

**CANADA – PRINCE EDWARD  
ISLAND**

**LABOUR MARKET AGREEMENT**

**Canada**



## CANADA-PRINCE EDWARD ISLAND LABOUR MARKET AGREEMENT

**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 Prince Edward Island (hereinafter referred to as "Prince Edward Island") as represented the Minister of Innovation and Advanced Learning

**WHEREAS** Canada and Prince Edward Island 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 Prince Edward Island;

**WHEREAS** Canada and Prince Edward Island are committed to working together to address the labour market needs and requirements of Prince Edward Island;

**WHEREAS** Canada and Prince Edward Island 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 Prince Edward Island rests with Prince Edward Island;

**WHEREAS** Canada has agreed to make new investments in support of labour market programming in Prince Edward Island by providing funding to Prince Edward Island 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;

**WHEREAS** Canada and Prince Edward Island 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** Prince Edward Island's Minister of Innovation and Advanced Learning is authorized to enter into this Agreement on behalf of Prince Edward Island;

**ACCORDINGLY**, Canada and Prince Edward Island 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 Prince Edward Island 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 Prince Edward Island, and for Prince Edward Island, the Deputy Minister of Innovation and Advanced Learning, or such other official as may be designated by the Minister of Innovation and Advanced Learning 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 Prince Edward Island which are funded by the Canada Employment Insurance Commission under the Canada-Prince Edward Island Labour Market Development Agreement; entered into between Canada and Prince Edward Island 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 Prince Edward Island 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 Prince Edward Island described in section 10;

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

"LMA Joint Committee" means the Committee established under subsection 28(1);

"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 Prince Edward Island in developing and administering the eligible programs; and

"Program assistance costs" means:

(a) the costs of financial assistance provided by Prince Edward Island under its eligible programs directly to, or on behalf of, eligible clients, and

(b) the costs of financial assistance or other payments provided by Prince Edward Island 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 Prince Edward Island in relation to this Agreement;

- (d) the labour market programs of Prince Edward Island 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 Prince Edward Island under this Agreement may be used;
- (e) the amount of funding to be provided by Canada to Prince Edward Island each fiscal year during the Period of the Agreement; and
- (f) the accountability framework for the funding.

## **VISION, OBJECTIVES AND PRINCIPLES**

3. Canada and Prince Edward Island share a common vision to create the best-educated, most-skilled and most flexible workforce in the world.

4. Canada and Prince Edward Island 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 Prince Edward Island 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 Prince Edward Islanders, 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 – principle-based arrangements with Prince Edward Island, 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 Prince Edward Island agree that Prince Edward Island has the primary responsibility for the design and delivery of labour market programs for individuals in Prince Edward Island.

7. Canada and Prince Edward Island agree that Canada will continue to promote an efficient and integrated national labour market in support of the national economy, including the management of the Employment Insurance system. Canada also will continue to provide federal programs for Aboriginal peoples, youth, older workers and persons with disabilities.

## **ELIGIBLE PROGRAMS**

8. Prince Edward Island 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. Prince Edward Island 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
  - (ix) women.

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

11. Prince Edward Island will offer eligible programs to residents of Prince Edward Island. Prince Edward Island 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) Prince Edward Island 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/agencies of Prince Edward Island by individuals regardless of their particular needs or barriers and for making appropriate linkages with educational and training institutions and third party service providers or delivery agents.

(2) Prince Edward Island 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, Prince Edward Island agrees to take into account the needs of official language minority communities in Prince Edward Island

(2) Prince Edward Island 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 Prince Edward Island where there would be considered to be a "significant demand," Prince Edward Island 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*.

### **FINANCIAL PROVISIONS**

14.(1) Subject to the terms and conditions of this Agreement, in each fiscal year during the Period of this Agreement, Canada agrees to make a contribution to Prince Edward Island 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 Prince Edward Island 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 total population of Prince Edward Island 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) Canada will notify Prince Edward Island as soon as possible following the release by Statistics Canada in September of each fiscal year during the Period of the Agreement of the total population estimates referred to in subsection (2) and of the actual amount of the maximum contribution payable by Canada to Prince Edward Island in that fiscal year as per subsection (1).

