

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**HUMAN RESOURCES**

**Tuesday, May 29, 2018**

**COMMITTEE ROOM**

**Department of Finance and Treasury Board  
Nova Scotia Employment Trends 2008-2017  
&  
Appointments to Agencies, Boards and Commissions**

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## **STANDING COMMITTEE ON HUMAN RESOURCES**

Mr. Ben Jessome (Chairman)  
Ms. Suzanne Lohnes-Croft (Vice-Chairman)  
Mr. Chuck Porter  
Mr. Bill Horne  
Ms. Rafah DiCostanzo  
Hon. Pat Dunn  
Mr. Brad Johns  
Hon. David Wilson  
Ms. Claudia Chender

[Mr. Eddie Orrell replaced Hon. Pat Dunn]

## **WITNESSES**

### **Department of Finance and Treasury Board**

Mr. Byron Rafuse, Deputy Minister  
Mr. Thomas Storing, Director, Economics & Statistics Division  
Mr. Alexander Chute, Economist, Economics & Statistics Division

### **In Attendance:**

Ms. Judy Kavanagh  
Legislative Committee Clerk

Ms. Nicole Arsenault  
Assistant Clerk, Office of the Speaker



House of Assembly  
*Nova Scotia*

**HALIFAX, TUESDAY, MAY 29, 2018**

**STANDING COMMITTEE ON HUMAN RESOURCES**

10:00 A.M.

CHAIRMAN  
Mr. Ben Jessome

MR. CHAIRMAN: Order, please. Good morning. I hope everyone is doing well this fine Tuesday morning. My name is Benjamin Jessome. I represent Hammonds Plains-Lucasville, and today I will be your chairman.

This is the Standing Committee on Human Resources. We'll kick things off with our usual ABC appointments agenda, and then we'll move on to a presentation by our Deputy Minister of Finance and Treasury Board and company regarding Nova Scotia employment trends from 2008 to 2017.

Folks, if I could give you a quick reminder to make sure your phones are on silent and/or vibrate. I will do the same. For those of us who may or may not have been here this morning - I think we're all here - bathrooms are just out the doors to our left. In the event of an emergency, please exit out the Granville Street side of the building and head up to Parade Square.

Now, beginning with Ms. Chender, I would invite members to introduce themselves, please and thank you.

[The committee members introduced themselves.]

MR. CHAIRMAN: Thank you, everyone. To my right, filling in for Mr. Gordon Hebb this morning, we have Ms. Nicole Arsenault, our legislative counsel, and to my left, our committee clerk, Ms. Judy Kavanagh. Thank you, folks.

We will now proceed with the committee business, beginning with appointments to agencies, boards and commissions. Do I have a motion from the floor? Ms. DiCostanzo.

MS. RAFAH DICOSTANZO: Mr. Chairman, for the Department of Communities, Culture and Heritage, Art Gallery of Nova Scotia Board of Governors, I'd like to move Francene Cosman as Governor 5(2)(a); Rod McColloch as Governor 5(2)(a); Patricia Pace as Governor 5(2)(a); and Erik Sande as Governor 5(2)(b).

MR. CHAIRMAN: Thank you, Ms. DiCostanzo. Is there any discussion on that motion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Nova Scotia Boxing Authority, please. Mr. Horne.

MR. BILL HORNE: For the Nova Scotia Boxing Authority Board, I recommend Rick "Ricky" Anderson as a member and Jason Kassouf as a member.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Department of Environment, the Round Table on Environment and Sustainable Prosperity. Ms. Chender.

MS. CLAUDIA CHENDER: For the Department of Environment, the Round Table on Environment and Sustainable Prosperity, I move Martin (Marty) Janowitz as member and Chair; and Jeffrey Bishop, Sheila Cole, Dayle Eshelby, Robert Grant, and William (Bill) Simkins as members.

MR. CHAIRMAN: Is there any discussion? Ms. Chender.

MS. CHENDER: I'm pleased to nominate all those people, but I also wanted to point out that, when I was reviewing the packet last night, I noticed that many of those applications are at least a year old, and that those positions have been vacant for at least a year. In some cases, it's 18 months. Those appointments expired, and many of these are reappointments. This is one of the last remaining round tables, which is filled with very knowledgeable people. I just want to make a note that in the future, I would hope that those appointments could be filled in a more timely manner.

MR. CHAIRMAN: Thank you, Ms. Chender. We'll note that as a committee.

Any further discussion on that motion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to our Department of Justice, the Municipal Boards of Police Commissioners. Mr. Horne.

MR. HORNE: For the Department of Justice, the Municipal Boards of Police Commissioners, I move Anthony Thomas as member for HRM.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

On to the Department of Labour and Advanced Education, the Nova Scotia Apprenticeship Agency. Mr. Orrell.

MR. EDDIE ORRELL: For the Nova Scotia Apprenticeship Agency, I move Jameal (Jack) Wall as member, construction, employee; Paula Webber as member, construction, employer; T.A. "Chip" Dickison as member, industrial/manufacturing, employer; Scott Blakeney as member, motive, employer; Tim Manuel as member, motive, employer; Luis Clavel as member, service, employer; Joel Marsman as member-at-large; and Karen Pictou as member-at-large.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Nova Scotia College of Art and Design Board of Governors. Ms. DiCostanzo.

MS. DICOSTANZO: For the Nova Scotia College of Art and Design Board of Governors, I move Joanne Hames and Maggie Marwah as members.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Occupational Health and Safety Advisory Council, requesting a motion from the floor. Mr. Horne.

MR. HORNE: For the Occupational Health and Safety Advisory Council, I nominate Danny Cavanagh as member and employee representative.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Workers' Compensation Board, motion from the floor. Ms. DiCostanzo.

MS. DICOSTANZO: For the Workers' Compensation Board, I move Angus Bonnyman as member, employer representative; Luke Erjavec as member, employer representative; and Janet Hazelton as member, worker representative.

MR. CHAIRMAN: Is there any discussion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Moving to the Department of Natural Resources, the Shubenacadie Canal Commission, motion from the floor. Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: For the Shubenacadie Canal Commission, I move Brad Hodgins as member, East Hants, and Susan Sliming as member be approved.

MR. CHAIRMAN: Is there any discussion on that motion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

The Department of Transportation and Infrastructure Renewal, Halifax-Dartmouth Bridge Commission. Mr. Johns.

MR. BRAD JOHNS: Mr. Chairman, for the Halifax-Dartmouth Bridge Commission, I move that the appointments of William Book and Janet MacMillan as members be approved.

MR. CHAIRMAN: Is there any discussion on that motion? Would all those in favour of the motion please say Aye. Contrary minded, Nay.

The motion is carried.

Thank you to our guests for their patience while we completed our first order of business. As I suggested in the opening, and why we're here today, we've got our

Department of Finance and Treasury Board representatives present and I would invite Mr. Rafuse, our deputy minister, to begin with an introduction. Perhaps his guests can also introduce themselves before we get started.

[The committee witnesses introduced themselves.]

MR. CHAIRMAN: Before we get started, I would encourage everyone at the table to please make an effort to be acknowledged by the Chair in advance of making comments so that our folks at Hansard have a little easier time today. Mr. Rafuse, when you're ready.

MR. BYRON RAFUSE: Thank you for the invitation to talk about employment trends. This is a broad subject and our staff monitor many indicators about provincial and national labour markets. Our focus at the Department of Finance and Treasury Board is on the larger macroeconomic trends.

