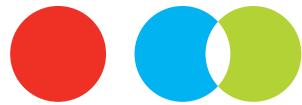




N.W.T. Labour Market Information Resource Module 3

Public Sector and Inter-jurisdictional Workers



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Key Findings

- This module takes a close look at two unique and important contributors to employment in the Northwest Territories.
- We first look at public administration, the largest source of employment in the territory. Our analysis focuses in on the skills and occupational profiles of different identity groups among those working for the largest public sector employer, the Government of the Northwest Territories.
- The module also profiles the characteristics of inter-jurisdictional employees in the territory, who make up around 20 per cent of the total workforce. This group includes workers who reside outside the territory, as well as territorial residents who work outside. We examine the characteristics of these workers and assess the extent to which different N.W.T. industries rely on inter-jurisdictional workers from outside the territory.



The N.W.T. labour market is characterized by a high proportion of public sector employment, dominated by the Government of the Northwest Territories. In addition, major GDP contributing sectors, such as mining and construction, currently depend on a substantial inter-jurisdictional workforce that is drawn from outside the territory.

Understanding these special facets of the territorial labour market is critical for understanding employment opportunities in the territory. Our analysis in this module begins with an in-depth look at employment trends within the Government of the Northwest Territories. A profile of this public sector workforce reveals substantive skills gaps between employees who were born in the N.W.T. and those who are relatively new to the Northwest Territories. Additional skills gaps can also be found between employees of Dene, Inuit, and Métis descent and those who are not. Distinctions around identity and gender also carry over into different occupational roles at the government, with more people from outside the territory being employed in management positions.

Our analysis in this module then shifts to examine the structure and prevalence of N.W.T.'s substantial inter-jurisdictional workforce to better understand the industries and jobs they occupy. Inter-jurisdictional workers are employees who report earnings in a province or territory that is different from their reported permanent residence on their tax return. This includes both incoming and outgoing inter-jurisdictional employees, and our analysis looks at both types (incoming workers who live outside the territory and

territorial residents who work outside). In 2017, approximately one in every five employees in the N.W.T. was an incoming worker from outside the territory. In all industries, resident workers make up the majority of employees, but our analysis reveals that the natural resources and construction sectors have a higher reliance on incoming workers. Just under half of employees in the oil and gas and mining and quarrying sector were incoming workers, while almost one-third of construction workers were from outside the territory.

The Government of the Northwest Territories and Public Sector Employment

The Government of the Northwest Territories (GNWT) is a major employer in the territory, but more than half of its employees are relatively new to the Northwest Territories. In addition, Dene, Inuit, and Métis employees from the territory are under-represented in the government workforce, especially among positions requiring more specialized skills and a post-secondary education.

This section presents demographic and skills profiles of the GNWT workforce between 2014 and 2020 (based on available data). Due to changes in how the GNWT collects relevant data, comparisons with findings from the 2016 Labour Market Information Resource are not possible in some sections.¹

First, we present a demographic profile of the GNWT workforce in available years. This profile is further broken down by skill levels and occupational roles.²



GNWT Employees by Demographics

We examine changes in the gender, age, and social identity of GNWT employees. The GNWT Department of Finance offers priority hiring to candidates belonging to eligible designated groups that are under-represented within the public service, as per its Affirmative Action Policy. Two designated groups under the Affirmative Action Policy include:

- **Indigenous Aboriginal persons:** Those persons who are descendants of the Dene, Inuit, or Métis people, Indigenous to the present boundaries of the Northwest Territories, and including any Aboriginal persons resident at birth pursuant to Section 23 of the *Vital Statistics Act* and any Canadian Aboriginal persons who have lived more than half of their life in the Northwest Territories;
- **Indigenous non-Aboriginal persons:** Non-Indigenous people born in the territory or who have lived more than half their lives there.

We distinguish these two identity groups (Indigenous Aboriginal and Indigenous non-Aboriginal) from a third group of employees:

- **Other persons:** People born outside of the territory who have not lived more than half their lives in the Northwest Territories.

In this module only, the term “Indigenous” refers to residents of the Northwest Territories. In all other modules, the term “Indigenous” refers to people of Dene, Inuit, or Métis descent.

1 The GNWT changed from providing calendar year data to fiscal year data in 2016.

2 All data were produced by the government's Department of Finance. Data were included until 2020–21. Data for the demographic section were obtained from the GNWT's annual reports. The department switched how it computed its annual counts from calendar to fiscal year in 2016. So, for the demographics section, we present only the 2016–17 to 2020–21 data. But we have made high-level comparisons with the 2014 data where possible. For the skill level and occupation type sections, data were computed as directed by the Department of Finance. Data were available from 2014–15 to 2020–21.

Number of GNWT Employees

The size of the government workforce increased by roughly 21 per cent between 2016 and 2020. In 2020, there were 6,256 employees, up from 5,175 in 2016. (See Table 1(3) in the data download.) While the size of the workforce continues to grow, there has been little change in the place of work, social identity, age, and gender of these employees.