(4) In addition to the notification set out in subsection (3), Canada will notify Prince Edward Island about the estimated amount of the maximum contribution payable by Canada to Prince Edward Island in the next fiscal year. The parties acknowledge that the quarterly preliminary estimates of the population of Prince Edward Island and Canada on July 1 of a year released in September of the year by Statistics Canada will be used to calculate the estimated amount of Canada's maximum contribution for the next fiscal year during the Period of the Agreement. The parties acknowledge that the estimated amount of Canada's maximum contribution to Prince Edward Island in fiscal year 2008/09 is \$2,102,000.

(5) Notwithstanding subsection (1), Canada may, subject to the approval of Canada's Treasury Board,

(a) permit Prince Edward Island to retain and carry forward to the next fiscal year, ending in 2013/14, the amount of any contribution paid to Prince Edward Island for a fiscal year under subsection (1) that is in excess of the amount of the eligible costs actually incurred by Prince Edward Island in that fiscal year, and

use the amount carried forward for expenditures on eligible costs in subsequent fiscal years throughout the Period of the Agreement, and

(b) re-profile the amount of any unpaid, federally committed portion of Canada's maximum contribution payable to Prince Edward Island 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 Prince Edward Island 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 Prince Edward Island under subsection (1) of this Agreement in that next fiscal year.

(6) All amounts carried forward or re-profiled and paid to Prince Edward Island, or both, pursuant to subsection (5) must be spent by March 31, 2014. Prince Edward Island 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) Prince Edward Island 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 fiscal 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 the 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 Prince Edward Island's projected expenditures on its eligible costs for the fiscal year, as set out in its annual plan for the fiscal year.

(3) The amount of the second instalment will be an amount equal to the balance of the amount of Prince Edward Island'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 Prince Edward Island 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 Prince Edward Island provides the financial statement.

19.(1) Subject to subsections (2) and (3), Prince Edward Island agrees and undertakes that the funding provided by Canada under this Agreement shall not displace the normal provincial funding level for existing labour market programs but that such funding shall be used to support incremental labour market programs for eligible clients.

(2) Canada and Prince Edward Island agree that the undertaking in subsection (1) is not to be construed as preventing Prince Edward Island from shifting resources between labour market programs or from applying government-wide measures to control expenditures. Prince Edward Island agrees that in the event of an expenditure control exercise, Prince Edward Island would not disproportionately target programs funded under this Agreement.

(3) The undertaking by Prince Edward Island under subsection (1) is also subject to the appropriation of sufficient funds by the Prince Edward Island legislature 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, Prince Edward Island agrees to provide Canada with a report by the Provincial Auditor or an independent auditor that Prince Edward Island has complied, in all material respects, with the requirements in subsections (1) and (2).

20. Prince Edward Island shall repay to Canada any amounts paid to Prince Edward Island in excess of the amount to which Prince Edward Island 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 Prince Edward Island agree to an accountability framework consisting of the following components:

- (a) planning;
- (b) financial reporting;
- (c) performance measurement;
- (d) public reporting; and

(e) evaluation.

***(i) Planning***

**Multi-year Plan**

22.(1) For realizing the vision and achieving the objectives of this Agreement, Prince Edward Island agrees that the implementation of this Agreement will be guided by the multi-year plan set out in Annex 1. This multi-year plan will be subject to the subsequent annual plans prepared by Prince Edward Island 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, Prince Edward Island agrees to develop and share an annual plan relating to its eligible programs with the Government of Canada, making it public by October 1. The annual plan shall include:

- (a) an environmental scan that provides a profile of the current labour market challenges in Prince Edward Island;
- (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 groups to be consulted.

(3) The annual plan for fiscal year 2008/09 shall be developed and shared with Canada within 30 days following signing of this Agreement or within such longer period as maybe agreed to by designated officials.

4) In developing each annual plan referred to in subsection (2), Prince Edward Island agrees to consult with stakeholders, including business and labour representatives, community organizations and representatives of the official language minority communities in Prince Edward Island.

***(ii) Financial Reporting***

23.(1) Within 6 months after the end of each fiscal year during the Period of the Agreement, Prince Edward Island 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 Prince Edward Island in relation to the eligible programs. The financial statement shall be prepared in accordance with Canadian Generally Accepted Accounting Principles and shall show the program assistance costs incurred in respect of each eligible program during the fiscal year, the total program administration costs incurred during the fiscal year, and 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 the Prince Edward Island Auditor-General or his/her designate and shall be conducted in accordance with Canadian Generally Accepted Auditing Standards. The audit report shall indicate whether Prince Edward Island has complied, in all material respects, with the requirements in section 19 of the agreement.

