

Good afternoon,

The Aboriginal Affairs Directorate and the Aboriginal Program Operations Directorate have developed a thematic report based on what we heard during the regional engagements. This report is to be shared with all ASETS agreement holders so that they may have the benefit of hearing the views of other agreement holders across the country.

Attached is a copy of the report that can be shared with your affiliates.

Should you wish to provide feedback on the report, comments can be shared through the general email account [ALMP-PAMT@hrsdc-rhdcc.gc.ca](mailto:ALMP-PAMT@hrsdc-rhdcc.gc.ca).

Please do not hesitate to contact me if you have questions or require clarification. Your continued support and assistance is appreciated. Thank you.

Sincerely,

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Aboriginal Skills and Employment Training Strategy (ASETS)  
Regional Engagement Thematic Report

Prepared by: Aboriginal Affairs Directorate/Aboriginal Program Operations Directorate

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## **Introduction**

The Aboriginal Skills and Employment Training Strategy (ASETS) and Skills and Partnership Fund (SPF) are expiring in 2015; both programs are designed to increase workforce participation and help First Nations, Métis and Inuit people prepare for, find, and maintain employment.

Employment and Social Development Canada (ESDC) and Service Canada have engaged with ASETS agreement holders across the country to gather views and recommendations on Aboriginal labour market programming. Between September 18, 2013 and November 27, 2013, ESDC and Service Canada held 16 in-person regional meetings in the following cities: Little Current, ON; Vancouver, BC; Whitehorse, YK; Edmonton, AB; Yellowknife, NT; Iqaluit, NU; Montreal, QC; Halifax, NS; Winnipeg, MB; Saskatoon, SK; and Ottawa, ON. Participants included representatives from agreement holders, ESDC and Service Canada.

The engagement sessions were divided into three key discussion areas related to Aboriginal labour market programming: partnerships, demand-driven programming, and regional perspectives. Participants were provided with a Discussion Guide containing questions under each of these areas to facilitate the conversation (Annex A).

## **Executive Summary**

With respect to Aboriginal labour market programming in Canada, regional differences play a role in how programming is delivered. The ASETS pillars of partnership, demand-driven programming and accountability for improved results are challenging to implement equally across the country without taking into account the location of the respective agreement holders.

With respect to partnership, this pillar has been more easily implemented in urban settings where organizations have access to a variety of employers and training institutions. In remote and isolated regions of the country, establishing partnerships has been more challenging due in part to the limited number of employers, as well as occasional occurrence of competition between agreement holders for available partners.

With respect to demand-driven skills development and training programming, Agreement holders agreed that implementation can be challenging in an ever-changing labour market. There are varying views on the definition of demand-driven. Political sensitivities between First Nations and specific industries need to be taken into account when determining demand-driven programming. Up-to-date labour market information (LMI) is difficult to maintain; however, agreement holders have found creative ways to access relevant LMI (i.e. hiring staff for labour market data.). Agreement holders have also moved towards transferable skills training. Employer use of temporary foreign workers (TFW) over Aboriginal clients is a concern to the ASETS network and the Aboriginal community. Many ASETS clients are multi-barriered and require lengthier interventions. Some clients, particularly in western and northern Canada, have criminal records and difficulty obtaining a driver's license as barriers to employment. Agreement holders would like to see an improvement in the quality of K-12 education in

their provinces/territories and communities, which could lead to fewer clients requiring basic and essential skills and pre-employment training.

Agreement holders face unique regional challenges as well. It was stated in the context of demand-driven programming that the use of TFWs by employers is high; however, specific regions in Canada experience a higher use of TFWs over Aboriginal workers due to the nature of their labour markets. Remote and isolated regions can be economically depressed and find it difficult to find employer partners or deliver demand-driven programming (i.e. large/major industries). The cost of doing business in the territories and northern parts of some provinces can be extremely high. Catchment areas and equality of access to services need to be reviewed and reconsidered for future programming to ensure that community members and land claim beneficiaries are receiving services in the location they reside in.

Child care, an increase in funding allocations, capacity development, and reporting burden were also raised as issues to be considered in a post-2015 approach.

This thematic report highlights the views shared by participants under each key area during the ASETS regional engagement sessions.

### **Partnerships**

Partnerships help connect Aboriginal people with sustainable and meaningful employment. While partnerships have long been a cornerstone of ESDC's Aboriginal labour market programming, ASETS seeks to use partnerships in a more integrated, strategic way that leads to increased employment and possible contributions.

