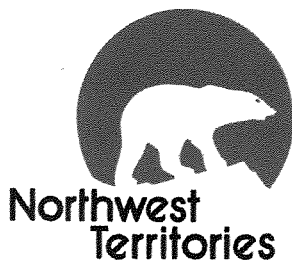


Canada-Northwest Territories Job Fund

Annual Report 2014-2015

Department of Education, Culture and Employment
Government of the Northwest Territories



Canada 

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The following Canada-Northwest Territories Job Fund Agreement information details labour market development activities from August 6, 2014 to March 31, 2015.

Canada-Northwest Territories Job Fund Agreement

On behalf of the Government of the Northwest Territories (GNWT), the Department of Education, Culture and Employment (ECE) signed the Canada-Northwest Territories Job Fund Agreement (Job Fund) on August 6, 2014. This six year agreement (2014-2020) provided the GNWT with \$1,111,868 for 2014-15 to deliver programs in labour training and development.

The Job Fund provides funding to support training for individuals who are not eligible for Employment Insurance, including employed individuals, gives priority to groups who are underrepresented in the workforce due to a lack of workplace essential skills and/or low literacy skills, and focuses on employers who want to cost share training for current and new employees.

1. Labour Market Context

The Northwest Territories (NWT) covers an area of approximately 1,346,106 km².

Of the 33 communities in the NWT, only five (Inuvik, Hay River, Fort Smith, Behchokö and Yellowknife) have populations exceeding 2,000. Yellowknife, the capital and home to 20,295 people as of July 1, 2013, represents almost half of the territorial total of 43,537, and serves as the primary government and administrative centre for the North.

The population in the NWT is made up of approximately half Aboriginal and half non-Aboriginal persons (a ratio of 22,069 to 21,468 as of July 1, 2013), with a majority of Aboriginals living in the smaller communities of the North.

The population of the NWT fell by 31 persons between January 1, 2013 and January 1, 2014. The components of natural increase consisted of 689 births and 199 deaths, resulting in a net increase of 490 persons. Inter-provincial migration accounted for 1,885 persons moving into the NWT while 2,567 moved away, representing a net loss of 682 persons. Internationally, there was a net in-migration of 161 persons.

Based on annual averages for 2013, Statistics Canada estimates that of the 32,000 residents 15 years of age and older in the NWT, 22,500 persons were employed. This represents an overall employment rate of 70.3%. This value has decreased compared to the 2012 employment rate. Comparatively, Canada's employment rate also decreased to 61.5%.

Between 2013 and 2014 the NWT had seen a decrease in the labour force participation rate from 76.5% to 72.0% even though the number of unemployed persons has decreased from 2000 to 1,700. This is reflected in the decrease in the unemployment rate from 8.2% to 7.4%.

The employment rates for Aboriginal and non-Aboriginal persons remain disproportionate to the population figures and in 2014 were 49.0% and 82.2% respectively.

Geographically, Statistics Canada only reports data for Yellowknife and combines the remainder of the NWT. Yellowknife's employment rate peaked in 2007 at 83.4%, declined to 80.1% in 2009, and then slowly increased. By 2013 it had reached 81.9%, but 2014 has seen it decline to 79.7%.

The employment rate for other NWT communities has followed a similar trend and in 2012 was 60.6%. In 2013 it dropped to 59.9% and 2014 has seen a larger decline to 55.8%. These small communities in the NWT account for 68% of the available labour force.

Of the available labour supply in the NWT, 54% has less than high school as their highest level of schooling. Aboriginal high school graduation rates have increased over time to approximately 45%. In contrast, the graduation rate for non-Aboriginals is around 80%.

Sector Employment Data

Between 2013 and 2014 there were some significant shifts in employment numbers in the Northwest Territories; overall the number of employed persons decreased by 1,200 between December 2013 and December 2014.

The public sector saw a decrease of 900 persons, continuing a trend (there was a decrease of 700 employees in 2013).