***(iii) Performance Measurement***

24.(1) In order to measure performance of the eligible programs, Prince Edward Island 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, the parties agree that no personal information will be provided by Prince Edward Island to Canada.

(2) Prince Edward Island 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 Prince Edward Island.

***(iv) Public Reporting on Results***

25.(1) Canada and Prince Edward Island 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, Prince Edward Island agrees to report to the people of Prince Edward Island 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.

(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) Prince Edward Island 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 to March 31, 2012 and shall be completed by March 31, 2013.

(2) Prince Edward Island shall advise Canada by notice in writing delivered on or before April 1, 2010 that Prince Edward Island has selected that either:

(a) paragraph (3) (a), or

(b) paragraph (3) (b)

shall apply to this Agreement and upon delivery of such notice, the paragraph so selected shall apply to this Agreement and the paragraph not selected shall not apply to this Agreement.

(3) Prince Edward Island may carry out the evaluation in one or other of the following ways, at its option:

(a) Prince Edward Island may carry out the evaluation on its own. If Prince Edward Island 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 to an independent third party external evaluator for review and recommendations;
- (iii) before the evaluation is conducted, share the design or framework with Canada for discussion in the LMA 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 Prince Edward Island.

or

(b) Prince Edward Island may carry out an evaluation of its eligible programs jointly with Canada. Where this option is selected, Canada and Prince Edward Island agree to carry out the joint evaluation as follows. The LMA Joint Committee:

- (i) will establish a Joint Evaluation Sub-Committee to prepare and sign off an evaluation design or framework that adheres to commonly accepted evaluation practices and methodologies;
- (ii) submit the evaluation design or framework to an independent third party external evaluator for review and recommendations;
- (iii) approve the contract to be entered into by Prince Edward Island with the third party retained to carry out the evaluation;
- (iv) oversee the conduct 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
- (vii) provide a copy of the evaluation report to Canada and Prince Edward Island by no later than June 30, 2013.

Prince Edward Island 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 Prince Edward Island.

## **YEAR 2 REVIEW**

27. Canada and Prince Edward Island 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 Prince Edward Island agree to establish a Canada-Prince Edward Island LMA Joint Committee.

(2) The LMA 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 Regional Executive Head of Service Canada will be represented on the LMA Joint Committee.

(4) The role of the LMA 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 Prince Edward Island 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 Prince Edward Island has selected to carry out an evaluation of its eligible programs jointly with Canada under paragraph 26(2)(b), establishing the Joint Evaluation Sub-Committee referred to in subparagraph 26(3)(b)(i) and oversee the conduct of the evaluation;
- (e) discussing Prince Edward Island's draft annual plans and reports;
- (f) maintaining linkages with the planning processes under the Canada-Prince Edward Island 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 Prince Edward Island agree on the importance of ensuring that the public is informed of Canada's financial contributions to Prince Edward Island'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 Prince Edward Island 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**

32.(1) Canada and Prince Edward Island 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 Prince Edward Island 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 Prince Edward Island, as the case may be, may notify the other party in writing of the failure or breach. Upon such notice, Canada and Prince Edward Island 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 Innovation and Advanced Learning and if it cannot be resolved by them, then Canada's Minister of Human Resources and Social Development and Prince Edward Island's Minister of Innovation and Advanced Learning shall endeavor to resolve the dispute.

## **TERMINATION**

33. Either Canada or Prince Edward Island may terminate this Agreement 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 Prince Edward Island in respect of eligible costs incurred after the date of termination.

## **EQUALITY OF TREATMENT**

35. During the period of this Agreement, If another province or territory negotiates a Labour Market Agreement with Canada, and if, in the reasonable opinion of Prince Edward Island any provision of that agreement is more favourable to that province or territory than what was negotiated with Prince Edward Island, Canada agrees to amend this Agreement in order to afford similar treatment to Prince Edward Island, if requested by Prince Edward Island. The amendment shall be retroactive to the date on which the Labour Market Agreement with the other province or territory comes into force. In addition, Canada agrees to provide to Prince Edward Island, in a timely fashion, all such agreements or amendments to such agreements.

