Responding to labour market needs by improving the labour market participation of First Nations and Métis, recent immigrants, social assistance recipients, and individuals experiencing barriers to employment.

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.

Future Projections

The economic climate across Canada, and around the world, has changed significantly. Saskatchewan is in strong shape compared to the rest of Canada



and economic forecasters are expecting a further expansion for Saskatchewan's economy in 2009.

Forecasts indicate that Saskatchewan will continue to see employment growth in the majority of industries, with the greatest growth in retail and wholesale trade, construction, forestry,

fishing, mining, oil and gas sectors, and professional, scientific and technical services. Agriculture and educational services are the only sectors identified that are expected to see a decline in employment growth.

According to the survey results released in March 2009 by Manpower Inc., a multinational staffing company, employers in Saskatoon and Regina are optimistic about the April to June 2009 period. Of the employers surveyed, 97 per cent in Regina and 93 per cent in Saskatoon expect staffing levels to increase or stay the same during that period.

At 4.4% real GDP growth in 2008, Saskatchewan had the fastest growing economy in Canada. Most economic forecasters expect Saskatchewan will continue to lead the country in economic growth in 2009, with an average growth of 0.7% compared to a national decline of 1.6%. Saskatchewan is expected to regain more robust economic momentum in 2010 along with the rest of Canada.

The measures contained in this plan will position the province to respond effectively to the anticipated full economic recovery by engaging groups under represented in the provincial labour market and providing capacity to the training systems to deliver skills training to meet current and future labour market needs.

ELIGIBLE CLIENTS

This plan will engage the following priority client groups into Saskatchewan's labour market:

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

PROGRAMS AND ACTIVITIES

Over the next year, the province will deliver programs under the following priority areas under the Canada-Saskatchewan Labour Market Agreement and the STTF funding under the Omnibus Amending Agreement:

| Programs and Activities | LMA | STTF |
|--|---------------------|--------------------|
| Develop Individuals' Foundational Skills | \$2,000,000 | \$2,287,000 |
| Increase Access to Skills Training | \$2,795,000 | \$1,865,000 |
| Respond to Labour Market Needs | \$9,320,000 | \$400,000 |
| Information Technology / Administration | \$1,000,000 | \$0 |
| Total | \$15,250,000 | \$4,552,000 |

The following details the objectives, targeted clients, planned activities, projected expenditures, and expected outcomes of each priority area:

| Foundational Skills Development | |
|--|---|
| Objective | <ul style="list-style-type: none"> ▪ To develop the basic education and workplace skills of low-skilled learners, job seekers and marginalized existing workers to gain and maintain meaningful sustainable long-term employment. ▪ To improve the foundational skills of under represented workers to strengthen labour market attachment in the context of the economic downturn. |
| Eligible Clients | <ul style="list-style-type: none"> ▪ First Nations and Métis peoples ▪ New Immigrants ▪ Low-skilled job seekers ▪ Marginalized existing workers |
| Planned Activities | <p>LMA</p> <ul style="list-style-type: none"> ▪ 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 the training to low-skilled job seekers and employees. <p>STTF</p> <ul style="list-style-type: none"> ▪ Increased capacity for adult basic education on-reserve through the province's training system. ▪ Increased capacity for on-the-job workplace essential skills training. ▪ Increased capacity for job coaches for First Nations and Métis people. |

| | |
|-------------------------------|---|
| Projected Expenditures | LMA \$2.0M STTF \$2.287M |
| Expected Results | <ul style="list-style-type: none"> ▪ 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 | <ul style="list-style-type: none"> ▪ To provide individuals with access to technical skills training needed to successfully participate in the labour market by increasing the training capacity in Saskatchewan. |
| Eligible Clients | <ul style="list-style-type: none"> ▪ Individuals impacted by the economic downturn ▪ New Immigrants ▪ Recipients of Social Assistance or the Transitional Employment Allowance ▪ Youth, focusing on First Nations and Métis youth ▪ Persons with Disabilities ▪ Learners requiring assistance to make the transition to the labour market. |
| Planned Activities | <p>LMA Delivery of quick skills programs at the Regina and Saskatoon Trades and Skills Centres in areas experiencing skills shortages.</p> <p>Expansion of training opportunities within the Saskatchewan post-secondary training system.</p> <p>Activities will include components of workplace essential skills and will respond to industry-identified labour market needs.</p> <p>STTF</p> <ul style="list-style-type: none"> ▪ Increased capacity for skills programs at the Regina and Saskatoon Trades and Skills Centres. ▪ Increased capacity for skills credit training. |
| Projected Expenditures: | LMA \$2.795M STTF \$1.865M |

| | |
|--------------------------|---|
| Expected Results: | <ul style="list-style-type: none"> ▪ 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: | <ul style="list-style-type: none"> ▪ To improve the labour market participation of marginalized individuals through enhanced employment assistance, skills development, and supported employment opportunities. |
| Eligible Clients: | <ul style="list-style-type: none"> ▪ New Immigrants ▪ Social Assistance or Transitional Employment Allowance recipients ▪ Youth, including First Nations and Métis youth ▪ Persons with Disabilities ▪ Learners requiring assistance to make the transition to the labour market |
| Planned Activities: | <p>LMA</p> <ul style="list-style-type: none"> ▪ 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. <p>STTF</p> <ul style="list-style-type: none"> ▪ Income support for new immigrants accessing short term bridging programs |
| Projected Expenditures: | <p>LMA \$9.320 million</p> <p>STTF \$400,000</p> |
| Expected Results: | Participants will have improved occupational and employability skills that will strengthen their labour market attachment. |

| Information Technology and Administration | |
|--|---|
| Objective: | <ul style="list-style-type: none"> ▪ To provide management support to the Canada-Saskatchewan Labour Market Agreement. |
| Planned Activities: | <ul style="list-style-type: none"> ▪ Implement reporting processes to capture client data requirements as per the agreement. |
| Projected Expenditures: | <p>LMA \$1.0 million</p> <p>STTF Nil</p> |
| Expected Results: | <ul style="list-style-type: none"> ▪ Meet the reporting requirements of the agreement. |

CONSULTATIONS

The Government of Saskatchewan will continue its practice of conducting an annual regional needs assessment in 2009-10 to determine the program and service gaps to effectively plan programming and priorities for workforce development. 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.

Consultations are conducted through the Career and Employment Services regions to identify employment needs, as well as the Saskatchewan Institute of Applied Science and Technology, provincial regional colleges and the Saskatchewan Apprenticeship and Trades Certification Commission to determine education and training priorities. In addition, consultations are also 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.