

Canada/NWT Labour Market Development Agreement Labour Market Agreement Combined 2011-12 Annual Plan

General Information

Introduction

This annual plan is intended to guide activities of NWT's Labour Market Development Agreement (LMDA) and the Labour Market Agreement (LMA) for the 2011-12 fiscal year. A number of potential activities have been identified for the year. However, depending on the priorities of the current labour market, projects may change.

Environmental Scan

The Northwest Territories (NWT) covers an area of approximately 1,346,106 km² (about the size of Alberta and Saskatchewan combined).

Of the 33 NWT communities, only the four largest, Inuvik, Hay River, Fort Smith and Yellowknife, have populations exceeding 2,000. Yellowknife, the capital and home to 19,927 people as of July 1, 2010, serves as the primary government and administrative centre. On January 1, 2011, Statistics Canada estimated that 43,554 people were living in the Northwest Territories. The population in the NWT is made of up approximately half Aboriginal and half non-Aboriginal people. A large portion of Aboriginal people reside in the remote, off road communities. Compared to the previous year (43,491 persons) the NWT saw an increase of 0.1% in its overall population.

Employment Data

Based on annual averages for 2010, Statistics Canada estimates that of the 32,300 residents 15 years of age and older in the Northwest Territories, 21,500 persons were employed. This represents an overall employment rate of 66.6%. Comparatively, Canada's employment rate remained unchanged at 61.6%, which means that the employment rate for the NWT was 5.0 percentage points higher than Canada's as a whole in 2010.

Compared to 2009, the NWT employment rate increased slightly as 200 more persons were employed. New entrants to the labour force also caused the participation rate to rise slightly to 71.8%. Compared to last year, there were 400 more people in the labour force, including 300 more unemployed persons. The unemployment rate rose to 7.3%, from 6.1% in 2009, as more people re-entered the labour force seeking work.

In 2010, the NWT employment rate was the third highest amongst Canadian provinces and territories, behind Alberta and Yukon.

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In 2010, the employment rate was 2.5 percentage points higher for males than females. Looking at employment by age category, in 2010 the employment rate was highest for those aged 25 to 44 at 79.5%. The employment rate for Aboriginal and non-Aboriginal persons was 50.6% and 83.1%, respectively. Significant differences in unemployment rates also exist. The Aboriginal rate stood at 13.7%, while the non-aboriginal rate was only 2.9% in 2010.

Geographically, Statistics Canada only reports data for Yellowknife and 'other NWT communities'. Yellowknife's employment rate peaked in 2007 and subsequently fell to 80.1% in 2009, and remained there for 2010. The employment rate for other NWT communities stood at 56.0% in 2010.

Comparative Employment Rates

Group	2010	2009
Northwest Territories	66.6	66.4
Males	68.3	67.7
Females	65.8	65.2
15-24 Yrs.	41.4	40.6
25-44 Yrs.	79.5	78.3
45 Yrs. +	67.5	68.9
Aboriginal	50.6	46.7
Non-Aboriginal	83.1	84.2
Yellowknife	80.1	80.1
Other NWT Communities	56.0	53.0

Gross Domestic Product (GDP) Data

In 2009, the NWT Gross Domestic Product (GDP), measured in chained dollars¹, fell 11.2%, highest among all provinces and territories. Canada's GDP decreased 2.5% between 2008 and 2009.

¹ Chained dollars are expressed at prices in a specific year, but it also takes into account the change in expenditure patterns from year to year. Chained dollars only measure the change in volume and not the change in prices.

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In current dollars² the NWT's economy shrank 17.5% between 2008 and 2009 while the overall Canadian economy fell 4.5%.

The 18.4% decline in the diamond mine industry accounted for the majority of the decrease in GDP. The temporary shut-down of two of the diamond mines last year contributed to a 25% decline in carat production in 2009. The construction industry also showed a significant decline between 2008 and 2009, falling 26.0%. Recessionary effects also occurred in other industries that are usually indirectly associated with resource development. Support activities for mining, oil and gas extraction (which includes exploration activity) fell by 42.0%, wholesale trade declined by 12.7% while transportation and warehousing fell by 3.8%.

Sector Employment Data

Between 2009 and 2010 there has been some fluctuation in employment numbers based on category. Those categories that did not see any change were full-time workers and public servants. Part-time and private sector workers category saw an increase of 300 people, with the only decrease being recorded for those who were self-employed (decrease of 100). The overall difference in number of total employment amounts to an increase of 200 employees since 2009. These employment gains were concentrated in goods producing industries.

