CANADA-SASKATCHEWAN LABOUR MARKET AGREEMENT and LABOUR MARKET DEVELOPMENT AGREEMENT 2010-11 ANNUAL PLAN

PURPOSE

In accordance with Section 22.2 of the Canada-Saskatchewan Labour Market Agreement, with Section 3.3 of the Canada-Saskatchewan Agreement on Labour Market Development, and with Section 27.13 of the Canada-Saskatchewan Omnibus Amending Agreement, the government of Saskatchewan has developed an annual plan for 2010-11 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 Funding Allocations (Projected Expenditures)
  - Program Priorities
- Labour Market Development Agreement
  - Eligible Clients
  - Program Funding Allocations (Projected Expenditures)
  - Program Priorities
  - Joint Federal-Provincial LMDA Management Committees
  - Expected Annual Outcomes and Savings
- Consultation Process

The integrated plan 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.

SASKATCHEWAN ENVIRONMENTAL SCAN

OVERVIEW

Saskatchewan led the country in employment growth in 2009, with an increase of 1.5 per cent versus the Canadian average of -1.1%. Saskatchewan had an average of 7,800 more people working in the province compared to 2008, versus the Canadian average of 184,000 fewer people working in 2009, compared to 2008.

Saskatchewan is in a position of relative strength compared to other jurisdictions – our population has been growing, our economy continues to create jobs, our workers are earning more than ever, and our unemployment rate remains one of the lowest in Canada.

Saskatchewan's economy slowed in 2009; signs of slower economic growth were reflected in lower levels of employment growth, higher unemployment numbers, and layoffs in many sectors of the economy. During this time, however, Saskatchewan's population continued to grow along with provincial earnings.

More recently in 2010, there are signs that the economy is starting to recover with month-to-month and year-over-year increases for key economic indicators such as wholesale and retail sales, new motor vehicle sales, and manufacturing shipments. Employment lags the economy by an estimated six months, and if this trend continues, employment growth can be expected to go up in 2010 (dependent upon availability of qualified labour).

DEMOGRAPHICS

Saskatchewan's population was 1,034,974 as of September 30, 2009; it has increased for 14 consecutive quarters. This was an increase of 16,080 from October 1, 2008 to September 30, 2009.

In the third quarter of 2009 (July 1, 2009 to October 1, 2009), Saskatchewan's population increased by 4,845, with the fourth highest growth rate among provinces. Inter-provincially, Saskatchewan has had 12 consecutive quarters of net-migration, largely from Ontario and international migration continues to increase, accounting for over half of the population gains from October 2008 to September 2009.

Saskatchewan Population Indicators

Indicator	Reference Period	Quarterly Increase	Year-over-Year Increase
Population	3rd Quarter 2009	4,845 (0.47%)	16,080 (1.6%)
Net Inter-Provincial Migration	3rd Quarter 2009	823 (17.0%)	2,867 (17.8%)
Net International Migration	3rd Quarter 2009	2,527 (52.2%)	8,761 (54.5%)

Source: Statistics Canada

LABOUR MARKET

There were 517,400 people working in Saskatchewan in February 2010, an increase of 3,100 compared to February 2009. Of particular note, full-time employment increased by 12,000.

In 2009 (12 month annual average), Saskatchewan's labour market exhibited strength, despite the economic slowdown. Growth was stronger in the first half of the year (employment increased by 13,133 or 2.6 per cent) compared to the latter half (employment increased by 2,500 or 0.5 per cent). Despite this slow down, Saskatchewan led the country in average annual employment growth (7,817 or 1.5 per cent) while national employment declined by 276,975 (-1.6 per cent).

Saskatchewan's annual average unemployment rate of 4.8 per cent in 2009 was the lowest in Canada, well below the national average of 8.3 per cent. However, the province was not immune to the economic downturn. Unemployment increased by 4,300 (19.7 per cent) as not all of those entering the labour force were able to find work. Increased layoffs also occurred, largely in the mining and manufacturing sectors, with over 6,500 employees affected by layoff notices in 2009. It should be noted that almost half of announced layoffs were temporary in nature, and those workers with temporary lay offs are presumed to have returned to work.

The rise in unemployment resulted in an increased number of Employment Insurance (EI) beneficiaries, with 13,139 people receiving regular EI benefits on average in 2009, an increase of 4,674 (55.2 percent) from the 8,465 on average in 2008. Saskatchewan however, continued to have the lowest number of EI beneficiaries on a per capita basis in Canada at 1.9 per cent (seasonally adjusted).