Reoccurring topics emerged during the engagement sessions under this theme. Many agreement holders expressed that partnerships are critical to the success of their work and without them they would not be able to perform the work required in their agreements.

#### **I. Formal vs. Informal Partnerships:**

Agreement holders collectively said that they use both formal and informal partnerships. Many agreement holders highlighted the importance of their informal partnerships, noting that in many cases this arrangement can be preferred, particularly as employers can be apprehensive about formal partnerships with Aboriginal organizations. When partnering with small and medium enterprises, agreement holders stated that informal partnerships work best and elevate some of the expectations associated with formalizing a partnership. Informal partnerships provide employers with the opportunity to work with agreement holders without formally binding them through a Memorandum of Understanding or other binding contracts. It was noted that informal partnerships support the development of positive relationships and help to build trust between parties.

## II. ASETS and Government Partners (Federal, Provincial/Territorial):

Agreement holders noted that ESDC and agreement holders could benefit from stronger collaboration to meet common goals. Agreement holders noted that the former program 'Pathways to Success' – which had a national board where both agreement holder representatives and the Deputy Minister of ESDC participated – could serve as a model to support future collaborative relationships. With respect to partnerships with provincial and territorial governments, many agreement holders expressed that there were either no partnerships in place or that they were not as beneficial as they could be.

## III. Partner Contributions:

Agreement holders indicated that both cash and in-kind partnership contributions are provided by partners. Agreement holders receive both cash and in-kind contributions from partners, with some estimating a 50/50 split between the two. Both forms of contributions were considered beneficial and neither was viewed as more significant than the other. There is also a vast array of partners (e.g. educational institutions, small and medium sized businesses and large resource development companies) and their contributions vary based on arrangements with agreement holders.

## IV. Reporting:

Many agreement holders stated that the reporting burden associated with partnerships is very high. Those lower capacity agreement holders find it burdensome to report on all aspects of their partnerships. Agreement holders noted that partnerships have long been part of Aboriginal labour market programming and will continue, so ongoing reporting is considered unnecessary. With respect to reporting on successful partnerships, agreement holders expressed concerns that some partnerships are not considered as 'successful' by ESDC because they can take much longer to develop than the parameters of the reporting period.

## V. Incentives:

Across the country, agreement holders recommended that the Canada Revenue Agency provide their partners with a tax credit for partnership. This incentive could result in better profiling for agreement holders, and encourage businesses to partner with Aboriginal organizations. It may also encourage companies to refrain from using TFWs to address labour shortages.

## VI. Availability of Partners:

In the northern regions (territories and northern parts of some provinces), it was expressed that geography can be a barrier to partnerships. The option for partners can be very limited, and in some cases, there are many agreement holders competing for a limited number of available partners.

## Demand-Driven Programming

Demand-driven programming was a strategic program pillar introduced in 2010 under ASETS. The demand-driven pillar is to assist ASETS in preparing clients based on the local labour demand.

A move to demand-driven skills development requires different tools and information, such as information about the current labour market, partnerships with employers and links to employment opportunities. A key aspect of providing training based on labour demand is access to good quality and current labour market information. Demand-driven skills development should also balance with serving client needs for those who are low-skilled and require upgrading prior to being ready for local in demand jobs, and for those who choose a career that may not be in demand in their community.

### I. Definition of Demand-Driven:

Agreement holders expressed the needs for a clearer federal definition of demand-driven programming.

Many agreement holders expressed concern that there is not a clear definition of what the government deems 'demand-driven', with varied views from agreement holders on what the definition is. In particular, some felt the definition favoured employment needs in large/major industry (i.e., natural resource sectors) – a definition that is too limited from the agreement holders perspective. Agreement holders felt the federal government mistakenly assumes that if an economic development project is in an Aboriginal region, the Aboriginal community will automatically seek employment and/or training for those jobs. On the contrary, Agreement holders asserted that, due to political sensitivities related to and relationships with specific industries, the local population will not necessarily benefit from potential jobs.

Agreement holders believe that community demand needs to be considered as part of demand-driven, i.e. nurses or child care workers vs. heavy equipment operators.

### II. Labour Market Information:

Across the country, a majority of agreement holders agreed that LMI from ESDC and Statistics Canada is not always accurate and changes regularly, making training plans a challenge. In an ever-changing work force, LMI may be outdated by the time the client completes a training-to-employment intervention. Agreement holders have found creative ways of finding LMI on their own (i.e. some have hired staff to be solely responsible for LMI data). Across the country many agreement holders have moved toward interventions that offer transferable skills to clients which make them more marketable to, and employable by, a variety of employers.

