

# Annual Report to Canada by the Province of British Columbia under the Labour Market Development Agreement

**Fiscal Year 2018/19**



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# Introduction

The Province of British Columbia is pleased to share the Fiscal Year 2018/19 Annual Report to the Government of Canada under the Canada-British Columbia Labour Market Development Agreement (LMDA).

We supported B.C. residents, including employers, thanks to funding from LMDA. We were able to meet their training and labour market needs in the following ways:

- ▶ 84 WorkBC Centres provided training and employment supports to unemployed or underemployed people
- ▶ Customized supports and employment training helped people with disabilities in the workforce
- ▶ The Community and Employer Partnerships (CEP) program supported projects that offered skills training and work experience
- ▶ Targeted supports for single parents on income or disability assistance helped them re-enter the workforce

This report contains high-level information about people accessing LMDA-funded programs and services. It discusses employers as well as stakeholder engagement activities and outcomes. It highlights innovative approaches and reflects on the achievements against performance targets agreed with Canada.

The report also outlines activities in fiscal year 2018/19 that supported B.C.'s Labour Market Priorities, which included:

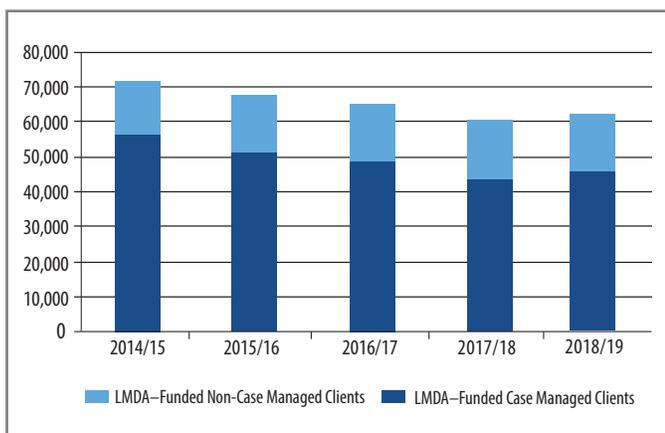
1. Invest in training to better align British Columbians with sustainable job opportunities and to meet employer demands
2. Implement strategies to engage all British Columbians, including underrepresented groups
3. Partner with local communities and organizations to further develop and increase community-based partnerships across the province
4. Leverage and enhance labour market information and knowledge

Over the fiscal year, preparations were underway to transition to a new WorkBC employment services model. The transition included several significant changes to the WorkBC program. The main focus was on improving client outcomes. This report includes an update on new service delivery contracts that went into effect on March 1, 2019.

# Aggregate Information about Individuals and Employers

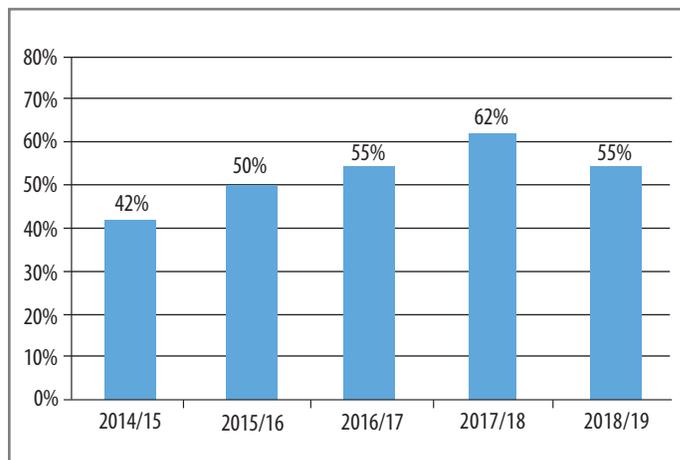
WorkBC offers a range of resources for people who need support. It varies from self-service tools to one-on-one case management provided by the WorkBC Centres. In fiscal year 2018/19, almost 62,000 people accessed WorkBC services, including 46,000 who received personalized support offered by employment counsellors. Chart 1 shows how many people accessed services between 2014/15 and 2018/19. It also shows how many were case managed, receiving personalized support to find employment. The number of people accessing WorkBC services has decreased over the past few years, driven by a strong economy and more jobs.