GNWT Employees by Place of Work

The regional distribution of GNWT employees in 2020 is similar to the 2014 findings in our previous Labour Market Information Resource.³ Just over half of GNWT employees worked at the territorial government headquarters in the North Slave region. (See Table 1(3) in the data download.) Between 2016 and 2020, on average, 53 per cent of employees worked in the North Slave region, 16 per cent in the South Slave region, 14 per cent in the Beaufort-Delta region, 7 per cent in the Dehcho region, 5 per cent in the Sahtu region, and 5 per cent in the Tłı̨chǫ region. See Chart 1 (and Chart 1 (3) in the data download.)

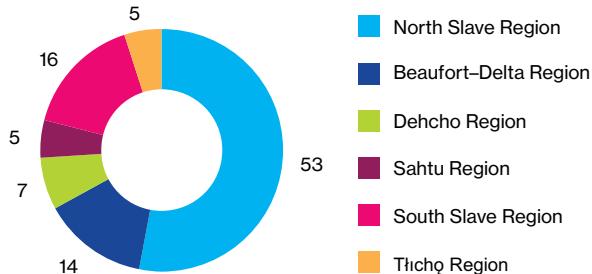
GNWT Employees by Identity Group, Gender, and Age

There was no substantial change in the distribution of GNWT employees across identity groups between 2014 and 2020. Consistent with 2014, in each year between 2016 and 2020, other employees made up the majority of the GNWT workforce. (See Table 2(3) in the data download.) On average, they made up 59 per cent of the government workforce. Over the same period, on average, 30 per cent of the GNWT workforce were Indigenous Aboriginal employees, while 12 per cent were Indigenous non-Aboriginal employees. (See Chart 2, as well as Chart 2(3) in the data download.)

Chart 1

Government of Northwest Territories' Employment, by Location

(average 2016–17 to 2020–21, per cent)

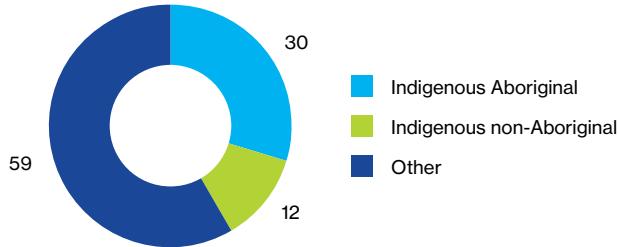


Sources: Department of Finance, Government of Northwest Territories; The Conference Board of Canada.

Chart 2

Government of Northwest Territories' Employees, by Identity

(average 2016–17 to 2020–21, per cent)



Sources: Department of Finance, Government of Northwest Territories; The Conference Board of Canada.

The age of the GNWT workforce also remained unchanged. (See Table 3(3) in the data download.) Each year, roughly 75 per cent of workers were between 25 and 54 years of age. And in 2020, less than 5 per cent of the GNWT workforce were eligible for retirement. In addition, the age distribution of male and female employees was similar. Roughly 75 per cent of male and female employees were between 25 and 54 years of age.

3 Conference Board of Canada, The, "Labour Market Information Resource."

Similar to 2014, each year between 2016 and 2020, approximately two-thirds of GNWT employees were female. (See Table 2(3) in the data download.) And across all three identity groups, there were more female than male employees. Broken down, on average between 2016 and 2020, Indigenous Aboriginal women made up 21 per cent of the total workforce, while Indigenous Aboriginal men made up 9 per cent. Indigenous non-Aboriginal women made up 7 per cent of the total workforce, while their male counterparts made up 5 per cent. Finally, on average between 2016 and 2020, women in the other group made up 37 per cent of the total workforce, while their male counterparts made up 22 per cent.

GNWT Employees by Skill Level

Filtering GNWT employment data through the National Occupational Classification (NOC) system provides an approximate account of the skill levels of the GNWT workforce. The skill level for each government position provides information on the type of education, training, and experience typically needed to effectively handle the associated job requirements. When applied to the data, the system sorts GNWT positions into the following skill categories:

- Skill level A:
 - Management occupations
 - Professional occupations
- Skill level B
- Skill level C
- Skill level D

(See Appendix A for methods and definitions.)

Between 2014 and 2020, the distribution of GNWT employees across skill levels remained relatively stable. (See Chart 3, as well as Table 4(3) and Chart 3(3) in the data download.)

Over this period, on average, 13 per cent of employees were in skill level A management jobs, 41 per cent of employees were in skill level A professional jobs, and 21 per cent were in skill level B jobs requiring college/apprenticeship training. By comparison, 22 per cent were in jobs in skill level C positions requiring more limited occupational training, and 2 per cent were in skill level D jobs requiring only on-the-job training. As in 2014, there continue to be important differences in occupational skill levels that correlate with gender and the three identity groups discussed above.

Skill Level A: Management Occupations

Other employees make up the majority of employees in management positions. And this increased from 57 per cent in 2014 to 65 per cent in 2020.

