

CANADA – ONTARIO
LABOUR MARKET AGREEMENT

Canada 

 Ontario

CANADA-ONTARIO LABOUR MARKET AGREEMENT

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

AND The Government of Ontario (hereinafter referred to as “Ontario”) as represented by the Minister of Training, Colleges and Universities

WHEREAS Canada and Ontario 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 Ontario;

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

WHEREAS Canada and Ontario agree that primary responsibility for the design and delivery of labour market programs and services for individuals to support the creation of a skilled, productive, mobile, inclusive and adaptable labour force in Ontario rests with Ontario;

WHEREAS Ontario is striving to provide fully integrated, client focused employment and training services for Ontarians under Employment Ontario, and is aiming to develop the best educated and most skilled workforce in North America to build and sustain Ontario’s prosperity and competitiveness;

WHEREAS Canada has agreed to make new investments in support of labour market programming in Ontario by providing funding to Ontario towards the costs of programs that address areas of current and emerging labour market priorities, including the need to improve the labour force participation of under-represented groups;

WHEREAS Canada and Ontario 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 qualified workers of one part of Canada to have access to employment opportunities in any other part of Canada.

WHEREAS Canada is authorized to enter into this Agreement pursuant to sections 7 and 10 of Canada’s *Department of Human Resources and Skills Development Act*, and,

WHEREAS Ontario's Minister of Training, Colleges and Universities is authorized to enter into this Agreement on behalf of Ontario pursuant to the general authority of the Minister over the ministry pursuant to subsection 2(2) of Ontario's *Ministry of Training, Colleges and Universities Act*.

ACCORDINGLY, Canada and Ontario 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 Ontario under subsection 22(2);

"Canada-Ontario Labour Market Development Agreement" (LMDA) means the Canada-Ontario Labour Market Development Agreement entered into between Canada and Ontario on November 23, 2005;

"Designated Officials" means, for Canada, the Assistant Deputy Minister, Skills and Employment Branch, Department of Human Resources and Social Development or such other official of Canada as may be designated by the Minister of Human Resources and Social Development by notice in writing to Ontario, and for Ontario, the Assistant Deputy Minister, Employment and Training Division or such other official of Ontario as may be designated by the Minister of Training, Colleges and Universities by notice in writing to Canada;

"Eligible Clients" means unemployed or low skilled workers described in section 9;

"Eligible Costs" means the Program Assistance Costs and Program Administration Costs incurred by Ontario in providing assistance to Eligible Clients under its Eligible Programs during the Period of the Agreement;

"Eligible Programs" means labour market programs and services provided by Ontario described in section 8;

"Employment Insurance (EI) Client" means an unemployed individual who is eligible for assistance under a labour market program provided by Ontario that is:

- (a) similar to an employment benefit established by Canada pursuant to Part II of the *Employment Insurance Act*, and

(b) funded by Canada under the Canada-Ontario LMDA;

“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 28;

“Minister of Human Resources and Social Development” is the style used to refer to Canada’s Minister of Human Resources and Skills Development and every reference in this Agreement to the Minister of Human Resources and Social Development shall be deemed to be a reference to the Minister of Human Resources and Skills Development;

“Period of the Agreement” means the period specified in section 30;

“Program Administration Costs” means the direct and indirect internal operating costs incurred by Ontario in developing and administering the Eligible Programs;

“Program Assistance Costs” means

(a) the costs of financial assistance provided by Ontario under its Eligible Programs directly to, or on behalf of, Eligible Clients, and

(b) the costs of financial assistance or other payments provided by Ontario 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,

(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 the service delivery arrangements of Ontario in relation to this Agreement;
 - (d) Ontario's Eligible Programs, the Eligible Clients of those programs, and the Eligible Costs of those programs for which the new investments provided by Canada to Ontario under this Agreement may be used;
 - (e) the basis for calculating the amount of funding to be provided by Canada to Ontario each Fiscal Year during the Period of the Agreement; and
 - (f) the accountability framework for the funding.