The private sector decreased by 500 persons effectively wiping out the gain of 400 persons in 2013. The trend towards self-employment continues to grow, adding an additional 200 persons in 2014 to the 200 gained in 2013.

Gross Domestic Product (GDP) Data

In 2014, GDP for the Northwest Territories had the greatest increase in the country rising by 6.8%, (the national average was 2.4%).

Resource based industries such as diamond mining and oil and gas extraction showed mixed results with diamond mining increasing by 20.7%, while oil and gas extraction had a decrease of -0.7%.

The construction industry had the largest increase in 2014 of 21.6%. This was in the areas of engineering construction and other activities, both with increases of 32.2% while being offset by a -19.6% decrease in residential construction. These increases are mainly due to work on the Inuvik to Tuktoyaktuk highway and the development of a new diamond mine.

With regard to the NWT activity, at least three important areas were covered in the activity of the Job Fund. Tourism, early childhood development and mining are three important sectors; mining and tourism for its economic benefits and early childhood development for its impact on the educational future of young children.

- The goal of the Northwest Territories *Tourism 2015* is to increase the value of the tourism industry to \$130 million by 2015/2016. This goal is based on developing four key market segments: camping and touring, outdoor adventure, aurora viewing and business travel. One of the employers is involved in the tourism industry through tourism and business travel.
- The Northwest Territories has a vision for the future where children will have the necessary supports in life that will allow them to develop to their full potential. To achieve this goal, enhanced quality of early childhood development programs, services and support is necessary. One of the employers sponsored seven of their staff to participate in early childhood development training, which is an area that has been highlighted by Education, Culture and Employment as an outstanding need.
- One of the priorities of the 17th Legislative Assembly was the strengthening and diversification of the NWT economy in an environmentally sustainable way. The "*Pathways to Mineral Development*" document highlights key areas for responsible development, and two of these areas include community capacity building and workforce development.

2. Employer and other Stakeholder Engagement

The Assistant Deputy Minister, Labour and Income Security, meets on a monthly basis with the Regional Superintendents of the five administrative regions of the NWT (Beaufort-Delta, Sahtu, North Slave, Dehcho, and South Slave) and with the Directors of Income Security and Labour Development and Standards. During these branch meetings, broad plans for the social and economic wellbeing of Northern residents are discussed and developed.

In addition, the Regional Superintendents meet with Regional Training Partnership Committees or partnership representatives on a regular basis. These committees include representation from the GNWT, Aurora College, Aboriginal Governments, community organizations, industry and other stakeholders involved in education and training to determine regional training and labour market priorities.

Over the course of the 2014-15 fiscal year, it is the goal of the Department to engage with employers, organizations and community stakeholders, to identify key labour market barriers and opportunities for Northern residents, as well as develop additional priorities and goals.

The third Labour Market Development Symposium took place in March 2015, following regional consultations leading up to that event. ECE's new initiative is built on these in depth consultations with labour market stakeholders, and is taking a critical look at adult and postsecondary education and skills training programs, supports and pathways. The goal of this review is to improve employment success for Northern residents, close skill gaps for in-demand jobs, and more effectively respond to employer and industry needs.

3. Description of activities and expenditures

Job Fund projects focus on building strong partnerships and fulfilling current and future labour market requirements of the NWT. Each region in the NWT has varying needs and reflects different cultures and languages. Planning done by ECE, in conjunction with Regional Training Partnership Committees, is designed for flexibility to meet upcoming regional needs.

In 2014-15, the NWT set out the following targets for its Job Fund expenditures:

- Locally-designed programs to address specific barriers and gaps to employability identified by regional partners
- Higher participation in the NWT labour market by underrepresented groups
- More local residents filling longer term jobs in communities
- Increased community partnerships in training and employment
- Increase in the number of employed NWT residents overall
- Decrease in the number of income assistance clients
- Increased opportunities for NWT residents to participate in education and training, specifically for non-EI clients

Specifically:

- 13 Job Grants awarded to employers
- 200 unemployed clients served through individual and employer supports
- 150 eligible clients served through 15 Community Initiatives
- 50% of clients will have less than high school at the beginning of the intervention
- 70% of clients will be Aboriginal

3.1 Canada – Northwest Territories Job Grant

The GNWT's target for 2014-15 was a minimum of 13 Job Grants with total government contribution at \$133, 424, based on allocation of 15% of the Job Fund, less administrative costs. The source of funding for Job Grants was 10% from the Job Fund, and 5% from the Canada-Labour Market Development Agreement.

