



**CANADA-PRINCE EDWARD ISLAND
JOB FUND AGREEMENT (CJF)
ANNUAL PLAN 2014-15**

September 18, 2014

One Island Community



One Island Future



Introduction

SkillsPEI, a division of the Department of Innovation and Advanced Learning is responsible for the management and administration of labour market development programs. Within the Department of Innovation and Advanced Learning there are three key partners who share broad responsibility for both economic and labour market development portfolios (Innovation PEI, Post Secondary and Continuing Education and SkillsPEI). This collaboration creates opportunities for strategies and tactics that more closely align the labour market development needs of Prince Edward Island.

The province continues to strive for continued economic expansion and diversification, enhanced income levels, greater self-reliance and continued population growth. While the primary industries of agriculture, fisheries and tourism continue to contribute to positive economic growth, the provincial government has been actively encouraging the growth of economic opportunities. As noted in the Speech from the Throne, November 2013, the government of Prince Edward Island will continue to put an emphasis on manufacturing and small business development. The government will also continue to pursue business expansion in rural Prince Edward Island and provide assistance to our primary industries through loan programs and other incentives.

Environmental Scan ¹

Provincial Economy

As noted in the Annual Statistical Review 2013, GDP by industry for Prince Edward Island expanded by 1.4 per cent in 2013. Leading growth sectors in the province were (in 2002 chained prices): manufacturing (up by \$23.8 million or 6.3 per cent), real estate and rental and leasing (up by \$13.8 million or 2.2 per cent), finance and insurance (up by \$12.3 million or 5.2 per cent), and agriculture, forestry, fishing and hunting (up by \$7.0 million or 2.6 per cent). Sectors showing the largest declines were construction (down by \$9.6 million or 3.6 per cent), utilities (down by \$3.1 million or 5.8 per cent), management of companies and enterprises (down by \$1.9 million or 5.7 per cent) and public administration (down by \$1.7 million or 0.3 per cent).

GDP Income and Expenditure tables for 2013 are expected to be released by Statistics Canada in the fall of 2014. Statistics Canada estimates that real GDP growth for PEI in 2012 was 1.5 per cent, the fastest growth in the Atlantic region.

The change in the *All-Items Consumer Price Index* (CPI) for Prince Edward Island was 2.0 per cent in 2013. Leading factors contributing to this were higher prices for *energy* (up by

¹ Prince Edward Island Fall Annual Statistical Review 2013 (Economics, Statistics & Federal Fiscal Relations)

4.4 per cent), *food* (up by 1.0 per cent), and *shelter* (up by 2.4 per cent). In Canada, prices increased by 0.9 per cent in 2013.

Manufacturing shipments on Prince Edward Island increased by 9.6 per cent to \$1,433.1 million in 2013, up from \$1,307.8 in 2012. According to Industry Canada, the value of P.E.I.’s international exports of goods rose by 6.3 per cent in 2013 to \$926.1 million, following a 15.4 per cent increase in 2012.

The annual average of total employment on Prince Edward Island increased by 1.8 per cent from 72,800 in 2012 to 74,100 in 2013. Employment in the goods-producing sector decreased by 1.1 per cent in 2013, while employment in the service providing sector increased by 2.9 per cent.

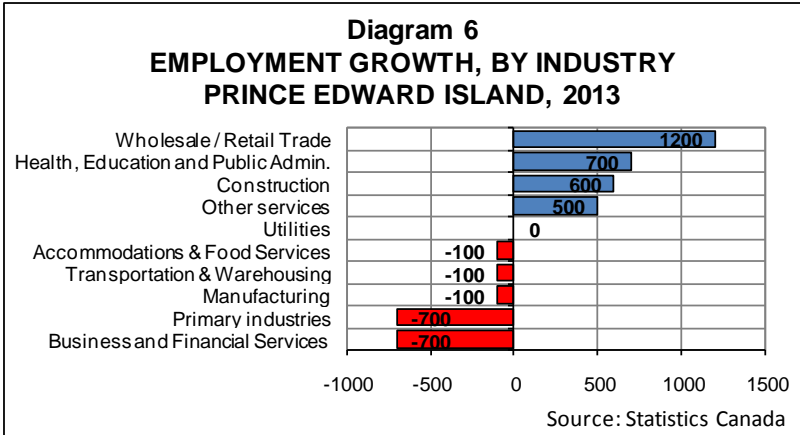


Diagram 6 indicates that a total of 3,000 jobs were created in wholesale and retail trade, health, education, and public administration, construction, and other services in 2013. The remaining sectors accounted for a loss of 1,700 jobs.² The labour force participation rate increased from 68.0 per cent in 2012 to 69.3 per cent in 2013. The annual average unemployment rate increased slightly, rising to 11.5 per cent in 2013 after remaining at 11.3 per cent in both 2011 and 2012.

