

**CANADA-NEWFOUNDLAND AND
LABRADOR
LABOUR MARKET AGREEMENT**

Canada 

Newfoundland
Labrador 

CANADA-NEWFOUNDLAND AND LABRADOR LABOUR MARKET AGREEMENT

This Agreement made this 4th day of September, 2008

Between The Government of Canada (hereinafter referred to as “Canada”), as represented by the Minister of Human Resources and Skills Development, styled Minister of Human Resources and Social Development

AND The Government of Newfoundland and Labrador (hereinafter referred to as “Newfoundland and Labrador”) as represented by the Minister of Human Resources, Labour and Employment and the Minister for Intergovernmental Affairs

WHEREAS Canada and Newfoundland and Labrador share a common vision of a skilled, productive, mobile, inclusive and adaptable labour force supported by a system of flexible labour market programs delivered by Newfoundland and Labrador;

WHEREAS Canada and Newfoundland and Labrador are committed to working together to address the labour market needs and requirements of Newfoundland and Labrador;

WHEREAS Canada and Newfoundland and Labrador agree that primary responsibility for the design and delivery of labour market programs for individuals to support the creation of a skilled, productive, mobile, inclusive and adaptable labour force in Newfoundland and Labrador rests with Newfoundland and Labrador;

WHEREAS Canada has agreed to make new investments in support of labour market programming in Newfoundland and Labrador by providing funding to Newfoundland and Labrador towards the costs of programs that address areas of current and emerging labour market priorities, including the need to improve the labour force participation of under-represented groups and to increase the skills level of the existing workforce;

WHEREAS Canada and Newfoundland and Labrador reaffirm their commitment to achieve full compliance with their labour mobility obligations under Chapter 7 of the Agreement on Internal Trade by April 1, 2009 in order to enable workers of one part of Canada to have access to employment opportunities in any other part of Canada;

WHEREAS Canada is authorized to enter into this Agreement pursuant to sections 7 and 10 of Canada's *Department of Human Resources and Skills Development Act*,

WHEREAS Newfoundland and Labrador is authorized to enter into this Agreement pursuant to section 10 of its *Executive Council Act* and section 8 of its *Income and Employment Support Act*,

ACCORDINGLY, Canada and Newfoundland and Labrador agree as follows:

INTERPRETATION

1. In this Agreement, unless the context requires otherwise:

"Annual plan" means the annual plan for a fiscal year developed by Newfoundland and Labrador under subsection 22(2);

"Designated Officials" means, for Canada, the Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Social Development (HRSDC), or such other official of Canada as may be designated by the Minister of Human Resources and Social Development by notice in writing to Newfoundland and Labrador, and for Newfoundland and Labrador, the Assistant Deputy Minister, Labour Market Development and Client Services, Department of Human Resources, Labour and Employment or such other official of Newfoundland and Labrador as may be designated by the Minister of Human Resources, Labour and Employment by notice in writing to Canada;

"EI client" means an unemployed individual

(a) who is eligible for assistance under labour market programs provided by the Canada Employment Insurance Commission under Part II of the *Employment Insurance Act*, or

(b) who is eligible for assistance under any similar labour market programs provided by Newfoundland and Labrador which are funded by the Canada Employment Insurance Commission under a Labour Market Development Agreement entered into between Canada and Newfoundland pursuant to Part II (section 63) of the *Employment Insurance Act*;

"Eligible clients" means unemployed and low-skilled workers described in section 9;

“Eligible costs” means the program assistance costs and program administration costs incurred by Newfoundland and Labrador in providing assistance to eligible clients under its eligible programs during the Period of the Agreement;

“Eligible programs” means labour market programs and services provided by Newfoundland and Labrador described in section 8;

“Fiscal year” means the period commencing April 1 of a calendar year and ending March 31 of the following calendar year;

“Joint Committee” means the Joint Committee established under section 28;

“Minister of Human Resources and Social Development” is the style used to refer to Canada’s Minister of Human Resources and Skills Development and every reference in this Agreement to the Minister of Human Resources and Social Development shall be deemed to be a reference to the Minister of Human Resources and Skills Development;

“Period of the Agreement” means the period specified in section 30;

“Program administration costs” means the direct and indirect internal operating costs incurred by Newfoundland and Labrador in developing and administering the eligible programs; and

“Program assistance costs” means

- (a) the costs of financial assistance provided by Newfoundland and Labrador under its eligible programs directly to or on behalf of eligible clients, and
- (b) the costs of financial assistance or other payments provided by Newfoundland and Labrador under its eligible programs to third party service providers or delivery agents as reimbursement for costs incurred by them, or as payment for services rendered by them, in relation to the provision of assistance to eligible clients under its eligible programs,

but do not include

- (i) payments of basic income support to an eligible client unless the payments are linked to active participation in an eligible program,

- (ii) payments to public or private training institutions for training infrastructure costs and curriculum development costs unless the payments are directly related to the delivery of eligible programs or training of eligible clients.

PURPOSE

2. The purpose of this Agreement is to set out:
 - (a) the shared vision of the parties, and the shared objectives and principles of the Agreement;
 - (b) the roles and responsibilities of the parties in the labour market;
 - (c) the general characteristics of the service delivery arrangements of Newfoundland and Labrador;
 - (d) the labour market programs of Newfoundland and Labrador that are eligible for funding under this Agreement, the eligible clients of those programs, and the eligible costs of those programs for which the new investments provided by Canada to Newfoundland and Labrador under this Agreement may be used;
 - (e) the amount of funding to be provided by Canada to Newfoundland and Labrador each fiscal year during the Period of the Agreement; and
 - (f) the accountability framework for the funding.

