

CANADA-PRINCE EDWARD ISLAND LABOUR MARKET AGREEMENT

ANNUAL PLAN

FISCAL YEAR 2008/2009

On September 5, 2008, the Government of Canada and the Province of Prince Edward Island signed the Labour Market Agreement (LMA) which will inject more than \$12 Million over the next six years into Prince Edward Island labour market programs and will be an important resource to support labour market training in the province.

1. Purpose

Prior to the beginning of each fiscal year during the period of the Canada-Prince Edward Island Labour Market Agreement (LMA), Prince Edward Island agrees to develop and share with the Government of Canada an annual plan relating to its programs. The province has agreed to make this plan public by October 1st of each year. The annual plan shall include:

- a) an environmental scan of the current labour market challenges in Prince Edward Island;
- b) a description of clients who are considered a priority in the coming year;
- c) a description of proposed programming, intended objectives and outcomes, and projected expenditures;
- d) the expected results from the LMA programs including annual targets and outcomes for the planned activities referred to in (c) above; and
- e) a description of the proposed next steps.

2. Context

The 2008 - 2009 Annual Implementation Plan lays out the strategic investments planned by the Province of Prince Edward Island under the Canada-Prince Edward Island Labour Market Agreement (LMA). This plan is guided by the vision put forward in the, *Island Prosperity-A Focus for Change*. The 2008-2009 annual plan represents a first step towards full allocation of the LMA investments to address PEI's labour market challenges.

3. Environmental Scan

Prince Edward Island is entering a period in which employer demand, demographics, education and skill levels, employee expectations and mobility are all changing. Prince Edward Island is at a crossroads where the demand for labour is outpacing the supply of skilled and knowledgeable workers because of changing demographics and the migration of labour. Similarly, the education and skill requirements of the Island's labour force has increased

significantly and will need to continue to increase in order to meet the needs of employers in a new economy where the primary assets are people and knowledge.

Traditionally, Prince Edward Island's labour market has featured intense seasonal peaks and a significant number of low-skilled jobs. This helped stimulate strong labour force participation and high levels of employment during seasonal peaks. It also resulted in substantial unemployment and underemployment of Islanders during non-peak seasons. While the labour market issue of the past was shortages of jobs, the key issue today, and for the future, is shortages of skills and labour.

In an effort to reduce the instability of the PEI labour market, the provincial government has created a vision outlined in, *Island Prosperity-A Focus for Change*, which positions the province to strategically address current economic challenges. An integral part of the strategy is the development of a labour market that compliments key sector investment and expansion.

Key indicators for Prince Edward Island's economy:

- On July 1, 2007, the population of Prince Edward Island was estimated at 138,627, an increase 0.4 per cent from 2006.
- The unemployment rate in October 2008 was 10.3%, the lowest unemployment rate since 1978.
- In 2007, the participation rate was ranked fourth highest in the country. At 68.2% it was 0.6 percentage points higher than the national average; however, the labour force participation rate declined slightly from 68.7 % in 2006.
- Prince Edward Island had the highest participation rate in the country among the core working age group (25-44 years). Approximately nine out of every ten in this age group were either working or actively looking for work in 2007.

Labour Force Challenges

To reach its full potential, the province must address key labour market issues, particularly those issues related to supply of skilled labour.

- Developed countries worldwide are facing a massive demographic shift which is bringing profound social and economic changes in its wake.
- The twin factors of the post-war "baby boom" and declining fertility rates are resulting in a rapidly aging population.
- The aging of the Island population is illustrated by the fact that the median age has risen from 24.8 years in 1971 to 40.3 years in 2007. Furthermore, while 11 per cent of the

population was 65 years and older in 1971, this proportion has risen to 14.5 per cent in 2007.

- Net out-migration, which is concentrated among young adults, is further shrinking the worker pool. Furthermore, out-migration of young skilled males is noteworthy.
- International immigration to PEI has increased. However the province's retention of these immigrants remains low.
- The skill and education demands of the labour market are steadily rising – leading to skill and labour shortages throughout the economy.
- The single most important consideration for firms considering investment or expansion is the availability of workers, and the competition for workers is intensifying both with Prince Edward Island and beyond.
- Approximately 40% of the Island's working age population lack the literacy and numeracy skills required to function effectively in a knowledge economy.

LMA Priority Groups

In an effort to address the labour market challenges facing Prince Edward Island, the LMA has developed programs and services to assist those individuals who have traditionally been unable to benefit from existing labour market initiatives and who face specific challenges or are underrepresented in the labour force. The LMA plan has identified the following priority groups:

- Youth
- Immigrants
- Visible Minorities
- Older Workers
- Persons with Disabilities
- Employed Workers/Working Poor
- Aboriginals
- Social Assistance Recipients
- Women.

