

# 2012/13 Annual Plan for Yukon Territory

Labour Market Development Agreement (LMDA)  
Labour Market Agreement (LMA)



# Labour Market Development Agreement & Labour Market Agreement

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*The broad labour market objectives shared by Canada and Yukon are to:*

- 1. increase the participation of Canadians and immigrants in the workforce to meet current and future labour market requirements;*
- 2. enhance the quality of skills development; and*
- 3. facilitate workforce mobility and provide the information necessary to make informed labour market choices.*

# Labour Market Development Agreement & Labour Market Agreement

## *Introduction*

The 2012/13 Annual Plan provides information on the current Yukon Territory labour market situation and contains highlights as to plans for Yukon's LMDA and LMA for the 2012/13 year.

For example:

- Overview of Labour Market statistics and Priorities
- Stakeholder engagement
- LMA Investment Plan
- LMDA Investment Plan
- Industrial Sector conditions

This plan is the result of significant work between territorial and federal governments and consultation with key labour market stakeholders including:

- service providers
- community organizations
- educational organizations
- employers
- First Nations
- French language community
- other interested individuals and/or organizations

The LMDA and LMA Annual Plan for Yukon provides an opportunity to expand Yukon's role in the development and implementation of labour market programs and services to ensure labour market funding is strategically invested. The combined plan provides the opportunity to effectively maximize funding and resources under these critical agreements.

## Labour Market Development Agreement & Labour Market Agreement

Planning has been a key component of labour market development in Yukon. In 2008, the Yukon Government released the Labour Market Framework, which was completed with extensive consultative and cooperative work with industry, First Nation's, Governments and non-government organizations. This extensive engagement of partners ensures greater collaboration on Yukon's labour market programming and services.

The Labour Market Development Agreement was signed by Canada and the Yukon on July 9, 2009. Responsibilities for development, design and delivery of Yukon Benefits and Support Measures were transferred from Canada to the Yukon Government on February 1, 2010. With 2 years of operation, the Yukon Government has worked to further address the requirements of Yukon's labour market by ensuring programs and services effectively address the needs of Yukon's unemployed.

The Labour Market Agreement was signed July 1, 2009. Under this agreement Canada provides annual investments for Yukon until 2014. This funding provides an opportunity for Yukon to augment its current efforts to support the development of Yukon's Labour Market.

Both agreements are administered by the Advanced Education Branch (AEB) of the Department of Education.

# Labour Market Development Agreement & Labour Market Agreement

## *Labour Market Framework*

The Labour Market Framework for Yukon was released in October 2008. This document outlines strategies Yukon needed to develop to ensure Yukon has an inclusive and adaptable labour market that meets the demands of a strong and diversified economy.

In 2009, four working groups composed of labour market stakeholders were invited to develop five strategies to support Yukon's economic growth over the next 10 years:

- Comprehensive Skills and Trades Training Strategy
- Immigration Strategy
- Labour Market Information Strategy
- Recruitment and Employee Retention Strategies

The working groups were comprised of representatives from business and industry sectors, non-government organizations, cultural groups, educational providers, federal and territorial governments, and Council of Yukon First Nations staff.

Strategies and action plans developed and approved by Yukon labour market stakeholders were then recommended to Yukon Government who approved them in December 2010. Strategies and action plans were publicly released in February 2011 during the Labour Market Framework Forum which welcomed 90 stakeholders.

The strategies represent a map for labour market development in Yukon for the next 10 years while the action plans will guide the implementation of each strategy. These action plans will be revisited as often as needed to address changing labour market needs in Yukon.

To support the implementation of the strategies and action plans, four new stakeholder Committees have been created. Supported by Yukon Government staff, these new Committees are monitoring the activities and evaluating the implementation of the Framework during implementation.

# Labour Market Development Agreement & Labour Market Agreement

For more information on the Labour Market Framework strategies, action plans and the Stakeholder Committees, go to [www.labourmarketframeworkyukon.com](http://www.labourmarketframeworkyukon.com)

The Labour Market Framework provided Yukon Government with the consultation necessary to plan our investments for LMDA and LMA for the 2012/2013 year.