While females are still under-represented in management roles, their representation in GNWT management roles did increase between 2014 and 2020. In 2014, female GNWT employees represented 48 per cent of employees in management roles. But in 2020, female GNWT employees made up 55 per cent of employees in management roles (females comprised, on average, 65 per cent of the total GNWT workforce over this time period). However, this increase in representation occurred due mainly to the increase in the number of female other employees in management positions. At the same time, female Indigenous Aboriginal

employees remained under-represented in management occupations. On average over this period, only 12 per cent of management occupations were occupied by female Indigenous Aboriginal employees. (See Table 5(3) and Chart 4(3) in the data download.)

Skill Level A: Professional Occupations

The representation of different identity groups and genders remained consistent in the professional occupations between 2014 and 2020. Between 2014 and 2020, other employees made up the majority of employees in professional positions. Each year, about 70 per cent of professional positions were occupied by other employees. And both male and female other employees were over-represented in professional occupations. At the same time, both male and female Indigenous Aboriginal employees were under-represented in professional occupations. (See Table 6(3) and Chart 5(3) in the data download.)

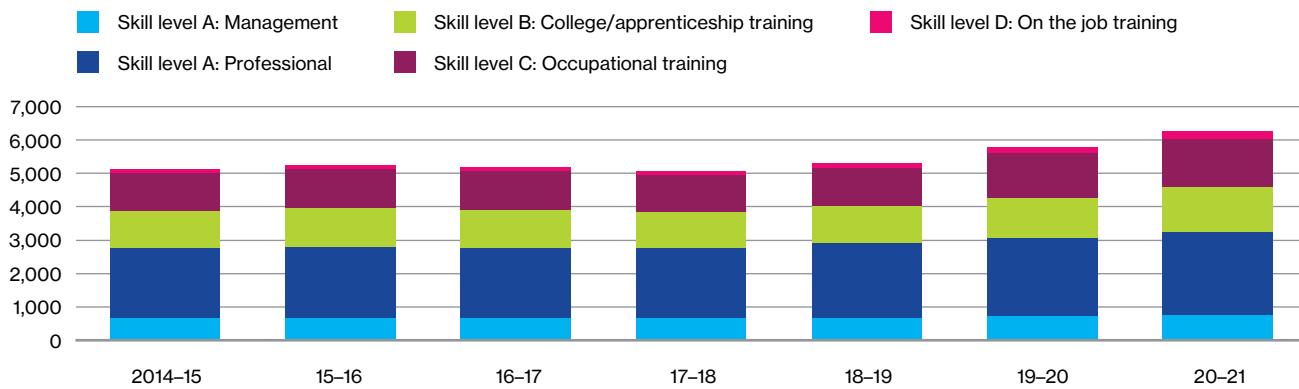
Skill Level B: College/ Apprenticeship Training

There has been little change in the representation of different identity groups and genders among GNWT employees in college/apprenticeship occupations. On average, between 2014 and 2020, 48 per cent of GNWT positions requiring college/apprenticeship training were occupied by other employees. While these employees held the highest number of jobs requiring college/apprenticeship training, they remained under-represented at the college/apprenticeship skill level.

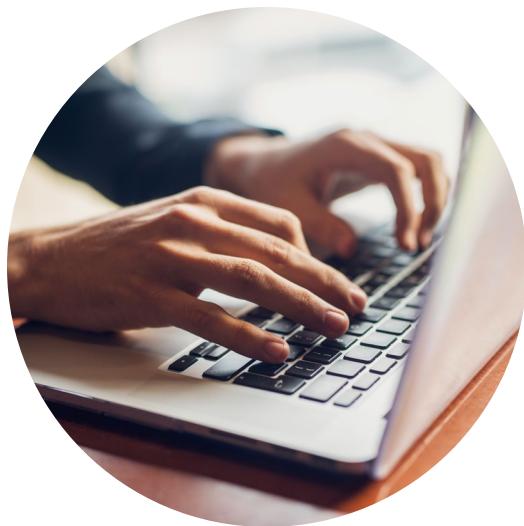
On the other hand, between 2014 and 2020, both male and female Indigenous Aboriginal employees were over-represented at the college/apprenticeship skill level. On average, 40 per cent of government positions requiring college/apprenticeship training were occupied by Indigenous Aboriginal people. (See Table 7(3) and Chart 6(3) in the data download.)

Chart 3

Government of Northwest Territories' Employees, by NOCS Skill Level and Fiscal Year (number of employees)



Sources: Department of Finance, Government of Northwest Territories; The Conference Board of Canada.



Skill Level C: Occupational Training

Among the GNWT positions requiring occupational training but not additional university or college, the proportions of Indigenous Aboriginal employees and other employees are similar. On average, between 2014 and 2020, Indigenous Aboriginal employees occupied 46 per cent of these jobs, while other employees occupied 44 per cent.

