

The Canada / Newfoundland and Labrador  
Labour Market Development Agreement



**Business Plan**  
**2005-06**  
**and Beyond**

*Working in Partnership*



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## **A Message from the Co-chairs**

There have been significant changes in the last few years within both the federal and provincial departments that are LMDA partners, but we are all moving ahead with revitalized mandates. In the coming year we will continue the work begun when the Canada-Newfoundland and Labrador Labour Market Development Agreement (LMDA) started over eight years ago. During that time we have learned a few things. In particular, we know that there are no easy answers to the challenges of labour market planning. We also understand that our creativity is constantly tested as we try to come up with practical solutions. On the positive side, our Agreement's management structure is conducive to getting problems brought to the discussion table in a timely manner. The open communication between our two orders of government is a hallmark of our Agreement. Our challenge in 2005-06 will be to continue to deliver high quality service to our clients while ensuring full participation of partners at all levels of the planning process.

Our Agreement is now at the point where we will begin exploring the area of Innovations. To this end, a sub-committee of senior federal and provincial officials has been established to consider new approaches to various aspects of service to clients. The committee will be asked to look at the manner in which both provincial and federal partners are carrying out their respective mandates. In this role they will try to make sure that our best practices are, in fact, *best* practices. They will also examine whether there are more efficient ways to assist clients. We look forward to hearing the committee's eventual findings as we strive to find better ways to fulfill our mandate.

This year we are asking our officials to give priority to Social Assistance Recipients. We want to ensure that these clients receive program interventions that are geared towards opportunities for lasting employment. Wherever appropriate, our aim is to encourage these individuals to be fully aware of their options under benefits like Skills Development, Self-Employment and Targeted Wage Subsidies. In brief, our message is that our support is there to help them reach their job preparedness objectives. We challenge you all to focus on those interventions that best support this group's long-term attachment to the labour force.

Since we started working together in 1997, our joint efforts have enabled many clients to take part in the labour force. Whether our programs helped individuals acquire skills for a specific job or gave them a chance to use the skills they already had, we brought them a step further on the road to independence. This year we will again strive to offer career counselling options, devise training appropriate for remote areas, and give better support to employers. We look forward to making even greater strides as we continue to help people achieve their career goals.

Sincerely

Michael Alexander and Rebecca Roome



## Purpose of the Business Plan

The 2005 – 2006 Business Plan of the LMDA outlines strategic priorities to assist labour market partners in responding to local human resource requirements and implementing labour market adjustment measures. It also offers broad guidelines for districts in developing their operational plans. While an internal document, it can be used in consultations with external stakeholders. The plan will be monitored through progress reports presented to the Management Committee by district committees on a semi-annual basis.

## LMDA Mission

*The Canada/Newfoundland and Labrador Labour Market Development Agreement partners, working with individuals, communities and other stakeholders, will strive to help clients meet measurable and achievable educational and employment goals. The labour market partners will work in partnership in the design and management of Canada's Employment Benefits and Support Measures and the National Employment Service in a manner complementary to Newfoundland and Labrador's labour market programs and services.*

## Introduction

In March 1997, with the signing of the Canada/Newfoundland and Labrador Agreement on Labour Market Development, the governments of Canada and Newfoundland and Labrador agreed to jointly manage, plan and design the Employment Benefits and Support Measures (EBSMs) and the National Employment Service (NES) in the province. The federal government retained its financial and program delivery responsibilities.

The Agreement's programs and services are designed to:

- Further federal and provincial labour market objectives and priorities.
- Increase the labour market participation of employable persons, particularly those reliant on public income supports.
- Remove barriers to labour market participation experienced by eligible persons not fully represented, including persons with disabilities, women, youth, Aboriginals and income support clients with Employment Insurance "reach back" status.
- Foster an entrepreneurial climate.
- Facilitate joint federal/provincial identification of labour market policy issues, themes, initiatives and other labour market matters of interest to both orders of government.
- Strengthen partnerships among labour market stakeholders including employers, workers and community based organizations.

The introduction of a province-wide business planning process in 2001 has enabled LMDA partners to focus on key labour market priorities in Newfoundland and Labrador. The province wide plan outlines medium to long – term strategic directions and annual priorities with more concrete actions emanating from the districts' operational plans. The process has been strengthened through major initiatives supported by the LMDA such as pan-provincial research projects to identify skills gaps in the labour market and develop a baseline of key labour market indicators, challenges and opportunities. These initiatives have produced valuable information, enabling a more strategic approach to unique labour market issues and opportunities in Newfoundland and Labrador. A summative evaluation, to be finalized this year, should provide further details on best practices, key challenges and opportunities for progress.

## Structure and Management

The LMDA is co-managed by a number of committees at the corporate and district levels. The corporate management committee comprises senior federal and provincial officials with human resource, education and economic development mandates. The committee is co-chaired by the provincial Department of Human Resources, Labour and Employment (HRLE) and the federal Department of Human Resources and Skills Development Canada (HRSDC). A federal/provincial LMDA Secretariat provides executive support to the management committee and advice to district and working committees on LMDA issues.

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The province is divided into four districts: Avalon, Central, Western and Labrador. Each district has a co-managed structure, similar to the corporate management committee, with HRLE and HRSDC officials as co-chairs. Other federal/provincial partners are involved in the LMDA process at the district committee level and include the Atlantic Canada Opportunities Agency (ACOA), Industry Canada, College of the North Atlantic (representing education) and the provincial Department of Innovation, Trade and Rural Development (INTRD). Social/economic development organizations, represented through the Regional Economic Development Boards (REDBs) and the Department of Labrador and Aboriginal Affairs, also play a significant role in the consultative and assessment processes.

Several other working committees, federally and provincially co-chaired, have been put in place by the management committee to gather and provide labour market information and to develop policy and program positions:

- Skills Development
- Labour Market Information
- Evaluation
- Communications
- Pan Provincial Review Assessment
- Industrial Adjustment Services.

The management committee membership at the corporate and district levels is depicted in Appendix 1. The district structure of the LMDA is depicted in Appendix 2.

## LMDA Programs and Services

The LMDA offers a range of programs and services designed to prepare and assist clients to find work, maintain employment and reduce their dependence on insurance benefits and other income supports. A brief description of programs and services is noted in Appendix 3.

## Consultation

Labour market partners support community consultation on an ongoing basis to help achieve the objectives of the LMDA. The consultative process assists in determining local area priorities and developing plans. As well, the management committee periodically invites organizations from both the public and private sectors to make presentations on issues and strategies relevant to labour market development.

## Environmental Scan

### Economic and Labour Market Overview

The province's economy improved dramatically over the past several years, growing at an annual average rate of 5.9% between 1996 and 2004. Strong growth in exports and consumer expenditures in concert with the emergence of the offshore oil industry and the diversification of the fishery (more heavily into shrimp and crab) have been the main catalysts.

Although employment growth has been strong since 1996, the province's unemployment rate remains the highest in Canada at 15.6% due to the fact that the labour force grew in concert with employment. Potential workers who were formerly "discouraged" due to a perceived lack of job opportunities re-entered the labour market as employment increased. This is evident by the increase in the labour force participation rate from 52.2% in 1996 to 59.3% in 2004.

