



**SUMMARY AND HIGHLIGHTS
OF THE
CANADA - NEW BRUNSWICK AGREEMENT
ON
LABOUR MARKET DEVELOPMENT**

New Brunswick became the second province to sign a Labour Market Agreement with the federal government on December 13, 1996. The agreement is based on the May 30, 1996 federal offer to the provinces and is in keeping with the provisions of the Employment Insurance Act of July 1996. Like Alberta, New Brunswick decided to take up all aspects of the offer.

The Agreement provides the following:

- ▶ A recognition that, although new Brunswick will assume responsibility for the delivery of programs and services, labour market development continues to be an area where both levels of government have responsibility.
- ▶ New Brunswick, through its Departments of Advanced Education and Human Resources Development, will assume responsibility for the delivery of labour market programs and services covered in the offer effective April 1, 1997.
- ▶ The federal government will maintain responsibility for programs with a national focus such as labour market information but will have the options to offer additional programs and services with the agreement of New Brunswick.
- ▶ In 1997/98, New Brunswick will offer:
 - *Partners*, a wage subsidy program covering the extra cost for employers creating new jobs for insured participants;
 - An earnings supplement program to top up the wages of "displaced workers and others with high wage expectations" and EI, and possibly, SAR recipients;
 - *Entrepreneur*, a self-employment loan program which will amalgamate the province's existing support for individuals setting themselves up in business. The emphasis will be on loans and supportive assistance;
 - Job creation partnership activities to provide "work experience in support of

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- obtaining long term employment";
 - A loan and grant program to cover skills training costs. It will be administered as a separate stream in the existing Student Aid Program, but no other details are available yet; and
 - Labour market partnership activities focusing on maximizing economic and labour adjustment processes through the New Brunswick Adjustment Services Initiatives.
- ▶ Labour market development assistance as well as income support (including Social Assistance and Employment Benefits) will be delivered in co-located facilities known as Canada New Brunswick Human Resource Service Centres (HRSCs).
 - ▶ No existing centres belonging to either the federal or provincial governments will be closed although where two now exist in a single community they will be combined except where population warrants more than one.
 - ▶ Previous National Employment Services will now be delivered as employment assistance services, through third party contracts based on needs identified through case management staff.
 - ▶ There are no specific provisions covering the privacy of information when in the hands of third parties, as there are in the Alberta agreement.
 - ▶ New Brunswick will receive \$66.4 million in 1997/98; \$78.1 million in 1998/99; and \$83.5 million in 1999/2000.
 - ▶ Emphasis for benefits and measures will be active claimants (at least 65% of those to be served). Up to 35% can be past claimants or non-insured persons.
 - ▶ No target distribution of expenditures to the different Part II benefits and measures for 1997/98 has been developed to date, as was the case in Alberta.
 - ▶ New Brunswick and Canada have agreed that "equity principles with regard to women, aboriginals, visible minorities and persons with disabilities need to be respected in the design and delivery of the programs and services".
 - ▶ Accountability for results will focus on, but not be limited to:
 - the number of persons receiving services who are active claimants (target is 65%);
 - the number of persons returning to work; and
 - the savings to Part I of the EI Account (target is \$25.9 million).

- ▶ The target of savings to Part I of the EI Account at \$25.9 million in savings for \$66.4 million in spending is much more modest than in Alberta.
- ▶ New Brunswick and Canada will jointly develop an evaluation framework and each government will maintain the right to conduct separate evaluations.
- ▶ The agreement provides for the transfer of 170 Full-time Equivalent positions (FTEs) to New Brunswick and protects severance as well as leave, pension and other benefits, although some details are still forthcoming. Every effort will be made to protect seniority rights. No layoffs of former HRDC personnel are permitted in the first three years following transfer of the employees.

Areas to Watch:

What is the role of third parties in the final delivery model for services? Is quality being monitored?

Is the right to privacy of information being upheld by any third parties contracted to deliver services on behalf of the province?

Are individuals receiving an adequate or enhanced level of service through the co-located centres?

Are EI claimants receiving priority for services and benefits? What percentage of non-EI claimants are receiving services funded by the EI Account?

Has an adequate evaluation framework been developed? Are the results being used effectively to improve program and service delivery?

Have the accountability measures been met, and , if so, has it been done without sacrificing access?

Do members of the equity groups have access to the same, a higher or a lower level of service than prior to the agreement?

What relative weight in terms of budget allocations have the various Part II programs been given?