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CANADA-ONTARIO LABOUR MARKET PARTNERSHIP AGREEMENT

BETWEEN the Government of Canada, hereinafter referred to as “ Canada ,” represented by the Minister of Human Resources and Skills Development and Minister Responsible for Democratic Renewal

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

WHEREAS on May 7, 2005 Canada and Ontario committed to developing a new Labour Market Development Agreement, including a rise in funding by Canada to address current and emerging labour market priorities in Ontario;

WHEREAS Canada and Ontario share a common vision for the labour market reflective of a skilled, productive, mobile, inclusive and adaptable labour force supported by a coherent system of labour market programs to ensure employers have the skilled workers required to sustain and enhance economic growth and prosperity for Ontarians;

WHEREAS Canada and Ontario give the highest priority to the development of a skilled workforce and to the rapid re-employment of unemployed Ontarians;

WHEREAS Ontario is building a results-based, One-Stop Training and Employment System to improve labour market outcomes for Ontarians;

WHEREAS Canada and Ontario want to work together in partnership to modernize government services that build a client-centred, service culture that offers a seamless, single window, multi-channel approach to the delivery of their respective labour market programs and services;

WHEREAS Canada and Ontario agree on the need to enhance labour mobility in Canada as set out in the Agreement on Internal Trade;

WHEREAS Canada and Ontario recognize that provincial benefits and measures provided for under Part II of the Employment Insurance Act, given their focus on those recently laid-off from insured employment, with funding provided to Ontario under the Canada-Ontario Labour Market Development Agreement, do not fully address the current and emerging labour market challenges in Ontario and Canada more broadly;



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AND WHEREAS, Canada and Ontario agree that their labour market programs and services should be based on transparent, results-based planning, a sound accountability framework, and rigorous stewardship of public resources, to obtain the best possible results for all Ontarians, with measurable outcomes.

ACCORDINGLY, Canada and Ontario agree as follows:

PURPOSE

1. The purpose of this Labour Market Partnership Agreement (LMPA) is to:
 - (a) set out the shared labour market goals and objectives of the parties;
 - (b) set out the joint priorities and level of investment by priority area for new labour market investments by Canada in Ontario ;
 - (c) establish a mechanism for a strategic planning process and broad collaboration;
 - (d) provide for the establishment of an accountability framework;
 - (e) set out the areas and levels of investment where Canada and Ontario delivery instruments will be used to ensure maximum benefits for citizens; and
 - (f) provide for public recognition of the respective roles of the parties in labour market programming.

A. GOALS AND SHARED OBJECTIVES

2. Canada and Ontario agree that the goals of this Agreement are:
 - (a) to promote an efficient labour market where the quantity and quality of labour supply effectively meet the demand, resulting in increased productivity and strengthening economic growth for Ontario ;
 - (b) to create an inclusive labour market by maximizing the participation of those currently employed, under-employed, or unemployed, through the removal of barriers and the enhancement of opportunities for the skills development of Ontarians; and
 - (c) to create a coherent and effective system of labour market policies and programs which are coordinated in design and delivery to help fully develop Ontario 's human capital.
3. To achieve these goals, Canada and Ontario agree to pursue the following shared objectives:
 - (a) enhance the capacity of skills training systems, including apprenticeship, and labour market programs to address employers' needs to increase the number of job-ready workers trained in areas of immediate demand and emerging skill shortages;
 - (b) support the rapid re-employment of workers affected by layoffs and plant closures to quickly retrain and find new employment;
 - (c) improve the labour market participation of those facing specific barriers, including, but not



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limited to, recent immigrants, Aboriginal peoples, older workers, and persons with disabilities;
(d) reduce the underemployment of skilled workers by providing the tools and information to enable workers to find jobs appropriate to their skill level;
(e) improve access to, and effectiveness of, labour market programs through coordination in design and delivery, and reduced overlap and duplication; and
(f) enhance and increase participation and public and private investment in workplace skills development, including apprenticeship, through collaboration with partners such as employers, unions, training providers, and community organizations.