All four Labour Force Survey regions in the province have experienced positive employment growth since 1996 (see Chart 1). The Avalon Peninsula (which includes the St. John's Census Metropolitan Area (CMA)) accounted for 60% of the employment growth (16,500 person years).

<b>Labour Market Indicators: Newfoundland and Labrador</b>					
<b>Indicator</b>	<b>1989</b>	<b>1996</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Employment	206,200	187,700	207,400	212,400	215,200
Unemployment	37,800	44,200	41,300	41,700	39,800
Labour Force	244,000	231,800	248,700	254,100	255,000
Unemployment Rate (%)	15.5	19.1	16.6	16.4	15.6
Employment Rate (%)	47.3	42.3	48.6	49.5	50.1
Participation Rate (%)	56.0	52.2	58.3	59.3	59.3

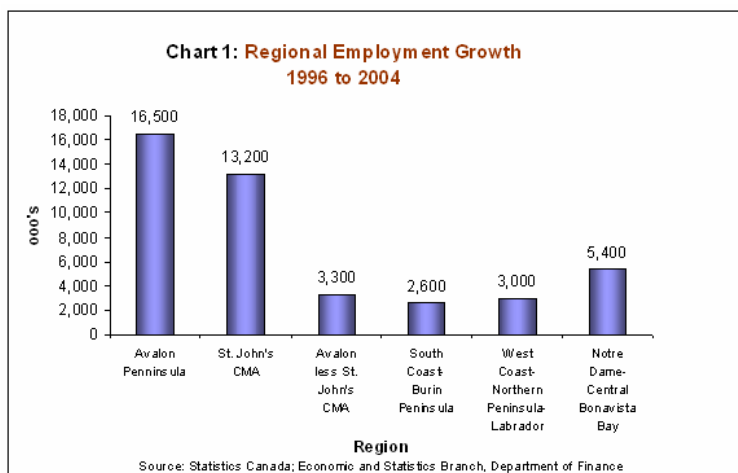
Source: Statistics Canada, Economics and Statistics Branch, Dept. of Finance



Positive growth was also experienced in the West Coast-Northern Peninsula-Labrador Region (3,000), the Notre Dame-Central Bonavista Bay Region (5,400) and the South Coast-Burin Peninsula Region (2,600). Although all regions experienced growth since 1996, current employment levels in all regions (with the exception of the Avalon Peninsula) are lower than they were prior to the cod moratorium.

## 2004 Performance

The provincial Department of Finance estimates that the provincial economic growth decelerated to 1.4% last year following several years of rapid expansion. Retail trade totaled \$5.72 billion, an increase of 0.8% over 2003. Housing starts were up 6.6% to 2,870 units, their highest level since 1991. Offshore oil production declined by 6.7% to 114.8 million barrels. Capital investment hit a record level of \$4.2 billion in 2004, an increase of 13.8% over 2003, driven by development activity related to the White Rose and Voisey's Bay projects.



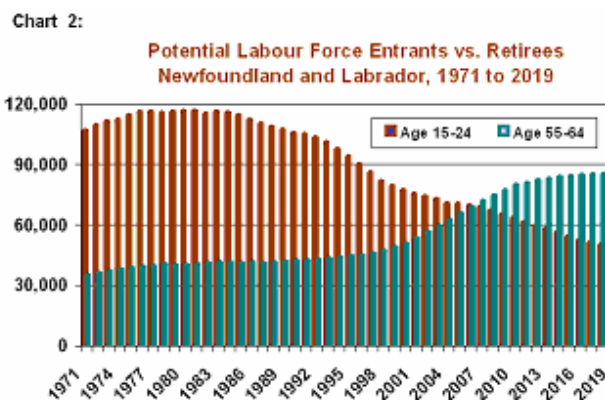
## Other Labour Market Considerations

Continued improvement in the province's labour market is evident from a number of indicators (see Table 1). However, it is necessary to increase individuals' access to employment opportunities and employers' access to a sufficient supply of skilled workers in order to continue to grow the economy and enhance our overall standard of living.

Recently the provincial government carried out research to support the identification of labour market issues/challenges within the province. Key findings from this research that must be considered in developing and implementing labour market interventions include:

### Changing Demographics

- Demographic data indicates that significant labour market adjustments are necessary over the next couple of decades. According to Census data, between 1991 and 2001 the population in the province actually declined by 9.8%. Furthermore, it is anticipated that the number of deaths in the province will soon exceed the number of births.
- The provincial labour force is getting older and aging faster than the rest of Canada. Between 1986 and 2001 the number of younger workers in the province (24 years and younger) declined by 39%. The number of young people available to enter the labour force will continue to decline sharply, the result of declining births over the past two decades. Between 2004 and 2019 the number of 15 to 24 year olds is expected to decrease by 30% and the number of 25 to 44 year olds is expected to fall by 24%.
- Between 1986 and 2001 the number of older workers (45-54 years) in the province increased by 82%. According to the Newfoundland and Labrador Statistics Agency (NLSA) Labour Activity Survey, there were about 47,000 workers who were 50 years and older in the province in 2002 and approximately 70% of these plan to retire by 2012, 90% by 2016 and the remainder by 2023. There are many others in the 40 to 49 years age cohort who may also retire over this same time period.
- It is anticipated that by 2019 there will only be 6 persons aged 15 to 24 (potential labour force entrants) for every 10 potential retirees (55 to 64 year olds).
- Regional population shifts will further accelerate population aging in certain areas. For example, for Economic Zone 6 on the Northern Peninsula which includes St. Anthony, the population aged 15 to 24 years declined by 52% between 1991 and 2004 and is expected to decline by a further 19% between 2004 and 2010. In Economic Zone 14, which is part of the province's central region including Gander, the population aged 15 to 24 years declined by 40% between 1991 and 2004 and is expected to decline by a further 14% between 2004 and 2010. In Economic Zone 19, which encompasses the Northeast Avalon including St. John's, the population declines of young adults have been and are expected to remain less pronounced than in other areas of the province. In this area, the population aged 15 to 24 years declined by 18%





between 1991 and 2004 and is expected to decline by only 3% between 2004 and 2010.

- Low fertility and immigration rates are also contributing to population aging. Traditionally, out migration among the province's young adults continues to be an influence. Although out-migration has slowed in recent years, findings from the 2002 Labour Activity Survey suggest that there is still a high propensity for out-migration among the current population.

### Education

- The levels of formal educational attainment for the province have been rising faster than those in the rest of Canada.
- Employment outcomes for those in the province with higher levels of education are greater.
- *There is a concern about the increasing numbers of Memorial undergraduates finding employment outside of the province. In 2001, 40% of respondents surveyed five-years after graduation were working in other provinces.* This concern is reinforced by changing patterns of out-migration. Between 1996 and 2001 the proportion of out-migrants with a post-secondary education increased from 21% to 55%, and the proportion of out-migrants with a university degree increased from 11% to 30%.
- While provincial high school graduation rates and post-secondary enrolments have increased, educational levels in the prime working-age population (25 to 54 years) have not increased proportionately; a gap remains when compared to the rest of Canada. In this province, a higher proportion of the prime working-age population has less than high school education and a lower proportion have university degrees. Increases in the educational levels of the younger population (25 to 34 years) are greater than those occurring in the older working-age population (35 to 54 years).
- *Lifelong learning and workplace-based training will increasingly play an important role in skills upgrading and development among the working-age population, especially for those over 25 years of age.* According to a 1998 survey, 19% (the lowest proportion in the country) of Newfoundlanders and Labradorians reported that they participated in adult education and training programs.





