

# CANADA-MANITOBA LABOUR MARKET AGREEMENT (LMA) ANNUAL PUBLIC REPORT 2008/09

## **INTRODUCTION:**

Under the Canada-Manitoba Labour Market Agreement (LMA), Canada and Manitoba have agreed on the importance of reporting to Manitobans on the results of programs achieved.<sup>1</sup> This report provides a summary of the results of programs funded under the LMA for the period of April 1, 2008 to March 31, 2009 as outlined in Manitoba's 2008-2009 LMA Annual Plan.

## **BACKGROUND:**

The LMA, signed on April 11th, 2008, is a six year agreement between Canada and Manitoba to support the development of a highly educated, skilled and flexible workforce. Under the Agreement, Canada is making new annual investments in Manitoba during the period April 11, 2008 and ending March 31, 2014. These new investments complement existing agreements, such as the Labour Market Development Agreement (LMDA), and provide an opportunity for Manitoba to increase its efforts to support the development of the labour market.

The LMA is administered by the Department of Competitiveness, Training and Trade (CTT) on behalf of Manitoba. LMA programming is implemented and delivered by a combination of provincial government departments and third party service providers, including industry and community organizations, through existing labour market programming processes and networks.

Manitoba has developed a multi year plan to guide implementation of the LMA, which outlines Manitoba's broad priorities, objectives, and notional investment allocations for the duration of the agreement. It also provides the context for the development of Manitoba's annual plans, which describe planned activity and expenditures for each fiscal year. Manitoba's 2008/09 LMA Annual Plan was developed with input from a range of labour market stakeholders, including provincial departments, business and industry, and labour and community organizations. It was also developed within the context of the broader provincial labour market development strategy with consideration of provincial government priorities, the economic environment, and existing labour market programming.

## **LABOUR MARKET CONTEXT 2008/09:**

When Manitoba prepared its 2008-09 LMA Annual Plan, the province had been experiencing years of steady economic growth and low unemployment. These factors coupled with the changing demographics of an aging population and greater competition for labour due to increased economic activity across western Canada, resulted in labour and skill shortages being key labour market

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<sup>1</sup> The Canada-Manitoba Labour Market Agreement (LMA) is available on the Human Resources and Skills Development Canada (HRSDC) website and Manitoba's LMA Annual Plan is available on the Government of Manitoba's website.

challenges for the province. Other challenges identified in Manitoba's 2008/09 LMA Annual Plan were:

- Attracting and retaining skilled workers in northern and remote communities;
- Developing training capacity within communities;
- Supporting the retention of older workers and the transfer of knowledge from older to newer entrants;
- Improving the labour market success of Aboriginal Manitobans;
- Successfully integrating newcomers in the labour market;
- Maximizing labour force participation of underrepresented and underutilized groups by enhancing access to services, and increasing skill levels.

The global financial crisis in October 2008 and subsequent economic downturn, which resulted in Canada, the U.S., and other countries entering into recession, created shorter term labour market challenges for Manitoba. To a certain extent, Manitoba's diversified economy helped to shield the province from the full impacts of the downturn and is expected to help the province to perform at or above the national average in 2009 and 2010.

- Manitoba's GDP grew by 2.4% in 2008, well above the 0.4% growth rate for Canada.
- Manitoba's unemployment rate remained relatively low and employment did not contract to the same extent as the previous two recessions (early 1980s and early 1990s).
- While Manitoba's unemployment rate (seasonally adjusted) was 5.1% in March 2009 compared to 4.3% in March 2008, it averaged 4.3% in fiscal year 2008/09 and remained among the lowest in Canada.

Nonetheless, Manitoba was not immune to the effects of the downturn. The unemployment level in Manitoba increased between April 2008 and March 2009 from 24,300 to 32,300 (seasonally adjusted). Certain industries (e.g. mining, forestry, manufacturing) and regions (e.g. north) in the province were particularly affected by the downturn. For example, weak commodity prices had an impact on profitability in mining and forestry companies located in rural and northern Manitoba. Companies in Winnipeg and other communities in the manufacturing and service sectors were also affected as national and international demand for products and services fell.