VISION, OBJECTIVES AND PRINCIPLES

3. Canada and Ontario share a common vision to create the best-educated, most-skilled and most flexible workforce in the world.
4. Canada and Ontario agree that the broad objectives of the Agreement are:
 - (a) Quantity - To increase the participation of Canadians and immigrants in the workforce to meet current and future labour requirements;
 - (b) Quality - To enhance the quality of skills; and
 - (c) Efficiency - To provide the information necessary to make informed labour market choices and to facilitate workforce mobility.
5. Canada and Ontario agree that the implementation of this Agreement will be guided by the following principles:
 - (a) Accessibility – access to comparable programs for EI Clients and clients who are not eligible for EI, to enhance the labour market participation of all Ontarians, 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-focused programs;

- (d) Fairness – principle-based arrangements with Ontario, 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 Ontario agree that Canada will continue to promote an efficient and integrated national labour market in support of the national economy, including the management of the Employment Insurance system. Canada also will continue to provide federal programs for Aboriginal peoples, youth, older workers and persons with disabilities.
- 7. Ontario will continue to offer a variety of labour market programs and services, including those programs and services for EI Clients funded through the Canada-Ontario LMDA.

ELIGIBLE PROGRAMS

- 8. Ontario 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.

ELIGIBLE CLIENTS

- 9. Ontario agrees to use the funding provided under this Agreement to provide assistance under its Eligible Programs to:
 - (a) unemployed individuals who are not EI Clients, including but not limited to:
 - (i) social assistance recipients;
 - (ii) immigrants;
 - (iii) persons with disabilities;
 - (iv) older workers;
 - (v) youth;
 - (vi) Aboriginal peoples;
 - (vii) new entrants and re-entrants to the labour market; and
 - (viii) 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.

10. Canada and Ontario agree that although Eligible Clients include Aboriginal peoples, Canada will continue to provide its own labour market programs for Aboriginal peoples. Canada and Ontario agree, through the LMA Management Committee, to better coordinate the delivery of their respective programs for Aboriginal peoples.

11. Ontario will offer Eligible Programs to residents of Ontario. Ontario agrees not to place a minimum residency requirement on individuals seeking assistance under the Eligible Programs being funded under this Agreement.

SERVICE DELIVERY ARRANGEMENTS

12.(1) Ontario agrees to provide the Eligible Programs through an integrated and client focused service delivery network. This network will provide a coordinated system for accessing the labour market programs of all ministries/agencies of Ontario by individuals regardless of their particular needs or barriers and for making appropriate linkages with educational and training institutions and third party service providers.

(2) Ontario agrees to ensure that its service delivery network continues to provide needs assessment, case management, tracking and reporting of progress through interventions and follow-up upon completion of interventions.

13.(1) In developing and delivering its Eligible Programs, Ontario agrees to continue to take into account the needs of the French-language community in Ontario.

(2) Ontario 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 Ontario where there would be considered to be a "significant demand," Ontario 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 Regulations* made pursuant to Canada's *Official Languages Act*.

FINANCIAL PROVISIONS

14.(1) Subject to the terms and conditions of this Agreement, in each Fiscal Year during the period beginning April 1, 2008 and ending March 31, 2014, Canada agrees to make a contribution to Ontario 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 Ontario for the Fiscal Year; and

L is the total population of all provinces and territories for the Fiscal Year.

- (2) For the purposes of this section, the total population of Ontario 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, the notional amount of Canada's maximum contribution to Ontario in Fiscal Year 2008/09 is \$194,139,000. Canada will notify Ontario, as soon as possible following the release in September 2008 of the population estimates referred to in subsection (2), of the actual amount of the maximum contribution payable by Canada to Ontario in Fiscal Year 2008/09 as determined under the formula set out in subsection (1).
- (4) For Fiscal Year 2009/10 and each subsequent Fiscal Year during the period referred to in subsection (1), Canada will notify Ontario 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 Fiscal Year. Canada will notify Ontario of the actual amount of its maximum contribution in each of those Fiscal Years, as determined under the formula set out in subsection (1), 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 Ontario to retain and carry forward to the next Fiscal Year, ending in 2013/14, the amount of any contribution paid to Ontario for a Fiscal Year under subsection (1) that is in excess of the amount of the Eligible Costs actually incurred by Ontario in that Fiscal Year, and use the amount carried forward for expenditures on Eligible Costs in the following Fiscal Year, and
 - (b) re-profile the amount of any unpaid portion of Canada's maximum contribution payable to Ontario, as determined under subsection (1), from one Fiscal Year to the next Fiscal Year, ending in 2013/14, and add that reprofiled amount to the maximum amount payable to Ontario in subsequent Fiscal Year(s) over the period of the agreement.