### III. Multi-Barrierred Clients:

Agreement holders across the country see a high number of multi-barrierred clients who require lengthier interventions. This is a financial challenge to agreement holders. Some of the barriers to employment that were highlighted during the sessions include: pardoning of criminal records; obtaining a driver's license; gaps in basic/essential skills; and pre-employment training needs that must be met

before pursuing training-to-employment. With the ever-changing nature of LMI and the lengthier interventions required to address these barriers, demand-driven programming can be difficult for agreement holders to plan for.

During the discussions, it was stated that completing pre-employment training without an employment outcome should be captured as a successful reporting result.

There were several suggestions made at various meetings that greater flexibility would allow agreement holders to serve clients who are already employed but looking to improve their skill set.

#### IV. Temporary Foreign Workers:

Agreement holders expressed concern about the use of TFWs in Canada. Many companies are turning to TFWs to fill labour shortages. It was suggested that companies should have to prove that they have looked to the Aboriginal community to fill available jobs before being allowed to access TFWs.

#### V. Program Duration:

The overall consensus from agreement holders was that five year Aboriginal labour market program agreements are not long enough. Five year agreements do not allow for agreement holders to address the training and employment needs of their communities. The start-up of a new agreement can take some time as an organization hires and trains staff, creates partnerships, and identifies demand-driven opportunities. A longer agreement (7-10 years) could allow for better partnership development leading to better results.

#### VI. K-12 Education:

Agreement holders across the country expressed concern over the quality of their local K-12 education system. A high number of clients being served by the ASETS network require pre-employment and basic and essential skills training. Agreement holders believe it is because the K-12 system is failing, and that those with a grade 12 education often require basic and essential skills training before they can advance to training-to-employment opportunities.

### **Regional Perspectives**

Agreement holders asserted that Aboriginal labour market programming must respond to regional labour market needs and the needs of the client. When examining the regional component, the issues raised were similar but with unique regional variations.

#### I. Atlantic Canada (NFLD, NS, PEI, NB):

Atlantic Canada's economy is characterized by seasonal labour markets. This can create challenges when it comes to ongoing employment for clients. Because of the seasonal nature of local labour markets, organizations have difficulty with accurate reporting of results because of regular lay-off and reopened Employment Insurance (EI) claims. Atlantic agreement holders have referred to themselves as the

“supply pipeline” to the west as people skilled in trades go to western Canada for higher paying jobs. Some Atlantic communities are in remote and isolated areas which make for higher training costs.

## II. Central Canada (Ontario and Quebec):

In Quebec, agreement holders raised language as a barrier in certain provincial regions to training and employment. Clients who are unilingual in their Aboriginal language have limited opportunity for employment with employers who work in French and/or English. Changes to EI were raised as they are believed to greatly affect communities with higher unemployment rates situated in EI economic regions that have lower overall unemployment rates. The need for a special EI economic region consisting of all of the Quebec Aboriginal communities was raised. In Northern Quebec (Nunavik region) around 60% of the clientele have criminal records; receiving a criminal pardon and obtaining a driver’s license continue to be employment barriers. The cost of doing business in Northern Quebec is around 70% higher than the rest of the province. Agreement holders would like to see this recognized by the federal government.

Ontario suggested that future Aboriginal labour market programs examine First Nations’ traditional boundaries vs. provincial boundaries (e.g. some communities have boundaries that lay between Ontario and Quebec and New York State). Ontario also raised the uniqueness of Northern Ontario and that its geography and challenges more closely relate to the territories vs. the rest of Ontario. The cost of doing business in Northern Ontario is much higher and should be reflected in the amount of funding they receive. Mobility was an issue of concern, in that clients are not interested in leaving their communities to access employment. Agreement holders feel there is an assumption that Aboriginal people will move to an urban area to gain employment but in many cases moving to an urban setting only creates more challenges for the client i.e. finding affordable housing, cost of living, lack of community/cultural supports.

## III. Western Canada (Manitoba, Saskatchewan, Alberta, British Columbia):

In Western Canada, the challenge is not the lack of jobs, but rather the lack of a skilled Aboriginal workforce. Western agreement holders stated that anyone who can and wants to work is working due to the boom in the natural resource industry. Alberta agreement holders noted that racism is an issue and they have witnessed it practised by many employers and companies who resist hiring Aboriginal people.