# Labour Market Development Agreement & Labour Market Agreement

## *Labour Market Development Agreement (LMDA)*

On July 9<sup>th</sup>, 2009 the Government of Canada and the Government of Yukon signed a Labour Market Development Agreement (LMDA).

The purpose of the agreement is to implement within the scope of Part II of the EI Act, new Canada-Yukon arrangements in the area of labour market development that will enable Yukon to assume an expanded role in the design and delivery of labour market development programs and services in Yukon, to benefit clients. Also, it will provide for cooperative arrangements between Canada and Yukon to reduce overlap and duplication in, and to harmonize and coordinate the delivery of their respective employment programs and services.

Canada and Yukon agree that in the administration of Yukon Benefits and Measures and in carrying out the function of the National Employment Service, Yukon will be guided, subject to the service delivery model, by the following principles on service to clients:

- citizen centered services which facilitate ease of access for a broad range of client groups;
- respectful and individual service;
- provision of an array of integrated labour market services which are flexible;
- innovative, and responsive to the changing labour market, and;
- measurable results within a well-defined framework of accountability.

This agreement replaces the existing co-managed agreement signed in 1998 under which the Federal Government retained responsibility for design and delivery of EI-funded Employment Benefits and Support Measures.

# Labour Market Development Agreement & Labour Market Agreement

## ***Labour Market Development Agreement (LMDA)***

The Yukon Government's Department of Education, specifically, the Advanced Education Branch delivers and administers the Labour Market Development Agreement. Although yearly funding may vary slightly, in 2012-13, Yukon Government will receive \$3,489,000 in program funding.

Yukon Benefits and Support Measures are designed to provide E.I. Part II programs to unemployed individuals requiring assistance to return to the labour force. Benefits to individuals include, skill development, self employment and work experience. Support Measures provide funding that address labour market or human resource needs.

In addition to continuing services under the programs detailed below, there are three key goals in the LMDA plan this year:

- 1) Implementation of a new project/agreement/participant management system to replace CSGC. The new system is referred to as Genie and will go into production on or about August 15, 2012.
- 2) Completion of the Disabilities Employment Strategy under LMP.
- 3) A re-shaping of the delivery strategy of services provided under EAS.

The Yukon Benefits and Support Measures include:

### ***Employment Assistance Services (EAS)***

Funding is provided to organizations to assist unemployed individuals who are eligible to work in Canada. Services may include, job finding assistance, resume writing, labour exchange, employability assessment including case management, the development of return to work action plans, and career decision making.

### ***Skill Development (SDEB)***

Funding is provided to unemployed, insured participants who lack skills required in the labour force and through this benefit, individuals are trained and able to re-enter the workforce. Apprenticeship training is included in this benefit and registered apprentices may obtain supports while attending approved training for their trade. Combined work experience

# Labour Market Development Agreement & Labour Market Agreement

with in school training is required for apprentices to earn certification in their trade.

## ***Self Employment (SE)***

The Self Employment Program provides funding to eligible insured participants to assist in beginning a business. Living supports and self employment expertise delivered through a service provider are eligible costs under this program. Individuals complete a feasibility plan and business plan reviewed by business experts in order to become self sufficient in the labour market through selfemployment.

## ***Targeted Wage Subsidy (TWS)***

Targeted wage subsidy is provided to eligible participants who lack work experience in the labour market. Supports are provided to an employer to assist with wages of individuals who might not otherwise be hired because of their lack of work experience. Eligible participants must be insured participants. Priority will be given to employers who have operated existing business for one year.

## ***Job Creation Partnerships (JCP)***

Job Creation Partnerships provide assistance to business or organizations that provide work experience to eligible participants for activities that provide a community benefit and are incremental to the normal activities of the business or organization. Although this activity is not considered insured employment under the E.I. Act, the benefits are both to the individual and the community.