Between 2014 and 2020, there was an increase in the representation of other employees in jobs that require occupational training. However, other employees remain under-represented in jobs that require occupational training. At the same time, Indigenous Aboriginal employees were over-represented at this skill level consistently between 2014 and 2020. This is due mainly to the over-representation of Indigenous Aboriginal women. On average, between 2014 and 2020, Indigenous Aboriginal women occupied 33 per cent of jobs requiring occupational training without university or college requirements. (See Table 8(3) and Chart 7(3) in the data download.)

Skill Level D: On-the-Job Training

Just 2 per cent of the jobs at the GNWT require only on-the-job training. And Indigenous Aboriginal people occupy the majority of the positions in this skill category. But there has been a decline in the proportion of Indigenous Aboriginal people occupying jobs that require only on-the-job training. In 2020, 62 per cent of GNWT employees in these jobs were Indigenous Aboriginal employees, down from 79 per cent in 2014. This decline was observed among both male and female Indigenous Aboriginal employees in these positions. At the same time, there has been an increase in the proportion of other employees occupying jobs that require only on-the-job training. (See Table 9(3) and Chart 8(3) in the data download.)

GNWT Employees by Occupation

Further application of the NOC system enables us to classify GNWT positions by nine types of occupational roles including:

- management occupations;⁴
- business, finance, and administration occupations;
- natural and applied sciences and related occupations;
- health occupations;
- education, law, and social community and government services occupations;
- art, culture, recreation, and sport occupations;
- sales and service occupations;
- trades, transport, and equipment operators and related occupations;
- natural resources, agriculture, and related production occupations.

(See Appendix A for methods and definitions.)

⁴ Management occupations were covered in "Skill level A: Management occupations."

Between 2014 and 2020, the distribution of GNWT employees across occupation type remained relatively stable. (See Table 10(3) in the data download.) Over this period, the top three occupation types of N.W.T. government employees were in education, law, and social, community, and government services (25 per cent in 2020–21), in business, finance, and administration (19 per cent in 2020–21), and occupations in sales and service (15 per cent in 2020–21). Similar to 2014, there continue to be differences in occupational type between employees of different genders and identity groups.

Business, Finance, and Administration Occupations

Each year from 2014 to 2020, almost 85 per cent of employees in business, finance, and administration roles were female. Indigenous Aboriginal and Indigenous non-Aboriginal women were over-represented in this occupation type. At the same time, male GNWT employees from all three identity groups were under-represented in these roles. (See Table 11(3) and Chart 9(3) in the data download.)

Natural and Applied Sciences and Related Occupations

Female GNWT employees across all three identity groups were under-represented in natural and applied science roles and related occupations. (See Table 12(3) and Chart 10(3) in the data download.) On average, between 2014 and 2018, only 25 per cent of the employees in the natural and applied sciences and related occupations were female, while 65 per cent of the total GNWT workforce were female. At the same time, male government employees across all three identity groups were over-represented in these roles.

Health Occupations

The majority of government workers in health occupations were women from the other group of employees. (See Table 13(3) and Chart 11(3) in the data download.) On average, between 2014 and 2020, they made up 65 per cent of employees in health occupations, despite accounting for 36 per cent of the total GNWT workforce. At the same time, the remaining identity groups were all under-represented among health occupations.

Education, Law, and Social Community and Government Services Occupations

Occupations in education, law, and social community and government services employed the most GNWT employees. And the number of employees in this occupation type grew between 2014 and 2020. (See Table 14(3) in the data download.) The distribution of these occupations across gender and identity groups remains similar to that of the total GNWT workforce. (See Chart 12(3) in the data download.) In this case, most employees in these occupational roles were other employees from outside the territory.

Art, Culture, Recreation, and Sport Occupations

Most years between 2014 and 2020, only 2 per cent of the GNWT employees were working in art, culture, recreation, and sport occupations. (See Table 15(3) in the data download.) Like the total GNWT workforce, Indigenous people belonging to the territory made up less than half of employees in these occupational roles. However, among the Indigenous people employed in these roles, Indigenous non-Aboriginal women were over-represented, while Indigenous Aboriginal women and men were under-represented.

(See Chart 13(3) in the data download.) Still, in recent years, the proportion of Indigenous Aboriginal women in these occupation types has increased.

Sales and Service Occupations

On average, roughly half of the GNWT employees in sales and services occupations were Indigenous Aboriginal people. And both male and female Indigenous Aboriginal people were over-represented in government sales and services occupations. In contrast, women in the other employee group were under-represented. (See Table 16(3) and Chart 14(3) in the data download.) However, between 2014 and 2020, the proportion of other employees filling these types of positions increased.

Trades, Transport, and Equipment Operators and Related Occupations

Each year between 2014 and 2020, less than 5 per cent of the GNWT employees were working in jobs in the trades, transport, and equipment operators and related occupations. Each year, male employees made up over 95 per cent of the government employees in this occupation type. (See Table 17(3) and Chart 15(3) in the data download.) And Indigenous Aboriginal men made up the majority of the positions in this occupation type and were most over-represented (occupying, on average, 57 per cent of these jobs while accounting for 9 per cent of the total GNWT workforce over this period).