On July 1, 2013, the population of Prince Edward Island was estimated at 145,273, an increase of 0.05 per cent over 2012.

Business owners together with their employees are essential in moving Prince Edward Island’s economy forward. As a large proportion of Prince Edward Island’s private sector is comprised of small and medium sized businesses, it is critical for programs and services to remain flexible in order to maximize opportunities for Island workers while strengthening our industries.

² The sum of industry gains and losses may not equal the total due to rounding.

The announcement of the Canada –Prince Edward Island Job Fund Agreement on August 12, 2014, will ensure continued investments in Islanders to build a strong and adaptable workforce and provide them with the skills needed to succeed in the Prince Edward Island labor market. Employer sponsored training programs delivered through this agreement will ensure employers are instrumental in determining their training needs in order to prepare Islanders for new and better jobs.

Priority Focus

Labour Market Consultations

In order to ensure a successful launch of the Canada Job Grant, it is vital that business owners and Islanders are aware of benefits of the grant and how it will assist employers upgrade their workforce and provide opportunities for Islanders to improve their workplace skills. Presently, SkillsPEI is meeting with employers, industry associations, post secondary institutions and other key stakeholders across the province to ensure they are informed about the Canada-Prince Edward Island Job Grant. This process will also provide an opportunity for key stakeholders to provide input and feedback about how the program can be utilized to meet their training needs.

As well in the spring of 2014, SkillsPEI engaged in an annual consultation process that involved input from key stakeholders across Prince Edward Island. The objective was to ensure programs and services continue to meet the needs of clients and align with the economic development plans of the province. Through this process, feedback was gathered regarding labour market challenges and input was provided on the design and delivery of labour market programs. By aligning training programs and services with local labour market needs the province will continue to promote opportunities for sustainable growth and ensure that individuals have the necessary skills to maximize their opportunities to participate in the labour market.

Following these discussions with organizations responsible for administering employment services, community organizations engaged in supporting labour market development initiatives and industry representatives, it was apparent that continued strategic investments in employment related interventions are vital to ensure continued economic growth. Without access to a skilled workforce in both the rural and urban areas of the province, employers will have difficulty maintaining their current level of business and it will prove very challenging to consider expansion opportunities.

The province continues to participate in joint tables with federal counterparts and representatives of the Aboriginal and Francophone communities. Through this approach, stakeholders exchange information on strategic developmental projects and share information on federal and provincial policies, programs and services that would benefit these groups.

The Department of Innovation and Advanced Learning is also involved in a business survey that was initiated in early 2014. The survey was launched to approximately 2500 Prince Edward Island businesses in all sectors of the economy. The findings of the survey will help inform and guide the province's decision making, policy and program development in order to ensure that government is providing the proper supports to Prince Edward Island businesses. This survey is funded exclusively through the Department of Innovation and Advanced Learning.

In addition to annual stakeholder consultations which are part of the planning process, SkillsPEI remains engaged with stakeholders through on-going program delivery. This engagement ensures programs and services remain responsive to local labour market needs and will ensure individuals have the opportunity to gain skills and experience necessary to successfully transition to sustainable employment.

Summary- Moving Forward Together

Prince Edward Island has established a network to provide services and programs to assist private sector employers and job seekers. While it is critical to continue this support, Prince Edward Island is committed to a direct approach to connect Islanders to the labour market and to increase the employment levels in the province.

Prince Edward has an aging workforce and in recent years has experienced an increase in inter-provincial out migration. In 2013, there was an interprovincial outmigration of approximately 4,220 individuals from Prince Edward Island, of which 48.3% were working age population under the age of 35. To address this issue, it is important that Prince Edward Island create opportunities for individuals, in particular youth, to gain long term sustainable employment and have the choice to remain in the province.

In 2012, Prince Edward Island introduced a post secondary graduate mentorship program in response to the out-migration of well educated Islanders and to strengthen capacity within the local labour market. This targeted program in combination with other programs will continue to provide opportunities for individuals to gain relevant work experience in the private sector and allow employers to gain access to skilled and capable new entrants which will assist in economic growth.

In the past, Prince Edward Island has provided funding support to Island businesses for workplace training initiatives focused on increasing production capacity and supporting innovation. With the signing of the Canada – Prince Edward Island Job Fund Agreement and the introduction of the Canada Job Grant there will need to be a focused effort to partner with employers to transform the delivery of training programs for Island employers.

The Canada Job Fund Agreement implementation plan will provide Prince Edward Island with an opportunity to continue to assist Islanders with programs and services to improve their labour force participation. The anticipated investments totaling approximately \$2.043 M in the upcoming fiscal year will enable employers, educators and other stakeholders to build a skilled workforce while meeting local labour market demands.