## ***Labour Market Partnerships (LMP)***

Labour Market Partnerships provide assistance to help support strategic investments for the purpose of addressing labour market issues including human resource issues that exist in our labour market, though stakeholder involvement.

# Labour Market Development Agreement & Labour Market Agreement

## *Labour Market Agreement (LMA)*

The Canada-Yukon Labour Market Agreement (LMA) was signed in July, 2009.

Under this Agreement, Canada will make new annual investments in Yukon for five (5) years. This funding provides an opportunity for Yukon to augment its current efforts to support the development of Yukon's labour market.

The estimated amount of Canada's contribution to Yukon for fiscal year 2012/13 is \$994,000.

The Advanced Education Branch (AEB) of the Department of Education, in cooperation with the Government of Canada, will administer the funding for the LMA.

The goal of the LMA is 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**
- **obtain or keep employment**
- **maintain skills for employment**

Eligible beneficiaries of the LMA include:

- **unemployed individuals who are not EI clients** (those individuals who have not been significantly attached to the workforce for some time, or have never been attached to the labour market, or those who were self-employed and are now unemployed)
- **employed individuals who are low-skilled** (in particular, those who do not have a high school diploma or a recognized certification or those who have low levels of literacy and essential skills)

# Labour Market Development Agreement & Labour Market Agreement

Investments made under the LMA are guided by the following principles:

**Accessibility** – access to comparable programs for Employment Insurance (EI)–eligible and non-EI-eligible individuals to enhance the labour market participation of all Canadian, particularly the low-skilled workers and under-represented groups;

**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;

**Quality Client-Centered Delivery** – a coherent, integrated approach to providing client-centred programs;

**Fairness** – principle based-arrangements with Yukon, respecting primary territorial responsibility for design and delivery of labour market programming to individuals; and

**Efficiency** – improving the efficiency of the national labour market and strengthening the economic union by facilitating adjustment and removing barriers to mobility.

Examples of types of programming supported by LMA funding include:

- Skills training (from basic to advanced skills training),
- On-the-Job training and workplace-based upgrading,
- Group interventions and job readiness assistance,
- Wage subsidies and earnings supplements;
- Labour market connection services (i.e. matching supply and demand).

# Labour Market Development Agreement & Labour Market Agreement

## *Yukon Territory Labour Market*

Yukon's population totaled 35,800 in December 2011, an increase of 3.3 % from December 2010.. The majority of residents, 76.0%, or 27,190, reside in Whitehorse. The remaining citizens reside in 17 small rural communities all of which are connected by road, with the exception of Old Crow.

Yukon's labour force (age 15+ and seasonally adjusted) increased by 600 from March 2011 to 20,500 in March 2012. Statistics Canada's Yukon Labour Force Survey (LFS) reports the *average* Yukon labour force in 2011 was 20,200, almost 7.0% higher than figures recorded for 2010.

The *average* number of people employed in Yukon in 2011 was reported by the LFS at 19,100, up 9.1 per cent from the 2010 *average* of 17,500. Statistics Canada also reported the *average* number of people unemployed in Yukon in 2011 to be 1,100, down over 15% from 2010. As reported for March 2012, the unemployment rate for Yukon stood at 7.8%.

The unemployment rate *ended* the 2011 year at 5.3% and increased to 6.2% in January 2012 with Yukon having the 4<sup>th</sup> lowest unemployment rate as compared to Canada's unemployment rate at 7.6%. Over the last year, the unemployment rate for women has generally been lower than the rate for men.

# Labour Market Development Agreement & Labour Market Agreement

## *Yukon Territory Labour Market Priorities*

Priorities continue to focus on members of the following groups who, at times, may have multiple barriers and require additional supports to enable their participation in Yukon's labour market: Social Assistance Recipients, Persons with Disabilities, Older Workers, Youth, First Nations, Women in Trades and Immigrants. These groups can be more disadvantaged, given their lack of work experience to enter the labour market, compared to someone who recently lost their job and has the skills to participate in the labour force.