4. A Focus for Change

To address and meet global economic challenges, Prince Edward Island will focus on innovative and skill intensive sectors – bioscience, information technology, aerospace and renewable energy. These high-knowledge industries have a strong track record and significant

potential for further growth in revenues and exports and offer skilled, well paid, year-round employment opportunities for Islanders.

The Island Prosperity Strategy is a five-year investment strategy with three key pillars:

- Investing in People
- Investing in Innovation
- Investing in Economic Infrastructure.

The vision, objectives and principles of the LMA support key government priorities outlined in the economic and social plans of Prince Edward Island. The LMA annual plan targets new investments to support individuals who may face challenges making meaningful linkages to the labour market.

The province is working on strategies that will:

- work with employers on new strategies to enhance adult literacy, essential skills, and training;
- promote continuous learning in the workplace;
- assist workers in matching their skills with job opportunities; and
- collaborate with workers and employers to help them meet their workforce training needs.

The structure of Prince Edward Island's economy is already shifting. Our new innovative industries are already achieving growth in sales and employment, accounting for a growing share of our economy, and reducing our reliance on resource-based industries.

The vision for the Department of Innovation and Advanced Learning is to ensure that the Prince Edward Island workforce is competitive by making strategic investments in people through innovative programs, services and partnerships. The Department has the mandate to deliver programs and services that are aimed at assisting Prince Edward Islanders in acquiring the skills and employment experience necessary to secure and maintain full-time employment.

As part of the, *Island Prosperity-A Focus for Change*, Prince Edward Island has set forth a different approach to address the increasingly tight and competitive labour market. The focal point of this shift is one which puts *quality* of employment rather than *quantity* of employment at the forefront of core economic development strategies.

5. LMA Initiatives

The province recognizes there are some key needs among priority groups which must be addressed; however, youth and the immigrant population have been identified as the first priorities of focus for the last quarter of 2008/09. Through ongoing consultation, the province

will initiate and implement program development to meet the needs of the remaining priority groups identified during subsequent years of the LMA.

Seven initiatives have been identified as priority areas for January-March 2009:

I. Co-op Program

The Co-op program will provide post-secondary students with an opportunity to make a successful transition into the labour market through employment exposure as part of the client's education program. The LMA component of the Co-op Program will support the development of specific occupational skills with a priority on the Island Prosperity Strategy; aerospace, information technology, biosciences and renewable energy.

This program will support work placements of 12-16 weeks at an average wage of \$560/week. The LMA would contribute 50% of wage costs to private sector employers.

Client Eligibility

Student

- must be enrolled in the second half of their program of study at UPEI, Holland College or College de l'Acadie;
- must be attending an eligible post-secondary education program on a full time basis for the period immediately preceding the co-op placement;
- priority will be given to students enrolled in a program of study that is related to aerospace, information technology, biosciences, and/or renewable energy.

Employer

- Employer eligibility is restricted to private sector businesses with priority given to those businesses operating within the province's priority sectors,
- must be prepared to provide students with a detailed work plan that specifies an appropriate work experience,
- must provide students with the assistance and support required to ensure work term is beneficial to students' career development.

Delivery Approach

- Through the LMA, the province will partner with eligible post secondary institutions to provide students with an opportunity to participate in co-op placements related to their field of study and to the priority sectors.

Case Management

The Co-op program coordinator will assume responsibility for ensuring participant suitability and results as articulated in the LMA. The educational institutions will be responsible for administering the program, monitoring the co-op placements, collecting required data, and reporting on program results in accordance with a signed contract.

Outcomes

- establish a labour force attachment for post-secondary students within the province,
- increase the number of co-op placements within the priority sectors,
- assist in retaining post-secondary students within the province, and
- help students develop employment oriented skills.

Clients Served

It is anticipated that a maximum of 25 students in fiscal year of 2008-2009 will be assisted with sector specific Co-op placements.

II. Wage Subsidies - Recent Graduates and Immigrants

In an effort to assist non-EI clients who are unemployed in securing full time sustainable employment within the private sector, the province, through the LMA, will provide wage subsidies to businesses with a priority on the bioscience, information technology, aerospace, and renewable energy sectors. Investments will assist priority clients including the immigrant and recent graduate population. A wage subsidy of up to 26 weeks at 50% of eligible wage costs will be utilized to assist clients make a successful transition to meaningful employment related to their education and training.

Client Eligibility

Employee

- must be a Canadian citizen or permanent resident legally entitled to work in Canada,
- must be a recent post-secondary education graduate and out of school 1-5 years or must be a member of the immigrant population within the past five (5) years,
- must be non-EI eligible, and
- must be unemployed.