**Chart 1: LMDA-Funded Clients (2014/15–2018/19)**



For LMDA-funded clients who completed case management in fiscal year 2018/19, 55 per cent achieved employment. The decline in the employment rate (Chart 2) for 2018/19 resulted from inactive case closures due to a comprehensive file review.

**Chart 2: Employment Rate for LMDA-Funded Clients (2014/15–2018/19)**



## Connecting with Stakeholders and Employers

B.C. conducted a province-wide consultation to create B.C.'s first poverty reduction strategy. The Province wants to ensure people from every background have opportunities to reach their full potential through employment. The Province sought feedback from 8,500 people including:

- ▶ People with lived experience of poverty
- ▶ Service providers
- ▶ Businesses
- ▶ Unions
- ▶ First Nations leaders
- ▶ Indigenous communities

Provincial government staff organized community meetings and utilized a separate Indigenous engagement process. An online engagement website helped ensure that a diverse population throughout the province was able to share their views and make policy submissions.

The Province consulted and worked with the Presidents Group, a network of change-driven B.C. business leaders committed to more accessible, inclusive workplaces. In 2018, the Presidents Group launched the Community of Accessible Employers, the inclusive employment movement for employers and business owners around the province. B.C. is facing a labour shortage with close to 1 million expected job openings by the year 2025. Almost 615,000 British Columbians aged 15–64 have a disability and represent an important talent pool that is largely untapped.

The Ministry of Social Development and Poverty Reduction (SDPR) also engaged across ministries, local governments and key stakeholders to prepare for the launch of the new WorkBC program and to market CEP. These activities included:

- ▶ Working with the Ministry of Advanced Education, Skills and Training (AEST), Community Living BC and Services to Adults with Developmental Disabilities to ensure WorkBC and other community programs are complementary, streamline client referral processes and ensure marketing materials are up to date.

- ▶ Marketing WorkBC services and CEP funding opportunities to communities impacted by certain trends. This includes employer closures, downturns in specific sectors – most notably forestry – and impacts from events such as wildfires and floods.
- ▶ Promoting the Employer Sponsored Training program under the Labour Market Partnerships (LMP) Support Measure to eligible employers. This offers financial assistance to support training activities for employees who would otherwise lose their jobs.
- ▶ Working with AEST and the Ministry of Forests, Lands, Natural Resource Operations and Rural Development to ensure complementary programming between CEP and other programs.

To further this work, SDPR is building a new Employment Opportunities Development team. The team will establish relationships with employers from across the province. With that, SDPR can obtain feedback on how programs can best assist with meeting their staffing needs and generating opportunities for people seeking employment.

# Priority 1: Investing in training to better align British Columbians with sustainable job opportunities and to meet employer demands

In fiscal year 2018/19, B.C. continued to demonstrate its strong commitment to training. B.C. invested over \$29 million in skills-training programs and provided training for unemployed and underemployed British Columbians. This investment resulted in an employment rate of 65.6 per cent for LMDA-funded clients who received skills training. That is over 10 per cent higher than the overall employment rate.

The funding helps to bridge the needs of employers seeking a skilled workforce and British Columbians seeking employment. Over 15,000 employers ranging from small businesses to multi-national corporations hired people through WorkBC in 2018/19.

The top occupations are presented in Table 1:

**Table 1 – Top Occupations Attained by LMDA-Funded Clients (2018/19)**

Occupation Category (NOC)	% of Clients
Sales and service occupations	32%
Trades, transport and equipment operators and related occupations	23%
Business, finance and administration occupations	14%
Total	69%

To help prepare for an expected shortfall of skilled trades people, B.C. invested over \$8 million in programs supporting non-case managed apprentices.

## Spotlight: Road to Success

Careers in the commercial trucking industry are now possible for 29 people receiving training in two driver-training projects funded by B.C.