Because the industry base is so small in the NWT, there was no targeted labour market sector. The Canada-Northwest Territories Job Grant (Job Grant) was launched officially October 9, 2014 with a communications campaign to reach all NWT employers to offer support through this new program to train employees or potential employees in specific skills needed for a job.

3.2 Employment Services and Supports and Employer Sponsored Training

The GNWT allocated \$ 811,663 of Job Fund monies to Employment Services and Supports (ESS). Employer Sponsored Training programming will be introduced in year four of the Job Fund Agreement (2017-18)

ESS provides funding for programs designed to enhance the labour market participation of eligible beneficiaries by supporting preparation for entry into, or return to, employment; to otherwise obtain or keep employment; or to maintain skills for employment. ESS programs funded through the Job Fund include:

- Skills Development
- Work Experience
- Community Initiatives
- Self-Employment

Overall, the GNWT's goal was to provide services to a minimum of 350 individuals through ESS programs throughout the 2014-15 fiscal year.

Targeted population(s):

- 200 unemployed clients served through individual and employer supports
- 150 eligible clients served through 15 Community Initiatives
- 50% of clients will have less than high school at the beginning of the intervention
- 70% of clients will be Aboriginal*

The **Skills Development** program provides support for eligible beneficiaries to participate in short-term training opportunities (52 weeks or less) to develop essential employability skills and/or upgrade their skills and knowledge to meet the demands of the labour market. Eligible activities may include, but are not limited to: academic upgrading, workplace essential skills, life skills, employment readiness programs, pre-employment training courses, and skill-specific training programs. Financial assistance may include: tuition costs, books, travel, living allowances, special equipment and supports, childcare, and license or certificate fees.

The **Work Experience** program provides support for employers in developing a productive workforce and providing work and learning opportunities for eligible beneficiaries. Training-on-the-job and work experience projects aids targeted clients entering or transitioning into the labour market. Employer assistance may include: wage subsidies, course costs, special equipment and supports, job coaching and mentoring.

The **Community Initiatives** program provides support for third party organizations to deliver community and regional activities aimed at engaging underrepresented groups in the labour market. Activities may include: training programs, workplace education programs, community projects (such as Construction Boot Camp and Trades Awareness programs), and labour market research & strategic planning partnerships. It also includes employment assistance services such as career counselling, labour market information and job coaching.

The **Self-Employment** program provides support for eligible beneficiaries to pursue self-employment as a career choice by providing business coaching and mentoring through a qualified business expert. Direct financial assistance may include: travel and living allowances, course costs, childcare, and special equipment and supports.

The **Building Capacity** program provides support for organizations that are involved in capacity building to deliver targeted projects pertaining to Job Fund objectives on a territory- wide scope. Projects may include research and curriculum development related to capacity building.

4 Results achieved

4.1 Canada - P/T Job Grant

The Job Grant program provided 62 Grants to eight employers, providing access to 18 courses for 57 participants. In all cases, training was provided to current employees; Job Grant funding was not utilized to train new hires. In year one of Job Grant, most of the training supported would have been pursued without government assistance. For some small employers, the Job Grant supported training that would not otherwise have occurred this year.

Of the 18 training courses pursued, most types of training were upskilling (14), three were entry level courses, and one was maintenance of skills. The type of skills learned through 62 Job Grants were predominately management skills (38), and specialized technical skills (14), in addition to soft skills (8) and essential skills (2). All training was completed by all participants.