I will make these very brief remarks and hand it over to these two gentlemen who are the subject matter experts in this area to give you an overview of the topic. They will provide some key data for you. To give you a full picture, the data will span the years from 2000 to 2017.

For today's presentation, you're going to see the relationship between the demographic situation, labour markets, labour productivity, and economic growth. The presentation will describe the important relationships among these elements of the Nova Scotia economy and the key role that demography plays.

As you know, Nova Scotia demographics are changing as the baby boomers are entering retirement age. That's not a situation that is unique to Nova Scotia though. The results present a challenge for the economy, but it is also possible for other factors to contribute to economic growth, including productivity, capital investment, technology, trade, and entrepreneurship.

The government has a number of programs to help address these demographic challenges. These include initiatives to encourage participation in the labour force by under-represented groups, help youth attachment and skills development through programs such as the Graduate to Opportunity and Innovate to Opportunity, apprenticeship training, and the Workplace Innovation and Productivity Skills Incentive.

Additionally, the government has programs around immigration and trade efforts, SHIFT: Nova Scotia's Action Plan for an Aging Population, and capital investment incentives that can help address these challenges.

Mr. Chute and Mr. Storning will now present an overview of the data presented.

MR. CHAIRMAN: Mr. Storrington.

MR. THOMAS STORRINGTON: We're happy to be here. We will give a brief overview of some of the trends in Nova Scotia's employment. The request was to focus on employment trends from 2008 to 2017. We did take the liberty of stretching that back a bit further, simply because 2008 was the peak prior to the global financial crisis and associated recession, and it made for an awkward starting point. We stretched our focus back to the year 2000, which predates the run-up in global commodity prices that preceded the global recession. You'll see two expansionary trends represented here. It puts the crisis and the recovery from it in context.

[10:15 a.m.]

We are considering annual data here and we're focusing on the longer trends that we see over multiple years. We appreciate the committee's indulgence in allowing us to bring our data with us if anyone wants to focus on some of the things that happened in the monthly data, but we're focused on the annual trends here because that's what really matters to overall microeconomic performance, and the monthly trends are still subject to some statistical variation and single events.

As the deputy minister indicated, we will be focusing on the relationship that exists between demographics, how our population is changing; the labour force and employment that results from that; and ultimately our productivity and the pace of economic growth, as indicated by real GDP.

Just a little bit of history here, and I guess we're stretching back a little further than the year 2000. The baby boom cohort which Statistics Canada identifies as the population having been born between 1946 and 1965 - in the 1960s through the 1980s this population came of age and they participated in the labour force, leading to rising employment which was the source of substantial economic growth and they added to the output of goods and services and income generated in Nova Scotia and across Canada. That was a critical part of our rising living standards, and production processes over that time and during the full participation of the baby boomers in the labour force production processes were geared to make use of that abundant new labour.

There is a generational change underway. With the oldest of that cohort now past 70 years old, we are starting to see retirement in increasing numbers. We project in our population projections a decline of the population of what we would call core or what we might perceive as traditional working ages. In the future we anticipate that household income will therefore be less connected to employment and we also anticipate that production will become less labour-intensive as labour becomes relatively less abundant.

There are many who express a concern that without employment growth we cannot have growth in our economy, but economies can grow by more than just employment volume. Economies grow when there are rising skill levels amongst the people who are at



work. Economies grow when there is increasing capital investment providing more equipment and technology for workers to use. Economies grow through enhancing trade and global integration, and economies grow through increases in economies of scale and through entrepreneurship and innovation.

A lot of those appear to us in economics jargon as productivity improvements, changes in the output of real GDP per hour worked, and we'll trace the path from our demography to our productivity.

This is the demographic forecast, presented in the 2018-19 provincial budget. The actual data are showed in the solid line and the dashed data are our projections out over the next 10 years. You can see that Nova Scotia's population overall - the top line - we're expecting it to be relatively stable over the next 10 years. It has been rising in the past couple of years but if you look at the breakdown by age cohort beneath it, you can see - and the data starts in 1972 - you can see the last of the baby boomers leaving the zero to 17 cohort in the early 1970s, entering the 18 to 39 cohort in the 1970s and 1980s. They've moved into the 40 to 64 cohort in yellow in the 2000s and now in recent years, starting at about 2012, they've moved into the 65-and-older category. We anticipate those trends are going to continue simply as people age. That's the demographic change the deputy minister referred to.

I do want to point out a couple of changes in the trend here - one is in the population 18 to 39 and the population zero to 17. We have seen populations stabilize and even rise in recent years. That is attributable to changes in migration patterns, both rising immigration as well as changes in net internal migration in those age cohorts, so we are seeing some stabilization there.

That's our population outlook. I want to move on to talk about the relationship that exists between population, the size of the labour force, and the size of the labour force and employment. I'm going to show for a number of age cohorts here, growth in the population - and when we're looking at labour markets we're looking at age 15 years and older as the conventional working ages. We'll get into more detail. You can see variations in the population of those age cohorts.

The labour force, although more volatile, does tend to grow at around the same pace in the long run, and in particular, employment follows growth in the labour force. Although there are exceptions to that. If you look at 2009 when the global recession was on, we saw a decline in employment that was definitely out of step with the decline in the labour force and so we saw rising unemployment rates, as did many jurisdictions at that time.

I'm going to focus on the age cohorts now. Looking at a population aged 15 to 24, we're seeing it is declining, and employment and labour force tend to move together around the population growth, the population aged 15 to 24.

For the population aged 25 to 54, it had been in decline - although that decline has slowed in recent years and we're now seeing some positive growth in both labour force and employment in recent years, although in 2017 specifically.

The population aged 45 to 64 is declining and the labour force is slowing down along with it, and employment is slowing down along with that labour force. This is one way to present the data. It might be a little easier to look at some of the standard measures that we look at in labour markets, participation rates. I'm comparing the Nova Scotia rate in blue, the Canadian rate in red, and the average over the period for Nova Scotia as the straight blue line. You can see that the participation rate for the population aged 15 years and older is declining, and much of that is a reflection of our older demographic. Older populations have lower participation rates.

The population aged 15 to 24, the participation rate did rise above its long run average. Then it declined, particularly in the last couple of years, 2016 and 2017, although it has declined to a participation rate that is consistent with the national average.

The participation rate of the population aged 25 to 44, I'd refer you to the vertical axis here to note that the participation rate in that cohort is very high. Nova Scotia's participation rate has been relatively stable around its average, rising slowly, and is consistent with the national average. It's over 86 per cent.

Population aged 45 to 64, we've seen a notable rise in the participation rate in Nova Scotia, not quite catching up with the national average. Part of this is the end of a phenomenon with the baby boomer generation where we had rising participation rates of women compared with previous cohorts of that age, so it has definitely been rising.

I'm also going to take a look at unemployment rates. We see that the unemployment rate falls during economic expansions and we've certainly seen that happen in the past couple of years - not just at the Nova Scotia level, but at the national level, and we are now below our long run average employment rate.

The population aged 15 to 24 did experience lower unemployment rates during the previous expansion, but then unemployment rates went up above average during the period 2012 to 2014. They declined to below average in 2015 and 2016, and they've since come up near to the average in 2017, and it is higher than the national average.

Amongst the population aged 25 to 44, the unemployment rate has declined during the recent expansion, and is below its long run average of about 8 per cent. The population aged 45 to 64, its unemployment rate has remained fairly stable, and it's right around its long run average. I would note that that's relatively low - below 7 per cent.