## **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 Prince Edward Island, by Prince Edward Island's Minister of Innovation and Advanced Learning.

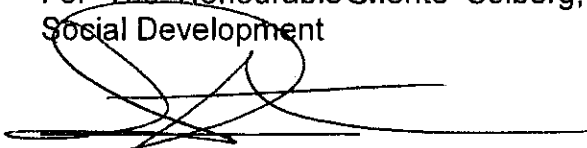
(2) An amendment to any Annex to this Agreement may be made by the written agreement of the Designated Officials of the parties.

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

at Halifax this 4th day of Sept., 2008



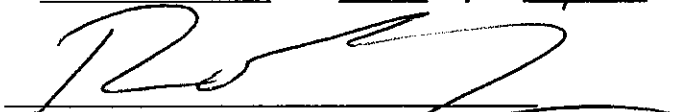
For The Honourable Monte Solberg, Minister of Human Resources and Social Development



Witness

SIGNED on behalf of Prince Edward Island by the Premier

at CHARLOTTETOWN this 5th day of Sept., 2008



The Honourable Robert Ghiz, Premier of Prince Edward Island



Witness

## ANNEX 1

### Canada-Prince Edward Island Labour Market Agreement Multi-Year Plan

*(Subsection 22(1))*

Under the Canada-Prince Edward Island Labour Market Agreement, Canada will make new investments in Prince Edward Island annually, during the period beginning on the date of signing of the Agreement and ending March 31, 2014, to support Prince Edward Island's labour market programs and services in areas of current and developing labour market priorities and objectives.

This new Agreement provides an opportunity for Prince Edward Island to offer additional labour market supports to a segment of the labour force that has limited access to existing programs and services. As well it will also enable the province to implement a new labour force development resource as it proceeds to further develop and diversify the Island economy.

The recently released development strategy – *Island Prosperity A Focus For Change* – will position the province to strategically address economic development. An integral part of the strategy identifies an important role for human resource development that compliments key sector investment and expansion.

#### **Prince Edward Island Labour Market Challenges**

Prince Edward Island is now entering a period in which changes in employer demand, demographics, educational skill levels, worker expectations and mobility are converging. Prince Edward Island is at a crossroads where the demand for labour is outpacing the supply of skilled and knowledge workers. At the same time, educational and skill requirements of the Island labour force has increased significantly and will need to continue to increase in order to meet the needs of a new economy.

Traditionally, Prince Edward Island's labour market has featured intense seasonal peaks with a significant number of low-skilled jobs. This helped stimulate strong labour force participation and high levels of employment in seasonal peaks. It also resulted in substantial unemployment and underemployment of Islanders.

While the key issue of the past was shortages of jobs, the key issue today and in the future is shortages of skills and labour. In addition there are two challenges

that stand in the way; the coming decline in the work force, and the mismatch between current literacy and skill levels with the demands of a modern economy.

For many Islanders there is an increasing gap between literacy, numeracy, and essential skills required when compared to the demands of a diversified economy. The International Adult Literacy Survey Data from 2003 confirmed that approximately 40% of the Island's working age population lack the literacy and numeracy skills required to function effectively in a knowledge economy.

The economic development emphasis on the past on quantity of jobs has taken its toll in terms of productivity. Throughout the past decade, Prince Edward's private sector labour productivity rate has been the lowest in Canada.

While employers in all sectors stress the importance of a labour force with strong foundational and technical skills, many lack the knowledge to assess the capacity of existing human resources along with future requirements against current needs and future investment.

In an increasingly tight and competitive labour market, Prince Edward Island recognizes that economic growth will depend, to a large extent, on its ability to match labour force development with resources thus ensuring employers have access to an educated, skilled, and adaptable work force.

Prince Edward Island will link innovation and learning more closely to build a productive, competitive economy and skilled workforce required for its success.

### **Canada - Prince Edward Labour Market Agreement Priorities and Objectives**

The Canada-Prince Edward Island Labour Market Agreement presents an opportunity to support the Province in building a labour force that is inclusive and flexible to meet existing and future labour market demands.

Prince Edward Island agrees that the implementation of this agreement will be guided by priorities, objectives, and the notional investment allocation presented in Section 3. An annual plan will be developed prior to the beginning of each fiscal year outlining in greater detail the planned delivery of programs and services.