As well, Saskatchewan has had positive gains in average weekly earnings with an increase of 2.5 percent (average of 2009 over 2008), exceeding the national average of 1.6 per cent.

The following employment growth chart shows a steady upward trend in employment for Saskatchewan in the period March 2006 to February 2010, growing from under 485,000 in March 2006 to 523,900 in February 2010. The trend line also shows that employment growth was below the longer term trend for the most recent seven months as the worldwide economic recession impacted Saskatchewan, but the early signs of an economic recovery have brought employment growth in February that is more in line with the longer term trend.

Saskatchewan Employment – March 2006 to February 2010

Source: Statistics Canada, Labour Force Survey

CHALLENGES

Saskatchewan, while registering a number of positive economic results, still has some challenges to face. These include declining First Nations and Métis employment and youth employment; a rise in employment insurance beneficiaries, and an expectation of tightening of the labour market and labour shortages.

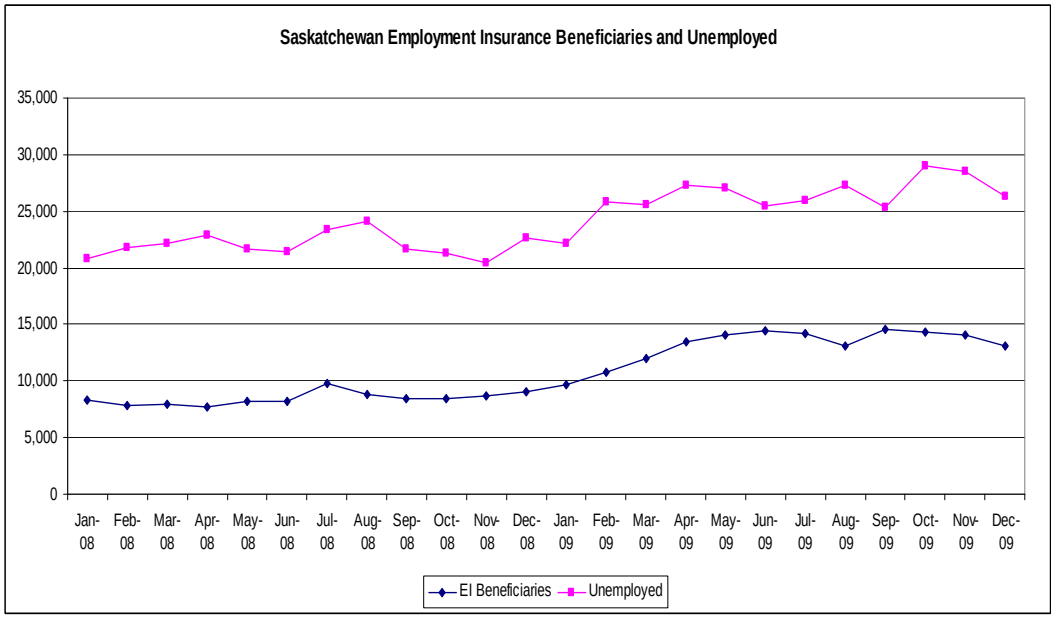
During Saskatchewan's period of economic growth, the Aboriginal population experienced greater employment growth than the non-Aboriginal population, but was more adversely affected by the economic slowdown. Youth, particularly Aboriginal youth, benefited even more from economic growth but were also more vulnerable to the effects of a slower economy than the non-youth population in 2009.

Most recently, First Nations and Métis employment was down 5,300 (-14.5%) year-over-year in February 2010. First Nations and Métis youth employment was also down 1,200 (-16.4%) year-over-year in February 2010.

In February 2010, Saskatchewan's youth unemployment rate was still the lowest in the country at 8.4%, which was down from 8.6% in January 2010. The youth unemployment rate has been the lowest in the country since May 2009. However, youth employment continued to decline in 2010. Most recently, youth employment was down 4,500 (-5.2%) year-over-year in February 2010.

There was a rise in numbers of Employment Insurance beneficiaries in 2009. In December 2009 the number totaled 13,580, an increase of 3,600 over December 2008. As the country's economy recovers, and the demand for workers resumes, Saskatchewan will be facing increased competition for workers.

Tightening of the labour market will be exacerbated by the expected continuation of the retirement of the baby boomers.