There's one age cohort that I haven't talked about yet and that is the population aged 65 years and older. I wanted to put them all on one slide. This is a bit different. You can see that growth in labour force and employment has actually outpaced growth in the

population. That's why the red and blue lines are above the yellow one, but when we look at the overall levels, the population in terms of sheer numbers - thousands of people - is growing faster than the extra people being added to the labour force and employment.

The unemployment rate is relatively low for this cohort, but the data's a bit patchy here. There are some periods in which we can't estimate an unemployment rate simply because there's so few people who are over the age of 65 who identify themselves as unemployed; most don't participate in the labour force at all.

We are definitely seeing a rising participation rate. It's gone from under 5 per cent to around 13 per cent in the latest data. However, that's 13 per cent compared to the population aged 25 to 44, where we had participation rates that were north of 85 per cent, so it's still a lower participation rate.

This brings us to the last couple of slides. We say, how does the economy keep growing if we've got this decline in the number of hours worked showing up in our labour markets? Our GDP is still rising, has been rising in each of the last four years after declining in 2012 and 2013. The growth we are getting in our GDP is coming from improvements in our productivity, shown here on the left.

This is our last slide. In the last four years, we have seen a substantial rise in productivity growth. It's the first four-year run of growth we've had since 1999 to 2002; that was the period when our natural gas fields were coming on stream. What we interpret from this when we're looking at the long-run trend is we know changes to the population will impact the labour force, which can affect the pace of employment growth we get, but our economy continues to grow not through employment growth but through productivity growth.

I'll leave our remarks there because I think that's been about 15 minutes. We're all happy to take questions.

MR. CHAIRMAN: Mr. Chute, did you have anything you'd like to add?

MR. ALEXANDER CHUTE: No, thank you.

MR. CHAIRMAN: All right folks, who would like to start us off? Did you get all that? We'll kick things off with Mr. Orrell, please.

MR. ORRELL: Thank you for your presentation. I guess my biggest concern is the population rising or the demographics that are 65-plus. In my area, it's a great retirement area, but the problem is they don't pay enough taxes to make sure we have the services that are sustainable to maintain growth in the community. We're losing a lot of our young people, who are either not being employed or are moving away for employment.

We talk about good jobs. We see that the rate has gone down for full-time jobs. Is a good job at 15 considered a good job at 35, as far as payments go or as far as pay scales go? What are we going to do to keep those people here, because the productivity has grown but there are less people in the workforce and more technology? What are we going to do to keep those people here to make sure that we can keep that growing?

MR. CHAIRMAN: The deputy, please.

MR. RAFUSE: Thank you for the question, a couple of points raised there. First of all, as people retire, that notion that they're not contributing to taxes, I mean they are still.

MR. ORRELL: I didn't say that, I said not as much.

MR. RAFUSE: Not as much. They definitely do participate through their pensions and the like. I think you may have heard Mr. Storrington indicate that out-migration of youth, that tide has turned over the last couple of years, so we don't see that phenomenon there. That is because the youth are staying, on a net basis.

There are opportunities that present themselves. There are opportunities for higher participation rate for seniors in the workforce. The numbers indicate that that trend is going upward. There's still some more opportunity for that. As well, for the youth who are staying, there are some shortages in the workforce which, with the right training and the opportunities, they could attach themselves to the workforce. You'll see some programs that try to do that. That dynamic is in place, but there are things that do help to alleviate that.

Thomas, do you want to add anything to those comments?

[10:30 a.m.]

MR. STORRINGTON: I would just add a couple of things about one of the questions. There was a comment about full-time employment. In recent trends, we are seeing full-time employment rising. The hours worked are starting to improve.

There was a question about what the impact of productivity is on the quality of work. This is a very long-run phenomenon, but as we see labour productivity improve, one of the results of that is that workers are generating a higher amount of value per hour worked, which does allow for rising incomes. Over the long run, we will be looking for there to be rising incomes to go along with rising productivity.

MR. ORRELL: I asked this question in the Legislature - recently I had a young 22-year-old gentleman in my office who, through one of the Employment Nova Scotia offices, had funding to participate in a skills development program. He comes out of school and applies for a part-time grant because the field that he's going into isn't available yet - there

are lots of vacancies coming, the retirement age and so on. He went to apply for that grant and was told that he didn't qualify, and he should look outside the province.

We have our own province training our people and then telling these young people to leave the province to look for work. To me, that's not something that we're doing to increase our youth employment skills.

Is there somebody out there who's looking forward into the market to see exactly where the jobs are going to be to make sure that we're training our individuals to fill those vacancies and keep them here? I understand there are some programs, but is there someone specifically in government or in the private sector who is trained or likes to look into the future to see where those jobs are going to be, and that we are training our people and keeping our young people here?

MR. RAFUSE: The Department of Labour and Advanced Education, one of their roles is that they do work with employers to find out where current and future employer needs would be. Then they work with other agencies to get those individuals ready for those jobs, either through the community college or other training facilities. It's a great question. They're much more in tune to that process, but they would be a good department to ask that question of because that's their responsibility, through the apprenticeship agency and the like. They do take that responsibility on so that they can better match the needs with the individuals who are looking for employment.

MR. ORRELL: That's the same answer I got from them. (Laughter)

MR. CHAIRMAN: Ms. DiCostanzo - I'm just going in the order of people who raised their hands, and then I'll continue with the same order, folks.

MS. DICOSTANZO: Mine is probably a little easy. You went a little bit too fast for me on women - where are we in employment? Has it increased in the last so many years? I just found that was done very fast. I'm really interested to see how many more women are coming into the workforce.

MR. STORRING: This is where the benefit of having our computers will be helpful just so we can pull up the specific data there. I'm just going to bring that up.

MS. DICOSTANZO: You did mention it, but it just went so fast.

MR. STORRING: I'll flip back to the slide where we talked about that. In the lower right-hand side here, you can see the participation rate. That's the number of people who are either working or are actively looking for work measured as a percentage of the population of that age. You can see that it has risen quite a bit from 2000 to 2017.

That's actually a longer phenomenon. That has actually been going on since the mid-1970s, when this data started. That's very much a phenomenon of the baby boom generation. The participation rate of women in particular was higher than what we had observed from prior generations.

MS. DICOSTANZO: Is it percentages? Do we calculate percentages?

MR. STORRING: Just looking at - and this is for women of all ages, 15 and up - the participation rate stands at 58.8 per cent as of 2017. The male participation rate is 65 per cent as of 2017. As I say, that is for all age cohorts. If we focus specifically on the 45 to 60 - and we can get you that information in a couple of minutes - we can be more specific.

MR. CHAIRMAN: Okay, thank you. Mr. Wilson.

HON. DAVID WILSON: I want to go to an area that in the last few years, over the last number of years - your constituent work drives your questions when you have presentations like this.

It's around the rising participation rate for those over 65. Recently I've had a number of cases where people over the age of 65 continue to work, a couple of them because they need to, a couple of them because they want to. There are a number of reasons why they continue to participate.

The policies of government and of the services we provide - and I know it's not in your department, but it's under WCB - so my understanding now is that if a worker who is over the age of 65 gets injured on the job, they are able to get benefits for two years through WCB, but after that you're done. Then, of course, regular under-65 workers, if you are injured on the job, at 65 they cut off, you apply for CPP and others.