Unemployment is significantly higher in rural Yukon than in Whitehorse. Annual statistical reporting for the year 2011 show the unemployment rate for Whitehorse at 4.5% compared to 10.7% for rural Yukon. Also for 2011, the unemployment rate for Aboriginal people was 17.2%, while the non-Aboriginal unemployment rate was 3.5%. Therefore, a focus on First Nations capacity building and rural projects that support labour market attachment will be considered.

The tourism and hospitality sector will continue to be an area where initiatives to support increased participation in Yukon's labour market should be implemented. Mineral exploration, mining, construction, highway maintenance are also key areas where further training and skills development can provide opportunities for unemployed and under-employed Yukoners to engage in the labour market.



# Labour Market Development Agreement & Labour Market Agreement

## *LMDA Investment Plan for 2012-2013*

The Department of Education, Advanced Education Branch is responsible for administering the annual LMDA budget. For 2012/13, the annual budget is \$3,489,000. In considering this year's investment plan, labour market trends, priorities and past investments were considered. The following table outlines investment plan by program option.

<i>Program</i>	<i>Budget</i>	<i>Percent of Budget</i>
Self Employment	<i>85,000</i>	<i>2.4%</i>
Skills Development **	<i>700,000</i>	<i>20%</i>
Employment Assistance Services	<i>1,250,000</i>	<i>36%</i>
Labour Market Partnerships	<i>100,000</i>	<i>2.9%</i>
Targeted Wage Subsidy	<i>120,000</i>	<i>3.4%</i>
Skill Development-Tuition Differential	<i>1,200,000</i>	<i>34.4%</i>
Research and Innovation	<i>34,000</i>	<i>1%</i>
<b><i>Total</i></b>	<b><i>3,489,000</i></b>	<b><i>100%</i></b>

\*\* Includes Apprentices

# Labour Market Development Agreement & Labour Market Agreement

## ***Self Employment***

Approximately, 2.4% of our budget is invested in the Self Employment Program, of which 45% is dedicated to providing Self Employment expertise through a service provider that provides a feasibility workshop, feasibility planning, business plan development and continued supports for individuals beginning their business. The remaining 55% is allocated to personal financial supports for SE participants.

Clients are approved by Advanced Education Staff for Self Employment. Priority is for those clients who have no previous experience in starting or running a business.

## ***Skills Development***

Approximately, 20% of our budget is invested in the Skills Development Program. Supports are provided for apprentices and for skill training. An additional 34% is provided for purpose of skills development tuition differential for both apprentice and skills training participants. Priority for Skills Development for 2012-13 will be to provide support to individuals whose training can be completed within two calendar years.

## ***Employment Assistance Services***

Employment Assistance Services in the Yukon includes support for two communities outside of Whitehorse, namely Watson Lake and Dawson City which provide job search assistance, resume assistance, labour exchange and case management. In Whitehorse Employment Assistance Services include an electronic information service, support for unemployed individuals with disabilities, an EAS for French speaking individuals and a service for unemployed individuals within the city that includes a labour exchange function and case management. Approximately 36% of our budget is devoted to EAS activities.

# Labour Market Development Agreement & Labour Market Agreement

## ***Labour Market Partnerships***

Support to identify human resource needs and trends is currently being undertaken and activity in this area will continue in 2012-13. Specific activities include an extensive review of the needs of individuals with a disability in terms of employment and employer engagement. Further, human resource needs in industry sectors are being examined and activity will continue on these projects. Approximately 2.9% of the budget this year is designated for these activities.

## ***Targeted Wage Subsidy***

This program consists of support for unemployed insured participants who require work experience to successfully integrate back into the workforce. Wage subsidies are provided to eligible employers, with priority for businesses that have been in business for one year, and businesses that offer continued employment for a participant. Approximately 3.4% of our budget is utilized for these activities.