4. To achieve the shared objectives established under this agreement, Canada and Ontario will work together in full respect of each other's jurisdiction and responsibilities for labour market programs and services.

B. JOINT PRIORITIES FOR NEW INVESTMENTS

5. In support of the goals and objectives referred to in section 2 and 3, Canada is committed to making new investments available to support the current and emerging joint priorities set out below and in Annex A to this Agreement. The levels of new investments to be made available in relation to those priorities are set out in Annex B to this Agreement.
6. Canada and Ontario agree to focus investment on the following priorities:
Expand and enhance Apprenticeship;
(a) Labour Market Integration of recent Immigrants;
(b) Literacy, and Essential Skills;
(c) Workplace Skills Development (e.g. incentives for upgrading skills of new and existing workers);
(d) Aboriginal Peoples;
(e) Assistance to others facing labour market barriers (e.g., older workers and others who are displaced, persons with disabilities).
7. The aggregate amount of Canada's new investments (including funding to cover increased internal administration costs) for fiscal years 2005-2006 to 2010-2011 inclusive will be \$30M, \$185M, \$215M, \$310M, \$314M, and \$314M respectively, of which 50 percent each year would be delivered through provincial investments subject to section E.
8. The new investments by Canada will be utilized in a joint and collaborative way that supports current and emerging priorities, and ensures the flexibility needed to shift resources over time and that is able to address joint priorities that are beyond the scope or ability of what either government can do at present.
9. Canada and Ontario agree that the funds provided under this Agreement will only be used to support initiative in the areas of investments outlined in Annex A to this Agreement as further



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elaborated in the Annual Plan for each fiscal year developed by the parties under section 14 of this Agreement.

C. STRATEGIC PLANNING AND COLLABORATION

10. Canada and Ontario agree to continue to work together in partnership to identify new innovative approaches to the delivery of public services in line with commitments set out in the Canada-Ontario Memorandum of Agreement on Collaboration in the Delivery of Public Services, signed May 13, 2004, and within the context of federal and provincial service delivery initiatives, such as Service Canada and Service Ontario .
11. Canada and Ontario agree to establish a Canada-Ontario Strategic Planning Committee to oversee the effective administration of this Agreement and to ensure ongoing cooperation and coordination while respecting the roles and responsibilities of both parties in achieving labour market objectives and in responding to future priorities.
12. The Strategic Planning Committee will be co-chaired by an Assistant Deputy Minister from the Ontario Ministry of Training, Colleges and Universities and Human Resources and Skills Development Canada and both parties will have an equal number of members. Service Canada, Service Ontario, the Ontario Ministry of Community and Social Services and the Ontario Ministry of Citizenship and Immigration will also be represented on the Committee, with representatives from other agencies, departments or ministries invited to participate in Committee meetings as deemed appropriate.
13. The Strategic Planning Committee will be expected to:
 - (a) develop and adjust as needed investment profiles for each agreed-to priority, with changes in priorities, or funding levels for each, requiring mutual agreement;
 - (b) consult on an Annual Plan developed by both governments (which will include the planning elements set out below and expected outcomes and results as developed through the joint accountability framework set out in Section D) on how the priorities would be addressed through respective federal and provincial programs and services, and investments;
 - (c) ensure effective ongoing communication between Canada and Ontario on activities undertaken by either government in support of the joint province-wide planning framework;
 - (d) ensure that the Accountability Framework is developed, implemented and adhered to;
 - (e) resolve disputes that may arise between the parties;
 - (f) evaluate effectiveness of current activities and in this context include local stakeholders, including municipalities, community groups, employers and unions, as appropriate;
 - (g) seek input from key stakeholders on the operation of this agreement (including such groups as employers, municipalities, service providers, labour organizations, voluntary sector, Aboriginal peoples, official language minority communities and other interested stakeholders); and
 - (h) maintain linkages with the LMDA Management Committee under the Ontario-Canada



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Labour Market Development Agreement to ensure an integrated approach to labour market programming covered under the two agreements.