Comparative Employment Data

Group	2010	2009
Total Employment	21,500	21,300
Full-time	19,400	19,400
Part-time	2,200	1,900
Employees	19,900	19,600
Public	9,700	9,700
Private	10,200	9,900
Self-employment	1,600	1,700
Goods Producing	4,000	3,700
Service Producing	17,600	17,700

² Current dollars are expressed as the prices during the period being referenced and measures both the change in volume and prices.

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NWT labour market conditions have seen positive growth and remain strong, compared to this time last year. Employment statistics continue to improve, and more than 22,200 people are employed in the Northwest Territories, representing an employment rate of 69.2% in March 2011. Overall, Canada's employment rate stood at 60.7% in March 2011.

The employment rate in the NWT is gradually rebounding after the global economic downturn. There are a number of large projects scheduled over the next few years that will continue to demand skilled workers, including the completion of the Deh Cho Bridge, upgrades to GNWT buildings in communities, the combined Inuvik school and the reclamation of the Giant Mine site. Several mining projects also have the potential to enter production within five years. The Avalon Rare Earth Elements Project, the Fortune Minerals Nico Project, Canadian Zinc's lead-zinc-silver-copper project at Prairie Creek, and Tyhee Development Corp's Yellowknife Gold project are all undergoing environmental assessment. Once approved, these projects will also require large numbers of skilled workers during mine construction and operations.

It is also anticipated that the Mackenzie Gas Project will provide significant future employment opportunities for NWT residents in the years to come. A report on the decision to construct is expected by December 31, 2013. In the meantime, the GNWT continues to plan and prepare residents for the opportunities the Project will bring.

Targeted Priority Clients

Through the LMDA agreement the NWT provides programs and services to active EI eligible and reach-back clients. It also supports projects and partnerships aimed at enhancing the overall employability of NWT residents.

Through the LMA agreement the NWT provides programs and services to active EI and low skilled workers as per Part 1 of the agreement. Clients eligible for the Labour Market Development Agreement (LMDA) are not eligible to receive LMA programming. Part 2 of the Agreement - the Strategic Training and Transition Fund – has been concluded. Therefore the focus for 2011/12 is now on unemployed and low skilled workers. The GNWT will deliver labour market programs to enhance participation of non-Employment Insurance (EI) eligible individuals by assisting them to prepare for entry to, or return to, employment. The primary objective is to provide opportunities for groups who are underrepresented in the labour market which includes, but is not limited to:

- a. Social assistance recipients;
- b. Aboriginal peoples;
- c. Persons with disabilities;
- d. Older workers;

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- e. Youth;
- f. Women;
- g. New entrants and re-entrants to the labour market;
- h. Unemployed individuals previously self-employed;
- i. Immigrants; and
- j. 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.

Consultations

The ADM, Advanced Education and Careers meets on a monthly basis with all Regional Superintendents of the Beaufort-Delta, Sahtu, Deh Cho, North Slave and South Slave Regions and the Directors of Income Security and Advanced Education. During the branch meetings, plans for Advanced Education and Careers are discussed and developed. The Regional Superintendents meet with regional representatives on a regular basis to determine regional priorities. Many regions have regional training committees or partnerships made up of GNWT – both elementary/secondary and advanced education representatives, Aurora College, Aboriginal Governments, community organizations and other stakeholders involved in education and training.

Beaufort Delta

The Beaufort Delta utilizes three committees to plan and deliver programs that meet the needs of the region. Education Culture and Employment (ECE), consults regularly with the employment officers, employed by Hamlet or Band Councils and Community Government to get details about community training needs. As well ECE has formed the Beaufort Delta Career Development Committee, consisting of Career Development Officers and other professionals from ECE, Inuvialuit Regional Council, Gwich'in Tribal Council, Aurora College, and Samuel Hearne Secondary School. This group plans programs and partners in delivering these programs in the Beaufort Delta. The final consultation level is at the Superintendent/Manager level, it is the Partnership Committee. This committee meets quarterly and includes, ECE, Inuvialuit Regional Council, Gwich'in Tribal Council, Department of Industry, Tourism and Investment, Service Canada and Aurora College. This committee plans overall training needs across the region as well as potential delivery schedules.

Sahtu

The Sahtu, in consultation with Aboriginal organizations, community governments, industry and educational institutions meet regularly for training priorities. The initial plan was developed by a committee of partners including; ECE, Aboriginal Human Resource Development Agreement, Aurora College and ESSO and then each community was

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asked for feedback. This process has accumulated in a five year training plan for the Sahtu region.