VISION, OBJECTIVES AND PRINCIPLES

3. Canada and Newfoundland and Labrador share a common vision to create the best-educated, most-skilled and most flexible workforce in the world.
4. Canada and Newfoundland and Labrador agree that the broad objectives of the Agreement are:
 - (a) Quantity - To increase the participation of Canadians and immigrants in the workforce to meet current and future labour requirements;
 - (b) Quality - To enhance the quality of skills and labour force development; and
 - (c) Efficiency - To provide the information necessary to make informed labour market choices and to facilitate workforce mobility.
5. Canada and Newfoundland and Labrador agree that the implementation of this Agreement will be guided by the following principles:

- (a) Accessibility – access to comparable programs for Employment Insurance (EI)-eligible and non-EI-eligible individuals, to enhance the labour market participation of all individuals in Newfoundland and Labrador, particularly low-skilled workers and under-represented groups;
- (b) Effectiveness – effective programs that draw on best practices from within Canada and abroad, respond to the needs of employers, and reflect local labour market conditions;
- (c) Quality Client-Centred Delivery – a coherent and integrated approach to providing client-centered programs;
- (d) Fairness – fair treatment of all Canadians through principle-based arrangements with provinces and territories, respecting primary provincial responsibility for design and delivery of labour market programming to individuals; and
- (e) Efficiency – improving the efficiency of the national labour market and strengthening the economic union by facilitating adjustment and removing barriers to mobility.

ROLES AND RESPONSIBILITIES

- 6. Canada and Newfoundland and Labrador agree that Newfoundland and Labrador has the primary responsibility for the design and delivery of labour market programs for individuals in Newfoundland and Labrador.
- 7. Canada and Newfoundland and Labrador agree that Canada will continue to promote an efficient and integrated national labour market in support of the national economy. Canada also will continue to provide federal programs for Aboriginal peoples, youth, older workers and persons with disabilities.

ELIGIBLE PROGRAMS

- 8. Newfoundland and Labrador agrees to provide labour market programs to enhance the labour market participation of individuals by assisting them to prepare for entry to, or return to, employment or to otherwise obtain or keep employment or maintain skills for employment. These programs may include, but are not limited to, programs that support the following activities:
 - (a) skills training, ranging from training in basic skills, such as literacy and numeracy, to advanced skills training;
 - (b) on-the-job training and workplace-based skills upgrading;
 - (c) group interventions and job readiness assistance;

- (d) wage subsidies and earning supplementation;
- (e) employment counselling and services; and
- (f) labour market connections, such as services to facilitate matching supply and demand

ELIGIBLE CLIENTS

9. Newfoundland and Labrador agrees to use the funding provided under this Agreement to provide assistance under its eligible programs to:

- (a) unemployed individuals who are not EI clients, including but not limited to:
 - (i) social assistance recipients;
 - (ii) immigrants;
 - (iii) persons with disabilities;
 - (iv) older workers;
 - (v) youth;
 - (vi) Aboriginal peoples;
 - (vii) new entrants and re-entrants to the labour market;
 - (viii) unemployed individuals previously self-employed

and

- (b) 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.

10. Canada and Newfoundland and Labrador agree that although eligible clients include Aboriginal peoples, Canada will continue to provide its own labour market programs for Aboriginal peoples. Canada and Newfoundland and Labrador agree, through the Joint Committee, to better coordinate the delivery of their respective programs for Aboriginal peoples.

11. Newfoundland and Labrador will offer eligible programs to residents of Newfoundland and Labrador. Newfoundland and Labrador agrees not to place a minimum residency requirement on individuals seeking assistance under the eligible programs being funded under this Agreement.

SERVICE DELIVERY ARRANGEMENTS

12(1) Newfoundland and Labrador agrees to provide the eligible programs through an integrated and client-centered service delivery network. This network will provide a coordinated system for accessing the labour market programs of all departments and agencies of Newfoundland and Labrador by individuals regardless of their particular needs or barriers and for making

appropriate linkages with educational and training institutions and third party delivery agents.

- (2) Newfoundland and Labrador agrees to ensure that its service delivery network provides needs assessment, case management, tracking and reporting of progress through interventions and follow-up upon completion of interventions for eligible clients.

13(1) In developing and delivering its eligible programs, Newfoundland and Labrador agrees to take into account the needs of the official language minority communities in Newfoundland and Labrador.

- (2) Newfoundland and Labrador also agrees to ensure that where there is a significant demand for services or for assistance under the eligible programs in either official language, individuals can obtain such services or assistance in that official language. In determining the areas of Newfoundland and Labrador where there would be considered to be a "significant demand," Newfoundland and Labrador agrees to use as a guideline the criteria for determining what constitutes "significant demand" for communications with, and services from, an office of a federal institution, as set out in the *Official Languages (Communications with and Services to the Public) Regulations* made pursuant to Canada's *Official Languages Act* which are in effect at the time of the signing of this Agreement.

FINANCIAL PROVISIONS

14(1) Subject to the terms and conditions of this Agreement, in each fiscal year during the Period of the Agreement, Canada agrees to make a contribution to Newfoundland and Labrador in respect of the eligible costs incurred in that fiscal year of an amount not exceeding the amount, rounded to the nearest thousand, determined by the formula

$$F \times (K/L)$$

where

F is \$500 million

K is the total population of Newfoundland and Labrador for the fiscal year;
and

L is the total population of all provinces and territories for the fiscal year.

- (2) For the purposes of this section, the population of Newfoundland and Labrador for each fiscal year and the total population of all provinces and

territories for that fiscal year are the respective populations as determined on the basis of the quarterly preliminary estimates of the respective populations on July 1 of that fiscal year released in September of that fiscal year by Statistics Canada.

