

**CANADA – NOVA SCOTIA
LABOUR MARKET AGREEMENT**

Canada


NOVA SCOTIA

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This Agreement made this 13th day of June, 2008.

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

AND The Government of Nova Scotia (hereinafter referred to as “Nova Scotia”) as represented by the Minister of Labour and Workforce Development

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

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

WHEREAS Canada and Nova Scotia 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 Nova Scotia rests with Nova Scotia;

WHEREAS Nova Scotia is striving to provide fully integrated, client-focused employment and training services for Nova Scotians under the Department of Labour and Workforce Development, and is aiming to develop the best educated and most skilled workforce in North America to build and sustain Nova Scotia’s prosperity and competitiveness;

WHEREAS Canada has agreed to make new investments in support of labour market programming in Nova Scotia by providing funding to Nova Scotia 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 is authorized to enter into this Agreement pursuant to sections 7 and 10 of the *Department of Human Resources and Skills Development Act*,

AND WHEREAS Nova Scotia's Minister of Labour and Workforce Development is authorized to enter into this Agreement on behalf of the Government of Nova Scotia.

ACCORDINGLY, Canada and Nova Scotia 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 Nova Scotia under subsection 23(2);

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

"Eligible clients" means unemployed and low skilled workers described in subsection 10(1);

"Eligible costs" means the program assistance costs and program administration costs incurred by Nova Scotia in providing assistance to eligible clients under its eligible programs during the period of the agreement;

"Eligible programs" means labour market programs provided by Nova Scotia described in section 9;

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

"LMA Management Committee" means the Committee established under section 29;

"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 31;

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

“Program assistance costs” means:

- (a) the costs of financial assistance provided by Nova Scotia under its eligible programs directly to, or on behalf of, eligible clients, and
- (b) the costs of financial assistance or other payments provided by Nova Scotia under its eligible programs to third party service providers for direct and indirect 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, or
- (ii) payments to public or private training institutions for training infrastructure costs and curriculum development costs, unless those costs are related to the delivery of eligible programs, including training, to 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 service delivery arrangements of Nova Scotia in relation to this agreement;
- (d) the labour market programs of Nova Scotia 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 Nova Scotia under this Agreement may be used;

- (e) the amount of funding to be provided by Canada to Nova Scotia each fiscal year during the Period of the Agreement; and
- (f) the accountability framework for the funding.

VISION, OBJECTIVES AND PRINCIPLES

- 3. Canada and Nova Scotia share a common vision to create, in Canada, the best-educated, most-skilled and most flexible workforce in the world.
- 4. Canada and Nova Scotia 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 development; and
 - (c) Efficiency - To facilitate workforce mobility and provide the information necessary to make informed labour market choices.
- 5. Canada and Nova Scotia 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 clients, to enhance the labour market participation of all Nova Scotians, 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, integrated approach to providing client-centered programs;
 - (d) Fairness – principle-based arrangements with Nova Scotia, 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 Nova Scotia agree that Nova Scotia has the primary responsibility for the design and delivery of labour market programs for individuals in Nova Scotia.
7. Canada and Nova Scotia agree that Canada will continue to promote an efficient and integrated national labour market in support of the national economy. Canada also will continue to provide federal programs for Aboriginal peoples, youth, older workers and persons with disabilities.
8. Canada and Nova Scotia 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.

ELIGIBLE PROGRAMS

9. Nova Scotia 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 connection, such as services to facilitate matching supply and demand and services that promote and enhance labour market efficiency.

ELIGIBLE CLIENTS

- 10(1) Nova Scotia 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) African Nova Scotians;
- (viii) new entrants and re-entrants to the labour market; and
- (ix) unemployed individuals previously self-employed;

and

- (b) employed individuals who are low-skilled, in particular, employed individuals who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills.

(2) In this Agreement, "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 Nova Scotia which are funded by the Canada Employment Insurance Commission under a Labour Market Development Agreement entered into between Canada and Nova Scotia pursuant to Part II (section 63) of the *Employment Insurance Act*.

11. Canada and Nova Scotia agree that although eligible clients include Aboriginal peoples, Canada will continue to provide its own labour market programs for Aboriginal peoples. Canada and Nova Scotia agree, through the LMA Management Committee referred to in section 29, to better coordinate the delivery of their respective programs for Aboriginal peoples.