Natural Resources, Agriculture, and Related Production Occupations

Each year between 2014 and 2020, fewer than 50 GNWT employees worked in the natural

resources, agriculture, and related production occupations. (See Table 18(3) in the data download.) Over this period, on average, 89 per cent of the employees working in this occupation type were Indigenous Aboriginal men. (See Chart 16(3) in the data download.)

Inter-jurisdictional Workforce

As we have just seen, there is a long-standing practice in the N.W.T. to use employees from outside the territory to meet labour force demand and offset skills shortages. But the public sector is not unique in this regard. Private firms, for example, rely heavily on non-resident employees to complete infrastructure and resource development projects. Knowing which industries employ inter-jurisdictional employees can help pinpoint where skills are lacking in the territory. Despite its need for outside workers, the N.W.T. also supplies labour to other provinces and territories. Encouraging these employees to stay and work in the territory could help reduce the demand for outside workers.

The Canadian Employer-Employee Dynamics Database (CEEDD) provides information on the number of inter-jurisdictional employees coming in and out of the Northwest Territories.⁵ Inter-jurisdictional employees are defined as any worker who reports earnings in a province or territory that is different from their reported permanent residence on their tax return. This includes both incoming and outgoing inter-jurisdictional employees. (See “Inter-jurisdictional Employees Defined.”)

⁵ Statistics Canada, “Canadian Employer Employee Dynamics Database.”

Inter-jurisdictional Employees Defined

The CEEED is an administrative dataset maintained by Statistics Canada that provides information on workers and business owners. It can be used to track employment data and place of residence over time using T4 statements of remuneration and T1 personal tax files. For insights into inter-jurisdictional employees, the T1 personal tax file provides information on primary place of residence, while the T4 statement of remuneration provides information on the location of annual T4 employment earnings. Data in this report covers the period from 2008 to 2017. This data set is used in this module to track the number of incoming and outgoing inter-jurisdictional employees and resident employees in the Northwest Territories.

In the context of the N.W.T., an incoming inter-jurisdictional employee is any worker who reported T4 employment earnings from within the N.W.T., but with a different province or territory of residence on their tax return. In contrast, an outgoing inter-jurisdictional employee from the N.W.T. is any worker who reported a primary residence in the N.W.T., but with either all or part of their T4 employment earnings coming from outside the territory. A resident employee is any worker who resides in the N.W.T. and receives all T4 employment earnings from inside the Northwest Territories. The inter-jurisdictional employees identified in this data include not only fly-in, fly-out workers, but can also include workers who have had a short-term residence in the N.W.T. in a given year.

The resulting estimates of inter-jurisdictional workers may be conservative. Only employees 18 years of age or older who reported earning more than C\$1,000 (in 2016 constant dollars) are included. Self-employed individuals are only included if they have issued themselves a T4. Furthermore, the data in this report do not include late and reassessed tax filers. In addition, the location where employers specify T4 earnings may contribute to some employees not being captured in this data. The Canada Revenue Agency asks that employers specify T4 employment earnings in the province or territory where their employee is physically working, as opposed to where the head office of the company is located. But this classification may not be followed consistently, especially for employees travelling and working in multiple provinces and territories in a single tax year.

Caution should also be taken when comparing estimates across time. The inter-jurisdictional employee estimates for a given year are created from several administrative data sources, and the methodology may vary from year to year. As a result, small discrepancies may exist from year to year. All counts are rounded to the nearest five and earnings are rounded to the nearest 100. Counts may not add up to totals due to rounding. And counts less than 10 are suppressed.⁶

⁶ Davidson and Qiu, *Methodological Notes for Inter-Jurisdictional Employees*.



Workforce Proportion of Inter-jurisdictional Employees

Each year, significantly more people come into the N.W.T. to work than there are residents who leave to work outside the territory. (See Table 19(3) in the data download.) In 2017, there were 5,395 incoming employees, compared with 1,455 outgoing employees.

The proportion of the workforce residing in the N.W.T. that is employed outside of the territory remained relatively constant between 2008 and 2017. During that 10-year period, on average, 6 per cent of the workers living in the N.W.T. reported earnings outside of the territory. (See Chart 17(3) in the data download.)

A much larger proportion of the N.W.T. workforce is made up of incoming employees. Between 2008 and 2017, the incoming employees' share of the N.W.T. workforce remained relatively stable. During that 10-year period, incoming employees accounted for, on average, 22 per cent of the total N.W.T. workforce, ranging between 19 per cent in 2017 and 26 per cent in 2008. (See Chart 18(3) in the data download.) In 2017, approximately one in every five employees in the N.W.T. was an incoming worker.⁷

Sex and Age

There are obvious differences in the age and sex composition of the incoming and outgoing workforces. Consistent over the 10-year period between 2008 and 2017, the incoming workforce had a larger share of employees who identified as male, compared with the outgoing workforce. (See Table 20(3) in the data download.) In 2017, 79 per cent of incoming employees identified as male, compared with 55 per cent of outgoing employees.