- (3) Based on the Statistics Canada quarterly preliminary estimates of the respective populations on July 1, 2007, the notional amount of Canada's maximum contribution to Newfoundland and Labrador in fiscal year 2008/09, is \$7,676,000. Canada will notify Newfoundland and Labrador of the actual amount of the maximum contribution payable to Newfoundland and Labrador in fiscal year 2008/09, as determined under the formula set out in subsection (1), as soon as possible following the release in September 2008 of the July 1, 2008 population estimates referred to in subsection (2).
- (4) For fiscal year 2009/10 and each subsequent fiscal year during the Period of the Agreement, Canada will notify Newfoundland and Labrador at the beginning of the fiscal year of the notional amount of its maximum contribution payable under subsection (1) in that fiscal year. The notional amount will be based on the Statistics Canada quarterly preliminary population estimates on July 1 of the preceding fiscal year. Canada will notify Newfoundland and Labrador of the actual amount of its maximum contribution in each of those fiscal years, as determined under the formula set out in subsection (1), as soon as possible following the release in September of each year of the Statistics Canada quarterly preliminary population estimates referred to in subsection (2).
- (5) Notwithstanding subsection (1), Canada may, subject to the approval of Canada's Treasury Board,
 - (a) permit Newfoundland and Labrador to retain and carry forward to the next fiscal year, ending in 2013/14, the amount of any contribution paid to Newfoundland and Labrador for a fiscal year under subsection (1) that is in excess of the amount of the eligible costs actually incurred by Newfoundland and Labrador in that fiscal year, and use the amount carried forward for expenditures on eligible costs in subsequent years throughout the Period of the Agreement, and
 - (b) re-profile the amount of any unpaid portion of Canada's maximum contribution payable to Newfoundland and Labrador in a fiscal year, as determined under subsection (1), to the next fiscal year and add that re-profiled amount to the maximum amount payable under subsection (1) to Newfoundland and Labrador in subsequent fiscal years over the Period of the Agreement ending in 2013/14.

For greater certainty, any amount carried forward or re-profiled from one fiscal year to the next under this subsection is supplementary to the maximum

amount payable to Newfoundland and Labrador under subsection (1) of this Agreement in that next fiscal year.

- (6) All amounts carried forward or re-profiled and paid to Newfoundland and Labrador, or both, pursuant to subsection (5) must be spent by March 31, 2014. Newfoundland and Labrador is not entitled to retain any such carried forward or re-profiled amounts that remain unexpended after March 31, 2014 nor is it entitled to retain any balance of Canada's contribution for fiscal Year 2013/14 paid pursuant to subsection (1) that remains unexpended at the end of that fiscal year. Such amounts are to be repaid to Canada in accordance with section 20.

15(1) Canada's contributions shall be used solely for defraying the eligible costs.

- (2) Newfoundland and Labrador shall be responsible for expenditures on eligible costs incurred each fiscal year that are in excess of the amount of Canada's contribution in that year under this Agreement.

16. Any payment by Canada under this Agreement is subject to there being an appropriation of funds by the Parliament of Canada for the fiscal year in which the payment is to be made.

17(1) Canada will make payments of its annual contribution in respect of Newfoundland and Labrador's eligible costs in two instalments each fiscal year. The first instalment will be paid on or about June 15 of each fiscal year and the second instalment will be paid on or about November 15 of each fiscal year.

- (2) The amount of the first instalment will be an amount equal to 50% of Newfoundland and Labrador's projected expenditures on its eligible costs for the fiscal year, as set out in its annual plan for the year.

- (3) The amount of the second instalment will be an amount equal to the balance of Newfoundland and Labrador's projected expenditures on its eligible costs for the fiscal year, as set out in its annual plan for the year, as adjusted, if necessary, to ensure that the total amount paid for the fiscal year does not exceed the maximum amount payable in that fiscal year as determined under section 14.

18. If Newfoundland and Labrador has failed to provide its annual audited financial statement, as required under section 23, for any fiscal year during the Period of the Agreement, Canada shall withhold payment of the second instalment of its contribution for the following fiscal year until such time as Newfoundland and Labrador provides the financial statement.

- 19(1) Subject to subsections (2) and (3), Newfoundland and Labrador agrees and undertakes that the funding provided by Canada under this Agreement shall not displace normal provincial funding levels for existing labour market programs to enhance the labour market participation of the unemployed and low skilled workers referred to in section 9 of this Agreement but that such funding shall be used to support incremental labour market program activities for eligible clients.
- (2) Canada and Newfoundland and Labrador agree that the undertaking in subsection (1) is not to be construed as preventing Newfoundland and Labrador from applying government-wide measures to control expenditures. Newfoundland and Labrador agrees that in the event of an expenditure control exercise, Newfoundland and Labrador would not disproportionately target programs funded under this Agreement.
- (3) The undertaking by Newfoundland and Labrador under subsection (1) is also subject to the appropriation of sufficient funds by the Newfoundland and Labrador House of Assembly each fiscal year to maintain normal provincial funding levels.
- (4) By no later than October 1 following the end of each fiscal year during the Period of the Agreement, Newfoundland and Labrador agrees to provide Canada with a report by an independent auditor that Newfoundland and Labrador has complied, in all material respects, with the requirements in subsections (1) and (2).
20. Newfoundland and Labrador shall repay to Canada any amounts paid to Newfoundland and Labrador in excess of the amount to which Newfoundland and Labrador is entitled under the Agreement. Such amounts are debts due to Canada and shall be repaid promptly upon receipt of written notice to repay.