12. Nova Scotia will offer eligible programs to residents of Nova Scotia. Nova Scotia agrees not to place a minimum residency requirement on individuals seeking assistance under the eligible programs being funded under this Agreement.

SERVICE DELIVERY ARRANGEMENTS

- 13(1) Nova Scotia agrees to provide the eligible programs through an integrated and client-centered service delivery network. This network will provide a coordinated system for accessing the labour market programs of all departments and agencies of Nova Scotia by individuals regardless of their particular needs or barriers and for making appropriate linkages with educational and training institutions and third party delivery agents.
- (2) Nova Scotia 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.
- 14(1) In developing and delivering its eligible programs, Nova Scotia agrees to ensure that the needs of the French language minority communities in Nova Scotia are addressed.
- (2) Nova Scotia 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 Nova Scotia where there would be considered to be a "significant demand," Nova Scotia 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

- 15(1) Subject to the terms and conditions of this Agreement, in each fiscal year during the Period of the Agreement, Canada agrees to make a contribution to Nova Scotia 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 Nova Scotia for the fiscal year; and

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

- (2) For the purposes of this section, the population of Nova Scotia for each fiscal year and the total population of all provinces and territories for that fiscal year are the respective populations as determined on the basis of the quarterly preliminary estimates of the respective populations on July 1 of that fiscal year released in September of that fiscal year by Statistics Canada.
- (3) Based on the Statistics Canada quarterly preliminary estimates of the respective populations on July 1, 2007, that notional amount of Canada's maximum contribution to Nova Scotia in fiscal year 2008/09 is \$14,199,000. Canada will notify Nova Scotia of the actual amount of the maximum contribution payable to Nova Scotia in fiscal year 2008/09, as determined under the formula set out in subsection (1), as soon as possible following the release in September 2008 of the population estimates referred to in subsection (2).
- (4) For fiscal year 2009/10 and each subsequent fiscal year during the Period of the Agreement, Canada will notify Nova Scotia at the beginning of the fiscal year of the notional amount of its maximum contribution payable under subsection (1) in that fiscal year. The notional amount will be based on the Statistics Canada quarterly preliminary population estimates on July 1 of the preceding calendar year. Canada will notify Nova Scotia of the actual amount of its maximum contribution in each of those fiscal years, as soon as possible following the release in September of each year of the Statistics Canada quarterly preliminary population estimates referred to in subsection (2).
- (5) Notwithstanding subsection (1), Canada may, subject to the approval of Canada's Treasury Board:
 - (a) permit Nova Scotia to retain and carry forward to the next fiscal year, ending in 2013/14, the amount of any contribution paid to Nova Scotia for a fiscal year under subsection (1) that is in excess of the amount of the eligible costs actually incurred by Nova Scotia in that fiscal year, and use the amount carried forward for expenditures on eligible costs in subsequent years throughout the Period of the Agreement, and
 - (b) re-profile the amount of any unpaid, federally committed portion of Canada's maximum contribution payable to Nova Scotia in a fiscal year, as determined under subsection (1), to the next fiscal year, and add that reprofiled amount to the maximum amount payable under subsection (1) to Nova Scotia in subsequent fiscal years over the Period of the Agreement ending in 2013/14.

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

amount payable to Nova Scotia under subsection (1) of this Agreement in the next fiscal year.

- (6) All amounts carried forward or reprofiled and paid to Nova Scotia, or both, pursuant to subsection (5) must be spent by March 31, 2014. Nova Scotia 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 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 21.

16(1) Canada's contributions shall be used solely for defraying the eligible costs.

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

17. 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.

18(1) Canada will make payments of its annual contribution in respect of Nova Scotia's eligible costs in two instalments each fiscal year. The first instalment will be paid on or about June 15 of each fiscal year and the second instalment will be paid on or about November 15 of each fiscal year.

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

- (3) The amount of the second instalment will be an amount equal to the balance of Nova Scotia'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 15.

19. If Nova Scotia has failed to provide its annual audited financial statement, as required under section 24 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 Nova Scotia provides the financial statement.