## ***Job Creation Partnerships***

Job Creation Partnerships has not been an active program option in the Yukon as employment is not considered insurable for participants and the economy has provided insurable employment when work experience is required. As such, no program budget has been allocated to this option, but if warranted by program demand, this decision will be reviewed.

# Labour Market Development Agreement & Labour Market Agreement

## *LMDA Accountabilities and Targets*

### *1. Active Claimants*

Results Indicators	Target for 2012-13
(a) the number of active EI claimants who have accessed benefits and measures	275
(b) the number of EI clients returned to employment	225
(c) savings to the Employment Insurance Account	\$2,600,000

# Labour Market Development Agreement & Labour Market Agreement

## *LMA Investment Plan for 2012-2013*

The Department of Education, Advanced Education Branch is responsible for administering the annual LMA budget. For 2012/13, the annual budget is \$994,000.00. In considering this year's investment plan, labour market trends, priorities and past investments were considered. The following table outlines investment plan by program option.

<i>Program</i>	<i>Budget</i>	<i>Percent of Budget</i>
Training & Skill Development	<i>350,000</i>	<i>35%</i>
On-the-Job Training/Workplace Based Upgrading	<i>174,000</i>	<i>18%</i>
Job Readiness	<i>120,000</i>	<i>12%</i>
Targeted Wage Subsidy	<i>150,000</i>	<i>15%</i>
Labour Market Connection Services	<i>100,000</i>	<i>10%</i>
Co-op Student	<i>100,000</i>	<i>10%</i>
<i>Total</i>	<i>994,000</i>	<i>100%</i>

# Labour Market Development Agreement & Labour Market Agreement

## ***Training and Skill Development***

Approximately 35% of our LMA budget will be invested in Training and Skill Development. As the Mining, Tourism & Hospitality, and Construction sectors have begun to boom in Yukon a large portion of our budget will go towards skill development for those sectors. Our priority will be to support training that facilitates a timely entry into the workforce.

## ***On-the-Job Training/Workplace Based Upgrading***

Approximately 18% of our LMA budget will be invested in activities that facilitate on-the-job training or workplace based upgrading. Yukon sees training that occurs at the work site as a positive way to learn skills that will assist clients to keep employment and potentially move onto more technical and likely more rewarding work. This training will assist mainly our employed but low-skilled clients.

## ***Job Readiness***

Approximately 12% of our LMA budget will be invested in job readiness programming. Yukon sees the advantage of providing clients with the “soft” skills that cover areas of returning to, obtaining, and or retaining employment.

## ***Targeted Wage Subsidy***

This program, with 15% of the LMA budget, will be invested for support for non-EI eligible clients who require work experience to successfully integrate into the workforce. Wage subsidies are provided to eligible employers, with priority for businesses that have been in business for one year, and businesses that offer continued employment for participants. This program mirrors the TWS program offered through LMDA.

# Labour Market Development Agreement & Labour Market Agreement

## ***Labour Market Connection Services***

Approximately 10% of the LMA budget will be invested in this type of service. This investment will help support an organization to provide job search assistance, resume assistance, setting up of workplace experiences, case management, and career development.

## ***Coop Students***

Approximately 10% of the LMA budget will go towards a Coop Student program. To be eligible, the student must be in their final year of study and require work experience to assist them with their transition from educational institution to labour market.

## ***LMA Expected Results***

Yukon anticipates the following outcomes from the 2012/2013 Labour Market Agreement:

- An increase in participation of under represented groups in Yukon's labour market.
- An increase in the number of skilled employment and training opportunities
- An increase in amount and quality of local labour market information

Through the projects which have been or will be approved, it is expected that over **150** citizens will participate in direct employment or training opportunities.

# Labour Market Development Agreement & Labour Market Agreement

## **Appendix A – Yukon Industrial Sector Conditions**

Following text is copied from Yukon Economic Outlook 2011 – Fall Update Economic Development/Yukon Government.

### ***Mining***

Building on recent momentum, Yukon's mining sector has experienced a high level of activity throughout 2011.