14. Decisions of the Strategic Planning Committee will be taken by consensus. Unresolved issues will be referred to Deputy Ministers and then to Ministers if after a reasonable time for discussion agreement cannot be reached on a substantive issue.
15. Canada and Ontario agree to contribute to the Annual Plan for each of the fiscal years of this Agreement for the use of federal funding, which:
 - (a) Identifies specific priorities and activities for investment of both parties;
 - (b) Identifies measurable targets for tracking progress in relation to objectives of this Agreement;
 - (c) Demonstrates that federal investments will be incremental and will not displace existing provincial or federal spending;
 - (d) Identifies how both parties plan to address the labour market needs of Ontarians and employers;
 - (e) May be amended by joint agreement in a manner consistent with the spirit and intent of this Agreement if deemed necessary by Canada or Ontario to reflect significant shifts in approach necessitated by changing circumstances or priorities within any fiscal year; and
 - (f) Canada's payments to Ontario for each fiscal year are conditional upon the public release of a summary of the Annual Plan that sets out the priorities for investment and the outcomes to be achieved.
16. Canada and Ontario agree to coordinate data collection and analysis and increase the sharing of information to assist in strategic planning and program development based on a common understanding of the labour market. Information sharing could include a capacity to identify priority clients for service and to support integrity across government programs.
17. Canada and Ontario are committed to ensuring the necessary flexibility of strategic planning mechanisms, including involvement of separate departments/ministries as appropriate, to ensure that joint planning mechanisms are able to accommodate and respond to sectoral/regional and client-centered priorities that are beyond specific programs, for example, the integration of recent immigrants.
18. Canada and Ontario agree to develop and implement a more coordinated approach to labour market information services and products to assist clients and employers and to address the identified priorities.
19. Within the terms of this agreement, any new delivery arrangements worked out by the parties will be set out in one or more subsidiary agreements to this Agreement to be entered into between the parties. In developing new service delivery arrangements, Canada and Ontario agree that any services delivered jointly to the French-speaking minority language community



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shall meet the requirements of Canada's Official Languages Act and the Ontario French Language Services Act.

D. ACCOUNTABILITY FRAMEWORK

20. Within the terms of this Agreement, Canada and Ontario agree that reporting and evaluation activities are crucial to assessing progress towards enhanced program effectiveness and achieving desired outcomes. In support of this, Canada and Ontario agree to develop an Accountability Framework in relation to the new investments that will be based on the following shared principles:
 - (a) the need for clear public policy objectives, performance expectations and measures that are comparable and jointly developed;
 - (b) the importance of effective accountability mechanisms to the achievement of results;
 - (c) commitment to transparency and public reporting to their residents on the progress and performance of their programs and policies; and
 - (d) partnership approach to setting of performance expectations, undertaking of performance measurement and undertaking of program evaluations.
21. In order to establish performance expectations, Canada and Ontario agree to:
 - (a) jointly define and validate a set of measurable performance indicators before agreement on them is in place; and
 - (b) establish a process of joint target-setting and periodic reviews and adjustments.
22. Building on their existing results-based performance management systems, Canada and Ontario agree to develop comparable program indicators for labour market programs and services delivered by both governments and covered by this Agreement.
23. Within the terms of this Agreement, Canada and Ontario agree that monitoring and assessment will be part of the performance evaluation framework to support ongoing program monitoring, periodic in-depth evaluation and research activities around short, medium and long-term results; and to adjust programs as required in response to ongoing monitoring and assessment.
24. Subject to Section 26, Canada and Ontario agree to share information and data on activities related to labour market activities and individual clients as it relates to short, medium and long-term results to support program monitoring and assessment and to contribute to periodic evaluations, research and reporting. The details around information and data sharing will be set out in an Information and Data Sharing Agreement to be negotiated between the parties.
25. Canada and Ontario agree that each may use, publish, distribute and allow use of the information, data, analysis tools and other products generated by the work in relation to measurement of results, evaluation, financial audit and control.