20(1) Subject to subsections (2) and (3), Nova Scotia agrees and undertakes that the funding provided by Canada under this Agreement shall not displace normal provincial funding levels on its labour market programs, but that such

funding shall be used to support incremental labour market program activities for eligible clients.

- (2) Canada and Nova Scotia agree that the undertaking in subsection (1) is not to be construed as preventing Nova Scotia from applying government-wide measures to control expenditures. Nova Scotia agrees that in the event of an expenditure control exercise, Nova Scotia would not disproportionately target activities funded under this Agreement.
 - (3) The undertaking by Nova Scotia under subsection (1) is also subject to the appropriation of sufficient funds by the Nova Scotia 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, Nova Scotia agrees to provide Canada with a report by an independent auditor that Nova Scotia has complied, in all material respects, with the requirements in subsections (1) and (2).
21. Nova Scotia shall repay to Canada any amounts paid to Nova Scotia in excess of the amount to which Nova Scotia 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

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

(i) Planning

Multi-year Plan

- 23(1) For realizing the vision and achieving the objectives of this Agreement, Nova Scotia 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 Nova Scotia as described in subsection (2).

Annual Plan

- (2) Subject to subsection (3), prior to the beginning of each fiscal year during the Period of Agreement, Nova Scotia agrees to develop and share an annual plan relating to its eligible programs with the Government of Canada, and make it public by October 1 each year. The annual plan shall include:
- (a) an environmental scan that provides a profile of the current labour market challenges in Nova Scotia;
 - (b) a description of the eligible clients who are to be targeted as priorities in the coming year;
 - (c) a description of the priority areas for programming and intended objectives;
 - (d) a brief description of the eligible programs, planned activities and projected expenditures for the coming fiscal year by priority area that are attributable to funding provided under this Agreement;
 - (e) the results expected for the planned activities referred to in paragraph (d); and
 - (f) a description of the consultation process referred to in subsection (4) and the types of groups consulted.
- (3) The annual plan for fiscal year 2008/09 shall be developed and shared with Canada within 30 days following signing of this Agreement or within such longer period as may be agreed to by the Designated Officials.
- (4) In developing each annual plan referred to in subsection (2), Nova Scotia agrees to consult with stakeholders, including business and labour representatives, community organizations and representatives of the official language minority community in Nova Scotia.

(ii) Financial Reporting

- 24(1) By no later than October 1 following the end of each fiscal year during the Period of the Agreement, Nova Scotia 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 Nova Scotia in relation to the eligible programs. The financial statement shall be prepared in accordance with Canadian Generally Accepted Accounting Principles and shall show:
- (a) the Program Assistance Costs incurred in respect of each eligible program during the fiscal year,

- (b) the total Program Administration Costs incurred during the fiscal year, and,
- (c) if applicable, the amount of any surplus funds being carried forward to the next fiscal year pursuant to subsection 15(5).

(2) The audit shall be performed by the Auditor General of Nova Scotia or his/her designate and shall be conducted in accordance with Canadian Generally Accepted Auditing Standards.

(iii) Performance Measurement

25(1) In order to measure performance of the eligible programs, Nova Scotia agrees to collect and compile, in accordance with Annex 2, the performance indicator information set out in Annex 2 about the eligible clients, the type of interventions provided under the eligible programs, and the outcomes of the interventions. For greater certainty, no personal information will be provided by Nova Scotia to Canada.

(2) Nova Scotia 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 Nova Scotia.

(iv) Public Reporting on Results

26(1) Canada and Nova Scotia 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, Nova Scotia agrees to report to the people of Nova Scotia on the results of the eligible programs achieved in the fiscal year. The report shall show separately the results attributable to the funding provided by Canada under this Agreement based on the performance indicators as outlined in Annex 2.

(3) Following the end of each fiscal year during the Period of the Agreement, Canada will report annually to Canadians on the aggregate results of the labour market agreements with provinces and territories based on the performance indicator information set out in Annex 2 collected and compiled by all provinces and territories and provided to Canada.

(v) Evaluation

27(1) Nova Scotia agrees to carry out an evaluation of the impact and effectiveness of the eligible programs and the funding provided in relation

thereto under this Agreement. The evaluation shall cover the period beginning on the date of signing of the Agreement and ending March 31, 2012 and shall be completed by March 31, 2013.