Has there been any discussion on recognizing that we're seeing a higher participation rate with 65-and-older workers and policy within government of, say, benefits under WCB changing? Has there been any - I don't know if you participate around the deputy ministers' table, if that discussion has come up. If it hasn't, would you agree that that's an area you might have to look at? Should we be looking at if that 65 age is too low?

Provincially, in my 15 years here, the provincial government had a mandatory retirement rate of 65 and then we've changed over the years, realizing that we lost a lot of workers, but we haven't changed that aspect of injured workers. I'm just wondering if you have any comments on that, deputy, on the WCB and benefits people can get access to?

MR. RAFUSE: I haven't. I guess the reason, if you go back to the reason, if I understand correctly as to why they have that rule, is that if a worker is injured in that time frame or in that time they have another place to go outside of the WCB. That's why they put the limitations on it, that when you turn 65 you can go to CPP or the like.

That phenomenon is not unique to the WCB. You'll find that in some disability programs, once you get to a certain age, it automatically flips over, with the understanding that you would have some kind of income support through that mechanism.

It hasn't been brought to my attention, and I'm not aware of any discussions with the WCB on that issue.

MR. DAVID WILSON: I appreciate the honesty there. I think it's time we may have to look at that. There are many factors of why that age demographic are continuing to work, and when we see the sheer numbers that are in front of us with that age, maybe it's an area we need to explore as MLAs, elected officials, and staff.

I'll pass that on, and we'll come back around for another set of questions later.

MR. CHAIRMAN: Mr. Johns.

MR. JOHNS: I'm not 100 per cent sure I'm getting this right, but it looks to me like the decline in population over the next 10 years in Nova Scotia, the working-age population, around 47,000 people or so - are we going to end up at some point in time where we don't have people with enough qualifications to fill some of the roles?

I know we're seeing this now in the education field coming up, where we don't have enough teachers to meet the demand. Are we going to start seeing this in a number of other areas as well?

MR. STORRING: In terms of if there will be higher vacancies - that's the way that we would measure that phenomenon, that we would see more positions going vacant and being vacant for a longer time period. We have seen that to some extent already in Nova Scotia, that the job vacancy rate has been rising. It stands at about 2.5 per cent as of the fourth quarter of 2017.

In terms of long-run projections for that - and you are right about the projected decline in the population of working age. I think we actually have it up on the slides here, and I will admit I put the font so small I can't read it either - 50,000 by 2028, so you've got that correctly.

In terms of the impact that will have, the only thing I would say is that the response to that is not just that there are vacant positions that go unfilled, but we change the nature of how we do things and the amount of labour that is employed to do them. That - at least over the long run over the time period that we're projecting - is flexible for a lot of the employers, so we would anticipate seeing a change in the relative intensity with which they use labour as opposed to capital equipment and technology. I'm not sure that addresses the specific example that you identified around education.

MR. JOHNS: I guess what I'm curious to know is, I think a lot of those positions would require post-secondary education and some type of skill training. It may not be directly your department, but are you aware of what's happening to be able to backfill that to encourage people to go into secondary education?

As the population is retiring who currently have post-secondary education, if we don't see those youth going into that, what's happening to encourage that and backfill those vacancies?

MR. RAFUSE: In the area around education, what you're specifically referring to, I do know that the Department of Education and Early Childhood Development does do long-range trends about the needs of that sector. They're aware of some of the demands that may be placed as other retirements occur or new skill sets are required. They are like other employers, as I mentioned earlier in the tutorial - they do work with the Department of Labour and Advanced Education to look at the necessary training that's required and mechanisms to attract people to enter into that field, as any employer would be.

As Mr. Storrington has indicated, there will be adaptations to address the shortages and at other times the employers and agencies like LAE will look at mechanisms to be able to make the training opportunities available for those people to fill those voids.

MR. CHAIRMAN: Moving to Mr. Horne, please.

MR. HORNE: Since I am one of those people who is over 65 - over 70 - I am glad to be working. I am glad the government has changed the rules for being an MLA, for me personally.

I'm just wondering, how has it changed a lot? I know our government is supporting programs to try to increase the number of seniors, people over 65, to work. I think it has been somewhat successful. I'm wondering if you can add anything more to that of why it is increasing. Does the aging population have something to do with labour shortages and higher wages and that sort of thing?

[10:45 a.m.]

MR. RAFUSE: I'll take the first part of that and maybe Thomas can add. If you look at the policy, which is called SHIFT - the province's response to older persons, they have a multi-faceted approach to address its needs. It goes right down to things around transportation, particularly in rural areas where with increased transportation there can be increased employment participation with seniors. There's also a recognition or a promotion that some people still have the stigma that people of a certain age don't have certain abilities or the like, and I think what they're proving is that that cohort is actually a valuable addition to the workforce and are filling a valuable need.



That SHIFT program, and I think the deputy at Seniors has been to - I know it's the Public Accounts Committee, not this committee - to talk about that but it is a multi-faceted process with many departments participating, including ourselves, about how things can change to allow seniors, for those who wish, to continue to work and participate in the workforce. You can see on the participation rates in Nova Scotia it is increasing. I would say there's still some room to go there because we are still below the national average on that aspect. That will help address some shortages.

I guess as well, some people believe that seniors may be taking a job away from others and I don't think that's anything we've seen or anything that would indicate that to be the case. They are actually filling a need in the marketplace right now. Thomas, do you have anything you want to add?

MR. STORRING: Just if I could, to add some data to give some quantitative dimension to it, and if the committee is all right with it, I'll also go back to give some specific data about the situation amongst women as well.

MR. CHAIRMAN: Please do.

MR. STORRING: Just looking at the participation rates - and I'll start off looking amongst older workers and I will break this down amongst males and females - what we've really seen is a rise in the participation rate amongst those specifically aged 65 to 69 years old. If we go back to the year - I'm actually going to stretch our time frames back a little further. If we go back into the 1990s, the participation rate of men from age 65 to 69 averaged between about 12 per cent and 15 per cent, but it started to rise sharply around 2005 and has continued to rise up until about 2012 to 2017. Right now, the participation rate for men in that age cohort is at 27 per cent.

However, when we look at the population aged 70 years and older amongst men, although the participation rate was relatively low, at around 4 per cent to 5 per cent and it has risen, it still remains under 10 per cent - it's only at 9.8 per cent as of 2017.

For women, there has been a rise in the participation rate, from 65 to 69 it was between 3 per cent and 5 per cent in the 1990s and has risen up to over 20 per cent as of 2017, 20.6 per cent. But again, participation rate 70 years and older is only 4.9 per cent for women.

I will go back - so one of the things we are seeing is that rise in participation is particularly concentrated amongst those aged 65 to 69, not so much amongst those 70 years and older.

Just to go back, there was a question earlier about the extent of the rise of the participation rate of women, and I'll look at the age cohorts 45 to 64 because I think that's

probably most illustrative. In 1976, the participation rate amongst women aged 45 to 64 was 35.8 per cent of the population in that cohort. Men in that cohort at that time, their participate rate was 78.7 per cent. Over that time, the participation rate of men has actually declined a little bit and stands, as of 2017, at 75.6 per cent. But the participation rate of women rose substantially, particularly as the baby boom entered that older cohort of 45 to 64 and their participation rate is 69.7 per cent, whereas it had started out at 35.8 per cent. Amongst those aged 25 to 44, for women it started out at 48 per cent and rose to 84 per cent, whereas for men it remained just above 90 per cent for most of that period and currently stands at 90.3 per cent. That shows you the closing of the gap between men and women over those cohorts.