Source: Statistics Canada, Labour Force Survey and Employment Insurance Statistics, seasonally adjusted

FUTURE PROJECTIONS

Employment growth was forecast for Saskatchewan in the 2008-2009 Saskatchewan Employment Forecast (SEF). Economic growth is expected to create 25,400 new employment opportunities over the five-year period, 2007 to 2012, at an annual average growth rate of 1.0%. Employment growth is expected in most industries, with the largest number of opportunities in trade; construction; forestry, fishing, mining, oil and gas; and professional, scientific and technical services.

Overall, Saskatchewan is projected to have an estimated 85,000 employment opportunities, 70% due to attrition and 30% due to expansion demand (economic growth), during the 2007 to 2012 period.

Most economic forecasters expect that Saskatchewan will be a leader in economic growth in 2010 and 2011. For 2010, the major private sector forecasters are expecting positive growth of 3.0% (first among the provinces), on average, for Saskatchewan, above the expected 2.5% national average. As well, in 2011, Saskatchewan is expected to lead the other provinces at 3.5%, above the forecasted national average of 3.2%.

LABOUR MARKET PRIORITIES

The Ministry of Advanced Education Employment and Labour (AEEL) oversees the Canada-Saskatchewan Labour Market Development Agreement and the Canada-Saskatchewan Labour Market Agreement on behalf of the Government of Saskatchewan.

In its Plan for 2010-11, the Ministry of AEEL is focused on supporting workers, employers, students and families in building a secure and prosperous Saskatchewan and providing an opportunity for a high quality of life for all. Two key economic growth strategies for the Ministry include:

1. *Ensure a skilled workforce to meet existing and future labour market demand.*
   - Finalize and implement a provincial Labour Market Strategy that fosters a collaborative implementation approach with key stakeholders.
   - Increase the number of health care professionals by supporting the continued expansion of training seats for physicians and nurses and participation in the recruitment of foreign trained doctors and nurses.
   - Work with regulatory bodies, other ministries, and other Canadian jurisdictions to continue implementation of Chapter 7 of the Agreement on Internal Trade, including monitoring and negotiating exceptions to labour mobility.
   - Maintain Government's efforts to retain and attract skilled and educated young people by continuing to fund the Graduate Retention Program.
   - Enhance efforts to ensure demand-based training and employment programs better meet the needs of employers in key economic sectors and lead to long-term sustainable employment for Saskatchewan workers.
   - Work with Western Canadian jurisdictions to build partnerships related to labour market development and post-secondary education.

2. *Ensure that Saskatchewan's post-secondary system is characterized by: excellence, innovation, inclusion and accountability, and is responsive to the needs of learners and Saskatchewan's labour market*.
   - focus on learners and allow them to flourish in Saskatchewan, and,
   - educate and train the highly-skilled personnel needed to support an innovative knowledge economy..

3. *Increase post-secondary education levels and labour market participation of First Nations and Métis peoples to meet existing and future labour market demand.*
   - Support the equitable and sustainable participation of First Nations and Métis peoples in Saskatchewan's economy through:
     - an array of programs and services to assist First Nations and Métis peoples in achieving sustainable employment; and,
     - new and/or enhanced local partnerships with First Nations and Métis peoples for employment services.

4. *Support increased attraction and retention of newcomers to Saskatchewan.*
   - Continue to attract skilled workers through the Saskatchewan Immigrant Nominee Program (SINP) to address labour market gaps.
   - Work with employers, business associations, and other immigration stakeholders to identify labour market needs.
   - Evaluate SINP pilot projects to address labour shortages in key sectors.
   - Work with provincial stakeholders, particularly the trades sector, to build efficient processes so qualified immigrants can become licensed and fully use their skills here.

LMDA, LMA and federal economic stimulus program funding in 2010-2011 will be focused on preparing individuals now for existing employment and economic growth opportunities and for those opportunities that will be available as the global and national economy recovers. 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, as well as meeting current labour market demand. Programs and services will concentrate on preparing people for employment, as well as facilitating and building linkages among individuals, community partners, employers and governments.

In 2010-2011, the strategic focus for the province will be to provide a 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's plan strives to engage maximum labour market participation from the province's potential labour pool. The Ministry will continue to enhance existing programs, increase capacity where feasible and develop 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. The Ministry continues to review its program array focusing on outcomes from labour market measures in this plan that will position the province to respond effectively as the economy recovers.

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.

The continued demand for labour in the province has created opportunities to move these 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.