ACCOUNTABILITY FRAMEWORK

21. Canada and Newfoundland and Labrador agree to an accountability framework consisting of the following components:
- (i) planning;
 - (ii) financial reporting;
 - (iii) performance measurement;
 - (iv) public reporting; and
 - (v) evaluation.

(i) Planning

Multi-year Plan

22(1) For realizing the vision and achieving the objectives of this Agreement, Newfoundland and Labrador agrees that the implementation of this Agreement will be guided by the multi-year plan set out in Annex 1 which would include:

- (a) a general, high level statement of priorities that reflects Newfoundland and Labrador's local and regional circumstances;
- (b) intended objectives associated with identified priorities, which could also include a list of possible program areas for investment; and
- (c) a notional annualized investment allocation for each of these identified priorities.

This multi-year plan will be subject to the subsequent annual plans prepared by Newfoundland and Labrador as described in subsection (2).

Annual Plan

(2) Subject to subsection (3), prior to the beginning of each fiscal year during the Period of the Agreement, Newfoundland and Labrador agrees to develop and share an annual plan relating to its eligible programs with the Government of Canada, and make it public by October 1 each year. The annual plan shall include:

- (a) an environmental scan that provides a profile of the current labour market challenges in Newfoundland and Labrador;
- (b) a description of the eligible clients who are to be targeted as priorities in the coming fiscal year;
- (c) a description of the priority areas for programming and intended objectives;
- (d) a brief description of the eligible programs, planned activities and projected expenditures for the coming fiscal year by priority area that are attributable to funding provided under this Agreement;
- (e) the results expected for the planned activities referred to in paragraph (d); and
- (f) a description of the consultation process referred to in subsection (4) and the types of groups consulted.

(3) The annual plan for fiscal year 2008/2009 shall be developed and shared with Canada within 30 days following signing of this Agreement or within such longer period as may be agreed to by the Designated Officials.

- (4) In developing each annual plan referred to in subsection (2), Newfoundland and Labrador agrees to use information gathered through consultations with stakeholders, including business and labour representatives, community organizations and representatives of the official language minority communities in Newfoundland and Labrador. It is understood that Newfoundland and Labrador will gather this information as part of ongoing provincial consultative processes and that consultations will not necessarily be carried out solely for the purposes of developing the annual plan.

(ii) Financial Reporting

23(1) By no later than October 1 following the end of each fiscal year during the Period of the Agreement, Newfoundland and Labrador shall provide Canada with an audited financial statement of revenues received from Canada under this Agreement during the fiscal year and the eligible costs incurred by Newfoundland and Labrador in relation to the eligible programs. The financial statement shall be prepared in accordance with Canadian Generally Accepted Accounting Principles and shall show:

- (a) the program assistance costs incurred in respect of each eligible program during the fiscal year;
- (b) the total program administration costs incurred during the fiscal year; and
- (c) if applicable, the amount of any surplus funds being carried forward to the next fiscal year pursuant to subsection 14(5).

(2) The audit shall be performed by an independent auditor designated by the Newfoundland and Labrador Auditor General, and shall be conducted in accordance with Canadian Generally Accepted Auditing Standards.

(iii) Performance Measurement

24(1) In order to measure performance of the eligible programs, Newfoundland and Labrador agrees to collect and compile, in accordance with Annex 2, the performance indicator information set out in Annex 2 about the eligible clients, the type of interventions provided under the eligible programs and the outcomes of the interventions. For greater certainty, no personal information will be shared by Newfoundland and Labrador with Canada.

(2) Newfoundland and Labrador agrees to provide to Canada the information referred to in subsection (1) which it has collected or compiled each fiscal year during the Period of the Agreement no later than five months following the end of that fiscal year. The information shall be provided in the format and manner decided jointly by Canada and Newfoundland and Labrador.

(iv) Public Reporting on Results

- 25(1) Canada and Newfoundland and Labrador agree on the importance of reporting to the public on results achieved under this Agreement.
- (2) By no later than October 1 following the end of each fiscal year during the Period of the Agreement, Newfoundland and Labrador agrees to report to the people of Newfoundland and Labrador on the results of the eligible programs achieved in the fiscal year. The report shall show separately the results attributable to the funding provided by Canada under this Agreement based on the performance indicators as outlined in Annex 2.
- (3) Following the end of each fiscal year during the Period of the Agreement, Canada will report annually to Canadians on the aggregate results of the labour market agreements with provinces and territories based on the performance indicator information set out in Annex 2 collected and compiled by all provinces and territories and provided to Canada.

(v) Evaluation

- 26(1) Newfoundland and Labrador agrees to carry out an evaluation of the impact and effectiveness of the eligible programs and the funding provided in relation thereto under this Agreement. The evaluation shall cover the period beginning on the date of signing of the Agreement and ending March 31, 2012 and shall be completed by March 31, 2013.
- (2) Newfoundland and Labrador shall advise Canada by notice in writing delivered on or before April 1, 2010 that Newfoundland and Labrador has selected that either:
- (a) paragraph (3) (a), or
 - (b) paragraph (3) (b),
- shall apply to, and form part of, this Agreement, and upon delivery of such notice the paragraph so selected shall apply to and form part of this Agreement.
- (3) Newfoundland and Labrador may carry out the evaluation in one or other of the following ways, at its option:
- (a) Newfoundland and Labrador may carry out the evaluation on its own. If Newfoundland and Labrador selects this option, it shall:
 - (i) develop an evaluation framework that adheres to commonly accepted evaluation practices and methodologies;
 - (ii) submit the evaluation design or framework for review and recommendations by an independent third party external evaluator;

- (iii) before the evaluation is conducted, share the framework with Canada for discussion in the Joint Committee;
- (iv) after the findings are obtained, submit the evaluation report to an independent third party external evaluator for review before it is finalized; and
- (v) provide a copy of the evaluation report to Canada by no later than June 30, 2013.