MR. CHAIRMAN: Moving along to Ms. Chender, please.

MS. CHENDER: I wanted to go back to a comment Mr. Storrington made about the rise in full-time employment. When I look at some stats that I have here from our office from Statistics Canada, it does still look like part-time employment is growing more quickly.

I know in my own office, the woman who works for me as a community outreach officer is employed part-time because that's the budget we have. When I interviewed her, I asked, what's the best reason we should hire you? She said, "Because I need a job. I want to stay here, and I can't find one." That was compelling. She was also qualified, but she was honest. She continues to look for full-time employment, and it's elusive.

There's lots of quasi-full-time employment: 30 hours a week at a relatively low rate of pay with no benefits or anything like that. I'm paying attention to these numbers. I guess the main thing I'm asking you is to talk about that rise that you say we're seeing in full-time employment. More specifically, do you have an explicit economic development strategy around creation of full-time employment versus just employment at large? Do you expect further growth in that employment in the coming years? Some more explanation about how that's divided out would be helpful.

MR. STORRINGTON: In terms of starting off looking at the evidence around growth in part-time versus growth in full-time employment, it's important to remember that the growth rates are going to be more variable for part-time employment because it does constitute a relatively small portion of overall employment. To put some specific numbers on that, in the annual data, full-time employment stood at just over 364,000 on average in 2017, whereas part-time employment was just under 85,000. The data accounts for the lion's share of that employment.

We also see that the concentration of part-time employment is different when you look at different age cohorts. Part-time employment is particularly concentrated among those 15 to 24 as well as those who are 65 years and older. Statistics Canada helpfully asks people why they're working part-time. The answers that we find, when we look at those specific cohorts - and I will say the answer that I have for the older cohorts is for 55 and

up; that's just the way the data is available publicly. For the population aged 15 to 24 who are working part-time, well over half - I have a specific number here - 71 per cent of the population who are working part-time in that age cohort are doing so because they're going to school. Among the population aged 55 and older who are working part-time, 70 per cent indicate that they are working part-time because of personal preference. There are a lot of circumstances underlying the reasons for part-time employment.

I said we wouldn't talk much about the monthly data, but in recent months we have seen a rise in full-time employment. Monthly full-time employment reached an all-time high in the labour force survey in February, and then it eclipsed that in the data for April. Full-time employment now stands at over 376,000.

MR. CHAIRMAN: Sorry, 376,000? Excuse me if I'm overstepping here. I'm just trying to clarify. That 376,000 is the number of positions?

MR. STORRING: It was 376,200 as of April 2018, full-time positions.

MR. CHAIRMAN: Thank you, Ms. Chender, for allowing me to clarify.

MS. CHENDER: I participated in one of those Stats Canada labour force surveys, and it was the most frustrating thing. Every time they called me, they would ask, are you an employee, or are you self-employed? I would say, well I don't know, I'm an elected official. They would say hmmm, let me talk to my supervisor, then they'd come back five minutes later. I don't think my data was very reliable.

At any rate, just to follow up, I guess first of all thank you, that's helpful and it's nice to have that granular detail. In my original question - and I understand that this might not be part of your specific role - but I am interested to know from a policy perspective, whether there are specific strategies around growth of full-time employment versus part-time or if that stays lumped together. Also just to note, and I hate to be the glass-is-half-empty gal, but we're still looking at one-quarter of people, it seems like, in each of those age cohorts who would prefer to be working full time.

I want to just flag that that does still seem to be an issue and if any of the panel could comment on specific strategies around full-time employment.

MR. RAFUSE: The government strategy doesn't distinguish between part time and full time. The strategy is to address or to track through workforce participation, through Graduate to Opportunity initiative or Innovate to Opportunity. Also they encourage entrepreneurship and innovation in the workforce, creating that environment - and you would have heard the Premier and the Minister of Finance and Treasury Board say for the private sector to lead in the growth.

The strategy doesn't distinguish between full time or part time. It is to address those issues through workforce attachment, skills training and creating the proper environment, particularly around I'm going to call it the innovative or the entrepreneurial side of the house.

MR. CHAIRMAN: Thank you, Ms. Chender. Ms. DiCostanzo.

MS. DICOSTANZO: My other question is actually something I'm very passionate about, the employment of immigrants. In my riding specifically, it's incredible - last summer when I had my barbeque, there was a lineup of 600 or 700 people and I made sure to speak to a lot of them. I would say that at least two-thirds were immigrants and newcomers and the number of them that are working was such a delight to me. Everyone I would ask, how long did it take you to get here? I also am very connected to a lot of immigrants who have been here, and I don't hear that they are leaving.

Are we calculating or do we have percentages of how many immigrants are working, especially in the last five years? I just see a huge difference in the numbers, especially in my riding, of people who are here. Our immigration policy has been to attract - they almost have to have a job before they get here or we target skilled workers to the jobs that we are looking for. Do we have any numbers that we're calculating or coming out on the impact of the new immigration policies we have?

MR. RAFUSE: Thank you for the question. Before I hand it off to Thomas to see what kind of information we can provide on it, always as you know, the government has a strategy to increase immigration and has made great strides to do so, as there is a need there.

Some of the work the Office of Immigration has done is to try to work with the immigrant community so that people who do come here stay here. The best way to do that is through attachment to the workforce.

There's a number of initiatives that the Office of Immigration could explain much better than I could, but they do see that as an objective as opposed to just having somebody come, and has actually come in to stay. I'm sure they would be happy to provide you with that, but I do know they have those types of programs.

I'm going to ask Thomas now if we do have any statistical information on the employment level of immigrants that might be helpful.

MR. STORRING: I'll pass it to Mr. Chute.

MR. CHAIRMAN: Mr. Chute.

[11:00 a.m.]

MR. CHUTE: In terms of the total immigration population, this data is coming from the census in 2016 so it is not from the labour force survey which is the more annual data. The participation rate of the immigrant population was 58.6 per cent, the employment rate was 53.8 per cent, the unemployment rate was 8.1 per cent.

MS. DICOSTANZO: Do we have sectors, or we don't put it in sectors? Where are they filling, which kind of - or we don't follow up on - or age group, whichever you can provide me with?

MR. STORRING: While Mr. Chute is getting that ready, we can provide a breakdown by age. This is all publicly available information from the 2016 census. We can provide a breakdown by age, also by period of immigration, but I don't believe we have easily at hand employment by sector. That would have to be custom data that we'd get from the census.

I'm not sure if there were any particular age cohorts or immigration periods you want to investigate, but Alexander could look that up fairly quickly.

MR. CHAIRMAN: Mr. Orrell.

MR. ORRELL: We talked earlier about unemployment rates and job rates. I guess my question is, how many job vacancies are in the province right now? You said a few minutes ago that our full-time employment is rising. How many job vacancies are there, and where are the sectors that are showing the increase in full-time jobs? What sectors are showing that trend in our province?

MR. STORRING: We're just going to the source data to get the actual number of job vacancies. I will say the data we have on job vacancies is not seasonally adjusted, so the job vacancies do vary from one season to the next. It's actually a relatively new data series from Statistics Canada, so we don't have enough evidence to see what the seasonal patterns are.

In terms of the job vacancy rate, it amounts to 2.5 per cent of the total positions in the province. So, if you can imagine that there are 100 possible jobs, 97.5 of them are filled and 2.5 of them are vacant. In the fourth quarter of 2017, that amounted to just over 10,000 job vacancies.