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26. Any collection, use, disclosure, retention, or disposal of personal information is subject to each party's laws and regulations governing privacy and the disclosure of personal information.

E. PROGRAM DELIVERY AND INSTRUMENT CHOICE

27. Within the terms of this Agreement, Canada and Ontario agree that the actual delivery of these new investments must be a shared endeavour, recognizing the capacity and focus of each party's delivery systems, and that the Canada – Ontario Labour Market Development Agreement will be implemented on January 1, 2007 .
28. In this regard, Canada agrees that on specific proposals in respect of initiatives in the priority areas identified in Annex A, Canada will, subject to:
- (a) obtaining any required approval of Canada 's Treasury Board;
 - (b) adherence to the requirement of the Treasury Board Policy on Transfer Payments; and
 - (c) the appropriation of funds by Parliament for the fiscal year in question, provide funding to Ontario each year up to the amount set out in Annex B for that year to support those initiatives. This funding will also be subject to a formal written agreement that will specify the terms and conditions of the funding, including terms and conditions relating to delivery instruments, accountabilities, results, reporting requirements and other standard requirements of such agreements.
29. Canada will make advance payments of its annual contribution toward the costs incurred by Ontario under this Agreement. The advances will be made on a monthly basis, and will be based on a forecast of monthly cash flow requirements furnished by Ontario . Ontario agrees to update the forecast on a quarterly basis.
30. Starting with the 2006-07 fiscal year, the advance payment for the months of November to March of each fiscal year are subject to the public release of the summary of the Annual Plan.
31. Canada and Ontario agree that the funds provided under this Agreement will only be used in accordance with the areas of investments outlined in Annexes A and B of this Agreement to support the priority areas for investment outlined in the Annual Plan, which will be attached hereto, as Annex C, and will form part of this Agreement.

F . VISIBILITY AND PUBLIC INFORMATION SHARING

32. Canada and Ontario agree on the importance of ensuring that the public is informed of their respective roles and, in particular, the financial contribution of Canada .
33. The Financial contribution of Canada and Ontario to jointly funded programs and services will be acknowledged in any public information about programs and service.



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34. Canada and Ontario agree to cooperate to provide opportunities in announcements, ceremonies, celebrations, and releases of reports to allow representatives of Canada and Ontario to clearly articulate the role of each government in supporting Canada and Ontario program and services.
35. Canada and Ontario agree to develop joint information products on Canada and Ontario programs and services at times to be mutually agreed but at least annually.

G. DURATION AND REVIEW

36. Canada and Ontario agree that this Agreement will be subject to a three year review to enable adjustments to programs and services as appropriate to ensure that emerging trends are addressed, that priorities are respected, and that innovations and continuous improvements are incorporated.
37. This agreement will be in effect for six fiscal years from the date of signing and may be extended for with the mutual agreement of both parties.

ANNEX A:

PRIORITIES FOR NEW FEDERAL INVESTMENTS

As set out in Section F, Canada and Ontario agree to the following joint priorities, in the areas identified below, for new federal investments in labour market development in Ontario .

- Expand and enhance Apprenticeship
- Labour Market Integration of recent Immigrants
- Literacy and Essential Skills
- Workplace Skills Development (e.g. incentives for upgrading skills of new and existing workers)
- Aboriginal peoples
- Assistance to others facing labour market barriers (e.g., older workers and others who are displaced, persons with disabilities).

Some of the activities which the governments may pursue are set out below:

EXPAND AND ENHANCE APPRENTICESHIP (\$268M over 6 years)

- **Enhancing and expanding access to apprenticeship:** Explore innovative ways of improving retention and completion of apprentices.