For greater certainty, any amount carried forward or re-profiled under this subsection is supplementary to the maximum amount payable to Ontario under subsection (1) of this Agreement in that following Fiscal Year.

- (6) All amounts carried forward or re-profiled and paid to Ontario, or both, pursuant to subsection (5) must be spent by March 31, 2014. Ontario is not entitled to retain any such carried forward or re-profiled amounts that remain unexpended after March 31, 2014 nor is it entitled to retain any balance of Canada's contribution for Fiscal Year 2013/14 paid pursuant to subsection (1) that remains unexpended at the end of that Fiscal Year. Such amounts are to be repaid to Canada in accordance with section 20.
- 15.(1) Canada's contributions shall be used solely for defraying the Eligible Costs.
- (2) Ontario shall be responsible for expenditures on Eligible Costs incurred each Fiscal Year that are in excess of the amount of Canada's contribution in respect of that year under this Agreement.
16. Any payment under this Agreement is subject to there being an appropriation of funds by Parliament for the Fiscal Year in which the payment is to be made.
- 17.(1) Canada will make payments of its annual contribution in respect of Ontario'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.

- (2) The amount of the first instalment will be an amount equal to 50% of Ontario'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 remainder of Ontario's projected expenditures on its Eligible Costs for the Fiscal Year as provided in its Annual Plan and adjusted, if necessary, to reflect the change between the notional and actual maximum contribution amounts once the actual amount of the maximum contribution has been determined according to subsection 14(2).
18. If Ontario has failed to provide its annual audited financial statement, as required under section 23, for any Fiscal Year during the Period of the Agreement, Canada shall withhold payment of the second instalment of its contribution for the following Fiscal Year until such time as Ontario provides the financial statement.
- 19.(1) Subject to subsection (2), Ontario agrees and undertakes that the funding provided by Canada under this Agreement shall not displace the normal funding level for Ontario's existing labour market programs to enhance the labour market participation of the unemployed and low skilled employed referred to in section 9 of this Agreement but that such funding shall be used to support incremental labour market programs for Eligible Clients.
- (2) The undertaking in subsection (1) is not to be construed as preventing Ontario from shifting resources between labour market programs or from applying government-wide measures to control expenditures. Ontario agrees that in the event of an expenditure control exercise, it would not specifically target programs funded under this Agreement.
 - (3) By no later than October 1 following the end of each Fiscal Year during the Period of the Agreement, Ontario agrees to provide Canada with a report by an independent auditor that Ontario has complied, in all material respects, with the requirements in subsections (1) and (2).
20. Ontario shall repay to Canada any amounts paid to Ontario in excess of the amount to which Ontario is entitled under the Agreement. Such amounts are debts due to Canada and shall be repaid promptly upon receipt of written notice to repay.

ACCOUNTABILITY FRAMEWORK

21. Canada and Ontario 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

22.(1) For realizing the vision and achieving the objectives of this Agreement, Ontario 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 Ontario as described in subsection (2).

Annual Plan

(2) Prior to the beginning of Fiscal Year 2008/09 and prior to the beginning of each subsequent Fiscal Year during the Period of Agreement, Ontario agrees to develop and share for information with the Government of Canada an Annual Plan relating to its Eligible Programs and make it public by October 1. The annual plan shall include:

- (a) an environmental scan that provides a profile of the current labour market challenges in Ontario;
- (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 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 (3) and the types of groups consulted.

- (3) In developing each Annual Plan referred to in subsection (2), Ontario agrees to consult with stakeholders, including business and labour representatives, community organizations and representatives of the French-language community in Ontario.