More than half of the outgoing employees from the N.W.T. are young adults, while the majority of incoming employees to the N.W.T. are older adults. In 2017, 58 per cent of the outgoing workforce was between the age of 18 and 34, while 66 per cent of the incoming workforce was 35 or older—a trend that was consistent between 2008 and 2017. (See Table 20(3) in the data download.)

T4 Employment Earnings

Incoming employees earned 18.5 per cent of the total employment earnings in N.W.T. in 2017, down from 20.3 per cent in 2014. (See Table 21(3) in the data download.) In the same year, incoming workers earned approximately 10 times more income in the N.W.T. than the outgoing workers made outside of the territory—a difference that was relatively stable between 2008 and 2017. In 2017, the incoming employees earned a total of C\$333.7 million in employment income inside the N.W.T. In contrast, the outgoing employees earned a total of C\$33.8 million in employment income outside of the Northwest Territories.

Inter-jurisdictional employees coming to or going from the N.W.T. can hold employment both inside and outside the Northwest Territories. (See Table 21(3) in the data download.) However, the incoming employees are earning a higher proportion of their employment earnings inside the N.W.T. than the outgoing employees are earning outside of the territory. In 2017, the incoming employees earned 79 per cent of their employment income in the N.W.T., while the outgoing employees earned just 47 per cent of their total employment income outside the territory.

⁷ The outgoing N.W.T. workforce also reported employment income inside the Northwest Territories. Therefore, they were included in the calculation of the total N.W.T. workforce.

Despite needing outside workers, the N.W.T. supplies labour to other provinces and territories. Encouraging employees to stay and work in the territory could reduce the demand for outside workers.



Province or Territory of Incoming and Outgoing workers

We now examine data on the province or territory where incoming workers to the N.W.T. are coming from and the province or territory where outgoing workers from the N.W.T. are employed. The top three provinces of origin for incoming employees and the top three destinations for outgoing employees are the same. (See Table 22(3) in the data download.)

Approximately 70 per cent of the incoming employees to the N.W.T. came from one of three provinces: Alberta (35 per cent), British Columbia (22 per cent), or Ontario (13 per cent). Most years between 2008 and 2017, these have been the top three provinces supplying workers to the N.W.T., with only a small proportion of the incoming workers coming from another territory. In 2017, only 5 per cent of incoming workers were from either Yukon or Nunavut. (See Chart 19(3) in the data download.)

The top three destinations for outgoing employees were consistent between 2008 and 2017—Alberta, British Columbia, and Ontario. In 2017, approximately 70 per cent of the outgoing workers were employed in either Alberta (31 per cent), British Columbia (19 per cent), or Ontario (18 per cent). And only 13 per cent of the N.W.T. residents were working in another Northern territory.

Industry

We now examine the industries where the incoming, outgoing, and resident workers are employed in the Northwest Territories. (See “Industry Sectors and Corresponding NAICS Codes.”) This information can be used to determine how reliant a given industry is on incoming workers and how this changed between 2008 and 2017. (See charts 20(3) and 21(3) in the data download.)

Industry Sectors and Corresponding NAICS Codes

Industry categories for this analysis are drawn from the North American Industry Classification System (NAICS).⁸ (See Table 1). In this report, the sectors tied to resource and infrastructure development include the oil and gas and mining and quarrying sector, the construction sector, the utilities sector, the transportation and warehousing sector, and the other services sector.

Table 1
Industry Sectors, Key Subsectors, and Corresponding North American Industry Classification System Codes

Sector name	NAICS code
Oil and gas extraction; mining and quarrying	211, 212 and 213
Other services (administrative and support, waste management and remediation services; arts, entertainment, and recreation; other services (except public administration)	56,71,81
Construction	23
Manufacturing	31,32,33
Accommodation and food services	72
Transportation and warehousing	48,49
Information and cultural industries; finance and insurance; real estate and rental and leasing; management of companies and enterprise.	51,52,53,55
Professional, scientific, and technical services	54
Education services; health care and social assistance	61,62
Wholesale and retail trade	41,44,45
Public administration	91
Utilities	22 [1]

Source: Davidson and Qui, Methodological Notes for Inter-jurisdictional Employees.

⁸ Statistics Canada, “North American Industry Classification System.”



Outgoing Workers

Each year, the majority of employees working outside the N.W.T. were employed in a sector outside of infrastructure and resource development. In 2017, 35 per cent of outgoing employees were working outside the N.W.T. in a sector tied to infrastructure and resource development.

In 2017, approximately 75 per cent of the outgoing employees were working in one of six industries: public administration (17 per cent); education services, health care and social assistance (14 per cent); other services (14 per cent); accommodation and food services (12 per cent); construction (10 per cent); and wholesale and retail trade (9 per cent). Between 2008 and 2017, these were the top six industries where outgoing employees made all of or part of their employment earnings outside the territory.

There is an opportunity to reduce the number of incoming workers in some sectors by encouraging the outgoing workers to stay and

work in the territory. And it seems counterintuitive that in the education services and the health care and social assistance sectors, there are more outgoing workers than incoming workers.