### Growing a Knowledge-based Economy

- A key driver for the knowledge-based economy is research and innovation activity, largely associated with private sector manufacturing firms engaged in new product and technological development. Occupations in this sector often require a university-level education such as engineers, scientists, teachers and accountants.
- Between 1991 and 2001 the percentage of the labour force in occupations requiring a university degree in this province increased by seven percent, much lower than the national average growth rate of 33%, and less than one-half the growth rate of these occupations in other Atlantic provinces.
- In 2003 secondary manufacturing accounted for 37% of employment within the goods-producing sector, as compared to 59% for Canada and 68% for provinces like Ontario.
- Furthermore, the 2002 Labour Activity Survey found that 64.6% of the labour force with university degrees classified themselves as working in the public sector versus the private sector.
- A lack of opportunity in the private sector and fiscal restraints in the public sector may play a role in the increasing out-migration of youth with higher levels of education.

### Rural and Urban Differences

- Characteristics of the rural labour markets significantly influence provincial labour market outcomes. Approximately 45% of the provincial labour force is in rural areas of the province. While this is comparable to other Atlantic provinces, it is much higher than Canada as a whole where 19% of the labour force is in rural areas.
- Labour market indicators in urban centers (for example St. John's, Gander, Grand Falls-Windsor, Corner Brook and Labrador City) are comparable to those of other urban centers in Canada.
- In rural areas, indicators such as education levels, employment, unemployment, participation rates and income levels are much lower when compared to urban areas. The rate of out-migration is higher, growth is occurring in occupations requiring much less formal education with lower rates of pay, the population is aging faster than those in the rest of the province and work patterns are much more seasonal. In 2001 this province had the highest proportion of part-year workers in the country at 54%. Typically, in rural areas, 68% of workers are in part-year jobs.



Winterhouse, Port au Port Peninsula

### Duration of Work

- Full-year employment and the average number of weeks worked during the year have been increasing since 1990; however, the number of different people working and participating in the labour market over a year remains at about 1990 levels.
- Increases in employment and participation are the result of more work available during the year and people working longer during the year as opposed to increases in the actual number of different people working.
- The average monthly unemployment rate is the highest in the country at 16.7% in 2003. The 2002 Labour Activity Survey found that 95% of people who look for work, find it, although it may only be short-term in nature.
- In the context of labour force participation and employment over the year, these findings suggest that labour markets may be tighter than perceived and that the employment issues in the province relate to duration issues and the total number of available jobs.

### Wages and Income

- The average weekly wage rates in the province have increased by 12% between 2000 and 2003 to \$588. This wage rate is lower than the national average of \$633 but higher than that in the other Atlantic Provinces and Manitoba.
- *The average weekly wage rates in the service sector, which accounts for 79% of employment in the province, was \$554 in 2003, among the lowest in Canada.*
- In this province, wage rates were higher for occupations in the professional, scientific and technical services industries, which accounts for a lower proportion of employment in the services sector.
- Average weekly wage rates in the goods-producing sector were the fifth highest in the country in 2003. Wage rates in the primary sector were \$716, higher than the Canadian average of \$641.
- According to the Census, the average employment income has increased by almost 23% since 1985 to stand at \$31,757 in 2000. Average real employment income in Canada increased by 12% in this same period.

### Social Economy



- The social sector, often referred to as the third sector in the economy, is comprised of both paid and volunteer individuals involved in a broad array of activities throughout the province. The social economy provides a diverse range of services, resulting in employment opportunities through volunteer networks at the community level.
- This sector also plays a key role in forming human and social capital. Participation in voluntary community-based organizations (VCBOs) has long been an activity in which people build skills, meet new people, hone leadership talent and build networks, an essential element of the new knowledge-based economy.
- The number and range of groups in the province's social sector are growing. In 2002, 4,000 non-profits existed in 528 communities across the province. Of these, 1,100 are registered charities, 2,000 are registered as non-profits with the provincial government, and over 75% exist outside the St. John's and Mount Pearl area.
- *Like other sectors, the social sector is facing significant human resource challenges, both in terms of its volunteers and employees. Some of these include: a diminishing base of volunteers and voluntary leadership; uncoordinated volunteer recruitment and inadequate retention practices; barriers to volunteering (exclusion, lack of inclusiveness); insufficient staff and volunteer training and development; and, high turnover of employees.*

### **Participation in the Labour Market<sup>1</sup>**

Another research initiative undertaken by the provincial government included an extensive literature review of *barriers to participation in the labour market and best practices to address these barriers*. Key findings from this research were validated with key stakeholder groups and include:

- In 2003, 40% of the working-age population did not participate in the labour market; 30% of those aged 25-54 were not in the labour force. Many others have only a marginal attachment to the labour market and often access income security programs such as the Employment Insurance and the Income Support programs to supplement employment earnings during the year.
- Groups that have traditionally faced barriers to participation include women, persons with disabilities, youth, persons in receipt of Income Support and single parents, Aboriginal persons and immigrants. However, barriers are also arising for other groups such as older workers, seasonal workers and post-secondary students and graduates.
- Labour market outcomes have been improving. For example, women have increased their representation in the labour market since the 1970's; more youth are pursuing post-secondary education which increases their employment opportunities; and the number of persons receiving income support and accessing the Employment Insurance program has been declining.
- Many people in Newfoundland and Labrador encounter barriers that limit their full participation in the labour markets.
- Gaps are apparent when labour market outcomes are compared to the provincial population as a whole, largely due to issues in the labour market such as:
  - Barriers to labour market transition including lack of or limited work opportunities, *and lack of access to transition programs and services.*
  - Barriers in the workplace including discrimination, non-standard jobs, underemployment, lack of work supports.
  - Barriers in the community including lack of transportation, limited accessibility to quality child and elder care, and community capacity issues in rural areas.
  - Barriers in the home and family including work-home role imbalances, family and social influences on career decisions, and unstable home environments.
  - Personal barriers including lack of experience, mismatched or lower skill sets, unrecognized credentials, poor health and a lack of mobility.
- Generally, best practices identified for labour market interventions include:
  - Providing a sound educational foundation.
  - Comprehensive approaches that include impacted groups and employers in the process to develop, implement and evaluate interventions.
  - Targeting interventions to the needs of the individuals to increase efficiency and effectiveness.
  - Provision of labour market information.
  - Quality career planning.
  - Financial assistance for education.
  - Setting realistic goals.
  - Coordinated and integrated service delivery which includes community groups.

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<sup>1</sup> Information in this section is cited from "Doing What Works: Research on Barriers to Participation in the Labour Market", Department of Human Resources, Labour and Employment.