#### **Possible Program Areas:**

*Workplace Training Programs and Services  
Program Objectives:*

- provide a variety of supports to individuals and employers by assisting skills training tailored to specific occupations leading to higher skill levels;
- increase industry investment relating to human resource planning to train employees, improve competitiveness, and support economic growth and job creation.
- improve access to literacy and essential skills training providing an essential linkage to the labour market and additional education;

*Technical and Foundation Skills Training  
Program Objectives*

- increase access to and participation in strategic skills development for Non-EI eligible individuals;
- assist eligible clients with specific training that supports labour force attachment and help clients gain recognized certification;
- improve individual skill assets and provide employers with access to a trained and certified work force.

*Career Development Information  
Program Objectives*

- increase awareness for clients about opportunity in critical occupations and sector growth as it relates to existing and anticipated shortages;
- develop labour market information products to allow clients to make informed decision about additional training and employment opportunities.

*Community Engagement  
Program Objectives*

- support informed planning and work force development;
- participate in labour market growth initiatives and training needs assessments leading to linkages that promote and enhance labour market efficiency;
- strengthen capacity to attract, educate & train individuals in areas relevant to the provinces labour demands and priorities.

**Proposed Labour Market Agreement Investment Strategy from 2008 to 2014**

Priority Areas (\$ 000)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	Six Year Total	Notional %
Workplace Training Programs and Services	700	700	700	700	700	700	4,200,000	33%
Technical & Foundation Skills Training	500	500	500	500	500	500	3,000,000	24%
Career Development Information	300	300	300	300	300	300	1,800,000	14%
Community Engagement	200	200	200	200	200	200	1,200,000	10%
Client Access, Administration, & IT	400	400	400	400	400	400	2,400,000	19%
<b>TOTAL*</b> (\$ 000)	<b>\$2.1 M</b>	<b>\$2.1 M</b>	<b>\$2.1 M</b>	<b>\$2.1 M</b>	<b>\$2.1 M</b>	<b>\$2.1 M</b>	<b>\$12.6 M</b>	<b>100%</b>

\* These are **notional** percentages. 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.



## ANNEX 2

### PERFORMANCE INDICATOR INFORMATION

1. Prince Edward Island and Canada recognize the importance of reporting to the public on results achieved from public monies invested by each government. To that end, an accountability framework has been created in the *Canada-Prince Edward Island Labour Market Agreement* that provides for the establishment of performance indicators relative to Prince Edward Island 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, Prince Edward Island agrees to

(a) collect and compile the information set out below based on tracking service activities and on samples of activities and eligible clients, and,

(b) provide the aggregate non-identifying information set out below to Canada, in a format and manner decided jointly by Canada and Prince Edward Island, 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 diploma
  - o Number of eligible clients served with post-secondary education.
- c) Number and proportion of eligible clients in a program or service by designated client group (i.e., Aboriginal Canadians, persons with disabilities, immigrants, older workers, youth and women).

#### *(ii) Service Delivery Indicators*

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

#### *(iii) Eligible Client Outcome and Impact Indicators*

- a) Proportion of eligible clients completing programs, 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 during that period with respect to their meaning, scope or application. These issues will be referred to the LMA 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 Prince Edward Island does not currently have the systems developed to fully report the eligible client Outcome and Impact Indicators information referred to in paragraphs 2 (iii) d) and e).

However, Prince Edward Island agrees to take all reasonable measures to enable it to collect or compile the information listed in paragraphs 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. Prince Edward Island 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 *The Freedom of Information and Protection of Privacy Act* of Prince Edward Island. The parties acknowledge that Prince Edward Island's ability to collect and compile information about eligible clients must be done in accordance with the laws of Prince Edward Island including the Freedom of Information and Protection of Privacy Act. This means that Prince Edward Island may not be able to collect certain information without self-identification, voluntary response or consent of clients. Prince Edward Island agrees to make best efforts to encourage eligible clients to self-identify, voluntarily respond or provide and necessary consent, as

applicable. In cases where the quality of information is in serious question, either party may raise the matter for discussion and clarification at the LMA Joint Committee.

## **ANNEX 3**

### **PUBLIC INFORMATION**

*(Section 29)*

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

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