(ii) Financial Reporting

23.(1) By no later than October 1 following the end of each Fiscal Year during the Period of the Agreement, Ontario 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 Ontario in relation to the Eligible Programs. The financial statement shall be prepared in accordance with Canadian Generally Accepted Accounting Principles and shall show the Program Assistance Costs incurred in respect of each Eligible Program during the Fiscal Year, the total Program Administration Costs incurred during the Fiscal Year and, if applicable, the amount of any surplus funds being carried forward to the next Fiscal Year pursuant to subsection 14(5).

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

(iii) Performance Measurement

24.(1) In order to measure performance of the Eligible Programs, Ontario 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 clarification purposes, the parties agree that no personal information will be provided by Ontario to Canada.

- (2) Ontario 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 Ontario.

(iv) Public Reporting on Results

25.(1) Canada and Ontario 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, Ontario agrees to report to the people of Ontario on the results of the Eligible Programs achieved in the Fiscal Year. The report

shall show separately the results attributable to the funding provided by Canada under this Agreement.

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

(v) Evaluation

26.(1) Ontario 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 April 1, 2008 to March 31, 2012 and shall be completed by March 31, 2013.

(2) In carrying out the evaluation under subsection (1), Ontario shall:

- (a) develop an evaluation framework that adheres to commonly accepted evaluation practices and methodologies;
- (b) submit the evaluation design or framework for review and recommendations by an independent third party external evaluator selected by Ontario;
- (c) before the evaluation is conducted, share the design or framework with Canada for information and discussion by the LMA Management Committee;
- (d) after the findings are obtained, submit the evaluation report to an independent third party external evaluator, selected by Ontario, for review before it is finalized; and
- (e) provide a copy of the evaluation report to Canada by no later than June 30, 2013.

YEAR 2 REVIEW

27. Canada and Ontario 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

- 28.(1) Canada and Ontario agree to establish a Canada-Ontario 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-Ontario 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 27;
 - (c) discussing the evaluation framework referred to in section 26 (2);
 - (d) discussing Ontario's Annual Plans;
 - (e) maintaining linkages with the planning processes under the Canada-Ontario LMDA; and
 - (f) 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 32.

PUBLIC ACKNOWLEDGEMENT OF FEDERAL FUNDING

29. Canada and Ontario 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 Ontario's Eligible Programs. Canada and Ontario agree to provide information to the public in accordance with Annex 3 to this Agreement.

PERIOD OF THE AGREEMENT AND EFFECTIVE DATE OF FUNDING

30. 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 33. However, if the Agreement is signed prior to April 1, 2008, it is understood and agreed that the effective start date of the period in respect of which funding is to be provided under the Agreement is April 1, 2008.
31. Notwithstanding the termination of this Agreement, the obligations of Ontario under sections 20, 23 and 25 of this Agreement shall survive any termination and shall remain in force until they are satisfied or by their nature expire.

DISPUTE RESOLUTION

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

TERMINATION

33. Either Canada or Ontario may terminate this Agreement by giving 12 months' written notice of its intention to terminate.
34. Upon termination of the Agreement under section 33, Canada shall have no obligation to make any further payment to Ontario in respect of Eligible Costs incurred after the date of termination.

EQUALITY OF TREATMENT

35. 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 Ontario, any provision of that agreement is more favourable to that province or territory than what was negotiated with Ontario, Canada agrees to amend this Agreement in order to afford the same treatment to Ontario, if requested by Ontario. The amendment shall be retroactive to the date on which the Labour Market Agreement with the other province or territory comes into force.

ANNEXES

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

AMENDMENTS

37.(1) This Agreement may be amended at any time by mutual consent of the parties. To be valid, any amendment shall be in writing and, subject to subsection (2), signed, in the case of Canada, by Canada's Minister of Human Resources and Social Development, and in the case of Ontario, by Ontario's Minister of Training, Colleges and Universities.

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

GENERAL

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

39. This Agreement shall be interpreted according to the laws of Canada and Ontario.

40. 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 Toronto this ____ day of _____, 2008

Witness

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

SIGNED on behalf of Ontario by the Minister of Training, Colleges and Universities.

at Toronto this ____ day of _____, 2008

Witness

The Honourable John Milloy,
Minister of Training, Colleges and
Universities

Annex 1

Ontario's Multi-Year Plan

(Subsection 22 (1))

This multi-year plan is intended to provide a framework for the operation of the Canada-Ontario Labour Market Agreement (LMA) covering the fiscal years 2008-09 to 2013-14. For the duration of the Agreement, this multi-year plan is subject to annual plans which will take into account changes in the economic and social environment.