- Linking transition support with quality work opportunities and improving educational and training linkages with the needs of employers and jobs.
- *Examples of specific interventions identified as best practices included the provision of flexible and holistic work supports; wage subsidy programs, bridging programs such as the Women in Successful Employment program (WISE) and work incentives/supplements.*
- *Labour market interventions in the province already incorporate many of the best practices identified in this research.*

### Other Factors

Other characteristics in the provincial labour markets may provide significant opportunities for labour market and economic development and the creation of sustainable employment. Some of these include:

- The life-style, competitive cost of living, rich cultural life and strong sense of community which have fostered a strong attachment to the province and could be also used to attract and retain new workers.
- Dynamic urban economies and increasing levels of diversification in rural areas by small and medium sized industries.
- Abundant natural resources with potential for development.
- A well-developed post-secondary infrastructure that produces highly-skilled graduates in a wide range of fields, and a strong research infrastructure tied to educational and private sectors.
- A strong capacity for leadership.
- Increasing employment opportunities for marginalized groups in the face of upcoming retirements.
- Traditional industries and a manufacturing sector that keep pace with the need to be competitive in the global economy.
- Strong service infrastructure to deliver labour market information and support services for employers and employees across the province.

### Stakeholder Feedback<sup>2</sup>

The Department of Human Resources, Labour and Employment commissioned research that included consultations with labour market stakeholders (including employers, youth groups, labour organizations, Strategic Social Plans (SSP) committees and REDBs) to identify perceptions of labour market challenges and opportunities. While there is general optimism among stakeholders across most industries and regions in Newfoundland and Labrador (Appendix 3 provides an economic outlook by industry), there are a number of common labour market issues. *Some of these include:*

- The need for technology-literate and computer-literate employees for growth and development.
- The impacts of an aging workforce that are compounded by a lack of succession planning and sufficient human resource planning. Virtually none of the small businesses in the province and few of the medium to large companies have dedicated human resource functions.
- The need for current and relevant labour market information, especially about the current labour force skills and future demands.
- Recruitment and retention of public sector professionals such as medical personnel in all regions.
- Concerns about literacy and basic communications skills, particularly in industries that traditionally have had a lower education entry requirement such as forestry, fishing and construction.
- Requirements for high school education and strong product and employer knowledge for general labourers. There is a move away from specialization and more cross-training for a number of skills.
- Increasing demand for skills such as team-building, problem solving, change management, flexibility and customer service skills.
- Perceived need for better liaison between colleges and industries in the development of educational programs.
- Increased need for training opportunities for existing employees and increased flexibility in accessing government support training, especially among seasonal workers.
- Concern that too few people are entering the trades and technical programs and that students are unaware of the career opportunities in these areas.
- Greater recruitment and retention issues in rural areas.



<sup>2</sup> Information in this section is cited from "A Consultation on Future Labour Demand in the Private Sector in Newfoundland and Labrador", and "A Consultation on Labour Market Issues in Newfoundland and Labrador", Department of Human Resources, Labour and Employment.



- Need to restructure the career development and counseling services.
- Conflicting perceptions about the availability of skilled tradespersons.

Some of the above points emanating from stakeholder feedback will pose challenges for certain industries. For example:

→ **Fishing/Aquaculture:** *The average age of the workforce in the fishery is 48 years and a significant number of retirements are anticipated in the next 10 years.* There is no younger cohort moving through the employment ranks. Older plant workers are more reluctant to access training programs to upgrade skills and learn new technologies and there is a belief that there is limited government funding to support off-season training. Few young people are interested in the fish processing sector because of salary levels and the image of the industry. Plant owners find it increasingly difficult to get plant managers, accountants, food technologists and quality control/quality assured professionals to move to rural plant locations.

→ **Manufacturing:** Employers feel that there is generally a poor image of the trades as a career choice for youth. New production technology requires a more educated, more technologically trained workforce. Employees also need training related to core competencies, export marketing, best practices, technical skills and quality control. *There are widespread recruitment difficulties that may limit growth and development.*



→ **Construction:** *Employers express concerns about the aging labour force and too few people entering the technical trades.* There is an expanding market for skilled mechanics and service technicians. As with the other industries, there is an increasing demand for more highly skilled workers to operate technologically advanced machinery. Significant challenges exist for apprenticeships. Given the contractual, seasonal nature of work and the amount of time workers spend between jobs, unemployment is higher than in other sectors.

→ **Transportation:** Marine transportation occupations continue to offer unique and attractive employment opportunities. *Severe shortages of labour are anticipated and there is already a shortage of engineering officers. Shortages are anticipated for chief engineers, junior and intermediate engineers, officers, 1<sup>st</sup> and 2<sup>nd</sup> mates, captains, electrical engineering officers, seamen and engine room assistants.* The aging workforce is having a strong influence on this industry. For example, the average age of Marine Atlantic's 1,200 workers is 48 years with 70% eligible to retire in the next four years.

→ **Tourism:** Employers identify a gap in the customer service aspect of the industry, particularly in rural Newfoundland and Labrador. The seasonal nature of the industry makes it difficult to address training issues. *Employers have identified shortages of qualified chefs, experienced line cooks and sales managers.*



## Strategic Planning

The CA/NL LMDA provides employment-related supports and services to improve labour market outcomes, such as increased participation, for individuals, and to help position the province to effectively respond to labour market challenges and opportunities for communities and the private sector. More specifically, these supports and services work to:

- Further federal and provincial labour market objectives and priorities.
- Increase the labour market participation of employable persons, particularly those reliant on public income supports.
- Remove barriers to labour market participation experienced by eligible persons not fully represented, including persons with disabilities, women, youth, Aboriginals, immigrants, and income support clients with Employment Insurance "reach back" status.
- Foster an entrepreneurial climate.
- Facilitate joint federal/provincial identification of labour market policy issues, themes, initiatives and other labour market matters of interest to both orders of government.
- Strengthen partnerships among labour market stakeholders including employers, workers and community based organizations.



The LMDA Management Committee is responsible for ensuring these objectives are met. To fulfill its mandate the Committee has developed strategic directions to help guide the management process over the medium to longer term, taking into account local labour market conditions, challenges and opportunities, the priorities and needs of key labour market partners and the need for flexibility and monitoring to effectively respond to the dynamic and complex nature of the provincial and regional labour markets.

The strategic directions help guide the Management Committee in the development of annual priorities for the annual business plan. These priorities will be reflected in the operational plans of the District Committees and the various working groups of the LMDA.

A number of key factors help guide the strategic planning process including findings from the recent labour market research carried out by the Department of Human Resources, Labour and Employment, the environmental scan and results emanating from reviews and evaluations of Federal/Provincial programs, policies and related labour market initiatives. Provincial and federal economic and social priorities also play a significant role in this process such as the directions and objectives of the various LMDA partners and the Rural Secretariat, regional economic plans and the federal Workforce Skills Agenda. Potential growth sectors (as outlined in Appendix 4) are another important consideration for strategic planning. Finally, the knowledge and input of key labour market stakeholders within the province play a role in helping define directions and priorities. This input is provided through the various LMDA committees, stakeholder consultation, and through key groups such as the Labour Market Sub-Committee of the Strategic Partnership Initiative.

## Strategic Directions

The Management Committee has determined the following strategic directions will guide the CA/NL management process for the next several years in consideration of the current environment and partners' priorities in the province. These are intended to support decision-making and program and policy development at the regional and provincial levels to ensure LMDA supports are utilized effectively and efficiently to achieve maximum outcomes for individuals and the province.