MR. ORRELL: Why do we have those vacancies if we have an unemployment rate in our province? Especially in Cape Breton - we're up around 18 per cent. Nova Scotia right now is, as you said, about 8.5 per cent, I believe. You said full-time employment is

rising, but we have 10,000 jobs here that aren't filled. What are we doing to make sure that they're filled?

I just recently noticed that one of the Walmart stores - I think it's somewhere in Canada - just pulled out all its cashiers and put in automated checkouts. That's doing nothing to raise our employment and full-time rates. Where are those vacancies that are rising in full-time employment and why aren't the vacancies that are there being filled?

MR. STORRING: In terms of the data that we have for those vacancies, we have data on the vacancies by the type of occupation that they're found in, the sector that they're found in, the wages offered, and the amount of experience and education required for them.

In terms of the total number of vacancies - and those 10,000, that is at a point in time. That doesn't necessarily mean that those are vacancies that have been persistent. That's just how many are looking at a particular time.

MR. ORRELL: So, it could be a lot more for people who aren't looking - who have given up looking?

MR. STORRING: Vacancies refers to employers. It's the number of positions that our employers are seeking to fill, many of which will be filled in the near period. There's always going to be turnover of employees from one period to the next.

Specifically looking at types of occupations, we see that over 4,000 of them are in sales and service positions. A further 1,600 are in trade, transport, and equipment operators; 1,100 in health; 965 in business, finance, and administrative positions.

In terms of the education requirement, about 4,200 list no specific education requirement and 2,560 list a high school requirement. This is just giving you a sense of what kinds of positions are making up those vacancies. Almost 6,000 of those vacancies require a year or less or no specific amount of experience. That's where we're seeing that concentration of those vacancies by occupation, experience, and education levels.

MR. CHAIRMAN: Ms. Chender.

MS. CHENDER: I want to refer back to something my colleague just raised, which is the labour market underutilization - the people who have dropped out. You did mention this in your presentation.

I'm curious how you statistically track - or if you can - those folks who aren't looking anymore. I understand that's an issue that Mr. Storrington raised in terms of the senior cohort, because many people are just done working, they've retired and so they're not seeking jobs. Those statistics need to be looked at in that light. Certainly, anecdotally we hear that is also the case sometimes in other age cohorts, so people have just become - for whatever reason, they get fed up and stop looking.

I'm wondering what the Department of Finance and Treasury Board knows about the people who have dropped out of the labour market, if we have numbers related to that, if we have reasons related to that based on any statistical surveys - it sounds like we do - and whether there are any efforts to bring them back into the labour market.

MR. CHUTE: For the overall Nova Scotia population, the total people who are not in the labour force is about 300,000. Of those, there are only 13,100 that say they would like work, but they're not in the labour force.

The main reasons for this that they respond to is that they wanted work, but they are in school or they have an illness, personal family responsibilities. For 2017, the reasons for being discouraged, as claimed, was 1,000 of those people.

MR. CHAIRMAN: I'm going to go back to the PC caucus and Mr. Johns.

MR. JOHNS: When I asked my other question, I used what's currently happening in the education system as an example. I guess where I'm at is I'm somewhat concerned with - and you may or may not be able to help me get this - the current debt load people are coming out with in order to achieve those professional positions. Somebody comes out with a university degree, undergraduate or graduate degree, and their debt load now is significantly greater than somebody who's retiring at 65 when they achieve the same degree.

I do know that there are apprenticeship and payroll rebates for hiring new grads. I'm curious about what other kinds of incentives are coming that will help to address that. Are there any recommendations to where it's helping to address that debt load that people are coming out with in order to get the professional positions? I do have a follow-up too.

MR. RAFUSE: If you look at programs like Graduate to Opportunity and Innovate to Opportunity, which actually looks at the individuals who may have a higher degree of education, those are incentives for employers to hire those individuals, which provides some level of support towards wages for those individuals.

On an individual basis, the government's position has been to try to alleviate the tax burden on individuals that should help them pay off their debt. That would be recent changes you would have seen on the basic personal exemption, which actually is targeted to get at - generally speaking, people just coming out of university, their wages are lower than those with more experience - is generally trying to get at that cohort, amongst other people, under the \$60,000 a year annual wage. That's what the basic personal exemption is geared to do.

Both of those combined are ways in which individuals can address their debt loads. People - I mean, I did as well - invested in their education, so there's a debt load associated

with that, with an expectation you'll be able to recoup that through your employment life. It is an investment in themselves.

Education can be expensive, but government does participate in alleviating the cost of that on an individual basis, both at the community college and university level - there, again, reducing that debt burden on an individual basis. So the culmination of all those is where this government does address the debt load on an individual basis.

MR. JOHNS: I guess just a statement would be - and this is not directed at anybody, this is a general statement - I don't know if government is doing enough to alleviate some of that debt stress that people have. The graphs are showing a significant portion of professional people who are going to be retiring over the next few years. I don't know if we have the educated workforce to be able to do that. We're going to have a problem similar to what we're seeing now in the education field.

The other comment, I wanted to know and I wanted to follow up on what Ms. DiCostanzo was talking about in regard to immigrants who come here. What I find frustrating sometimes is I've talked to residents who have come here from away, who are well educated, well trained, and have good experiences, but are not recognized here for those experiences, so they end up not going into a professional field for which they are trained but into something a lot lesser. Sometimes that becomes a discouragement, I think, for people to want to come to Nova Scotia.

Are you familiar with anything that's happening that is trying to recognize training, education, and experience that people have and qualifying them?

MR. RAFUSE: I have limited exposure to that. You may have heard there are initiatives, especially in the health care sector and doctor recruitment, where recognition of international credentials is one which has been raised as a concern. There are some initiatives underway there to expedite that recognition. I think you'll see that on a profession-by-profession basis. It's really working with - I'm going to call it, in that instance, the colleges or the professional bodies which recognize individuals as to how to appropriately recognize international training standards.

My background would be in accounting. We have affiliation agreements with international bodies all over the world, and we have a mutual recognition process so that we would recognize somebody who received training in Lebanon, with certain credentials, would be able to practise in Nova Scotia. So there are efforts underway, both on a sector and a professional perspective but also in some key areas, like on the health side.

MR. JOHNS: Thank you very much.

MR. CHAIRMAN: Thank you. Ms. Lohnes-Croft.



MS. LOHNES-CROFT: I'd like to go back to the older workers and retirement. You have a statement here that says household incomes will be less connected to employment and production will become less labour intensive.

We had a Public Accounts Committee meeting a few weeks ago where we spoke about how, by making minor adjustments, they have found that older people are able to continue working with some assistive technology. It could be that the type of chairs they have in offices will make them able to stay longer.

What types of jobs - I'm kind of curious, are they more clerical or less labour-intensive jobs that encourage older people to stay on? I remember a few years ago, federally, they were going to raise the age of getting your Old Age Security. Then I thought of the Tim Hortons workers and labourers who were just waiting to get to 65 so they could retire, because they have a lot of physical issues and working daily is a chore - so I'm glad it's back. Can you talk a little bit about what types of work the older people engage in? Then later, the household income will be less connected to employment.

[11:15 a.m.]

MR. RAFUSE: Before I hand that off to Thomas to further explore that for you, I have actually sat in on a couple of presentations from the Senior Citizens' Secretariat.