Ontario Economy and Labour Market

Ontario's economic and fiscal outlook is mixed. Over the 2002 to 2006 period, the resilient Ontario economy grew at a modest pace despite increasing challenges in the global economic environment. Ontario's strong economic fundamentals include a well-educated and highly skilled population, a diversified industrial structure and modern infrastructure.

Ontario's economy is currently experiencing two major sources of change: economic restructuring due to globalization, a high Canadian dollar, and rising oil prices; and, demographic shifts due to an aging population, a relatively low birth rate, and high levels of immigration. Ontario's long term prosperity will require a focus on supporting a knowledge economy and raising the skill level of its workers. Success will depend on integrating immigrants effectively into the labour market, while increasing opportunities for those on the margins of society, including people with low literacy levels, persons with disabilities, Aboriginal peoples, older workers, and others.

While Ontario's economy continues to expand overall, its unemployment rate surpassed the national average for the first time in thirty years during 2007. Ontario's economy is projected to grow at a modest pace in 2008, strengthening as it adjusts to the global environment. However, growth is expected to be uneven across industries. While service industries are growing and creating jobs, the manufacturing and forestry sectors are experiencing significant pressures.

In 2007 the manufacturing sector in Ontario lost about 63,000 workers, with these losses concentrated in the Greater Toronto Area and Southwestern Ontario. In the five year period between November 2002 and December 2007, Ontario's manufacturing sector lost 194,000 jobs, representing 56% of Canada's total manufacturing job losses during that period.

Since June 2002, there have been over 9,200 layoffs in the Northern Ontario forestry and related industry sector, which includes saw mills and pulp and paper manufacturers. Employment in forestry and logging alone fell by almost 3,000 people between 2006 and 2007, a decline of 27%.

Capturing Opportunities

Ontario is missing economic opportunities because many people who would like to work are not doing so. And a number of people are not working at a level commensurate with their skills.

In 2006, almost 126,000 individuals landed in Ontario, representing about 50% of Canada's immigrant landings for that year. While they are relatively well educated, recent data show that only 40% of immigrants find employment in their chosen field or a related field within two years after arriving in Canada. Difficulties in obtaining relevant Canadian experience and having foreign credentials recognized are key barriers.

Consequently, many immigrants face hardships when trying to integrate into the Canadian labour market. In 2006, the unemployment rate of immigrants in Ontario who had landed between 2001 and 2006 was 11%, more than double the rate of 4.4% for the Canadian-born population. The situation was worst for young immigrants (aged 15- 24), especially women whose unemployment rate was 19.9%, twice the rate of Canadian-born counterparts (9.8%).

Despite having one of the most highly educated populations in the world, Ontario faces significant challenges in the distribution of literacy skills among its population. The 2003 International Adult Literacy and Skills survey indicated that 42% of working age (16-65) Ontarians lacked the literacy skills needed to work in a complex labour market environment. In numeracy, about 50% of Ontario's working age population scored at or above the standard.

Over the past decade, Ontario's population of Aboriginal peoples (First Nations people, Métis or Inuit) grew to more than 242,000, or 21 per cent of Canada's total Aboriginal population. The 2001 Census showed that 34% of Aboriginal peoples lack a high school diploma, compared to 20% of non-Aboriginal people. They also faced a high unemployment rate: 14.7%, more than double the rate of 6.0% for non-Aboriginal people.

In 2001, an estimated 4.4 million Canadians—one out of every seven in the population---reported a disability. Ontarians reported a disability rate of 15.5%---slightly higher than the national rate. In 2001, the disability rate among Ontario's working-age population (15-64 years) was 11%. Persons with disabilities were also less likely to participate in the labour force. When they did participate, they were more likely to be unemployed. The unemployment rate for persons with

disabilities was 9.7% in 2001, almost twice as high as the rate for persons without disabilities, 5.8%.