1. Increase self-reliance and reduce reliance on Income Support.
2. Reduce poverty and the alleviation of its negative effects.
3. Facilitate labour market development through improved labour market conditions.
4. Strengthen the post-secondary system's support of labour market development.
5. Increase research capacity to help meet demands of an integrated and competitive economy.
6. Increase workplace and human resource planning supports for employers, especially small and medium sized enterprises.
7. Promote provincial and regional labour markets and the potential of the labour force to attract and increase business investment and increase provincial competitiveness.
8. Foster innovation at all levels.

## Priorities: 2005-2006

To support these strategic directions, the following priorities have been identified for 2005-2006:

### 1. Strengthen Partnerships

Addressing the complex labour market challenges in Newfoundland and Labrador will require an ongoing, shared and collaborative approach among all labour market stakeholders. Partners at all levels must be involved in the identification of strategic issues and solutions.

Examples of potential actions for the LMDA:

- Link the LMDA with the business/industry sector.
- Support sectoral partnerships.
- Enhance capacity of existing partnerships.
- Implement communication strategies to promote awareness and objectives of the LMDA.

### 2. Labour Market Information

Current, reliable, consistent and accessible labour market information is essential to develop a common understanding of the labour market environment, to enhance effective decision-making and to facilitate strategic planning processes.

Examples of potential actions for the LMDA:



- Develop a provincial strategy for labour market information through the Federal/Provincial Labour Market Information Committee.
- Support research and development activities to better understand the nature and impacts and/or enhance stakeholders' capacity to anticipate and respond to:
  - Retirement trends
  - Skills gaps in the labour market
  - Out-migration
  - Wage rates
  - Labour market dynamics (provincially, regionally and locally).
- Support initiatives to disseminate and increase accessibility to labour market information such as new product development, conferences and forums.
- Consider establishing additional targets over and above the accountability measures relative to the Employment Benefits and Support Measures. This should be done in accordance with strategic priority areas.

### **3. Labour and Skills Shortages**

Ensuring a sufficient supply of skilled workers will be critical to growing the economy and creating sustainable employment in the province. Demographic trends, increasing demands for more highly skilled workers and patterns of out-migration indicate that this province will continue to experience skills and labour shortages over the next decade. Similar trends in jurisdictions across Canada and other industrialized areas will significantly compound this challenge as the competition for labour continues to intensify. Labour shortages may constrain economic growth and employment may decline.

Examples of potential actions for the LMDA:

- Continued development and support from the Skills Development program. This is an effective tool which can support skills training in areas for which there are known current or projected occupational skill shortages. This could help us meet our strategic objective of promoting an educated, skilled and adaptable workforce in Newfoundland and Labrador.
- Support initiatives to increase the human resource planning capacity of small and medium sized businesses in the province.
- Support initiatives to increase the human resource planning capacity of community groups in the social sector with a mandate for human resource and economic development.
- Develop innovative interventions to better match individuals with employment experiences related to their education and skill sets. For example, the Targeted Wage Subsidies program and the Labour Market Partnerships could be used together for the benefit of workers and employers.
- Support industry and educational projects and partnerships to develop responsive educational and training programs and interventions.
- Explore avenues to assist apprentices achieve required hours of certification.

### **4. Increasing Participation/Reducing Barriers to Employment**

The current working-aged population in Newfoundland and Labrador will remain the primary source of labour supply over the next decade. Persons not in the labour force and marginalized workers will become a critical human resource in meeting future skills and labour demands. Emphasis on supports to minimize barriers to employment and to increase participation will be required to ensure individuals maximize their potential in the labour market.

Examples of potential actions for the LMDA:

- Maximize flexible approaches to implement employment benefits and support measures that incorporate best practices.
- Promote interventions proven effective in building longer-term attachment to the labour force among high risk clients (e.g. Social Assistance Reachback clients). Interventions include counseling, Target Wage Subsidies program, Self-Employment program and Skills Development.
- Promote awareness of common and specific barriers experienced by women, older workers, Aboriginals, immigrants, youth, persons with disabilities, Employment Insurance and social assistance reachback clients, and seasonal workers.
- Design and target interventions to key groups facing barriers to participation in the labour markets.

### **5. Career Development, Employment Counseling and Lifelong Learning**



In the new and rapidly changing economy, individuals will need to be flexible, adaptable and responsive to changing employer and labour demands. This will be true for all workers across occupations and industries. This outcome will require that individuals have access to effective services that provide reliable career information and guidance. It will also require the development of a culture of lifelong learning among individuals, employers and educational institutions that promotes skills upgrading, professional development and flexible access to training.

Examples of potential actions for the LMDA:

- Ongoing development of a career development framework and career promotions strategy.
- Ongoing evaluation of the Employment Benefits and Support Measures to guide program management and design.
- Support initiatives to identify and develop effective and flexible approaches for the lifelong learning requirements in the workforce.
- Support initiatives to explore and develop career development and employment counseling interventions at all transition points (for example, transitioning to post-secondary education, new entrants transitioning to the workforce, workers transitioning between jobs or careers, older workers transitioning into retirement).

## **6. Regional Labour Markets**

The Management Committee recognizes that an integrated social and economic approach will be required to support employment growth and human resource development of regional economies in the province. This approach will reduce dependence on income supports and help create attachment to the workforce. Across the province and within regions, labour market indicators point to differences between rural and urban labour markets. Although all regions in the province face common challenges, the nature and extent of these challenges may differ, largely due to the unique characteristics of their rural and urban labour markets. Effective responses must be tailored to address these differences. Labour force development efforts targeted to individuals should complement local development priorities and opportunities.

## **7. Management Capacity of the LMDA**

Findings from the Formative Evaluation, early indicators from the LMDA Summative evaluation and reviews such as the Graduate Follow-up Survey and Social Assistance clients LMDA activity reports, demonstrate that the LMDA is promoting, to varying degrees, positive outcomes consistent with the directions determined by the Management Committee. However, the evidence also clearly points to a number of opportunities for improvement.

Over the 2005-2006 period, the Management Committee will task Federal and Provincial officials to review the various programs and delivery aspects of the LMDA. Specifically they will be asked to; identify any significant barriers which may impede support for these directions and; to develop consensus actions which address these barriers and maximize use of the LMDA to achieve the desired outcomes.

In this period the Management Committee will also undertake a review of its structures and processes to ensure it is well positioned to manage the LMDA in the most effective and efficient manner possible to support these directions.

# **Accountability Measures**

The annual accountability targets developed by HRSDC are based on the total allocation for EI Part II and the actual results from previous years. The preliminary accountability targets for 2005-06, set out in Table 2, are based on 2004-05 results to-date. The targets may be adjusted once 2004-05 year-end results become available.

The LMDA requires a two-phase evaluation framework. Phase one, the formative evaluation has been completed and it indicates clients served by LMDA programs have been successful in achieving employment goals. The summative evaluation should be completed in the summer of 2005. Its main themes will focus on client impacts, program impacts, cost effectiveness, management arrangements, satisfaction levels and lessons learned. Targets, reflected in tables below, are established annually for EI eligible Social Assistance Service Recipients (SARs).



## Accountability Measures – Targets (2005-06)

Accountability	Provincial
Activity	Total
EI Clients Served	13,914
EI Clients Returned to Employment	7,675
Unpaid Benefits (\$) * (Millions)	19.9

- Budget Allocation (2005-06) is \$131,566,000

\* Unpaid Benefits, (savings to the EI account) are the EI costs that would have been paid out if the client had not returned to work.