- (2) Nova Scotia shall advise Canada by notice in writing delivered on or before April 1, 2010 that Nova Scotia has selected that either:
- (a) paragraph (3) (a), or
 - (b) paragraph (3) (b),
- shall apply to, and form part of, this Agreement, and upon delivery of such notice the paragraph so selected shall apply to and form part of this Agreement.
- (3) Nova Scotia may carry out the evaluation in one or other of the following ways, at its option:
- (a) Nova Scotia may carry out the evaluation on its own. If Nova Scotia selects this option, it shall:
 - (i) develop an evaluation framework that adheres to commonly accepted evaluation practices and methodologies;
 - (ii) submit the evaluation design or framework for review and recommendations by an independent third party external evaluator;
 - (iii) before the evaluation is conducted, share the framework with Canada for discussion in the Joint Committee;
 - (iv) after the findings are obtained, submit the evaluation report to an independent third party external evaluator for review before it is finalized; and
 - (v) provide a copy of the evaluation report to Canada by no later than June 30, 2013.

The cost of the provincial evaluation will be the responsibility of Nova Scotia.

Or,

- (b) Nova Scotia may carry out the evaluation jointly with Canada. Where this option is selected, Canada and Nova Scotia agree to carry out the joint evaluation as follows. The Joint Committee:
- (i) will establish a Joint Evaluation Sub-Committee to prepare and sign off an evaluation framework that adheres to commonly accepted evaluation practices and methodologies;
 - (ii) submit the evaluation design or framework for review and recommendations by an independent third party external evaluator;
 - (iii) approve the contract to be entered into by Nova Scotia with the third party retained to carry out the evaluation;

- (iv) oversee the conducting of the evaluation according to the plan laid out in the framework;
- (v) after the findings are obtained, submit the evaluation report to an independent third party external evaluator for review before it is finalized; and
- (vi) provide a copy of the evaluation report to Canada and Nova Scotia by no later than June 30, 2013.

Nova Scotia 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 Nova Scotia.

YEAR 2 REVIEW

28. Canada and Nova Scotia 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.

LABOUR MARKET AGREEMENT (LMA) MANAGEMENT COMMITTEE

29(1) Canada and Nova Scotia agree to establish a Canada-Nova Scotia LMA Management Committee.

(2) The LMA Management 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. Where appropriate, the parties agree to schedule meetings of the LMA Management Committee to take place in conjunction with meetings of the Canada-Nova Scotia LMDA Management Committee.

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

(4) The role of the LMA Management 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 28;

- (c) where Nova Scotia has elected under paragraph 27(2)(a) to carry out its own evaluation of the eligible programs under paragraph 27(3)(a), reviewing the evaluation framework referred to in subparagraph 27(3)(a)(iii);
 - (d) where Nova Scotia has elected under paragraph 27(2)(b) to carry out an evaluation of its eligible programs jointly with Canada, establishing the Joint Evaluation Sub-Committee referred to in subparagraph 27(3)(b)(i) and overseeing the conducting of the evaluation;
 - (e) discussing Nova Scotia's draft annual plans and reports;
 - (f) maintaining linkages with the planning processes under any Canada-Nova Scotia 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, services and policies as well as broader developments in the labour market.
- (5) Decisions of the LMA Management Committee will be made by consensus. If consensus cannot be reached, the Committee will follow the dispute resolution process set out in section 33.

PUBLIC ACKNOWLEDGEMENT OF FEDERAL FUNDING

30. Canada and Nova Scotia agree on the importance of ensuring that the public is informed of their respective roles under this Agreement and, in particular the financial contribution of Canada to Nova Scotia's eligible programs. Canada and Nova Scotia agree to provide information to the public in accordance with Annex 3 to this Agreement.

PERIOD OF THE AGREEMENT AND EFFECTIVE DATE OF FUNDING

31. This Agreement shall come into force when it is signed by both parties and shall terminate on March 31, 2014 unless it is terminated earlier in accordance with section 34.
32. Notwithstanding the termination of this Agreement, the obligations of Nova Scotia under sections 21, 24 and 26 of this Agreement shall survive any termination and shall remain in force until they are satisfied or by their nature expire.