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- **Removing barriers to apprenticeship:** Increase employer participation; explore innovative ways to support under-represented groups, such as Aboriginal peoples and recent immigrants, in the apprenticeship system.
- **Fostering high-quality learning :** Support the infrastructure needs of Ontario 's in-class apprenticeship training system, potentially through an endowment investment which also seeks to leverage investments from the private sector.
- **Enhancing mobility :** Working with other jurisdictions through the Red Seal program, expand current efforts to increase mobility and coherence of apprenticeship systems - common core curriculum standards, language benchmarks and essential skills. Improve mobility for apprentices during their in-class training.
- **Promoting skills utilization :** Facilitate prior learning assessment and recognition (PLAR) through development of tools and pilot projects to encourage learning institutions and employers to participate in PLAR for domestic and foreign credentials, as well as trade-specific essential skills.
- **Fostering a client- focused delivery of supports :** Ensure a coherent suite of labour market programs and services that provide skills upgrading, basic training, employment services, and incentives for potential apprentices, apprentices, and journeypersons. These will be provided through community colleges, community groups and union-based apprenticeship training facilities.

Desired Outcomes:

- Better quality apprenticeship training
- Increased participation in apprenticeship training
- Increased completion of apprenticeship training
- Increased mobility through expansion of the Red Seal program and increased Red Seal certification

LABOUR MARKET INTEGRATION OF RECENT IMMIGRANTS (\$292.5M over 6 years)

- **Providing better information:**
 - Developing labour market information including occupation requirements in a given jurisdiction available prior to arrival.
 - Establish national network to facilitate sharing of data, information, promising practices, and successful integration models among employers, immigrant-serving agencies, post-secondary institutions, provincial assessment agencies, regulatory bodies, and other stakeholders.
- **Improving access to employment needs determination and counseling:**



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- Creating better integration and filling service gaps within immigrant services in areas including assessment of language skills, credentials, and prior work experience to determine job-readiness, resume preparation, job search, interview techniques, and ongoing counseling during work experience.

- **Expanding Bridge to Work Programs**
 - Expanding existing and creating new bridge to work (eg. bridge training) programs to provide direct supports for recent immigrants entering the labour market, such as work placements, mentoring, self-employment support and skills upgrading.

Desired Outcomes:

- Better quality occupation information for clients
- Better integrated services for immigrants
- Increased support to improve labour market attachment and earnings for recent immigrants
- Removing barriers to successful labour market attachment

LITERACY AND ESSENTIAL SKILLS (\$141M over 6 years)

- Improving strategies for those with low literacy and essential skills: Develop new tools to address adult literacy and essential skills.
- Fostering labour market efficiency and effectiveness : Develop innovative ways to expand access to academic upgrading and trade-specific literacy and numeracy training.
- Facilitating effective partnerships at the community level : Between governments, local businesses, unions, NGOs, and other stakeholders, to help address the needs of adult learners with low literacy and essential skills.

Desired Outcomes:

- Better tools to address literacy and essential skills acquisition
- Increased capacity in communities to address literacy and essential skills needs
- More individuals qualified to participate in postsecondary education and training, such as apprenticeship

ABORIGINAL PEOPLES (\$90M over 6 years)



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- Improved labour market participation for Aboriginal peoples through targeted strategies such as skills training, and job experience.
- Partnerships and coordination with AHRDA holders and other Aboriginal stakeholders in the design and delivery of culturally appropriate training initiatives including community based training options and strategies targeted to urban environments.
- Supporting Aboriginal Literacy and Essential Skills through literacy and essential skills programs, assessment tools, and PLAR that are culturally sensitive and relevant.
- Developing initiatives to enable more Aboriginal peoples in Ontario to take advantage of economic development opportunities in and around their communities.