18 women and 11 newcomers to Canada will earn their Class 1 Commercial Driver’s licences in the YWCA Changing Gears program and the Professional Driver Training program at Douglas College.

LMDA funding of \$764,800 will provide these individuals with:

- ▶ Training
- ▶ Supports such as child care
- ▶ Transportation costs during training
- ▶ Work experience with local employers

*“Projects like this help people retrain and find new opportunities in growing industries,” said Shane Simpson, Minister of Social Development and Poverty Reduction.*

*“Through a combination of on-the-job training and classroom instruction, the trainees get the skills they need*

*to find a good-paying job, and employers have access to qualified employees who are ready to work.”*

With a Class 1 licence, the participants will be qualified for any position in the trucking industry, including long-haul driver or bus driver. More than 14,000 job openings for transport truck drivers across the province are expected over the next 10 years. Another 4,000 transit operator positions are expected to become available over the same time frame.

Garry Begg, MLA for Surrey-Guildford, announced the funding at an employer networking event at Valley Driving School in Langley.

*“It’s great to see connections being made today between people eager to start new careers and employers looking for great people to help their businesses to grow,” Begg said. “Today’s event, and these two projects, are all about getting people moving towards a better life for themselves and their families.”*

Funding for these projects is through the CEP program.

## Priority 2: Implement strategies to engage all British Columbians, including under represented groups

Consultation is important to creating inclusive and supportive environments. It's important when everyone, regardless of ability or background, has equal opportunity to succeed. SDPR engaged with a range of stakeholders, including Community Living BC, Inclusion BC, non-profit organizations and Indigenous Services Canada and employment service organizations. This helped SDPR better understand the challenges and strategies needed to connect with employers and promote inclusive hiring practices.

This engagement resulted in new and improved services for people accessing WorkBC services:

- ▶ Strengthening accessibility for client access to services including physical facilities, computer stations, web, phone and in-person accessibility. It also includes requiring mandatory third-party accessibility certification of all service providers
- ▶ Adding French language services in the Apprenticeship Services program and all designated bilingual communities
- ▶ Streamlining and improving services for people to access the Assistive Technology Services program

- ▶ Expanding outreach and marketing to vulnerable citizens who may need support through employment services and programs, including youth in care

In addition, the government released What We Heard About Poverty in B.C. to help inform B.C.'s first Poverty Reduction Strategy (subsequently issued in March 2019). This report captures feedback from citizens of all backgrounds during a comprehensive public engagement.

The feedback from the consultation resulted in historic legislation in fall 2018. It sets poverty reduction targets and timelines in legislation. From a 2016 baseline, the target is to reduce poverty by 25 per cent and reduce child poverty in half by 2024.

In fall 2016, B.C. launched the Targeting, Referral and Feedback (TRF) initiative. It assists Employment Insurance (EI) applicants in returning to employment more quickly. TRF identifies and connects these individuals with their local WorkBC Centre. At the end of 2018/19, over 90,000 EI applicants had been referred and 7,500 had begun working with an employment counsellor at a WorkBC Centre.

### Spotlight: the First People's Hospitality Program

This year, an innovative Prince George program was created to provide training and create work opportunities, which are central to TogetherBC, the province's first poverty reduction strategy.

The First People's Hospitality Program, run by LaKeCoRe Management & Training through WorkBC, is a 26-week program. It provides students with 18 weeks of essential employability and occupational skills training. That includes strategies for success, computer skills and hospitality operations training. It also provides six weeks of on-the-job work experience with local industry partners. The students then have two weeks of follow-up and job-search support. That helps

them prepare participants for employment in the hotel and hospitality sector in the Prince George region.

Up to 20 local young adults began receiving a high standard of training in an industry that is part of the fabric of Prince George's economy. The program has partnered with local hotels and inns to help ensure participants will receive satisfying job opportunities upon completion.

B.C. committed just over \$200,000 for this project through the CEP program. CEP funds projects that increase employability levels and share labour market information.