DISPUTE RESOLUTION

- 33(1) Canada and Nova Scotia 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 Nova Scotia 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 Nova Scotia, as the case may be, may notify the other party in writing of the failure or breach. Upon such notice, Canada and Nova Scotia 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 Labour and Workforce Development, and if it cannot be resolved by them, then Canada's Minister of Human Resources and Social Development and Nova Scotia's Minister of Labour and Workforce Development shall endeavour to resolve the dispute.

TERMINATION

34. Either Canada or Nova Scotia may terminate this Agreement at any time without cause by giving 12 months' written notice of its intention to terminate.
35. Upon termination of the Agreement under section 34, Canada shall have no obligation to make any further payment to Nova Scotia in respect of eligible costs incurred after the date of termination.

EQUALITY OF TREATMENT

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

ANNEXES

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

AMENDMENTS

38(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 Nova Scotia, by Nova Scotia's Minister of Labour and Workforce Development.

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

GENERAL

39. This Agreement, including Annexes 1 to 3, comprise the entire agreement entered into by the Parties with respect to the subject matter hereof.

40. This Agreement shall be interpreted according to the laws of Canada and Nova Scotia.

41. This Agreement has been drafted in both official languages. However, the parties agree that the English version shall be the official version.

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

at Dartmouth this 13th day of June, 2008.

Witness

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

SIGNED on behalf of Nova Scotia by the Minister of Labour and Workforce Development,

at Dartmouth this 13th day of June, 2008.

Witness

The Honourable Mark A. Parent,
Minister of Labour and Workforce
Development

ANNEX 1

Canada-Nova Scotia Labour Market Agreement Multi-Year Implementation Plan

Environment:

Nova Scotia's workforce is being affected by significant demographic changes. According to the 2006 Census, Nova Scotia's population grew a modest 0.6% over the previous five-year period, compared to national growth of 5.4%. Factors such as a declining birth-to-death ratio and low growth in net migration played a role.

Between 2001 and 2006, the population under age 25 declined 6.5%. At the same time, the population aged 65 and over increased by an alarming 9.2%. With an increasing rate of exit (retirements) and decreasing rate of new entrants (declining youth population), the dynamics and conditions in the labour market and workplace will evolve.

For the third consecutive year, Nova Scotia has experienced a net loss of population to other regions in Canada (-2,401 in 2006/07). Alberta received 35% of out-migrants from Nova Scotia in 2006/07. This number has doubled since 2001/02.

In Nova Scotia in 2007, the labour market rebounded with growth in the labour force and full-time employment. Labour force growth was dominated by older worker entrants, as younger workers exited the labour force.

To some extent, these age-related labour force trends may correlate with interprovincial migration trends – in recent years, Nova Scotia has experienced a net loss of its younger population and a net gain of its older population to/from other regions. As the demographic profile of Nova Scotia changes, labour productivity and labour input will become increasingly important determinants of the province's future performance.

Labour productivity in Nova Scotia grew above the national average in 2006 at 1.4% (versus 1.0% nationally); however, the province's labour productivity remains at 16.5% below the national average (ranking third lowest among the provinces).

Growth in labour input is affected by factors such as the size of the working-age population, labour force participation, work intensity and human capital. Growth in labour input can be viewed in terms of quantity and quality. The first three factors primarily impact the quantity of labour input, whereas the latter impacts the quality. Given that our aging population may limit future labour supply (in

terms of quantity), education and training will play a vital role in improving the quality of an hour worked, thereby supporting continued economic growth.

Employment in Nova Scotia grew a modest 1.3% in 2007 reaching 447,600, which is the strongest annual growth since 2004.

Nova Scotia has the second lowest labour force participation rate in Canada, next to Newfoundland and Labrador, at 63.7% in 2007. After two consecutive annual declines, Nova Scotia's labour force rebounded in 2007 growing 1.4% to 486,700. Given working-age population growth in 2007 was almost nil (0.2%), the growth in the labour force appears to be the outcome of increased labour force participation. The labour force lost younger workers and gained older workers in 2007. Unfortunately, the data do not shed light on the motivations behind these trends.