The one that I thought was insightful was a production line, I think it was in the automobile industry. They put all seniors on one line, and they became the most productive line by just changing the floor which they stood on all day. Rather than hard steel, it was a more cushioned floor, and they were the most productive line. There are things that can be done to make an older workforce one of your more productive workforces with relatively little investment there.

I'm going to hand it off to Thomas to dive in deeper on this.

MR. STORRING: I'll start with some basic descriptions, and then I'll hand it off to Alexander for some specific responses to give you some detail.

It is worth pointing out that the composition of Nova Scotia's economy has changed over recent decades. The proportion of employment and GDP that are generated in service-sector positions as opposed to goods-sector positions is altering where people are working for all age cohorts, not just older cohorts. Whereas we had been in a more goods-intensive economy in decades previous, we are less so now. In some cases, that is affording people the opportunity to work longer, where they are able to do so, because they're doing occupations that require knowledge work as opposed to actual physical labour. That is a short answer just on that.

While Alexander is getting ready, I'll also make the comment that in our presentation we refer to the breaking down of the link between employment and income. That was simply an observation that over time we will see the composition of overall household income in Nova Scotia shifting away from employment income into pension income. That was what that meant.

MR. CHUTE: Yes, as Thomas mentioned, we can look at the breakdown of workers 65 and older versus the overall employment base and see where they are more likely to work than the average employee. As Thomas mentioned, it is similar that the goods sector is less representative while professional services and technical development services are overrepresented. Similarly, education – sorry, not education – more likely, health care is a field that sticks out in terms of having a higher share of older workers.

MS. LOHNES-CROFT: I'll continue on that health care. A lot of nurses, for example, retire and then go on as casuals. Is casual employment considered part-time?

MR. CHUTE: Casual employment, yes, is most likely to be less than 30 hours and be classified under part-time employment.

MS. LOHNES-CROFT: And they figure into your stats?

MR. CHUTE: Yes, that data is for all employees.

MR. CHAIRMAN: Mr. Orrell.

MR. ORRELL: So much has come up in other questioning. Earlier Mr. Johns and Mr. Wilson both talked about the mandatory retirement age being 65. That's mostly for government, municipal, and provincial governments, the retirement age of 65. We're losing that knowledge because the private sector is picking that up pretty well daily. If someone retires from the federal government, provincial government, they go in with the private sector employer - they're doing the same job in a different office and going from there. We're not doing anything to encourage them to stay on.

I'll take skill trades, for example. If someone gets to 65 and is a skilled tradesperson, is there a possibility we might be able to use them as a training person through the province to make sure that we're using them in the field to monitor our apprentices - where we could probably increase the number of apprentices in an area for certain reasons. They may not be able to put the tools on anymore, but they've got that knowledge.

As Mr. Wilson said, they're not being recognized under WCB and they're not being fully compensated because - and some of them have to go to work because they worked so many years in that field with no pension and so on. What are we doing to help fill those gaps by basically silver-haired economy?

MR. RAFUSE: Just a follow-up correction - I can't speak for the federal government or municipal government, but there is no mandatory retirement age in the provincial government. You may see a lot of people retiring over the mere fact that we do enjoy a defined benefit pension plan that's tied to age and years of service and it kind of gravitates towards that, but it's not a requirement to retire, as it's not a requirement for members to retire. I think that's the case with the federal government as well - I don't know about municipal.

Certainly that group of individuals actually has a great skill set. I'm not aware of any active programs although the ones I've done on a personal note, where I will go and mentor the younger accounting students or have offered to do so in a tutorial perspective. I think a lot of organizations are looking at those skill sets, both voluntary and paid.

Do we have any stats that would back that up? I don't think we would. No, we wouldn't, but I think that's a recognized resource to a lot of organizations.

MR. ORRELL: The other thing that tweaked my interest was you said there were 1,100 health care jobs vacant in the province. I know you probably don't have it here with you now, but if you could, I'd appreciate if you could get me the breakdown on where those jobs are and what they are.

We've been losing health care professionals in Cape Breton on a regular basis - mostly doctors and nurses - and now we can't fill certain positions and keep emergency rooms open and so on. Graduating nursing classes from CBU are leaving Cape Breton because they're not hiring, but there are vacancies. I'm wondering if you've got a breakdown on where those vacancies are in the province and what actual health care work is showing that vacancy.

MR. STORRING: I'm afraid we don't have a breakdown of those vacancies by region. We are checking to make sure, but I believe it's only provided at a provincial level.

I will emphasize that at a provincial level that's 1,100 positions. That doesn't mean to say that those are long-term vacancies that have been unfilled - that is just what was found on the day on which the survey happened to be collected. It's probably better to look at a longer run for that if we see persistent vacancies in a particular sector or occupation from one quarter to the next quarter. That would probably be a stronger indicator.

MR. ORRELL: If I could though, those 1,100 you have at that given time - it's a point-in-time count, I understand, but you must have the vacancies of where they're at. If you have 1,100 vacancies that you know of, you must have the breakdown of what they are. Is it doctors, nurses, cleaners? How do you get the numbers if you don't have the breakdown of what they are?

MR. STORRING: The numbers are put together by Statistics Canada's Job Vacancy and Wage Survey. It's actually drawn from administrative data supplied by employers. So employers will simply have in the response to their survey, here is the number of positions we have and at this given moment, here's how many that we have that are unfilled. That's all that they're providing to Statistics Canada so they may not break that down any further than saying these are positions in the health care field. So the information isn't supplied to Statistics Canada for us to have that particular insight about it. I think that's probably something, if there are specific details, that specific employers would have to answer.

MR. ORRELL: As I said earlier, we don't have anybody out there looking at the labour market. If that's the case, that you can't tell us - nobody can tell us - what positions are vacant, how are we going to prepare for those vacancies? We want labour market people out there looking to see where those vacancies are so that we can fill those positions at any given point in time, so we can predict where those vacancies will be, so we can make sure that people are trained to fill those vacancies.

But if you can't tell me where the vacancies are, how are we doing anything to develop that, to make sure those vacancies get filled? We don't know what is vacant. We can say they are vacant, but we have no way to train them if that's the case.

MR. RAFUSE: I think we have some information we can provide. Earlier, the employer in that perspective would be working with LAE about job shortages and where some training opportunities would be available. We may not know through their information from Stats Canada, but an employer, if they had chronic shortages, would be working with LAE on how to address those shortages. But it's kind of two different data sources we're talking about here. I just wanted to mention that before I hand it back to Thomas.

MR. STORRING: I spoke too soon. We do actually have some of the details. In terms of those 1,100 - and Alexander just found them very quickly for us; thank you - we don't have a full breakdown of them. A lot of the data is suppressed because it's a relatively small sample size, so what they may take from the sample may not be reflective of what is going on, but where Statistics Canada does feel confident in those details, they do publish it.

Of those 1,100, we know that 350 of them are related to nursing positions and a further 210 are technical occupations - technologists and the like. That gives you a sense of where at least half of those vacancies are coming from.

We have some further breakdown: 495 in assisting occupations in supportive health services - so dental assistants, nurses aides. That gives you pretty much the full breakdown there.

MR. CHAIRMAN: Thank you. Moving to Ms. DiCostanzo, please.

MS. DICOSTANZO: I know that our province has always been the place to go and retire - and it still is, and it's a wonderful place - but is our demographic very different from the rest of Canada in the job market? How is that, if you can just explain that for us?