Interest in Yukon resources is being driven by strong mineral prices, gold in particular, as well as positive exploration results in recent years. In the first 10 months of 2011, there have been over 108,000 new quartz claims staked exceeding the record annual total of 83,161 claims staked in 2010.

Current estimates have 2011 exploration spending in Yukon at over \$300 million, near double the previous record of \$157 million estimated for 2010. Over 50 projects are estimated to have spent \$1 million or more in 2011, with four of these projects estimated to have spent at least \$20 million.

Current estimates have development expenditures for 2011 substantially higher than the May 2011 forecast of \$40 million, with the Department of Energy, Mines & Resources estimating expenditures of up to \$150 million.

The current mineral production forecast of \$420 million, was revised downward from \$560 million in May 2011. The revision is primarily due to delays to the start of commercial production at the Wolverine mine, now expected in early 2012. While the forecast for 2011 has been downgraded, the current forecast would still represent a significant increase from 2010's mineral production estimate of \$284 million.

The Bellekeno mine commenced commercial production on January 1, 2011. Projections by Alexco Resource Corp. currently indicate that 2011 production for silver, lead and zinc is expected to be 2.2-2.5 million ounces, 14-16 million pounds and 6-7 million pounds, respectively.

Following production of 40.5 million pounds of copper concentrate in 2010 for Capstone's Minto mine, the project operator is forecasting production in 2011 in the range of 39 to 41 million pounds. The value of Minto production is forecast at about \$200 million in 2011, benefitting in part from higher year-over-year copper prices.

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Based on year-to-date reporting, placer production in 2011 should come in at 46,000-47,000 crude ounces, down from a reported 51,302 crude ounces in 2010. The value of placer gold for 2011 is expected to total almost \$60 million, up from \$52 million in 2010. Production value for 2011 is being positively impacted by higher year-over-year gold prices.

High gold prices and higher copper prices are helping to contribute to the high level of mining activity in Yukon. Year-to-date gold prices, to November 25, 2011 have averaged \$1,543 per ounce, almost 24% higher than the same period in 2010. At the time of writing, gold prices were trading at almost \$1,770 per ounce. The price of copper has also increased in 2011 with copper prices to November 25, averaging \$3.99 per pound, almost 16% higher than in the same period in 2010.

### ***Oil and Gas***

No Request for Postings (RFP) were received in the most recent Oil and Gas Rights Disposition that closed on July 13, 2011.

The next RFP closing date is January 18, 2012. Production from the Kotaneelee gas field totaled 34.5 million cubic metres in the first nine months of 2011, down 12.7% from 39.5 million cubic metres produced in the same period of 2010. Future hydrocarbon production could come from the Kotaneelee leases, and the development of resources in the Eagle Plain basin where Northern Cross (Yukon) Ltd. holds extensive exploration permits. In June 2011, Northern Cross announced that an affiliate of CNOOC International Ltd, a subsidiary of CNOOC Ltd, one of the largest global independent oil and gas exploration and production companies, had made an investment in Northern Cross. The investment would help Northern Cross fulfill its commitments under its existing exploration Eagle Plain permits and allow for further assessment of oil and gas potential in its Eagle Plain leases.

The Alaska Highway Pipeline Project (AHPP), a TransCanada PipeLines Ltd./Exxon venture, is continuing to advance the work needed to make the project a reality. Currently, the AHPP is engaged in negotiations with potential shippers to get transportation agreements in place to move gas through the proposed pipeline; and is preparing its application for filing in October 2012.

# Labour Market Development Agreement & Labour Market Agreement

Construction of the Mackenzie Gas Project (MGP) was approved by the federal government in March of 2011. The partnership looking to develop the MGP, led by Imperial Oil, has until the end of 2013 to make a decision to proceed with the project.

## ***Tourism***

Border crossing data provided by the Department of Tourism & Culture has border crossings in the first nine months at 296,078, up 0.1% (or 258 visitors), versus the same period in 2010.