The unemployment rate in Nova Scotia increased slightly in 2007 from 7.9% to 8.0%, reflecting stronger growth in the labour force relative to employment. From a long-term perspective, the unemployment rate in Nova Scotia is considerably lower than in previous decades, which is partly because the province is moving away from employment in highly seasonal industries such as agriculture and fishing. Nova Scotia's unemployment rate is the third highest in Canada at 8.0%, compared to a national rate of 6.0%

There is a clear trend toward a concentration of employment in services-producing industries both in Nova Scotia (80.3% in 2007) and at the national level (76.3% in 2007). Based on 30 years of data, employment in Nova Scotia has always been more concentrated in services-producing industries than the Canadian average, despite a strong history and livelihood in primary producing industries such as agriculture, forestry and fishing.

Despite unfavourable global economic conditions (e.g., a strong Canadian currency and weakening U.S. economy), employment in goods-producing industries rebounded by 2,500 (+2.9%) in Nova Scotia in 2007. Goods-producing employment at the national level slowed down in 2007 with growth of only 0.2%. In 2007, agriculture (+900), manufacturing (+2,300) and utilities (+100) drove the upward trend in goods employment, while forestry, fishing, mining, oil and gas (-500) and construction (-100) experienced slight declines.

The impact of recent plant closures in non-durable goods manufacturing in Nova Scotia in mid-to-late 2007 will only partially effect the annual employment number; the full impact of the losses will be more evident in 2008 data. In addition, Nova Scotia saw annual growth in employment in plastics and rubber products and electrical equipment and component manufacturing.

Growth in employment in the services-producing sector in 2007 was moderate at 0.9% (+3,200), which fell far short of the national average service sector growth

of 3.0%. In Nova Scotia, the growth was dominated by industries such as educational services (+1,600), health care and social assistance (+2,400), information, culture and recreation (+3,200) and finance, insurance, real estate and leasing (+900). Service industry losses were observed in trade (-1,200), business, building and other support services (-1,700), public administration (-1,100) and professional, scientific and technical services (-900).

Educational attainment in Nova Scotia is comparable to the rest of Canada. The share of Nova Scotia's population aged 25-64 with a post-secondary diploma, certificate or degree is just short of the national average (59.8% versus 60.3%). In contrast, Nova Scotia has a higher share of its population without a high school diploma than the national average (16.3% versus 13.4% nationally). From a long-term perspective, educational attainment rates have been steadily improving in Nova Scotia and across Canada.

Those with a higher level of educational attainment are more likely to be employed. For Nova Scotia, 82.2% of individuals, aged 25-64, with a university degree are employed, compared to only 50.2% for those with less than a high school diploma. The employment rates for Nova Scotia fall short of the national average at all levels of educational attainment, especially at the below high school level (50.2% versus 57.3% nationally).

Background:

The Province of Nova Scotia has long been committed to the provision of supports and services to its most vulnerable citizens. Included in that commitment is an understanding that for those citizens able to make an attachment to the workforce, there are positive long term outcomes that result across a range of determinant areas such as improved income, health, and well-being.

Although restrained by its fiscal capacity to fully address the labour market needs of these Nova Scotians, the province has a history of providing a wide range of required services in the related areas of social supports, income, education, and labour market attachment. The fiscal resources provided through the LMA agreement can serve to augment the existing activity of the Province of Nova Scotia, as well as allow for and encourage the exploration of new programs and services.

While significant investments are being made in the labour market needs of citizens by the Province, there remain unmet demands within the community. This LMA allows the Province to target new investments to unemployed individuals who are not eligible for Employment Insurance and to low-skilled employed individuals. Further details on priorities, activities, and expected outcomes will be provided in each year's Annual Plan.

Client Access and Service Provision

In Nova Scotia there is a comprehensive set of labour market services available to citizens who fall under the traditional federal definition of unemployed citizens. Through the use of Employment Insurance funding, the federal government has established a foundation of services to support these clients in their search for transitional employment supports.

Nova Scotia finds itself however in the situation of needing to significantly improve the labour force participation of a number of currently under-represented populations within the province. For example, groups such as Aboriginal people, visible minorities (including African Nova Scotians), persons with disabilities, and recent immigrants are all significantly under-represented in the workforce. Activities to support increased workforce participation are traditionally very challenging to support through Employment Insurance-funded supports, particularly when the interest is to reach clients who while unemployed, have no attachment to Employment Insurance. The province would like to see an improved equity of access to labour market programs and services to clients regardless of income attachment.