Desired Outcomes:

- Improved labour market outcomes for Aboriginal peoples on and off reserve.
- More efficient and effective delivery tools
- Better partnerships among governments, AHRDA holders and other Aboriginal stakeholders

WORKPLACE SKILLS DEVELOPMENT (\$476.5M over 6 years)

- **Better incentives for employers to upgrade skills of new and existing workers** through new partnerships with employers, employer associations and unions, including SMEs.
- **Better information, outreach and material for employers in support of workplace training**, including skills assessment tests, competency-based accreditation.
- **Using existing and creating new partnerships between employers, unions trainers** with a focus on sectoral strategies or cluster-based activities to lever investments of employers and to facilitate the development of workplace skills development for workers requiring skills upgrading.
- **Conducting research** to better understand the factors influencing workplace skills development decisions and international best practices.

Desired Outcomes:

- Increased skills investments leveraged from employers and workers.
- Increased awareness of the need to better address the skills of the workforce.

ASSISTANCE TO OTHERS FACING LABOUR MARKET BARRIERS (\$100M over 6 years)



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- **Flexible, integrated package of interventions targeted to individual client needs including persons with disabilities, older workers and youth at risk**

ANNEX B: LEVEL OF NEW FEDERAL INVESTMENTS BY PRIORITY

Canada and Ontario agree to the following allocations for planning purposes for the six priority areas set out in Annex A for the fiscal years 2005-06 to 2010-11. These allocations may be adjusted within a fiscal year between priorities as a result of the finalization of the Annual Plan each year.

Proposed Use of Ontario Instruments

(\$ Millions)

| PRIORITY AREAS | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Six year total | % of Total |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-------------------|
| Apprenticeship | 6.0 | 30.0 | 30.0 | 48.0 | 50.0 | 50.0 | 214.0 | 15.6 |
| Immigrants | | 12.5 | 15.0 | 20.0 | 20.0 | 20.0 | 87.5 | 6.4 |
| Literacy and Essential Skills | | 13.0 | 15.0 | 22.0 | 22.0 | 22.0 | 94.0 | 6.9 |
| Workplace Skills Development | 9.0 | 30.0 | 37.5 | 50.0 | 50.0 | 50.0 | 226.5 | 16.6 |
| Aboriginal Peoples | | 3.0 | 5.0 | 5.0 | 5.0 | 5.0 | 23.0 | 1.7 |
| Others Facing Barriers | | 4.0 | 5.0 | 10.0 | 10.0 | 10.0 | 39.0 | 2.9 |
| TOTAL | 15.0 | 92.5 | 107.5 | 155.0 | 157.0 | 157.0 | 684.0 | 50 |

Proposed Use of Federal Instruments

(\$ Millions)

| PRIORITY AREAS | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Six year total | % of Total |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-------------------|
| Apprenticeship | | 10.0 | 10.0 | 10.0 | 12.0 | 12.0 | 54.0 | 3.9 |
| Immigrants | | 25.0 | 30.0 | 50.0 | 50.0 | 50.0 | 205.0 | 15.0 |
| Literacy and | | 7.5 | 7.5 | 10.0 | 10.0 | 10.0 | 45.0 | 3.3 |



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|------------------------------|------|------|-------|-------|-------|-------|-------|------|
| Essential Skills | | | | | | | | |
| Workplace Skills Development | | 30.0 | 40.0 | 60.0 | 60.0 | 60.0 | 250.0 | 18.3 |
| Aboriginal Peoples | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 90.0 | 6.6 |
| Others Facing Barriers | | 5.0 | 5.0 | 10.0 | 10.0 | 10.0 | 40.0 | 2.9 |
| TOTAL | 15.0 | 92.5 | 107.5 | 155.0 | 157.0 | 157.0 | 684.0 | 50 |

Total New Federal Investment Available

(\$ Millions)

| PRIORITY AREAS | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 | 2010-11 | Six year total | % of Total |
|-----------------------|----------------|----------------|----------------|----------------|----------------|----------------|-----------------------|-------------------|
| TOTAL | 30.0 | 185.0 | 215.0 | 310.0 | 314.0 | 314.0 | 1,368.0 | 100 |

Administrative resources to design, deliver and manage programs and services in support of priorities are included in above-noted figures.

Note: Numbers may not add up due to rounding