The cost of the provincial evaluation will be the responsibility of Newfoundland and Labrador.

Or,

(b) Newfoundland and Labrador may carry out the evaluation jointly with Canada. Where this option is selected, Canada and Newfoundland and Labrador agree to carry out the joint evaluation as follows. The Joint Committee:

- (i) will establish a Joint Evaluation Sub-Committee to prepare and sign off an evaluation framework that adheres to commonly accepted evaluation practices and methodologies;
- (ii) submit the evaluation design or framework for review and recommendations by an independent third party external evaluator;
- (iii) approve the contract to be entered into by Newfoundland and Labrador with the third party retained to carry out the evaluation;
- (iv) oversee the conducting of the evaluation according to the plan laid out in the framework;
- (v) after the findings are obtained, submit the evaluation report to an independent third party external evaluator for review before it is finalized; and
- (vi) provide a copy of the evaluation report to Canada and Newfoundland and Labrador by no later than June 30, 2013.

Newfoundland and Labrador will be responsible for providing to the third party evaluator any data required by the evaluator. The cost of the joint evaluation will be shared 50-50 by Canada and Newfoundland and Labrador.

YEAR 2 REVIEW

27. Canada and Newfoundland and Labrador agree to design and conduct a joint Year 2 Review of the implementation of the Agreement that will be conducted in fiscal year 2009/10 and completed in 2010/11. The purpose of the Year 2 Review will be to ensure that both Parties are properly implementing the

provisions of this Agreement and to inform potential improvements to this Agreement.

JOINT COMMITTEE

28(1) Canada and Newfoundland and Labrador agree to establish a Canada-Newfoundland and Labrador Joint Committee.

(2) The Joint Committee will be co-chaired by the Designated Officials of the Parties and will meet at least twice annually or as agreed to by the co-chairs. The co-chairs can invite representatives from other agencies, departments or ministries to participate in Committee meetings as deemed appropriate.

(3) The role of the Joint Committee includes, but is not limited to:

- (a) overseeing the overall implementation and management of the Agreement;
- (b) designing and conducting the Year 2 review referred to in section 27;
- (c) where Newfoundland and Labrador has selected under paragraph 26(2)(a) to carry out its own evaluation of the eligible programs under paragraph 26(3)(a), reviewing the evaluation framework referred to in subparagraph 26(3)(a)(iii);
- (d) where Newfoundland and Labrador has selected under paragraph 26(2)(b) to carry out an evaluation of its eligible programs jointly with Canada, establishing the Joint Evaluation Sub-Committee referred to in subparagraph 26(3)(b)(i) and overseeing the conducting of the evaluation;
- (e) discussing Newfoundland and Labrador's draft annual plans and reports;
- (f) maintaining linkages with the planning processes under any Canada-Newfoundland and Labrador Labour Market Development Agreement entered into between the parties pursuant to Part II of Canada's *Employment Insurance Act*, and
- (g) sharing views on labour market programs and policies as well as broader developments in the labour market.

PUBLIC ACKNOWLEDGEMENT OF FEDERAL FUNDING

29. Canada and Newfoundland and Labrador agree on the importance of ensuring that the public is informed of Canada's financial contributions to Newfoundland and Labrador's eligible programs with the contributions acknowledged in accordance with Annex 3 to this Agreement.

PERIOD OF THE AGREEMENT

30. This Agreement shall come into effect when it is signed by both parties and shall terminate on March 31, 2014 unless it is terminated earlier in accordance with section 33.
31. Notwithstanding the termination of this Agreement, the obligations of Newfoundland and Labrador under sections 20, 23 and 25 of this Agreement shall survive any termination and shall remain in force until they are satisfied or by their nature expire.

DISPUTE RESOLUTION AND TERMINATION

- 32(1) Canada and Newfoundland and Labrador are committed to working together and avoiding disputes through government-to-government information exchange, advance notice, early consultation, and discussion, clarification and resolution of issues, as they arise.
 - (2) If at any time either Canada or Newfoundland and Labrador is of the opinion that the other party has failed to comply with any of its obligations or undertakings under this Agreement or is in breach of any term or condition of the Agreement, Canada or Newfoundland and Labrador, as the case may be, may notify the other party in writing of the failure or breach. Upon such notice, Canada and Newfoundland and Labrador will endeavour to resolve the issue in dispute bilaterally through their Designated Officials.
 - (3) If the dispute referred to in subsection (2) cannot be resolved by Designated Officials, then the dispute will be referred to the Deputy Minister of Human Resources and Social Development Canada and the Deputy Minister of Newfoundland and Labrador Human Resources, Labour and Employment, and if it cannot be resolved by them, then Canada's Minister of Human Resources and Social Development and Newfoundland and Labrador's Minister of Human Resources, Labour and Employment shall endeavor to resolve the dispute.
33. Either Canada or Newfoundland and Labrador may terminate this Agreement at any time without cause by giving 12 months' written notice of its intention to terminate.
 34. Upon termination of the Agreement under section 33, Canada shall have no obligation to make any further payment to Newfoundland and Labrador in respect of eligible costs incurred after the date of termination.

EQUALITY OF TREATMENT

35. During the term of this Agreement, if another province or territory negotiates a Labour Market Agreement with Canada, and if, in the reasonable opinion of Newfoundland and Labrador, any provision of that agreement is more favourable to that province or territory than what was negotiated with Newfoundland and Labrador, Canada agrees to amend this Agreement in order to afford similar treatment to Newfoundland and Labrador, if requested by Newfoundland and Labrador. The amendment shall be retroactive to the date on which the Labour Market Agreement with the other province or territory comes into force.