Incoming Workers

The majority of incoming employees to the N.W.T. were employed in a sector tied to resource and infrastructure development. On average over the 10-year period, 62 per cent of incoming workers to the N.W.T. were employed in one of these sectors.

Most years, the top three industries for incoming employees to the N.W.T. were the oil and gas and mining and quarrying sector, the construction sector, and the public administration sector. In 2017, 27 per cent of incoming employees were working in the mining and quarrying and oil and gas sector, 24 per cent in the construction sector, and 12 per cent in public administration.

In all sectors except the oil and gas and mining and quarrying sector, resident employees made up the majority of employees. Across the 10-year period, just over half of the employees in the oil and gas and mining and quarrying sector were incoming workers. And most years, approximately one in three workers in the construction industry was an incoming employee. (See Chart 21(3) in the data download.)

Our analysis also considers how each sector's reliance on incoming workers may have changed between 2008 and 2017. In the sectors related to infrastructure and resource development, the proportion of incoming workers making up the total workforce fluctuates. However, in the sectors outside resource development, the reliance on incoming employees has decreased. The industries in the N.W.T. with a decrease in

their proportion of incoming inter-jurisdictional employees are the following: professional, scientific, and technical services; education services; health care and social assistance; accommodation and food services; and information, business, real estate, and culture.⁹

COVID-19

COVID-19 has placed pressure on those industries that rely on incoming workers. The GNWT has made efforts to address the health and safety concerns of N.W.T. residents and local workforces while, at the same time, protecting the local sectors that rely on incoming workers. At different points during the pandemic, companies have reduced their workforce to only essential employees, limited the number of resident N.W.T. workers on site, increased the length of work rotations, and eliminated non-essential visits to worksites. As much as possible, incoming employees were separated from resident N.W.T. employees. These health measures likely resulted in an overall decrease in the number of incoming workers to N.W.T. in 2020 and 2021. However, the impact may differ by sector.

Mining

Mining operations were not required to shut down and incoming workers were not restricted from working at remote mining sites. Instead, risk reduction measures were put in place to reduce the risk of spreading the virus within the territory. These include on-site screening and mandatory

face coverings, as well as direct charter flights to remote mine sites. Throughout 2020-2021 all incoming workers were required to socially distance for 14 days in the province or territory where they live before returning to the mining site. In addition, at different points during the pandemic, resident workers from smaller remote communities in the N.W.T. were sent home on paid leave.¹⁰

Outmigration of the N.W.T.'s resident mining workforce is an ongoing challenge for the territory. Some employees living in the N.W.T. move south in search of more affordable housing and services but maintain their employment as part of the fly-in, fly-out workforce. In the N.W.T., in both 2019 and 2014, 13 per cent of the employees working in the mines in the N.W.T. reported previously living in the territory.¹¹ And the pandemic may exacerbate this out-migration. In Nunavut, there have been reports of resident workers moving out of the territory and joining the fly-in, fly-out workforce so that they can continue to work at the mines during the pandemic.¹² However, all resident workers in the mining sector in Nunavut have been sent home on paid leave. In the N.W.T., more resident workers have remained working at the mines during the pandemic. As a result, the level of pandemic-driven outmigration in the N.W.T. is not known.

9 The “information, business, real estate, and cultural sector” is the shortened name for the information and culture, finance and insurance, real estate and rental and leasing, and management of companies and enterprises sector.

10 Government of Northwest Territories, “GNWT’s Response to COVID-19.”

11 Northwest Territories Bureau of Statistics, “2019 NWT Survey of Mining Employees.”

12 George, “Nunavut Resident Moves South to Return to Mine Job Back Home.”

Construction

Many workers in the construction industry are working and staying in N.W.T. communities, making the risk of transmission potentially greater. As such, there are stricter mandatory quarantining requirements. Companies are required to quarantine workers in hotels in Southern cities prior to their travelling to the Northwest Territories. There have been reports of construction workers not taking Northern contracts due to the mandatory quarantine requirements.¹³ Furthermore, local labourers living in the N.W.T. may have an advantage as contractors look to hire local workers wherever possible to avoid quarantine costs.

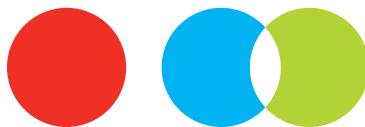
Tourism

The Northern tourism industry has been hit hard by the COVID-19 pandemic. International travel has been restricted because of border restrictions and interprovincial travel has been discouraged. This likely impacted the number of incoming workers employed in the accommodation and food services industry in 2020–21.

Education Services, Health Care, and Social Assistance

There are reports that applications from would-be incoming workers for jobs in the N.W.T. in the education services, health care and social assistance sector increased in 2020. This may be the result of fewer lockdown measures and looser restrictions in the N.W.T., compared with Southern Canada.¹⁴

It is likely that the number of incoming and outgoing workers from the N.W.T. decreased in 2020 and 2021. However, the impact of the pandemic on the incoming workforce in 2022 will likely be dependent on the ongoing vaccination efforts, the efficacy of the vaccines, and the adherence to health measures by residents.