MR. STORRING: Sure. Nova Scotia's demographic situation is different from some parts of Canada. Atlantic Canada - and specifically New Brunswick and Newfoundland and Labrador - are in a similar demographic situation to Nova Scotia, where we have a large baby-boom cohort that is reaching ages at which people traditionally do retire.

There has been a long period of out-migration of youth. It has reversed now, but many have left and are gone. They have gone to other parts of the country, so you find that populations in places like Alberta and Ontario don't have - I mean, they do have baby-boom cohorts, but proportionately, relative to the size of their overall population, it's not as large. You find similar situations in Quebec, although not to the extent that we see here in Nova Scotia, and likewise, a similar situation in British Columbia.

It's also not unique in the world. The demographic situation that is facing Nova Scotia is very similar to what we see in Japan. We keep an eye on Japan, to understand what their experiences are like, because we will see echoes of it here in Nova Scotia. According to the projections that are prepared, this is not just unique to Japan and Nova Scotia. Sweden went through it in the 1990s, and the projections suggest that several large countries in Europe will go through it - Germany, Italy, Spain - and eventually China will experience it. So we're not alone in this regard at all, in what we're experiencing here, and how we deal with it can be informed by what we see around the world.

[11:30 a.m.]

MS. DICOSTANZO: You answered both questions that I had, which is the issues of Nova Scotia, are they alone or not, and whether it was the different sectors of the economy - has the employment changed in different sectors when it comes to seniors as well. That's all.

MR. CHAIRMAN: Ms. Lohnes-Croft.

MS. LOHNES-CROFT: You focused on a lot of the trends here in Nova Scotia. Are they different in urban compared to rural? I have a lot of people in the fisheries and the forestry industries that cannot get employees and when they do, they don't stay for long. I know they rely a lot on foreign workers to fill those job vacancies. How do they figure in your numbers?

MR. STORRING: There are differences between - and I'm going to take Halifax as the representative of the urban areas of the province. I know there are other urban areas

around the province, but the data that we have tends to be located in areas that are largely rural. Nova Scotia's overall population is much more heavily in rural areas than in urban areas compared with the national average.

Certainly, when we look at shares of population, we find that southern Nova Scotia actually does have, amongst all the five economic regions of the province - Cape Breton, Halifax, the Valley, and South and North Shore regions - we find that actually southern Nova Scotia has the highest share of its population, 65 and older, whereas Halifax has the lowest share. Halifax has the highest share of its population who are 15 to 39, and southern Nova Scotia has the lowest share in that population.

Some of the trends that we see for the province as a whole are magnified in the areas outside of Halifax. That's certainly consistent - your observations are consistent with the data that we see here.

MR. CHAIRMAN: Mr. Horne.

MR. HORNE: I just want to get a little more explanation of how productivity and the labour force relate to each other. You said earlier that productivity may go up and yet our workforce is getting smaller. Is that just because of computers or what?

MR. STORRING: There's a lot of economic theory and a lot of empirical evidence behind this. Forgive me if I get too much into the jargon of productivity. You can wave a hand at me to ask for an explanation.

As we see the population aging, and ultimately we're seeing a reduction in the amount of hours worked by the labour force - because people are getting older and they are choosing to retire - that is going to put pressure on our labour markets, make our labour markets tighter. Ultimately, we would anticipate that with the withdrawal of that labour supply as the population ages, it would put upward pressure on wages holding other things equal, but of course other things are not always equal.

If the only response to an aging population was simply raising wages in order to try to attract people to fill vacancies, that wouldn't necessarily result in improved productivity. Conceivably, firms could say, well if this is a high wage and scarce labour jurisdiction, then I can't maintain my production here because I absolutely must have the exact amount of labour that I enjoyed previously.

But businesses aren't like that. Businesses adapt to the situations that they face in their markets. If they see that labour, which had once been relatively abundant has now become relatively scarce, they will change their production processes and they will say, if I need to produce the same amount of output but I do not have the same amount of labour that has previously been available to me, and I can see the signals in that through rising wages or rising job vacancies, then my business can adapt to that by adopting greater use of machinery or technology. Like you say, the computers can certainly enhance the

productivity of the workers who do remain, and so they are generating more output for their businesses per hour worked. Technology can certainly be one contribution to maintaining the amount of output that we have. Skills can be another.

The generation that is coming into the labour force now, although they are smaller in numbers than the generation that is currently leaving at the older cohorts, they are a more skilled generation coming in. They have participated in post-secondary education to a higher percentage, so we are finding that workers are more skilled and therefore better able to take advantage of the technology that is made available to them.

Businesses can also improve their output per worker by increasing their scale. Simply employing larger facilities and producing at larger scales you can increase your output faster than you are increasing the amount of labour input that is required to generate it, and be more innovative, producing different products, focusing on higher value-added steps of the production process while drawing on richer trade environments not only to participate in supply chains further behind but also ahead, to make optimal use of the labour resources that are available to you. Those are all the mechanisms through which productivity can help our output to grow without growth in our labour supply.

At the end of the day, what that all looks like to us, as economists, is growth in labour productivity, which we measure as real GDP generated per hour worked.

MR. CHAIRMAN: Mr. Horne. We're all set. That concludes today's questioning. I would invite our guests, beginning with Mr. Rafuse, to make some closing remarks.

MR. RAFUSE: I'd just like to say thank you to the committee for the opportunity to come in and speak to you on this. I don't believe there were any take-aways, but I'm sure the clerk will let us know if there were. Certainly, and I'll do this plug before Thomas does because I know he will, there is a subscription you can subscribe to where you can get this information made available to you - the weekly stats - which can be sent out to you for your information. We make it a point to try to educate and inform as many as we can by making this information available to you.

I know some of you are already members or subscribers. If you have not, maybe Thomas can show you.

MR. CHAIRMAN: Mr. Storing.

MR. STORRING: Yes, we would encourage all members of the committee and their friends and families and colleagues to sign up to the Nova Scotia daily stats listserv. If you go to the Department of Finance and Treasury Board's website under Economics and Statistics you can subscribe to the daily stats. Most of what you've seen in today's

presentation comes from information that we discuss every day in the daily stats, so you can keep up on things through that.

Alexander Chute just pointed out to me that we do actually have data, just some specifics. I wanted to follow up about the education levels of the population. Is that total post-secondary or just university? Total post-secondary. So, of the population aged 25 to 54, the total post-secondary education level is 71.4 per cent. It's 62.9 per cent for those aged 55 to 64, and 50.2 per cent for those aged 65 and older. I don't mean to say there's any rationale for that other than that's consistent with what would happen at those generations. Certainly, the new generations that are coming into the labour market are very well educated. Thanks for your time.

MR. CHAIRMAN: Okay, thank you. With the consent of the committee, in response to the reminder about the availability of statistics, perhaps we can send a note to our caucus directors with a friendly reminder attached to it. Is that agreeable to the committee? All right.

On behalf of the committee, Mr. Chute, Mr. Storrington, and Deputy Rafuse, thanks for your attention to this file and your willingness to come before the committee and answer questions as thoroughly as you've done.

That would conclude my understanding of today's committee business. Is there any further business to be brought forward to the committee? Thank you, folks.

Our next meeting date will be Tuesday, June 26<sup>th</sup>, from 10:00 a.m. until noon. Our witness will be Dr. Fernando Nunes, chair of the Department of Child and Youth Studies at Mount Saint Vincent University. The topic is early childhood education regarding pre-Primary and any increase in applications or students.

Again, any further committee business?

This meeting is adjourned.

[The committee adjourned at 11:41 a.m.]