ANNEXES

36. The Annexes to this Agreement are an integral part of the Agreement.

AMENDMENTS

37.(1) This Agreement may be amended at any time by mutual consent of the parties. To be valid, any amendment shall be in writing and, subject to subsection (2), signed, in the case of Canada, by Canada's Minister of Human Resources and Social Development, and in the case of Newfoundland and Labrador, by Newfoundland and Labrador's Minister of Human Resources, Labour and Employment and Minister of Intergovernmental Affairs.

(2) An amendment to any Annex to this Agreement may be made by the written agreement of the Designated Officials of the parties.

SIGNED on behalf of Canada by the Minister of Human Resources and Skills Development, styled Minister of Human Resources and Social Development,

at _____ this 4th day of September, 2008

Witness

The Honourable Monte Solberg,
Minister of Human Resources and Social
Development

SIGNED on behalf of Newfoundland and Labrador by the Minister of Human Resources, Labour and Employment and the Minister for Intergovernmental Affairs,

at _____ this 3th day of September, 2008

Witness

The Honourable Shawn Skinner,
Minister of Human Resources, Labour
and Employment

Witness

The Honourable Thomas J. Hedderson,
Minister of Intergovernmental Affairs

ANNEX 1 MULTI-YEAR PLAN

1.0 Purpose

This multi-year plan provides a framework for the operation of the Canada-Newfoundland Labour Market Agreement (LMA), including priorities, objectives and a notional annualized investment allocation covering the fiscal years 2008-09 to 2013-14. For the duration of the Agreement, this multi-year plan is subject to annual plans which will take into account changes in the economic and social environment.

2.0 Strategic Directions

Newfoundland and Labrador will maximize the benefits of the CA/NL Labour Market Agreement to help improve employment and training outcomes for individuals and increase access to the skilled, innovative workforce required to meet future labour demands and help ensure all Newfoundlanders and Labradorians have full opportunity to participate in, and contribute to, a prosperous economy and society.

More specifically, the province will utilize the CA/NL LMA to build on existing resources, supports and strategic directions to respond to the needs of eligible clients (as defined in section 9 of the Agreement) and their employers by increasing access to a comprehensive, integrated and effective suite of labour market and training programs designed to:

- increase participation and labour force attachment;
- enhance recruitment, retention and development of a skilled workforce to improve competitiveness; and
- strengthen human resource development and planning capacity among employers and partners at the local, regional and provincial levels to better respond to future demands and opportunities.

2.1 Provincial Labour Market Opportunities and Challenges

Labour market conditions in Newfoundland and Labrador have improved over the past several years. In 2007 employment levels reached a record level high and the provincial unemployment rate was the lowest recorded in over 25 years. Evidence of the improving labour market environment is also seen among other traditional indicators including observed increases in workforce education levels, wage rates, job tenure, full-year employment and labour force participation while decreases have been observed in Employment Insurance usage and duration of unemployment.

These trends are consistent with the economic growth and diversification the province has recently experienced and they are expected to continue. The economic outlook for the province over the next ten years is very positive in light of an aggressive and concerted focus on increasing competitiveness and productivity through planned major project developments and strengthened supports for business investment and attraction, regional and industrial diversification, small and medium-sized business growth and development and innovation.

It is anticipated that a significant number of new job opportunities will open up as a result of improving provincial economic conditions; major project developments alone have the potential to generate upwards of 9,000 jobs in the province during peak construction phases. Upcoming retirements among the baby-boom generation will also lead to a significant number of job openings; it is possible that over 30,000 jobs will arise in the province over the next decade using current Canadian projections that 70% of all job openings in the next ten years will be due to retirements. Future job conditions in Newfoundland and Labrador will also be impacted by other current trends. For example, given the rapidly changing and competitive global market place, continued technological advancements and changing demographics, skills demands and job duties are likely to change dramatically for the existing workforce; it is projected that 65% of all new jobs in the future will require some form of post-secondary education.

Despite these improving conditions, Newfoundland and Labrador now faces significant labour market challenges that could limit individuals, employers and communities throughout the province in taking advantage of the emerging opportunities. The province shares many of these challenges with other provinces and territories with skill and labour shortages listed among most pressing challenges for all jurisdictions. However, the impact of these challenges may be more experienced to a greater extent in this province compared to elsewhere. For example, relative to the rest of Canada, Newfoundland and Labrador has:

- the highest unemployment and out-migration rates;
- among the lowest immigrant recruitment and retention rates;
- the lowest participation rates;
- the most rapidly aging population;
- the highest proportion of its labour force living in rural areas;
- among the highest proportion of part-year, seasonal workers;
- the lowest levels of formal education among the workforce;
- among the lowest literacy and life skills levels in the working-age population;
- the lowest participation in adult learning courses;
- a declining population, as opposed to slowing population growth: deaths have exceeded births in the province for the last two years (2005/06 and 2006/07).

There are other factors that further influence these challenges. For example, the province has:

- a strong dependency on traditional resource-based industries that are transitioning and struggling to compete, especially in rural areas;
- a significantly high proportion of small and medium-sized businesses that:
 - are dispersed throughout the province, over 400 square km, within 600+ communities (73% of these with less than 500 people);
 - employ 70% of workers in the province; and
 - cite existing labour and skill shortages, skills gaps and workforce recruitment and retention challenges. Yet these firms often have limited human resource capacity, especially in the area of workforce-workplace training, that limits their ability to address these concerns and subsequently their capacity to increase productivity and grow;
- A high proportion of students (and those from low-income families in particular) who often face significant financial challenges as a result of high student-debt loads;
- a high proportion of young apprentices who are unable to establish their first attachment to the labour market that they need to acquire further experience and certification; and
- a high proportion of under-represented or under-utilized workers. These workers, including women, Aboriginal people, persons with disabilities, displaced workers, low-skilled workers, immigrants and older workers, constitute a valuable but often untapped source of skilled labour yet they often face employment barriers that limit their full-participation.