Education levels of participants in year one of the Job Grant and range from 30% with high school or less than high school, to 44% with a university degree or trades certificate. No participants identified as new immigrants; the residency of participants indicated they are predominately either newcomers to the north (0-5 years) (19%) or have spent most if not all their life (over 30 years) in the NWT (18%) and 33% identify as Aboriginal.

With the exception of two individuals, all participants have remained with their same employer. For those who left employment, the reason is unknown and may be due to a change in life circumstances rather than getting a better offer elsewhere. One individual moved from part-time employment to full-time employment, although no link between the training and the change in hours is evident.

The great majority of participants remained in their pre-training job, and any increases in pay are likely a result of annual increments. While no link is evident between training and career advancement, most participants agree or strongly agree that their employment situation has improved, they are better qualified and have increased skills.

Employers indicated that their skills training needs were met and their expectations of the Job Grant were met. However, half of the employers did not respond to these questions.

The eight employers completed all evaluations related to 18 training opportunities for the 57 trainees who participated in 62 courses. Like the participants, a number of the questions were unanswered and these numbers have been indicated in the chart. The NWT had two employers access the fund for more than one course. One employer (Employer A) disagreed that there was increased investment in employers training in 7 out of 7 courses sponsored. This was a large company. The second large company, Employer B, also disagreed 3 times out of the 5 courses that there was increased investment in employers training. It should be stated that both of these companies have signed agreements with the Government of the Northwest Territories called Socio-economic Agreements (SEA's) and provision of training is included in these agreements.

Of the organizations that stated that the Job Grant increased their investment in their employees, the overall estimate of the increase for all of the companies was \$34,800.00. The bigger organizations sponsored the largest number of people. Although these organizations claim that they would have accessed training for their staff without the fund, without knowing what the investment has been in staff training in prior years, there is no way to verify or refute this claim. The average tuition investment for the larger firms was \$420.36 per employee while the average tuition investment for the small firms was \$917 per employee. This does not include travel costs.

The data collected on the prior year's investment is questionable. One company estimates that they spend an average of \$2,000 per employee training in a year. In a company of over 500 people this would amount to over a million dollars a year. Another firm stated that they spend \$80,000 for their small firm in a year but it is not clear if this is within the NWT or combined with a southern office.

Please see Annex A for Job Grant performance indicator table details.

4.2 Employment Services and Supports

A total of 250 individuals were supported through ESS in 2014-15; 39 of which were through the Work Experience program, two in the Self-employment development program, and the balance 209 were skills development through training opportunities. Most individuals were unemployed or not in the labour force (76%).

Most clients were within one or more of the following demographic descriptors: Aboriginal (74%); male (57%); with an education level less than high school (50%). Nine individuals identify as having a disability. This combination of demographics have the highest level of unemployment or lowest labour force participation rate and as such are a priority in the NWTs programming and training relevant to their personal responsibilities, job opportunities and skills and learning abilities.

Of the 209 skills development interventions 71% of participants completed training successfully, 88% of which obtained a certification. Almost all certifications were in the area industry standards, such as WHMIS, First Aid and CPR, and various levels of driving licenses. These certifications are a requirement for much of the seasonal or construction project based or mining job opportunities available in the Northwest Territories more remote communities. A number of participants have not yet completed their ongoing training (6), and several have either obtained employment or moved.

Of the few participants who were contacted successfully for follow up surveys at three months, they either agreed or were neutral as to whether or not the training had improved their employment situation, and as to whether or not they had developed skills relevant for employment.

Wage subsidies were provided to 18 employers for 28 individuals to gain on-the-job experience and training, and 11 individuals gained on the job experience coordinated by a Community Initiative Work Experience project. This represents approximately 1% of NWT employers investing in on-the-job training through this program, which is in addition to the Job Grant, LMDA training-on-the-job, approximately 400 apprentices, and GNWT's training-on-the-job programming.

Please see Annex B for Employment Services and Supports' performance indicator table details.

5. Audited Financial statement for the fiscal year

Attached as an Annex C