## Priority 3: Continue partnering with local communities and organizations to further develop and increase community-based partnerships across the province

B.C.'s economy is diverse and influenced by factors such as demographics and geography driving local labour market conditions. The Province continued to leverage funding from the CEP program to address unique local labour market issues as well as social challenges beyond unemployment. This helped the Province achieve its goal of forming partnerships with a range of communities and organizations.

CEP funding supports community-driven projects that provide:

- ▶ Employment and work experience opportunities for unemployed individuals

- ▶ Economic growth for the community
- ▶ Positive social impacts
- ▶ Innovative solutions to local labour market challenges

Staff engage with local organizations and employers to assess communities' needs and opportunities that could be supported through CEP funding.

In 2018/19, CEP community engagement took place in over 60 communities across the province:

**Figure 1: Community and Employer Partnerships program—Community Engagement**



As a direct result of this engagement almost 200 EI-eligible participants gained work experience and skills development in a range of projects that received \$4.7 million, including:

- ▶ Carpentry and construction: building accessible bike trails, bridges, a bike park and the restoration of a 30-metre sailing ship
- ▶ Research: identifying local gaps and challenges in the agriculture community and taking an inventory of cycling infrastructure in the Lower Mainland
- ▶ Forestry: working as forestry operators and technicians in the Okanagan and East Kootenays
- ▶ Wildfire risk assessment and mitigation: assessing 160 properties in the Thompson Cariboo regions
- ▶ Event planning and marketing: coordinating various events and festivals and an educational forum about cycling and its potential for transportation and recreation
- ▶ Class one professional truck driving in the Okanagan area
- ▶ Wildfire risk abatement and trail building in Mackenzie

In addition, LMP and Research and Innovation (R&I) funding provided \$1.3 million that:

- ▶ Developed a labour market strategy for the Cariboo Region
- ▶ Developed strategies to reduce labour shortages in Williams Lake
- ▶ Identified the labour market issues, training gaps and community action plans in Northeastern B.C. in light of major liquified natural gas, mining and dam construction projects

- ▶ Developed strategies and models to support recruitment and retention of under-represented groups in the creative industries in Vancouver, Kelowna and on Vancouver Island
- ▶ Identified new, innovative and untested approaches to supporting persons with disabilities in exploring technical occupations that align with diverse abilities
- ▶ Researched and analyzed gaps, opportunities and skill requirements in the manufacturing sector in the Nelson and Castlegar areas

Additional financial support provided to the Province was used to address the impact on communities affected by trade disputes. The main focus was on supports such as retraining. WorkBC Centres in communities with increasing client volumes were provided additional funding to meet demands. Funding also went into CEP supported projects that offered skills training and work experience. In total, \$1.6 million was invested in six projects in communities affected by the forestry sector downturn.

Overall, B.C. invested \$11.2 million for 57 projects supporting people, employers and community.

## Spotlight: Social Innovation—Refresh Cowichan

The Social Innovation stream expands the scope of the CEP program to support innovative projects that address social challenges beyond unemployment. \$2.9 million was invested in 10 socially innovative CEP projects in 2018/19.

The Province invested almost \$125,000 in Refresh Cowichan, a food security Job Creation Partnership with the Cowichan Green Community Society. Five EI-eligible participants helped to establish a food recovery system. The goal was to reclaim usable food from the waste stream coming out of grocery stores and restaurants. The food would be re-distributed to emergency food providers within the Cowichan Valley.

Over the 51-week project, participants gained work experience in a variety of sectors including:

- ▶ Agriculture
- ▶ Retail

- ▶ Food services
- ▶ Marketing
- ▶ Social enterprises performing duties related to:
  - Research
  - Community engagement
  - Partnership building
  - Business and event planning
  - Food processing

As a result of this project, participants became better positioned to secure long-term and sustainable employment. At the same time, the project provides benefit to the community by re-directing healthy produce to people living in poverty.

## Priority 4: Leverage and enhance labour market information and knowledge

Improving data and analytics management helps B.C. develop strategies to support continuous improvement, policies and programs. New technology is helping to analyze local market conditions and population trends. This information is valuable in supporting evidence-based decisions. Contracted service providers also have access to the data to help them enhance their ability to serve clients.