Looking ahead, the provincial working-age population (15-64 years old) is projected to decline by almost 60,000 people over the next 15 years and consistent with projections for Canada overall, the provincial labour force is also expected to decline. By 2022 there will only be 1 new labour force entrant (15-24 years old) for every potential retiree (55-64 years old).

The province also has a number of strengths and resources to build upon to help ensure Newfoundlanders and Labradorians are prepared to respond to the challenges and opportunities that lie ahead:

- initiatives such as the provincial Innovation Strategy, Regional Diversification Strategy, Northern Development Plan, Regional Councils of the Rural Secretariat and Strategic Partnership Initiative will help strengthen the province's economic performance;
- initiatives such as the Coordinating Committee for the Skills Task Force and Immigration Strategy will help meet industry demands for a skilled workforce and support more responsive post-secondary education programs;
- initiatives such as the Labour Market Committee of the SPI will help strengthen partnerships to identify and respond to medium and long-term human resource needs in the province; and
- provincial and federal investments in provincial labour market and training programs, including provincial wage subsidy programs and employment

supports for non-EI eligible individuals and programs under the Labour Market Development Agreement, Targeted Initiatives for Older Workers and Labour Market Agreement for Persons with Disabilities, will help ensure individuals, especially those who are unemployed, have access to the supports they need to prepare for, find and keep employment.

2.2 CA/NL LMA Priorities and Objectives

Newfoundland and Labrador will prioritize programs and services under the CA/NL LMA to complement and build upon existing labour market and training resources, supports and strategic directions.

The CA/NL LMA will be used to deliver programs, services and supports to respond to the labour market and training needs of eligible clients and their employers. Objectives under the CA/NL LMA include:

1. increasing participation and labour force attachment among unemployed and low-skilled employed individuals. This may include programs, services and financial supports for individuals such as apprentices, persons with disabilities, displaced workers, Aboriginal people, immigrants, older workers, and under-represented groups in the labour market, for:
 - i. employability and essential workplace skills development;
 - ii. adult basic education and literacy;
 - iii. technical skills development and upgrading that could include occupation-specific training, especially those related to skilled trades, supports to gain recognized credentials and skill-specific supports such as English as a Second Language (ESL); and
 - iv. job readiness, employment and career planning.
2. enhancing recruitment, retention and development of a skilled workforce to improve competitiveness. This may include workplace-based programs, services and financial supports for:
 - i. the development of human resource and workplace skills assessment tools to support workplace based training of low-skilled workers by employers;
 - ii. work experience (e.g. wage subsidy) and employment supports to encourage employers to hire unemployed individuals and to provide unemployed individuals with short-term supports or training that they may require to accept a job; and
 - iii. workplace skills enhancement programs to help employers enhance the skills of their existing low-skilled employees or acquire and train new employees, especially in strategic growth sectors of the economy or where skill gaps and shortages exist. Training programs could focus on foundation skills (e.g.

employability and essential workplace skills and workplace literacy), technical skills and other workplace specific-skill needs.

3. strengthening human resource development and planning capacity among employers and partners. This may include programs and services to:
 - i. support research, innovation studies and service-delivery pilots in areas such human resources, skills development and recruitment and retention; and
 - ii. deliver regional labour market and human resource workshops and information sessions; and
 - iii. facilitate initiatives with local, regional and provincial partnerships among business, labour, post-secondary institutions, community agencies and government.

4. increasing access to a comprehensive, integrated and effective suite of labour market and training programs. This may include programs and services to:
 - i. increase access to reliable career and labour market information;
 - ii. increase awareness of available programs and services through marketing and communications;
 - iii. improve performance through the establishment and maintenance of program monitoring and evaluation processes;
 - iv. develop or enhance information management systems to support program delivery and administration.

3.0 Level of New Federal Investments by Priority

CA/NL LMA Priority Area	Fiscal Year													
	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14		TOTAL	
Administration	8%	\$148,000	4%	\$351,500	4%	\$365,100	3%	\$279,270	3%	\$279,270	4%	\$307,000	4%	\$1,730,140
Increasing Participation and Labour Market Attachment	22%	\$407,000	36%	\$3,163,500	35%	\$3,194,625	34%	\$3,165,060	34%	\$3,165,060	41%	\$3,146,750	35%	\$16,241,995
Enhancing Recruitment, Retention and Development of a Skilled Workforce to Improve Competitiveness	39%	\$721,500	39%	\$3,427,125	37%	\$3,377,175	37%	\$3,444,330	37%	\$3,444,330	45%	\$3,453,750	39%	\$17,868,210
Strengthen Human Resource Development and Planning Capacity Among Employers and Partners	5%	\$92,500	8%	\$703,000	8%	\$730,200	8%	\$744,720	8%	\$744,720	10%	\$767,500	8%	\$3,782,640
Increasing Access to Comprehensive, Integrated and Effective Labour Market and Training Services	26%	\$481,000	13%	\$1,142,375	16%	\$1,460,400	18%	\$1,675,620	18%	\$1,675,620	0%	\$0	14%	\$6,435,015
TOTAL	100%	\$1,850,000	100%	\$8,787,500	100%	\$9,127,500	100%	\$9,309,000	100%	\$9,309,000	100%	\$7,675,000	100%	\$46,058,000

NOTES:

- These are **notional** amounts. A more detailed description of program and priority areas will be outlined in an Annual Plan which will be released prior to the beginning of each fiscal year during the period of the Agreement.
- The annual allocations are based upon a projected amount of \$7,676,410 as per 2007/08 estimate. These annual allocations may change as per annual population estimate revisions.
- NL has requested that \$5,826,410 of its funding for 2008/09 be reprofiled from 2008/09 to the 2009/10 -- 2011/12 period, subject to approval by Canada's Treasury Board. Final amount for re-profiling to be confirmed upon signing of the Agreement.
- Administrative resources to design, deliver and manage programs and services in support of priorities are included in above-noted figures.