The Social Assistance Recipients targets for 2005-06 are distributed as follows:

Targets					
Activity	Avalon	Central	Western	Labrador	Total
Social Assistance Recipients Served	1,138	832	424	106	2,500

## Communications Strategy

The Regional LMDA Communications Strategy outlines the strategic approach for promotion of the Labour Market Development Agreement, both internally and externally. The strategy will continue to focus on promoting awareness of the benefits accruing from the agreement both among the general public and the employees of the affected federal and provincial departments. Linked to this goal is the need to demonstrate that the agreement is working well as a result of joint collaboration among federal, provincial and local partners.

The key external objectives are to:

- Increase awareness and promote the success of the LMDA through publicly profiling individuals and community clients.
- Promote LMDA programs and services to possible clients and employers, particularly the Targeted Wage Subsidies.
- Make the public aware that the overall result of these partnerships is better with more efficient service to residents.

The key messages to be brought to the target audiences are:

- The mission of the Labour Market Development Agreement is to work with individuals, communities and various stakeholders to assist clients to meet measurable and achievable educational, employment and economic development goals.
- The Government of Canada is working with the Government of Newfoundland and Labrador in a partnership that will complement and build on the programs and services offered by both.
- The Labour Market Development Agreement is working as a result of federal, provincial and local partnerships.
- The governments of Canada and Newfoundland and Labrador give priority to the integration of the unemployed into the work force and are committed to providing high quality, effective and efficient labour market programs and services.

One of the primary objectives of the LMDA is to do more communication around co-management, accomplishments and future direction. The main internal messages are:

- The Labour Market Development Agreement is working as a result of federal, provincial and local partnerships.
- The Labour Market Development Agreement has been established for an indefinite period. It is not due to expire at any specific date but will continue unless otherwise decided by both partners.
- The governments of Canada and Newfoundland and Labrador give priority to the integration of the unemployed into the workforce and are committed to providing high quality, effective, and efficient labour market programs and services.



## 2005-2006 Budget

District budgets are allocated according to a weighted model that takes into account a number of variables including the number of Employment Insurance beneficiaries, Part II Eligible Social Assistance Recipients, the unemployed and specific population data for particular districts. At various times during the year, there is potential for districts to identify surplus funds or the need for additional resources that may result in budget shifts throughout the region.

District	Total (\$)
Avalon	37,389,549
Central	37,963,986
Western	22,260,986
Labrador	5,257,479
<i>Subtotal Districts</i>	
*Regional Headquarters	28,500,000
<b>TOTAL</b>	<b>131,372,000</b>

\*Allocation includes Workers Compensation Benefits, Contribution Agreement, Pan Provincial projects, and Corporate Reserve.



## Appendix 1

### LMDA Committees

#### Management Committee:

Michael Alexander (Co-chair), Human Resources and Skills Development Canada (HRSDC)  
Rebecca Roome (Co-chair), Department of Human Resources, Labour & Employment (HRLE)  
Bruce Hollett, Department of Education  
Rick Comerford, Atlantic Canada Opportunities Agency (ACOA)  
Doug House, Department of Innovation, Trade & Rural Development (INTRD)  
Doug Smith, Intergovernmental Affairs (IGA)  
Patricia Hearn, Industry Canada (IC)  
Rosemary Norris, Human Resources and Skills Development Canada (HRSDC)  
Walt Combden, HRSDC - Avalon  
Roxie Wheaton, HRLE - Avalon  
Doug Johnson, HRSDC - Central  
Carson Saunders, HRLE - Central  
Bonnie Pope, HRSDC - Western  
Wayne Fillier, HRLE - Western  
Lorraine Hinks, HRSDC - Labrador  
Agnes Rumbolt, HRLE - Labrador

#### Secretariat:

Mike Walsh, Senior Policy and Planning Consultant  
Ray Franey, Provincial Director

#### District Committees:

##### Avalon Region

Walt Combden, (Co-chair), HRSDC  
Roxie Wheaton, (Co-chair), HRLE  
Deborah Newhook, CNA (Education)  
Jim Anstey, INTRD  
Dave Murrin, ACOA  
Ann Devereaux, HRSDC Placentia  
Don Norman, HRLE Placentia  
Wayne McCarthy, HRSDC Harbour Grace  
Bob Wheadon, HRLE Harbour Grace  
Sean Hanrahan, HRSDC St. John's  
Peter Coombs, HRLE St. John's  
John Slade, LMDA Coordinator  
*Rotational Zonal Board Rep.*

##### Central Region

Doug Johnson (Co-chair), HRSDC  
Carson Saunders (Co-chair), HRLE  
Scott Dawe, ACOA  
Colin Forward, CNA (Education)  
Percy Farwell, ITRD  
Dave Stacey, LMDA Coordinator  
*Rotational Zonal Board Rep.*

##### Western Region

Bonnie Pope (Co-chair), HRSDC  
Wayne Fillier (Co-chair), HRLE  
Wayne Quilty, ACOA  
Brent Howell, CNA (Education)  
John Davis, INTRD  
Gary O'Brien, HRSDC  
Ruby Kelly, LMDA Coordinator (Acting)  
*Rotational Zonal Board Rep.*

##### Labrador Region

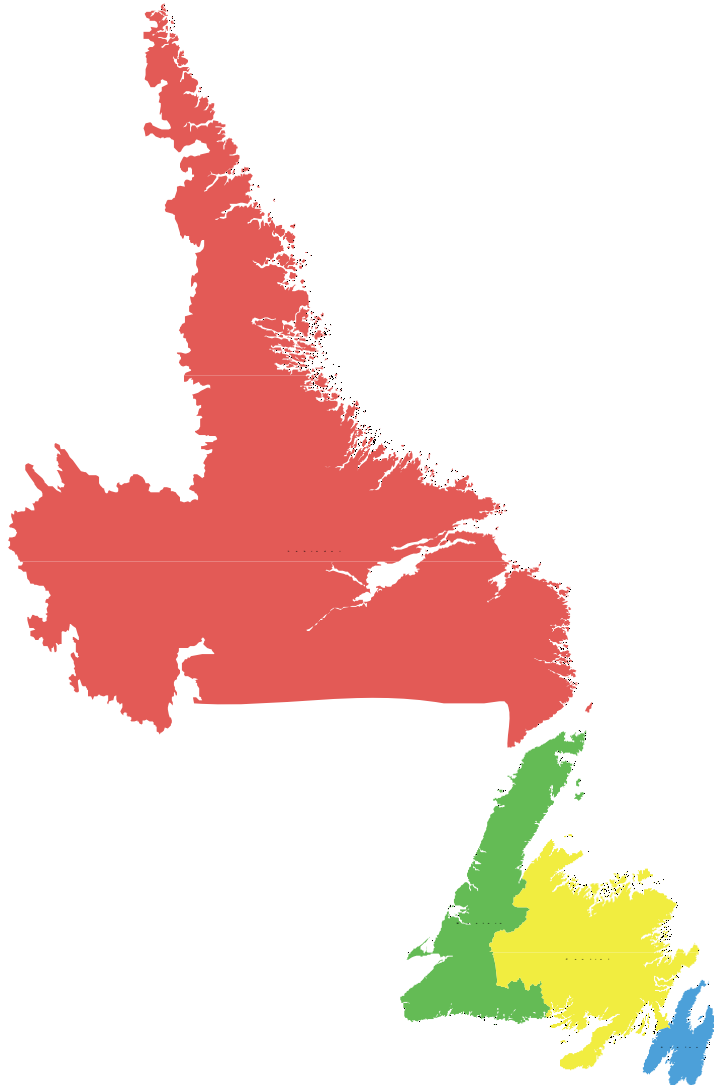
Lorraine Hinks (Co-chair), HRSDC  
Agnes Rumbolt (Co-chair), HRLE  
Rex Goudie, ACOA  
Reg Kean, ITRD  
Bob Simms, (CNA) Education  
Ron Bowles, Labrador & Aboriginal Affairs  
Rob Densmore, LMDA Coordinator  
*Rotational Zonal Board Rep.*



## Appendix 2

### LMDA Structure

The Labour Market Development Agreement (LMDA) is co-managed by a number of committee structures at the corporate and district levels.