As a result, there were downturn related layoffs in some Manitoba companies in late 08/09, as major industries curtailed production and downsized their operations. At the same time, the labour market remained fairly tight in some sectors (e.g. construction) and regions, and while the demand for skilled workers eased for the province overall, skill shortages remained an issue.

Manitoba's overall labour market development strategy, which formed the basis of the multi-year and 2008/09 Annual Plan, is focused on the long term but provides a framework to help manage shorter term challenges, such as the current downturn. Manitoba was in a position to respond to emerging needs while continuing to focus its investments in 2008/09 on the priority areas and activities identified in its Annual Plan. Investments and programming in response to the downturn and additional time limited federal funding announced in Budget 2009 are outlined in Manitoba's 2009/10 LMA Annual Plan.

## **PERFORMANCE RESULTS:**

Fiscal year 2008/09 was the first year of implementation of the LMA. In addition to developing and implementing new programming for individuals, communities and employers, Manitoba was also making enhancements to its administrative and data collection systems and processes to meet the accountability requirements of the agreement.

In 2008/09, Canada's contribution to Manitoba under the LMA was \$17,993,000. Manitoba's total LMA program expenditures for 2008/09 were \$9,805,539. These expenditures supported 3,230 eligible beneficiaries to participate in labour market programming through direct supports and projects which were fully funded or partially enhanced by LMA dollars. Early results indicate that the majority of these individuals successfully completed their services, which has resulted in:

- Individuals who are better able to take advantage of employment and further training opportunities;
- Employers that are investing in skills assessment and development within their workplaces;
- Communities with increased capacity to plan and develop their local labour markets.

The remainder of Manitoba's 2008/09 LMA allocation remains in Manitoba and will be used to support ongoing labour market programming for LMA beneficiaries. The following provides highlights of some of the key activities funded under the LMA in 2008/09.

### **Priority Area 1: Skills Development**

- Provided direct financial supports to assist eligible beneficiaries, including low income Manitobans and Employment and Income Assistance participants, with the cost of participating in labour market training to develop their skills for employment.
- Individuals were supported to participate in a broad range of occupational training. High demand occupational areas supported include Health Care (Nursing and Health Care Aides), Construction (Carpentry and Heavy Equipment Operators), Transport (Truck Drivers), Education (Early Childhood Educators, Education Assistants), and Office/Business Administration.
- In addition, individuals were supported in EAL and educational upgrading in preparation for further training and/or employment opportunities.

### **Priority Area 2: Employer HR Capacity**

- Provided wage subsidies to employers to assist them in providing workplace based training to new hires.
- Supported Manitoba employers by establishing Essential Skills assessment services and training for existing workers and new hires, including under-represented groups, apprentices, and trades qualifiers in Winnipeg, rural and northern Manitoba.
- Supported the upgrading of skills of existing workers within industry by providing Essential Skills training, training in new technologies and practical work experience.

### **Priority Area 3: Community Capacity**

- Supported the development and delivery of a continuum of community-based assessment and training programs for unemployed non-EI and low skilled employed individuals in northern Manitoba.
- Supported the delivery of projects to train, supervise and provide on the job training opportunities to low income Manitobans including unemployed individuals who are not eligible for Employment Insurance and provincial Employment and Income Assistance.
- Supported the delivery of a career exploration programs, which combined in class and work experience components for individuals to set employment goals, learn job search and maintenance skills, and obtain short term certificate training (e.g. First Aid).

### **Priority Area 4: Labour Supply**

- Supported, both directly and indirectly through third party service providers, activities such as employability assessment, career/employment counselling, employment / training plan development, and job search assistance.
- Provided support for project based activities to assist Employment and Income Assistance participants, persons living with disabilities and other underrepresented groups, to participate in pre-employment and employment re-entry programming.
- Facilitated the delivery of computer skills and literacy training to individuals preparing to transition out of Manitoba's correctional facilities to improve their skills and employability.

### **Priority Area 5: Skills Utilization**

- Supported the development and delivery of portfolio workshops for Aboriginal individuals using a customized training framework of Essential Skills, Recognition of Prior Learning, and Portfolio Development that resulted in individuals completing portfolios to assist them in their career goals.
- Supported Manitoba's immigrant strategy by funding projects that assist immigrants to obtain employment in their field of expertise through work experience opportunities.