By mode of transportation increases in the January to September period were recorded in motor coach visitation, which were up 5.8% (or 6,650). Visitation via personal vehicle was down 6,392, representing a decline of 3.5% versus the first nine months of 2010.

By country of origin, the largest percentage increase in visitation was recorded from other parts of Canada which saw an increase of 7.7% (or 1,884). Foreign visitation (not including the U.S.) also posted an increase in the first nine months of the year with growth of 5.1%, or 1,618 border crossings.

While remaining Yukon's largest contributor to visitation, accounting for over 66% of all border crossings in the first nine months of 2011, visitation from the U.S. posted a 2.7% decline from the same period of 2010. This decline represented a fall in border crossings of 5,403 versus the same period in 2010. Weakness in U.S. visitation in 2011 could be related to the slow U.S. economic recovery which is impacting many Americans, higher year-over-year fuel prices, and possibly the prolonged period of weakness of the U.S. dollar vis-à-vis the Canadian dollar.

Based on year-to-date border crossing data annual visitation is expected to be similar to 2010, but may be below the May 2011 forecast of 320,000.

## ***Construction***

The forecast completed in May was for building permits in 2011 to total \$120 million, down 9.0% from the \$131.7 million recorded in 2010. The forecast assumed that with most of the development work associated with the Wolverine and Bellekeno mines completed in 2010, a year-over-year decline in the total value of building permits would occur. This has

## Labour Market Development Agreement & Labour Market Agreement

not turned out to be the case, as the \$164 million in building permits recorded in the first 10 months of 2011 represents a 44% increase from the \$115 million recorded in the same period of 2010.

Building permit value growth in the first 10 months of 2011 is stemming primarily from growth in the value of residential building permits and institutional building permits.

Year-to-date residential permit value has exceeded \$67 million, up almost 58% from the \$43 million recorded in the same period in 2010. Strong residential construction activity in Whitehorse is driving residential permit value in 2011 with almost \$51 million of residential building permit value associated with Whitehorse permits.

Work on major institutional projects such as the Watson Lake and Dawson City hospitals, development of a new wastewater treatment facility and district heating system in Dawson City, and construction of the Kwanlin Dun Cultural Centre in Whitehorse, are contributing to strong growth in institutional permit value in 2011. In the first 10 months of 2011, the value of institutional permits totaled over \$66 million, up almost 51% from the \$44 million posted in the same period of 2010.

Based on the strong year-to-date numbers for building permits the 2011 forecast has been revised upward to \$180 million, which would represent the highest annual value reported for Yukon.

### ***Trade***

Retail sales in the first nine months of 2011 totaled over \$497 million, up 17.4% from the \$423.3 million recorded in the same period in 2010.

Food and beverage stores, the largest segment of retail sales in Yukon at about 30% of total sales, is reported to have increased by 11.9% over the nine month period when compared to the same period in 2010. Sales from motor vehicle and parts dealers, which accounts for about 20% of total retail sales, is reported to have increased by 16.1%. Clothing stores and furniture store sales, each less than 5% of total sales, are also reported to have increased by 8.5% and 11.0%, respectively.

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Given the growth in retail sales posted in the first nine months of 2011, it appears that the 2011 total will likely exceed the May forecast of \$630 million and total over \$660 million.

## ***Economic Growth***

Statistics Canada's revised estimates for real GDP for the provinces and territories, released on November 8, 2011, indicate that Yukon's real GDP grew 3.7% in 2010 to \$1.755 billion. Yukon's growth was higher than the national average of 3.2%.

Statistics Canada states that business investment in Yukon grew at the fastest rate of any province or territory in Canada in 2010. Non-residential business investment was up 76%. Residential housing investment was also up. Machinery and equipment investment doubled from 2009 as new mines were scheduled to commence production in 2010.

The Department of Economic Development is continuing to forecast real GDP growth of 3% to 4% for 2011. The Conference Board of Canada's Territorial Outlook August 2011 publication includes a forecast of 5.9% for Yukon real GDP for 2011.