Employer

- must be a private sector company,

- must intend on retaining the individual on a full time basis after the wage subsidy period ceases, and
- must be prepared to provide the individual with on-the-job training and coaching.

Delivery Approach

- This service will be delivered by an existing service provider or an eligible sponsor.

Case Management

Clients utilizing this initiative will be case managed and have a Return to Work Action Plan (RTWAP).

Outcomes

- increase the number of priority group clients who are gainfully employed and self sufficient upon completion of the intervention,
- form strategic alliances with business, industry and cultural organizations to ensure that recruitment efforts are reflective of the labour market requirements,
- actively engage the business community by demonstrating how hiring our priority clients can meet their workforce and economic challenges.

Clients Served

Based on a cost shared contribution model, the average cost per placement is \$6,240. It is anticipated that the initial pilot will target 20 clients for the remainder of the 2008/09 fiscal year.

III. Self Employment – Recent Graduates and Immigrants

In an effort to assist recent graduates and immigrants establish a business on Prince Edward Island, the LMA will provide financial and entrepreneurial supports to individuals starting a new business. Priority will be provided but not limited to businesses in one of the following sectors: bioscience, information technology, aerospace and renewable energy.

The program provides a weekly allowance of \$300 per week for 52 weeks – a maximum of the first 10 weeks for the development of the business plan and the remaining weeks for the implementation of the business plan. In addition clients may be eligible for childcare while developing the business plan and disability-related supports if required.

Client Eligibility

Participant

- must be a Canadian citizen or permanent resident legally entitled to work in Canada
- must be a recent post-secondary education graduate and out of school 1-5 years or must be a member of the immigrant population within the past five (5) years,
- must be non-EI eligible,
- must be unemployed.

Delivery Approach

This service will be delivered by an existing service provider or eligible sponsor.

Case Management

Clients utilizing this initiative would be required to be case managed and have a Return to Work Action Plan.

Outcomes

- increase in the number of post-secondary graduates and immigrants who become self-employed and thus remain on Prince Edward Island,
- promote economic activity.

Clients Served

The average cost per placement is \$2,520. It is anticipated that the initial pilot will target 10 clients for the remainder of the 2008/09 fiscal year.

IV. Community Engagement (Adult Learners and Labour Market Research Chair)

Community engagement entails two significant projects:

First, UPEI's Centre for Life-Long Learning (CLLL) is mandated to encourage and support connections among the university and all Island learners; however, it has identified a gap in services for adult learners interested in pursuing studies at UPEI. Specifically, a notable gap exists in the areas of student services for adult learners, formal policies and procedures that address the needs of adult learners, and transitional services for adult learners wanting to or thinking about connecting with the university.

The proposed project seeks to:

- recruit a dedicated advisor for adult learners,
- establish policies and procedures needed to support adult learners,
- simplify the prior learning assessment process,
- explore alternative delivery models for adult learners,
- provide an academic readiness program for adult learners entering or re-entering the post secondary education system,
- offer career/life planning support for adult learners.

Client Eligibility

- must be a Canadian citizen or permanent resident legally entitled to work in Canada,
- must be a “mature student” between the ages 25 – 65,
- must need further training or skills to secure or maintain employment.

Outcomes

- increased enrollment of adult learners in post-secondary courses,
- increased interest and inquiries about adult learning opportunities,
- increased number of students who attend information sessions and academic readiness,
- expanded framework for the delivery of adult learning opportunities including location and mode of delivery,
- increased educational attainment of the Island population.

Program Delivery

- Data on clients receiving services through the CLLL in relation to this project will be required as per the federal government’s reporting criteria.
- The University will be responsible for collecting and providing this data.

The second project under this initiative follows;

Prince Edward Island has long struggled with producing or obtaining timely and relevant labour market information. The establishment of the Labour Market Research Chair would create capacity within the province to conduct labour market research that is relevant to the needs of the province, specific sectors, and targeted labour market groups. The research chair would serve as a repository for local labour market information upon which government, businesses, and individuals could make decisions.

Delivery Approach

- Through the LMA, the province will partner with the University of Prince Edward Island to provide comprehensive and timely labour market information to assist in strategic labour market planning.
- When fully established the Labour Market Research Chair would require an annual investment of \$200,000 to cover the salary costs of the chair and direct and indirect costs of the chair. For 2008/2009, the budget will be used to establish the criteria for the chair and begin the recruitment process requirements to fill the chair.

Outcomes

- more adult learners accessing the post-secondary education system,
- better engagement among businesses and the post-secondary education system,
- higher educational attainment of the Island labour force,
- higher skill level among the Island labour force.