ANNEX 2 PERFORMANCE INDICATOR INFORMATION

1. Newfoundland and Labrador and Canada recognize the importance of reporting to the public on results achieved from public monies invested by each order of government. To that end, an accountability framework has been created in the *Canada-Newfoundland and Labrador Labour Market Agreement* that provides for the establishment of performance indicators relative to Newfoundland and Labrador programs that fall under this Agreement. The purpose of this Annex is to set out those performance indicators.

2. Subject to sections 3, 4 and 5, Newfoundland and Labrador agrees to
 - (a) collect and compile the information set out below based on tracking service activities and on samples of activities and eligible clients;
 - (b) provide Canada, in a format and manner decided jointly by Canada and Newfoundland and Labrador, with the aggregate information set out below by no later than five months following the end of each fiscal year:

(i) Eligible Client Indicators

- a) Total number of eligible clients served/in program or service by employment status (i.e. employed, unemployed, self-employed).
- b) Education level of eligible clients prior to program or service, i.e.
 - o Number of eligible clients served with less than high school
 - o Number of eligible clients served with high school
 - o Number of eligible clients served with post-secondary education
- c) Number and proportion in a program or service by designated client group (i.e., Aboriginal Canadians, persons with disabilities, immigrants, older workers, youth, women)

(ii) Service Delivery Indicators

- a) Number of eligible clients participating in programs or services by service type.
- b) Proportion of total eligible clients “satisfied” with programs and services received.

(iii) Eligible Client Outcome and Impact Indicators

- a) Proportion of eligible clients completing programs and services, by service type, in the previous year.

- b) Proportion of eligible clients who, 3 months and 12 months after leaving the program or service are (a) employed (b) unemployed OR (c) in further intervention.
 - c) Proportion of eligible clients who, 3 months and 12 months after leaving the program or service indicate their training helped prepare them for future employment.
 - d) Number of eligible clients who have earned credentials or certification through participation in programs or services.
 - e) Average hourly earnings earned by eligible clients following program or service.
3. The parties agree to work together to make any necessary refinements or adjustments to the descriptions of the performance indicators to address any issues that may arise with respect to their meaning, scope or application. These issues will be referred to the Joint Committee for discussion. Any agreed change to the wording of the description of a performance indicator will be made by way of an amendment to section 2 of this Annex in accordance with subsection 37(2) of this Agreement.
4. The parties acknowledge that Newfoundland and Labrador does not currently have the systems developed to fully report the Eligible Client Outcome and Impact Indicator information referred to in paragraphs 2 (iii) d) and e).

However, Newfoundland and Labrador agrees to take all reasonable measures to enable it to collect and compile information on 2 (iii) d) and e) by no later than April 1, 2010, or by such later date as may be mutually agreed to by the Designated Officials.

5. Newfoundland and Labrador will develop metrics for the performance indicators through a variety of methods, including use of client level data, sampling and surveys of clients, as appropriate, feasible, cost-effective and practicable. Data compiled for performance indicator purposes will be subject to Newfoundland and Labrador's *Access to Information and Protection of Privacy Act*.

ANNEX 3

PUBLIC INFORMATION

(Section 29)

The purpose of this Annex to the Canada-Newfoundland and Labrador Labour Market Agreement is to describe how Newfoundland and Labrador will ensure that Canada's contributions are appropriately acknowledged by Newfoundland and Labrador, as well as by third parties in receipt of funds provided under this Agreement.

1. Canada and Newfoundland and Labrador will jointly prepare public information material and jointly organize and participate in any public announcement relating to the signing of the Canada-Newfoundland and Labrador Labour Market Agreement.
2. Newfoundland and Labrador agrees to acknowledge Canada's support of Newfoundland and Labrador's eligible programs in signage, advertising, posters, exhibits, pamphlets, brochures, forms for the use of clients, news releases, public announcements, program descriptions and correspondence, and public reports on Newfoundland and Labrador's eligible programs.
3. Newfoundland and Labrador agrees to ensure that third party offices, where programs and services to clients funded under this Agreement are delivered, will have appropriate identification indicating that the programs and services provided at that office are funded in whole or in part by Canada.
4. Canada and Newfoundland and Labrador agree to cooperate to provide opportunities for announcements, ceremonies, celebrations, and releases of reports to allow representatives of Canada and Newfoundland and Labrador to clearly articulate the role of each government in supporting Newfoundland and Labrador's eligible programs.
5. Newfoundland and Labrador agrees to ensure that cheques or deposit statements for clients receiving assistance under Newfoundland and Labrador eligible programs, either directly from Newfoundland and Labrador or through an organization receiving funding from Newfoundland and Labrador, will include the Government of Canada word mark.
6. Canada and Newfoundland and Labrador agree to consult and give each other reasonable advance notice of any major public relations initiatives to inform Canadians of activities being undertaken in the context of this Agreement.