This improved access is equally important to working citizens who face workplace challenges due to skill limitations and barriers. In the current EI-based system, there is very limited access to supports, services, and even information systems to support them in making appropriate career decisions which support continued and improved attachment and advancement in the labour market.

This improved access can happen through numerous channels. Part of this effort will be to address current system and program shortfalls associated with high demand areas of programming. In some of these areas, such as immigrants to the province and Aboriginal people, the Province has not had the fiscal capacity to put a robust set of labour market services in place.

The provision of new or enhanced services requires that those programs are integrated with existing programs and that the ability exists to take a single client view to service delivery and the tracking and measurement of client outcomes.

It is also important that community-based partners in the province feel well supported in dealing with these enhanced services and access for clients. That service will need to have as a fundamental component enhanced service delivery and accountability processes. The existing system in use by most agencies is Contact IV, which is unlikely to be supported by HRSDC in the long term.

To support these requirements of enhanced accountability, improved service delivery, and better access by third party agencies and clients, the Province will dedicate a portion of the LMA funding to support the creation of an IT/IM system that will support an appropriate level of service delivery structure to ensure both client and governmental outcomes.

Labour Market Skills Development

As can be seen from the environmental scan, clients with a higher level of education are more likely to be employed. There is also a correlation between level of education and a higher income level. The province recognizes this demand and invests significant funding in the provision of literacy supports. It is clear that literacy is the foundation underpinning the ability of clients to successfully access higher levels of education and training.

There is still significant unmet demand in the area of skills development. Further literacy supports for specific groups such as social assistance recipients and working clients are under constant pressure, as are supports such as essential skills upgrading for clients entering apprenticeship training modules.

It is also clear however that there is a very significant demand for occupational skills development from clients that have traditionally not been able to access EI-funded Skills Development programs. Social assistance clients, youth leaving the provincial care system, recent immigrants, and a range of other clients who have not yet attached to the labour force, and who also face high socioeconomic needs are excellent candidates to take advantage of increased opportunities to access labour market skills development.

The Province is also interested in exploring delivery methods and locations for skills training that would see a higher engagement by other stakeholders in the process. Traditionally skills development activity has been based on classroom style engagement over longer periods of time. The Province is interested in extending its virtual learning technology, mixed skills and work experience models, and developing opportunities in workplace-based learning.

Workforce Attachment and Retention

The new department of Labour and Workforce Development would like to work more closely with employers, unions, and industry associations to explore potential mechanisms that would see a cultural shift toward learning and skills development as part of an Employer of Choice program within the province. The process would actively facilitate the attachment and retention of labour market participants to workforce activity through employer associated engagement programming.

In Nova Scotia the employers have not made a significant adjustment moving from a perspective of the traditional approach of high supply side availability of human resources within the labour market.

Nova Scotia would like to undertake programming in this area of employer engagements with groups that have traditionally been under-represented in the labour force such as new immigrants, aboriginals, African Nova Scotians, etc. This would involve a range of activities such as improved recruitment processes,

active workplace transition strategies such as workplace coaches, and a more focused use of transition programming which combines education, work experience, mentoring, and workplace accommodation.

Workforce Development

In Nova Scotia the slow population growth and low youth entry trends mean that a significant percentage of the workforce of today is also going to be the workforce of tomorrow. Development of this existing workforce will be a critical component of future labour force stability and versatility for the province. The Province would like to work to develop the skills of low-skilled workers already in the workforce, and the capacity of the workforce community to support those workers.

These low-skilled workers are most vulnerable to labour market adjustments and fluctuations. They encounter challenges both in the retention within companies undergoing such changes and also in making attachment to other work should they be affected by an adjustment.

In addition, as the province struggles with labour productivity, it can be clearly shown that investments in essential and occupational skills for employees increases productivity at a far greater rate than investment in technology and infrastructure. Working with employers on recognizing and supporting groups of employees in appropriate workplace-based settings is an evolving interest of the province.