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 and STTF funds by program areas for 2010-2011:

Programs and Activities	LMA	STTF	Total
Develop Individuals' Foundational Skills	$2.135M	$2.020M	$4.155M
Increase Access to Skills Training	$3.224M	$1.450M	$4.674
Respond to Labour Market Needs	$9.107M	$0.752M	$9.859
Information Technology / Administration	$.800M	$0M	$.800M
Total	**$15.266M**	**$4.222M**	**$19.488M**

**STTF – Strategic Training and Transition Fund*

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.

Eligible Clients:

- First Nations and Métis peoples
- New Immigrants
- Low-skilled job seekers
- Marginalized workers

Planned Activities:

LMA

- 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.

STTF

- 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 and learner supports for First Nations and Métis people.

Projected Expenditures:

LMA

- $2.135M

STTF

- $2.020M

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.

Eligible Clients:

- 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:

LMA

- Delivery of quick skills programs at the Regina and Saskatoon Trades and Skills Centres in areas experiencing skills shortages.
- Expansion of 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.

STTF

- Increased capacity for skills programs at the Regina and Saskatoon Trades and Skills Centres.
- Increased capacity for skills credit training.

Projected Expenditures:

LMA

- $3.224M

STTF

- $1.450M

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.

Eligible Clients:

- 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:

LMA

- 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.

STTF

- Income support for new immigrants accessing short term bridging programs.
- Transition to employment supports for persons with disabilities.

Projected Expenditures:

LMA

- $9.107M

STTF

- $0.752M

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.
Projected Expenditures: **LMA** • $0.800M **STTF** • Nil
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 2010-2011:

Program Areas	LMDA	Stimulus	Total
Targeted Wage Subsidies	$3.500M	$0.220M	$3.720M
Self Employment	$0.500M	$0.000M	$0.500M
Skills Development	$25.937M	$7.441M	*$33.378M
Employment Assistance Services	$4.612M	$0.397M	$5.009M
Regional and Sectoral Partnerships	$2.854M	$0.000M	$2.854M
Research and Innovation	$0.730M	$0.559M	$1.289M
Total	**$38.133M**	**$8.617M**	**$46.750M**

**Includes funding for: Apprenticeship, Mining and Forestry Training – $9.554M*
Note: Funding categories are based on Annex 1 (test of similarity); all figures are estimated allocations and may by 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. The Province will provide HRSDC with quarterly updates as to the activity and programming being undertaken.

PROGRAMS AND ACTIVITIES

In 2010-2011, programs and activities will focus on the following priorities:

- A continuum of coordinated programs and services to meet the diverse needs of individuals, communities, employers and the economy;
- In partnership with Service Canada, the continued delivery of a “rapid response” service to employers who are impacted by the economic downturn. Rapid response will offer an alternative to layoffs through the federal Work Sharing Program or assistance to displaced workers when layoffs result;
- Continued awareness of employment services for displaced workers through active marketing of training, post-secondary education and job/career opportunities in the province and, the availability of career and employment services across the province;
- More active engagement with First Nations and Métis leaders for the development of services and programs to improve foundational skills and achieve better co-ordination of all activities occurring in the regions;
- Increasing skills training opportunities to respond to learner demand and labour market needs;

- Re-designing and re-profiling existing programs to better address the needs of those individuals who still remain underrepresented in the Saskatchewan labour market, for example, persons with disabilities and Aboriginal people, as well as focusing on a “demand-led” program model that results in labour market attachment;
- Undertaking bridging programs and improved counselling and employment services including English language training for recent immigrants, and their spouses and family to facilitate transitions into the labour market; and,
- Increasing individualized employment service interventions for clients with multi-barriers to better facilitate transitions into the labour market.

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 and Saskatchewan Job Futures, and addressing current backlog of wage data entry into the provincial collective agreement system.
- Collaborate on federal/provincial/territorial LMI initiatives through the Forum of Labour Market Ministers LMI Working Group on issues of integrated online dissemination, local LMI collection, and governance.
- Participate on the Construction Sector Council Saskatchewan LMI Committee to support development of the 2010 Saskatchewan “Construction Looking Forward” assessment of construction labour markets.

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 2010-2011 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. This will be particularly critical to those claimants that have been impacted by the economic downturn.

Saskatchewan estimates 13,420 EI clients will be served of which 65 per cent (8,725) will be active employment insurance claimants. Approximately 1,150 EI clients of the 8,725 will be served utilizing the federal economic stimulus funding. There will be approximately 5,640 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 2009-2010.

CONSULTATION PROCESS

The Ministry of Advanced Education, Employment and Labour undertakes annual 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.