North Slave

The North Slave maintains regular contact with the Tlicho Government, Akaitcho Territory Government, Yellowknives Dene First Nations and Lutsel K'e Dene First Nations, as well as community governments/organizations, industry and Aurora College. This regular contact allows ECE to maintain strong working relationships and ensure that programming is meeting community needs. Along with these partners and other GNWT departments, ECE also sits on the North Slave Regional Training Partnership. The Partnership meets every second month to exchange information on community needs, identify opportunities for partnerships and develop joint initiatives that will address identified needs. In addition, the North Slave also has a seat on the Mine Training Society Board of Directors, which meets on a monthly basis. This interaction ensures that ECE is also working with its ASEP partners.

South Slave

The South Slave Partnership Committee meets regularly to plan and collaborate on programs and interventions to address gaps in the Labour Market. Membership is made up of Aboriginal Skills Employment Training Strategy principal Holders (Akaitcho, Métis, Deh Cho, and Mine Training Society), Aurora College, Municipal and Community Affairs, Industry Tourism and Investment and Education Culture and Employment. Long range plans and annual plans are jointly discussed and regional priorities are identified.

Deh Cho

The Deh Cho's Regional Training Committee meets regularly. Training and/or employment opportunities and projects are discussed and plans are developed with interested groups. ECE meets with each Aboriginal group to discuss their five year plan where opportunities can be identified to partner and set priorities. Career Development Officers work with the settlements and municipalities in the smaller. The Deh Cho also partners with other government departments, especially Investment Tourism and Industry and Aurora College.

Programming Priorities and Objectives

The Department of Education, Culture and Employment's (ECE) vision is 'Northern people leading fulfilled lives and contributing to a strong and prosperous society'. ECE has the mandate to ensure NWT residents have access to high quality programs and services in early childhood, education, training and employment, labour market, certification and financial supports. In keeping with priorities of Northern leaders and elders, an appreciation of the eleven official languages, culture and heritage of Northern peoples forms the foundation for our programs and services. Aboriginal Self

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Governments and the growing needs of our French Associations impact these priorities in a significant way.

ECE will administer funds under both Labour Market Development and Labour Market Agreements to increase the participation of Canadians and immigrants in the workforce to meet current and future labour requirements, enhance the quality of skills development and to facilitate workforce mobility and provide the information necessary to make informed labour market choices. LMA projects will focus on building strong partnerships and will reflect the importance of the language, culture and heritage of the NWT. Each region will determine their programming priorities based on the varying needs of NWT residents.

Each region of the NWT has varying needs and reflects different cultures and languages. A number of program options will be available and each region will determine what programming to deliver based on specific regional and community needs. The program options can be one or a combination of the following various programs listed below for each agreement.

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As part of the many programs and services, ECE delivers employment benefits under the NWT Labour Market Development Agreement (LMDA) to assist Employment Insurance (EI) eligible clients to gain work experience, start new businesses, and develop their job skills. Priorities for 2011-12 include skills development; self-employment, work experience, and supporting building local labour market partnerships.

- Developing essential and transferable skills that allow people to participate in the labour market and manage changes.
- Trades training and certification. There are now 53 apprentice trades in the NWT with more than 425 apprentices currently training.
- Building strong partnerships with community partners, non-government organizations and training institutions.
- Access to quality career services in small, remote communities.
- Labour Force Symposium

The number of active Employment Insurance recipients in the NWT has remained steady due to the current economic situation across the country. The increasing cost to support these recipients is having a direct impact on NWT Part 2 Benefits and Measures expenditures.

In line with the federal decision to extend EI benefits to long tenured workers (558 as of March 2010), the NWT has extended the benefits available under Part 2 support measures. However, there has been little or no access by workers to the Severance Investment in Training Initiative and the Extended Employment Insurance and Training Incentive.

Program Options (under review)

The employment **benefits** delivered under the NWT Labour Market Development Agreement (LMDA) help Employment Insurance (EI) eligible clients gain work experience, start new businesses, and develop their job skills. The NWT offers the following array of labour market programming:

Building Essential Skills

Short-term training or education intervention offered to participants to obtain essential skills upgrading. It also assists apprentices to obtain certification and progress in their chosen field.

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Wage Subsidies

A wage subsidy program offers to assist employers providing skill development training to unemployed persons, includes Training on the Job, Youth Employment and Apprentice Training Assistance,

Self-Employment Option

The self-employment option provides business counselling, guidance and financial support for individuals starting a business.

Employment Measures

The employment *measures* delivered under the NWT LMDA provide funding to organizations, businesses and communities that deliver employment assistance services to eligible clients. The funding is used to address human resource, labour market and labour force issues.