13 Personal communication with construction industry representative, September 2020.

14 Personal communication with health care and social services worker, December 2020.

Appendix A

Methodology

This research project applied a mixed-methods approach that includes qualitative analysis, cross-sectional data analysis, historical time series, and forecasting.

Our analysis of factors shaping the contemporary Northwest Territories labour market combined quantitative and qualitative research activities. These activities included a collaboration with the Northwest Territories Bureau of Statistics and engagement with Education, Culture, and Employment and other Government of the Northwest Territories (GNWT) stakeholders to access relevant internal reports and administrative data. Specific research activities included:

- A review of academic and grey literature (public policy, industry, etc.) on key labour market issues in the territory and Northern economies. The review included over 400 documents from academic, public (federal, territorial, and Indigenous governments), and private sector sources.

- A review of data sources, including databases maintained by Statistics Canada and relevant federal and territorial government departments.
 - An exploratory analysis of data sets from Statistics Canada, including custom data from the National Household Survey, Census, Aboriginal Peoples Survey, Labour Force Survey, and Canadian Business Patterns.
 - An exploratory analysis of custom data sets from the Northwest Territories Bureau of Statistics (linked to the N.W.T. Community Survey), as well as program data from ECE.

The Conference Board of Canada's Territorial Forecasting Model (TFM) was used to produce three sets of economic forecasts up to the year 2040. The model relies on a core set of consistent assumptions formed from our global, Canadian, and provincial forecasts, in addition to ongoing monitoring of international, national, and territorial events. Specific territorial forecasting assumptions were then developed through engagement with the GNWT, industry experts, and through research of publicly available information on the status of project plans and capital investments in the territory. The forecasts were completed on June 15, 2021.

Definitions

National Occupational Classification System (NOCs) 2016 Version 1.0 Classification System

NOCs Skill Level Criteria

Each skill level represents the type and/or amount of education or training required to enter into and work in an occupation.

Skill level	Education/training required
Skill level A:	These occupations can be classified as either “management occupations” or “professional occupations.”
Management occupations	These occupations are characterized by a high level of responsibility, accountability, and subject matter expertise. Expertise can be acquired either through formal education or extensive subject matter expertise.
Professional occupations	These occupations require a university degree (i.e., a bachelor’s, master’s, or doctorate).
Skill level B: College/apprenticeship training	These occupations usually require college education or apprenticeship training.
Skill level C: Occupational training	These occupations usually require secondary school and/or occupation-specific training (up to two years).
Skill level D: On-the-job training	These occupations usually revolve around on-the-job training.

NOCs Skill Type

Each skill type refers to the type of work performed in an occupation or the field of study needed to enter into an occupation.

Skill type	Description
Management occupations	These occupations are considered to be at the top of the organizational hierarchy of workplaces or businesses. Decision-making that affects the organization as a whole, or departments within organizations, is undertaken by management.
Business, finance, and administration occupations	This category contains occupations that are concerned with providing financial and business services, administrative, and regulatory services and clerical supervision and support services.
Natural and applied sciences and related occupations	This category contains professional and technical occupations in the sciences, including physical and life sciences, engineering, architecture, and information technology.
Health occupations	This category includes occupations concerned with providing health care services directly to patients and occupations that provide support to professional and technical staff.

(continued...)

NOCs Skill Type

Skill type	Description
Occupations in education, law, and social, community, and government services	This skill-type category includes a range of occupations that are concerned with law, teaching, counselling, conducting social science research, developing government policy, and administering government and other programs.
Occupations in art, culture, recreation, and sport	This skill-type category includes professional and technical occupations related to art and culture, including the performing arts, film and video, broadcasting, journalism, writing, creative design, libraries, and museums. It also includes occupations in recreation and sport.
Sales and service occupations	This skill-type category contains sales occupations, personal and protective service occupations, and occupations related to the hospitality and tourism industries.
Trades, transport and equipment operators, and related occupations	This skill-type category includes construction and mechanical trades, trades supervisors and contractors, and operators of transportation and heavy equipment. These occupations are found in a wide range of industrial sectors, with many occurring in the construction and transportation industries.
Natural resources, agriculture, and related production occupations	This category contains supervisory and equipment operation occupations in the natural resource-based sectors of mining, oil and gas production, forestry and logging, agriculture, horticulture, and fishing. Most occupations in this category are industry specific and do not occur outside of the primary industries.
Occupations in manufacturing and utilities	This category contains supervisory and production occupations in manufacturing, processing and utilities.

Note: We did not include the occupations in manufacturing and utilities category in our analysis. In all but one year, there were no GNWT employees in these occupations.

Source: Statistics Canada, "Introduction to the National Occupational Classification (NOC) 2016 Version 1.3."



Appendix B

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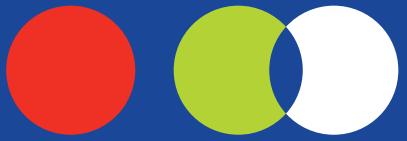
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