To fulfill their potential, Ontarians need opportunities to improve their skills and to apply them in the workplace.

Ontario Skills Priorities

The Ontario government is investing in people and communities with a vision that Ontario will have the most educated people and highly skilled workforce in North America in order to build the province's competitive advantage. Ontario is continuing to implement the \$6.2 billion Reaching Higher plan for postsecondary education. In addition, the government has established Employment Ontario – Ontario's training and employment network. Through Employment Ontario, the Ontario government has committed to:

- Provide effective, relevant skills training and other employment and career planning services, where and when they are needed
- Enable Ontarians to access the services and support they need to succeed in today's job market
- Provide a single point of access to employment and training programs and services that individuals and employers need
- Respond to the needs of employers, job seekers, apprentices, new Canadians
- Ensure service excellence and public satisfaction with our programs and services

In addition to Employment Ontario, Ontario is investing to help newcomers settle, improve their language skills and find jobs through training programs. The Ministry of Economic Development and Trade works with communities facing significant challenges, such as the loss of a major employer, to help them build a successful future. Ontario also works with municipalities and other partners to improve transitions to employment for clients of *Ontario Works* and the *Ontario Disability Support Program*.

New resources being made available through the Canada-Ontario Labour Market Agreement will allow Ontario to supplement its current efforts in the labour market with new investments in four principal areas:

1. Technical Skills Training
2. Labour Market Integration of Immigrants
3. Foundation Skills Training and Supports
4. Labour Market Supports for Persons with Disabilities

Priorities will be developed and managed within a network providing integrated and excellent service delivery. Each year, a portion of resources will be devoted

to developing capacity and managing new investments. Ontario's objectives will include:

1. Technical Skills Training

- Increase access to timely, relevant and effective training opportunities to assist eligible clients with occupationally- specific training that supports labour market attachment
- Bridge skills gaps to grow Ontario's labour supply
- Help meet the demand for skilled tradespersons
- Address cost as a barrier to skills training for the 70 per cent of unemployed Ontarians who are not eligible for EI-funded training
- Increase opportunities to gain recognized certification to meet demand for certified workers, including the skilled trades
- Develop mechanisms to ensure that supported training is in areas of employer demand
- Meet the needs of new entrants and re-entrants to the labour market, youth, older workers, Aboriginal peoples, persons previously self-employed, and others
- Build on current assistance provided under Ontario Skills Development and Apprenticeship programs

2. Labour Market Integration of Immigrants

- Create opportunities for internationally-trained individuals to quickly meet regulatory and employer requirements in professions, trades and other occupations with focused bridge training projects and financial support to lower costs of participating
- Ensure the availability of financial supports for credential assessment
- Increase opportunities to obtain Canadian work experience through mentoring, coaching and other supports for work experience
- Ensure coordinated approaches with existing Ontario employment services as well as settlement services, Bridge Training and language training supported by the Ontario Ministry of Citizenship and Immigration and Citizenship and Immigration Canada

3. Foundation Skills Training and Supports

- Improve access to literacy and essential skills training to persons facing barriers to face-to face delivery, including those in rural and remote communities, by expanding the electronic delivery channel and necessary community supports
- Ensure availability of foundation skills training tailored to specific trades and occupations to increase access to higher skill training and employment, such as apprenticeship, to build Ontario's learning advantage and grow the labour supply in demand areas
- Create new opportunities for foundation skills training in the workplace for clients who have gaps in their literacy and essential skills

- Develop services and information products to assist people with lower levels of foundation skills to increase labour force attachment
- Meet the needs of new entrants and re-entrants to the labour market, youth, older workers, Aboriginal peoples, persons previously self-employed, and others
- Ensure consistency of client assessments with existing services to improve adult literacy

4. Labour Market Supports for Persons with Disabilities

- Remove barriers to participation in training and employment services, such as sign language interpreters, alternate formats, and attendant care
- Increase availability of employer incentives to train on the job, including accommodations and enhancements in the workplace
- Coordinate services supported by several Ontario ministries to address the needs of persons with disabilities
- Coordinate programs across the provincial government to meet the needs of persons with disabilities