#### Labrador District

The Labrador District is the largest geographic area and is comprised of 33 communities with a population of 29,190. There are five regional economic zones covering the area. The greatest population bases are the Labrador City – Wabush and Upper Lake Melville areas. There are also 26 widely-dispersed small coastal communities, each with a population of less than 1,000.

#### Western District

The Western District is comprised of 179 communities with a population of 93,551 and is represented by five regional economic zones. Over 43% of the district's population is concentrated in the city of Corner Brook and environs, that is, Bay of Islands, Humber Valley and White Bay.

#### Central District

The Central District is comprised of 325 communities with a population of 153,000. There are six regional economic zones covering an area of 83,641 square kilometers, which includes all the territory from the Burin Peninsula to the Baie Verte Peninsula.

#### Avalon District

Avalon District is comprised of 145 communities with a population of 251,110 people (47% of the province's total population). It is served by four regional economic zones. This district has significant urban and rural labour markets and accounts for approximately 61% of businesses operating in the province.



## Appendix 3

### Labour Market Development Agreement (LMDA) Programs

The LMDA Employment Benefits and Support Measures (EBSMs) are designed to help develop the local labour market and create employment opportunities for Newfoundlanders and Labradorians.

#### Program Eligibility

Unemployed Individuals are those:

- Currently receiving Employment Insurance (EI) benefits, or
- Whose EI benefit period ended within the last three years, or
- Who have received EI maternity or parental benefits in a period that began no more than five years before they asked for assistance.

#### The Programs Include:

**Skills Development (SD)** assists eligible individuals pay for skills training and related costs while enrolled in a training program from a registered institution.

**Self-Employment (SE)** provides eligible individuals with financial support, planning assistance and mentoring individuals while starting a new business.

**Job Creation Partnerships (JCP)** provide eligible individuals with opportunities to gain work experience, which may lead to ongoing employment. Job activities help develop the community and the local economy (these benefits are not insurable for EI purposes).

**Targeted Wage Subsidies (TWS)** is a client-based program helping individuals experiencing difficulty finding work by providing temporary wage subsidies to employers as a hiring incentive.

**Employment Assistance Services (EAS)** are offered through agreements with coordinators, organizations and community groups to help unemployed individuals become employed. Services may include employment counseling, job search skills training, job placement services and labour market information.

**Labour Market Partnerships (LMP)** encourage and support employers, employee or employer associations, community groups, and communities, in developing and implementing strategies for dealing with labour force adjustments and in meeting human resource requirements.

**Research and Innovation:** The Applied Research Branch of HRSDC, National Headquarters, Ottawa, will conduct projects that focus on applied research and experimental design. These hold potential for large-scale application.

**National Employment Service:** The federal and provincial governments are working together to help unemployed individuals gain access to programs and services under the LMDA. Information and self-help tools are available to job seekers, including labour market information, return-to-work booklets and labour exchange services.



## Appendix 4

### Industry Outlooks<sup>3</sup>

#### Fisheries and Aquaculture:

Despite some challenges the fishery recorded a relatively strong performance in 2004. The volume of fish landings totaled 326,000 tonnes, an increase of 6.0% over 2003 and the value of landings rose by 5.1% to \$605.1 million.

Market conditions were generally positive in the crab sector in 2004 with strong demand and relatively high prices. In the shrimp sector, demand increased slightly and US\$ market prices showed some improvement but not enough to compensate for the increase in the Canadian dollar. In the groundfish sector, there was intense competition from China in securing raw materials for secondary processing. The presence of low-priced Chinese groundfish products in the marketplace continues to be a challenge for local producers.

► *The average age of the fishery workforce is 48, LMDA partners could work with industry, post-secondary institutions, Zonal Boards and community representatives to develop a Human Resource plan that includes: succession planning; projected skill shortages; and employment incentives like TWS. The LMP program could be used to support research into the reasons for employment declines in the aquaculture industry.*

#### Agrifoods:

There has been significant growth in the agrifoods industry in both traditional and new products in recent years, with specific movement toward value-added products. This was primarily due to the development of specialty products and niche markets, increased secondary processing, increased export focus and improved farm management and marketing skills.

The dairy sector is the largest component of the Agrifoods industry accounting for **35%** of farm cash receipts. Consumer demand is also growing for high value specialty crops such as cranberries, organically grown food and nutraceutical and medicinal products.

► *Current beef/chicken industry problems and the genetic engineering of seeds have caused consumer health concerns. Reduced consumer confidence in these two industries has created demands for chemical free products, for example, nutraceuticals. With LMP assistance, stakeholders could explore areas to increase this province's market share in the Agrifoods industry that would include: human resource issues, training, self-employment initiatives and new markets/products as employment generation initiatives.*

#### Small Business:

Although small business is not recognized as a sector, it plays an important role in shaping this province's economy, especially in rural areas. More than 95% of all business enterprises in Newfoundland and Labrador employ fewer than 50 people and almost 80% of all businesses in the province employ less than 10 people.

With significant growth continuing to be projected in the Oil and Gas and mining industries, opportunities may exist to utilize the SEB and TWS programs as job creation measures. Apprenticeship and skills development could also be used to meet employers' needs.

► *With significant growth continuing to be projected in the Oil and Gas and mining industries, opportunities may exist to utilize the SEB and TWS programs as job creation measures. Apprenticeship and skills development could also be used to meet employers' needs.*

#### Tourism, Culture and Heritage:

<sup>3</sup> Source:

"Newfoundland and Labrador - The Economic Review" (November 2003), Industry Canada



Tourism continues to be a strong contributor to the provincial economy with current estimates at \$800 million per year. Resident travel accounts for about 63% of this total with the remainder accounted by tourists from outside the province. Preliminary figures indicate that an estimated 449,300 non-resident visitors came to the province in 2004 resulting in an estimated \$330 million in tourism expenditures. Non-resident visits increased 5.9% while non-resident expenditures grew by 10% over levels in 2003.

▶ Districts should continue to work with local partners to strategically use JCP to provide EI eligible clients with employable skills and assist in the development of community infrastructure within the tourism industry or other sectors requiring similar occupations.

### Information/Industrial Technology:

Cannot verify this information. (contact INTRD)

After a downturn in recent years, the IT industry is once again starting to experience growth, particularly in wireless technology and software development.