The use of TFWs was raised in several sessions as a preferred staffing tool for employers in western provinces and parts of the Yukon. Agreement holders would like to see employers compelled to hire Aboriginal people before accessing TFWs.

Manitoba agreement holders suggested that funding flexibility should be introduced to allow for reallocation of money based on a population shift when environmental disasters occur such as flooding. In the past, Manitoba has seen many Aboriginal communities relocated to urban centres (i.e. Winnipeg) for long periods of time during floods. The demand on an agreement Holder’s resources becomes higher and it is more difficult to serve an increased population due to displacement. Having the ability to move

funding from one year to another or an increase in urban funding would allow for agreement holders to better respond to the displaced population with adequate resources.

#### IV. Northern Canada (Yukon, NWT, Nunavut):

Across Northern Canada many of the issues, concerns, and strengths of the program were similar. There are high numbers of economically depressed regions within the North, which can make the delivery of programming challenging. All Agreement holders raised the seasonal and cyclical nature of work in their regions, and that this makes it difficult for clients to obtain employment under the program guidelines (i.e. 24 week rule). Many of the Agreement holders also stated that the EI portion of their ASETS funding is difficult to spend because many clients cannot work the required number of weeks to receive EI benefits due to regional economic depression and seasonal work.

Funding under ASETS has been static since 1999, and the cost of doing business in the North is extremely high. In many cases, instructors have to be brought from the south to deliver training to clients. In these instances agreement holders are required to cover accommodations and meal allowances. Northern agreement holders expressed their interest in seeing a cost comparison for courses offered in the South and in the North. Also, there is limited educational institutions to partner with which leaves the agreement holders at the mercy of the learning institution and the tuition rates they set.

A Northern ASETS strategy was suggested that would embody the needs of Northern Canada and factor in the higher cost of doing business and the geographical differences of the Eastern and Western Arctic.

#### V. Catchment Areas:

Schedule B of the ASETS agreement outlines eligible clientele. In this section of their agreement, agreement holders outline who is considered eligible clientele to be served under their agreement based on a geographical area, also known as the 'catchment area'. The Agreement holders have concerns with the 'catchment area' in that some community members or beneficiaries are not residing in the Agreement holders' catchment area which makes it difficult for them to receive services where they are residing. For land claim groups with beneficiaries living outside the region, there is a concern that the obligation to serve their beneficiaries cannot be fulfilled when it comes to Aboriginal labour market programs because of the catchment areas identified in agreements. Agreement holders shared examples of their community members or beneficiaries being turned away from an agreement holder in their current residential area. Some of the examples given for refusal of services were: the agreement holder had a lack of financial resources; and clients were told to obtain services from their community of origin. It was mentioned at one of the sessions that beneficiaries were given letters of rejection from their local agreement holder so their community agreement holder had enough cause to serve them outside of the agreement's catchment area. Suggestions were made that this section be removed from future agreements altogether.

## Other Issues

### I. Funding:

Across the ASETS network the need for an increased investment was raised repeatedly. The funding under ASETS has remained the same since 1999, and the cost of doing business has increased. Agreement holders are finding it difficult to do business with static funding. Issues around the National Aboriginal Regional Allocation Model (NARAM) were expressed at the sessions, in that the allocation model is considered flawed and an inaccurate way of dividing funding amongst agreement holders. There are varying views on whether a new model should be needs-based or population-based.

### II. Child Care:

Issues raised pertaining to child care included: available spaces within a child care facility; qualified staff; the ability to pay staff higher wages to reduce turn over; facilities meeting appropriate building codes; child care centre licensing; and the exclusion of Métis and urban agreement holders from the First Nations and Inuit Child Care Initiative.

Overall, the consensus on child care was that more money needs to be invested. More money would lead to the creation of more spaces and better facilities that can meet the building codes required to accommodate a child care facility.

### III. Capacity:

A large number of agreement holders discussed the need for higher capacity within their organizations. Due to limited funding, many organizations have few staff and those staff members are required to perform multiple jobs. Agreement holders would like to see capacity development for their organizations incorporated into future programming (i.e. professional development for staff). The program should also allow for higher administration costs than the current 15% in order to support the development of increased capacity within organizations.

### IV. Reporting Burden:

ESDC's reporting is viewed as overly burdensome. Agreement holders with lower capacity find it onerous to complete all reporting requirements and feel their clients are not getting the attention they deserve from the Agreement Holder staff. Overall reporting needs to be reduced and many agreement holders are working with ESDC on a "Reducing the Reporting Burden Working Group" which they are hoping will provide solutions.