LMA Priority	<i>1. Technical Skills Training</i>	<i>2. Labour Market Integration of Immigrants</i>	<i>3. Foundation Skills Training and Supports</i>	<i>4. Labour Market Supports for Persons with Disabilities</i>
Outcome Sought	Increased skill levels and increased opportunities for employment for Eligible Client groups.	Faster integration of internationally trained individuals to work in their fields (with recognized accreditation where appropriate) and increased opportunities for employment.	Increased level of foundation skills to increase opportunities for employment	Increased participation of persons with disabilities in labour market training and employment services and increased opportunities for employment.
Eligible Clients	<ul style="list-style-type: none"> • Unemployed individuals who are not EI Clients • Employed individuals who are low skilled, in particular, those who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills 	Internationally-trained individuals who are: <ul style="list-style-type: none"> • Unemployed individuals who are not EI Clients • Employed individuals who are low skilled, in particular, those who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills 	<ul style="list-style-type: none"> • Unemployed individuals who are not EI Clients • Employed individuals who are low skilled, in particular, those who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills 	Persons with disabilities who are: <ul style="list-style-type: none"> • Unemployed individuals who are not EI Clients • Employed individuals who are low skilled, in particular, those who do not have a high school diploma or a recognized certification or who have low levels of literacy and essential skills
Projected Eligible Expenditures annually and over 6 Years of the Agreement (\$1.2B)	Year 1: \$138M Year 2: \$138M Year 3: \$138M Year 4: \$138M Year 5: \$138M Year 6: \$138M TOTAL: \$828M	Year 1: \$16M Year 2: \$16M Year 3: \$16M Year 4: \$16M Year 5: \$16M Year 6: \$16M TOTAL: \$96M	Year 1: \$34M Year 2: \$34M Year 3: \$34M Year 4: \$34M Year 5: \$34M Year 6: \$34M TOTAL: \$204M	Year 1: \$6M Year 2: \$6M Year 3: \$6M Year 4: \$6M Year 5: \$6M Year 6: \$6M TOTAL: \$36M

ANNEX 2

PERFORMANCE INDICATOR INFORMATION

(Section 24)

1. Canada and Ontario 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, Ontario 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 Ontario, 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) Number of Eligible Clients who have earned credentials or certification through participation in the intervention.
 - (d) Average hourly earnings of Eligible Clients following the intervention.
 - (e) Proportion of Eligible Clients who, 3 months and 12 months after leaving the intervention, indicate their training helped prepare them for future employment.
3. The parties acknowledge and agree that:
- (a) Ontario will begin to collect or compile the Eligible Client Outcome and Impact Indicators referred to in paragraphs 2 (iii)(b) and (e) in fiscal year 2009/10 and will begin providing that information to Canada in 2010 or by such later date(s) as may be mutually agreed to by the Designated Officials, and
 - (b) Ontario will begin to collect or compile the Eligible Client Outcome and Impact Indicators referred to in paragraphs 2 (iii)(c) and (d) in fiscal year 2010/11 and will begin providing that information to Canada in 2011 or by such later date(s) as may be mutually agreed to by the Designated Officials.
4. The parties acknowledge that Ontario's ability to collect and compile information about Eligible Clients must be done in accordance with the laws of Ontario including the *Freedom of Information and Protection of Privacy Act*. This means that Ontario may not be able to collect certain information without self-identification, voluntary response or consent of clients. Ontario 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 29)

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

1. Canada and Ontario will jointly prepare public information material and jointly organize and participate in any public announcement relating to the signing of the Canada-Ontario Labour Market Agreement.
2. Ontario agrees to acknowledge Canada's support of Ontario'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 Ontario's Eligible Programs.
3. Ontario 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 Ontario agree to cooperate to provide opportunities for announcements, ceremonies, celebrations, and releases of reports to allow representatives of Canada and Ontario to clearly articulate the role of each government in supporting Ontario's Eligible Programs.
5. Ontario agrees to ensure that cheques or deposit statements for clients receiving assistance under Ontario Eligible Programs, either directly from Ontario or through an organization receiving funding from Ontario, will include the Government of Canada word mark.
6. Canada and Ontario 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.