Ocean technology and geomatics are prospering while biotechnology is a relatively new sector with a focus on research and development, moving towards commercialization of their products.

▶ LMDA partners and Industry Canada could consider an IAS committee to bring business partners together to develop a Human Resource plan, and research ways to help individuals make the entry/transition into these occupations using Skills Development and Targeted Wage Subsidies.

### Forestry:

#### Newsprint

Provincial newsprint shipments totaled 731,700 tonnes in 2004, representing a decline of 6.3% compared to 2003. Production was constrained by weaker demand and excess newsprint capacity, particularly in the North American market. The value of newsprint shipments from the province declined by 4.7% in 2004 to \$524 million.

Over the past several years, North American producers have been struggling to cope with a fundamental structural change in the newsprint market. North American demand has declined by 16% since 1999—the result of increasing web-based competition and a shift by publishers towards smaller tabloid form papers—putting downward pressure on prices. Despite soft North American markets, so far this province's mills have been able to maintain production at relatively high levels primarily as a result of increased demand from Asia and South America.

#### Lumber

After experiencing a lean period, the province's lumber industry is once again exhibiting positive growth. Preliminary estimates for 2004 indicate that lumber production increased by 30% over its 2003 level to 125 million board feet. After weak market conditions forced them to shut down for most of 2003, the province's two largest sawmills resumed production last year. Production is expected to approach full capacity once again in 2005.

Lumber prices increased substantially in 2004 due to strong demand from residential construction in both the United States and Canada. Prices averaged US\$394 per thousand board feet, up 42% from US\$277 in 2003.

▶ LMDA funds could be used to:

- Support new skills associated with the value added wood products sector.
- Provide research assistance to develop the forest product industry in Labrador and utilize TWS and SEB as adjustment measures for individuals to become gainfully employed.

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- Support new skills associated with the value added wood products sector.
- Provide research assistance to develop the forest product industry in Labrador and utilize TWS and SEB as adjustment measures for individuals to become gainfully employed.

### Mining:

The mining industry is a significant contributor to the provincial economy, directly accounting for about 3% of GDP and 1.4% of

▶ LMDA, in addressing human resource needs, could support:



employment. The value of mineral shipments was \$683 million in 2004 representing an 11.8% decrease over 2003 due mainly to labour disputes at the Iron Ore Company of Canada (IOC) and Wabush Mines.

### Iron Ore

Iron ore comprises more than 90% of the value of total mineral shipments and is currently the main driver of industry performance. Global demand for iron ore has increased in recent years due to higher demand for steel from China's rapidly growing economy.

### Voisey's Bay

Construction activity will continue in 2005 at the mine/concentrator site in Labrador as well as at the hydro-met facility in Argentia. Total project expenditures are forecast to be approximately \$300 million, with associated project employment of over 600 person years. Employment is expected to decline as the project moves from the construction phase into production.

Construction is ahead of schedule and first ore is now expected to begin as early as May of 2005. When production commences it is expected to provide a tremendous boost to provincial mineral shipments.

### Other Minerals

Other minerals produced in the province include gold, slate, dolomite and limestone. The Hammerdown gold mine, closed during 2004 as its mineral reserves were exhausted. Consequently, the value of gold shipments declined by over 70% in 2004. Most other mineral producers maintained production on levels on par with 2003.

## Oil and Gas:

Total offshore oil production was 114.8 million barrels, a decline of 6.7% compared to 123.0 million barrels produced in 2003. Despite the decline in production, the estimated value of oil production was up 15.1% to \$5.7 billion, as a result of historically high oil prices. Over 4,000 person years of direct employment were associated with the three major oil projects in 2004. The decline in oil production in 2004 was the result of lower production from the Terra Nova facility. Significant production losses occurred in the final two months of 2004 when over 30 days of production were lost as the result of an oil spill on the Terra Nova FPSO.

Work is ongoing on the province's third major offshore development, White Rose, which is scheduled to produce first oil in late 2005 or early 2006. With the addition of oil production from White Rose, it is estimated that Newfoundland and Labrador will produce about 50% of Canada's conventional light crude oil by 2006.

- *Human Resource Plans so residents of the Province can acquire skills relevant to the hydromet plant in Argentia and any spin-off jobs.*
- *Promote Self Employment program as an option for unemployed workers wishing to re-enter mining industry.*
- *Through site visits at post-secondary institutions and tradeshow raise the awareness of TWS program as an employment incentive.*

▶ *LMDA could support a wide range of professional and technical occupational training through various post-secondary institutions. Engaging in human resource planning with partners would be an invaluable asset in assisting colleges/clients in selecting courses to run/take, respectively.*

## Transportation:

Transportation and related warehousing activities directly accounted for \$469 million in real GDP in 2003 (i.e., latest year available) and 11,900 person years of direct employment in 2004.

- ▶ *The LMDA could:*
- *Assist with identifying skill shortages in the marine trade*



industry.

- Support construction trades training related directly to transportation infrastructure.

### **Manufacturing:**

The province's manufacturing shipments exhibited strong growth in 2004. The value of manufacturing shipments reached a record \$3.1 billion, up 9.2% over 2003. Growth was broad-based with increases of 7.2% in non-durable good shipments (to \$2.1 billion) and 13.6% in durable good shipments (to \$1.0 billion).

Growth in the value of non-durable goods occurred primarily as a result of a 13% increase in the value of seafood production as shrimp catches increased. The value of seafood manufacturing totaled \$936 million in 2004, the second highest level on record, behind only 2002 when shipments were \$963 million. Growth in durable goods was led by increased production of fabricated metal products for the White Rose offshore oil development.

High investment levels in recent years, have contributed to solid manufacturing performance. Investment in the manufacturing industry was \$195 million in 2004. In real terms, this represents the second highest level on record, behind only 1998. Investment growth is expected to continue in 2005 with total manufacturing investment projected to reach \$202 million led by a 7% increase in machinery and equipment purchases.

#### ▶ *LMDA could:*

- Assist in activities with human resources outcomes relevant to product development, diversification, distribution, and sales.
- Continue to support the alliance of Manufacturers and Exporters by promoting the use of such programs as Targeted Wage Subsidies and Self Employment.
- Support initiatives outlined in the "Strategy for Small Scale Manufacturing in Newfoundland and Labrador".
- Work within industry to identify potential skill shortages which could be addressed through the SD program.

### **Construction:**

Construction investment grew by 13.6% (8.2% in real terms) to \$2.9 billion in 2004. This is primarily due to continued work on major projects in the resource sector. Construction associated with mining and oil and gas extraction accounted for about 49% of the total increase in investment in 2004. Employment in the industry increased from an average of 9,500 in 2003, to 11,900 in 2004.

Residential construction investment increased 16.0% to over \$1 billion in 2004, marking an all-time high in real terms. New construction and renovation expenditures have been growing over the past six years, contributing to the continued growth in the residential sector.

#### ▶ *The LMDA could:*

- Support development of appropriate labour market information for this sector.
- Provide Skills Development, TWS and apprenticeship training, where appropriate.



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## **Contact Us:**

For more information on the Canada/Newfoundland and Labrador Labour Market Development Agreement, visit:

<http://www.hrle.gov.nl.ca/hrle/publications/list.htm>

or contact us at:

LMDA Secretariat: (709) 772-7160