Project Budget

The combined investment by LMA for this fiscal year will be \$100,000 to begin the work on this initiative.

V. Apprenticeship Training

Most apprentices are well served during the block release component of their trades training. Funding generally comes from the EI system and through LMDA programming to cover the tuition portion of the training and living costs including travel and child care costs. However, some apprentices or potential apprentices are not EI eligible for support. Apprentices may not be EI-eligible because they work in a family operated business and do not pay into the EI system or are short the required hours needed for eligibility. In these cases, the apprentice must pay for the cost of the block release program from personal resources or they do not take the training.

Prince Edward Island (along with the rest of Canada) has a recognized need for more skilled trades people. The lack of eligibility for funding is creating an impediment for many clients seeking trades training. A proposed program that would pay the tuition costs for block release training and a modest living, travel, and child care allowance (based on the Skills Development allowances) would enable more Islanders to participate in trades training.

Client Eligibility

- must be a Canadian citizen or permanent resident legally entitled to work in Canada,
- must be enrolled in the Apprenticeship Training Farm Technician Training Program,
- must be non-EI eligible.

Delivery Approach

- This service will be delivered by the Apprenticeship Branch of the Department of Innovation and Advanced Learning, Higher Education Division.

Case Management

The apprenticeship coordinator will assume responsibility for ensuring participant suitability and results as articulated in the LMA.

Outcomes

- increase the number of individuals who complete the Apprenticeship program and achieve a Red Seal specific to their trade,
- increase the number of individuals enrolled in trades,
- increase the number of trade skilled individuals to fill vacancies as the result of attrition.

Clients Served

Based on an average cost per participant of \$12,600, it is anticipated that 3 non-EI eligible participants will be served through this LMA initiative.

VI. WorkPlace Training

Employers often require assistance in training their employees with respect to essential skills or job specific skills. The WorkPlace Training initiative will provide financial support to employers in the priority sectors with fewer than 100 employees in Prince Edward Island to assist in the development and provision of job-specific training. The program will support training initiatives by funding up to 50% of the salaries of employees while on training.

Client Eligibility

Employee

- must be a Canadian citizen or permanent resident legally entitled to work in Canada,
- must be interested in participating in job related skills training.

Employer

- must be a private sector and incorporated business located on Prince Edward Island;
- must work in the priority sectors of bioscience, aerospace, IT, or renewable energy;
- must clearly demonstrate the training provided is job related.

Clients Served

It is anticipated the program will train 50 individuals in the sectors identified above.

Program Costs

Estimated budget for WorkPlace Training for 2008/2009 is \$250,000.

VII. P.E.I Works

This initiative uses a very personal and human approach to deliver more and better information on careers in PEI to a wide variety of audiences.

It includes core initiatives designed to improve career awareness and career planning among youth, employees, targeted groups and the general public. The initiative will be launched as a one-year pilot project and evaluated to determine effectiveness.

Client Focus

The pilot seeks to provide better informal career information to youth, immigrants, aboriginals, individuals with disabilities, career influencers, adult learners as well as the general public.

Outcomes

- 500 Career Futures, Coop Education and other students and youth will receive first hand information about PEI career opportunities
- 200 New Islanders (immigrants) will receive career related information
- 100 First Nations members will receive career related information
- 30 people with disabilities recommended by the PEI Council of the Disabled will receive career information
- 200 adult learners will receive career information
- 75 career influencers will receive career information

Delivery Approach

The Department of Innovation and Advanced Learning will contract with a third party service provider to implement a one-year pilot project.

6. Consultation/Partners

Federal and provincial partners, private sector employers, current organizations managing program delivery, community organizations dealing with priority sectors, post-secondary educational institutions, industry.

Conclusion

The LMA implementation plan will provide Prince Edward Island with an opportunity to strategically assist Islanders with new target initiatives. This plan will significantly improve the labour force participation of individuals who have largely been under-represented in the past. Similarly, the vision and objectives set forth will emphasize the further development of a skilled knowledge economy which supports the key objectives outlined in the, *Island Prosperity-A Focus for Change*, economic strategy.

This plan represents the initial phase of the Canada-PEI Labour Market Agreement. Over the next year, the province will be building and further developing programs to address our key challenges including literacy and essential skills, career planning, the working poor, and youth.

Budget

Program	Investment 2008/09
Co-op Program	\$112,000
Wage Subsidy Program	\$ 76,800
Self Employment Program	\$ 39,200
Community Engagement	\$100,000
Apprenticeship Program	\$ 37,800
WorkPlace Training	\$250,000
PEI Works	\$250,000
Totals	\$865,800