Financial Investment Levels

The actual investments in the various elements is an important component in the overall consideration of the implementation planning. The high degree of flexibility that is desired in reaching this client group, the changing nature of the Nova Scotia labour market and economic conditions, the significance that labour market adjustments can have in an economy of this scale, and the impact of external forces such as trade and mobility issues are all influences on the actual investment and allocation levels that would take place. The province intends to hold an annual review and planning process regarding LMA funds resulting in detailed budgets developed each fiscal year. These would take into consideration all of these factors prior to finalizing the allocation for the year.

LMA Priority	Client access and service provision	Labour Market Skills Development	Workforce attachment and retention	Workforce Development
Outcome Sought	<p>Improve equity of access to clients regardless of income attachment.</p> <p>Address system and program shortfalls associated with high demand areas.</p> <p>Ensure integration of new programs and ability to support and measure client outcomes.</p>	<p>Increase the essential and occupational skills capacities of individuals and the system to support better transition readiness for clients.</p>	<p>Actively facilitate the attachment and retention of that attachment for labour market participants to workforce activity through employer associated engagement programs.</p>	<p>Work to develop the skills of low-skilled workers already in the workforce, and the capacity of the workforce community to support those workers.</p>
	\$ '000,000	\$ '000,000	\$ '000,000	\$ '000,000
Year 1	6	4.1	2	2
Year 2	6	4.1	2	2
Year 3	3	5.1	3	3
Year 4	3	5.1	3	3
Year 5	2	5.1	4	3
Year 6	2	5.1	4	3

ANNEX 2
PERFORMANCE INDICATOR INFORMATION
(Section 25)

1. Canada and Nova Scotia acknowledge that groups who are underrepresented in the labour market often have multiple barriers that are affected only in part through labour market interventions, and that these multiple barriers must be taken into account in interpreting and reporting to the public the results of labour market interventions provided to such clients.
2. Subject to sections 3 and 4 of this Annex, Nova Scotia 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 information to Canada, in a format and manner to be decided jointly by Canada and Nova Scotia, no later than five months following the end of each fiscal year:

(i) Eligible Client indicators

- (a) Total number of eligible clients served/in training by employment status (that is, employed, unemployed, self-employed).
- (b) Education level of eligible clients prior to intervention, as follows:
 - Number of clients served with less than high school
 - Number of clients served with high school
 - Number of clients served with post secondary education
- (c) Number of eligible clients served in an intervention by designated client group (that is, Aboriginal peoples, immigrants, older workers, persons with disabilities, women, youth)

(ii) Service Delivery Indicators

- (a) Number of eligible clients participating in interventions by intervention type
- (b) Proportion of eligible clients “satisfied” with service received upon completion of the intervention

(iii) Eligible Client Outcome and Impact Indicators

- (a) Proportion of eligible clients who have completed their intervention, by intervention type.

- (b) Proportion of eligible clients who, 3 months and 12 months after leaving the intervention, are:
 - (i) employed,
 - (ii) unemployed, or
 - (iii) continuing in an intervention
 - (c) Proportion of eligible clients who, 3 months and 12 months after leaving the intervention, indicate their training helped prepare them for future employment
 - (d) Number of eligible clients who have earned credentials or certification through participation in the intervention.
 - (e) Average hourly earnings of eligible clients following the intervention.
3. The parties agree to work together to make any necessary refinements or adjustments to the descriptions of the performance indicators to address any issues that may arise with respect to their meaning, scope or application. These issues will be referred to the Joint Committee for discussion. Any agreed change to the wording of the description of a performance indicator will be made by way of an amendment to section 2 of this Annex in accordance with subsection 38(2) of this Agreement.
4. The parties acknowledge that Nova Scotia 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, Nova Scotia 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. The parties acknowledge that Nova Scotia's ability to collect and compile information about eligible clients must be done in accordance with the laws of Nova Scotia including the *Freedom of Information and Protection of Privacy Act*. This means that Nova Scotia may not be able to collect certain information without self-identification, voluntary response or consent of clients. Nova Scotia agrees to make best efforts to encourage eligible clients to self-identify, voluntarily respond or provide any 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 Management Committee.

ANNEX 3
PUBLIC INFORMATION
(Section 30)

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

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