Employment Assistance Services

The employment assistance services measure provides employment-related services to unemployed individuals. Services include career counseling, diagnostic testing, job search, and job finding clubs, and job maintenance assistance. ECE Service Centers provide career counseling, workshops, internet access, use of resource library, and assistance with job search to help clients make knowledgeable career choices.

Local Labour Market Partnerships

The objective is to identify, develop and implement labour force adjustment and human resource strategies to improve capacity. It supports communities taking responsibility for their own employment related needs and priorities.

Evaluation

The LMDA Summative Evaluation has been completed. It highlights successes as well as areas of concern in LMDA program. The Joint Management Response is currently being prepared. Possible changes to program criteria and funding may be discussed to address issues brought forward in the evaluation.

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Forecast of Program Expenditures

Projected expenditures by program area for 2011-12 are as follows:

Program Area	Amount
Building Essential Skills	\$ 1,100,000
Wage Subsidies	687,000
Self-Employment Option	224,000
Labour Market Partnerships	728,000
Employment Assistance Services	454,000
Administration	1,378,000
TOTAL	\$4,571,000

Expected Results

See Annex 4 – Annual Results for 2011-12 (to be determined).

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The focus of the programming will be on programs designed to improve the labour force participation of under-represented groups and to enhance the skills of individuals employed in low-skilled job categories.

The labour market programming objectives will be to enhance the labour market participation of eligible clients by assisting them to return to employment or to otherwise obtain or keep employment or maintain or improve skills for employment, and to support employers, and communities in dealing with labour force adjustments involving eligible clients.

These programs include supporting eligible clients in skills development and training and/or becoming self-employed, supporting projects that create employment, and supporting employers and communities in developing and implementing plans or strategies for increasing employment opportunities. The 2011-12 priorities will be skills development, and community initiatives.

Skills Development

The NWT will support eligible clients to develop essential employability skills, participate in training programs at accredited institutions, and upgrade their skills and knowledge to the demands of an ever changing labour market. Supports to individuals may include: course and tuition costs, books, travel and living allowances, special equipment and supports, childcare, license or certificate fees, and client assessment. Eligible skill development programs include but are not limited to: Building Essential Skills, Ready to Work North, Adult Literacy and Basic Education, Pre-employment, Community Skills for Work.

Self Employment

The NWT will support eligible clients in pursuing self employment as a career choice and in starting their own business. Supports to individuals may include: travel and living allowances, course costs, childcare, and special equipment and supports. The NWT will also pay for business mentoring expenses by a qualified business expert.

Work Experience

The NWT will engage employers in developing a productive workforce and providing work and learning opportunities for eligible clients. Training on the job and work experience projects will support youth, unemployed and underemployed in entering or

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transitioning in the labour market. Supports to employers may include: wage subsidies, course costs, special equipment and supports, job coaching and mentoring.

Community Initiatives

Working with partners, the NWT will be able to support community and regionally focussed activities aimed at engaging underrepresented groups in the labour market. Examples of community initiatives include: course purchase of training programs, supporting workplace education programs, community projects such as Construction Boot Camp and Trades Awareness programs and labour market partnerships to identify, develop and implement labour force adjustment and human resource strategies to improve capacity.

It also includes and employment assistance services such as job coaching, counselling, labour market information

Building Capacity

The NWT will continue to provide support to organizations involved in building capacity through targeted projects that support territorial wide programming. This may include research and curriculum development. During the 2011-12, ECE will continue with the promotional campaign highlighting the importance of education and work.

Forecast of Program Expenditures

The projected expenditures for the 2011-12 year, which include 2011-12 Part 1 funds as well as the re-profiled 2008-09 Part 1 funds, are as follows:

Regional Programming Priorities	Amount
Skills Development	\$ 316,000
Self Employment	33,000
Work Experience	145,000
Community Initiatives	619,000
Building Capacity	40,000
Administration	139,000
TOTAL	\$1,292,000

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Expected Results

The NWT has identified the following outcomes as a result of this Labour Market Agreement:

- Higher participation in the NWT labour market by underrepresented groups
- More local residents filling longer term jobs in communities
- Increased community partnerships in training and employment
- Increase in number of employed NWT residents overall
- Decreased number of income assistance clients
- Increased opportunities for NWT residents to participate in education and training, specifically for non-EI clients
- More parents encouraging and motivating children to stay in school
- Specifically in 2011-12, the NWT sets out the following targets for its LMA expenditures
 - 40 unemployed clients through individual and employer supports
 - 150 eligible clients served through 15 community initiatives
 - 40% of clients will have less than high school at the beginning of the intervention
 - 50% of clients will be Aboriginal
 - Locally designed programs to address specific barriers and gaps to employability identified by regional partners