Access to data and the analysis has helped to identify and report on individuals affected by economic factors, such as industry or regional layoffs. It also helped to improve services to underrepresented groups.

In addition, the Province funds projects to better understand and address barriers within specific industries and local labour markets. In 2018/19, a variety of CEP projects examined options to address local challenges such as:

- ▶ Attracting skilled workers in remote areas
- ▶ Identifying training gaps and opportunities in liquified natural gas, mining, dam construction and manufacturing
- ▶ Supporting recruitment and retention of under-represented groups in the creative industries

# LMDA Target Results

Each year, the Province reports on the outcomes of WorkBC services provided to EI recipients. These measures include:

- ▶ The number of active EI claimants accessing British Columbia benefits and measures
- ▶ The number of EI claimants who return to employment
- ▶ The savings to the EI account that were achieved as a result

In 2018/19, the average number of British Columbians receiving regular EI benefits declined by 14 per cent, compared to the previous fiscal year. Consequently, the number of active EI claimants accessing WorkBC services fell by 16 per cent compared to the prior fiscal year (see Table 2). Over 78 per cent of these clients returned to employment, exceeding the target of 61 per cent. A strong provincial economy, and WorkBC's continued execution on its labour market priorities contributed to the strong performance against the annual employment target. The total savings to the EI account also exceeded the target due to a larger number of clients achieving employment. The savings per client were comparable to prior years.

## Active EI Claimants Accessing British Columbia Benefits and Measures

The level of unemployment drives the number of people on EI accessing WorkBC programs and services each year. When the unemployment level declines, the number of people drawing on EI and accessing WorkBC services declines as well. A drop in the unemployment level was expected in 2018/19. The main reasons were more available jobs in a strong labour market and retirements in an ageing population.

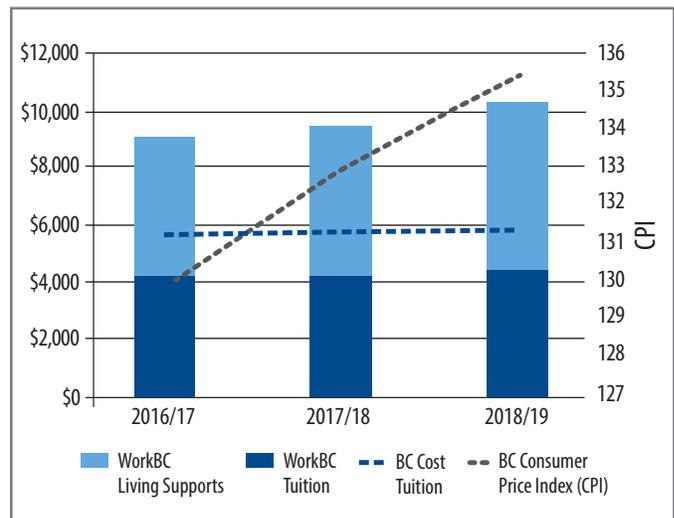
The number of individuals drawing upon EI Part I and the subsequent number of EI clients served by WorkBC was expected to decline in 2018/19, due to the declining unemployment rate. As a result, the target number of active EI claimants accessing benefits and measures was set lower than in the previous three fiscal years.

**Table 2 — Active EI Claimants Accessing British Columbia Benefits and Measures**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Target	39,000	39,000	37,500	37,500	37,500	33,000
Total Achieved	34,612	33,730	35,891	35,272	32,881	28,399

The number of EI clients accessing WorkBC Employment Services declined. However, the average cost of training-related services and living supports have continued to increase in WorkBC over the last three years (Chart 3). This is consistent with Statistics Canada's reported increases in average tuition fees and Consumer Price Index in B.C.

**Chart 3: Average WorkBC Cost of Tuition and Living Supports for LMDA Clients**



## El Claimants Returned to Employment

The number of EI claimants who return to employment is driven by:

- ▶ The total number of clients who access WorkBC Employment Services in each year
- ▶ The quality of services they received
- ▶ The economic and labour market conditions that influence their success at finding new employment

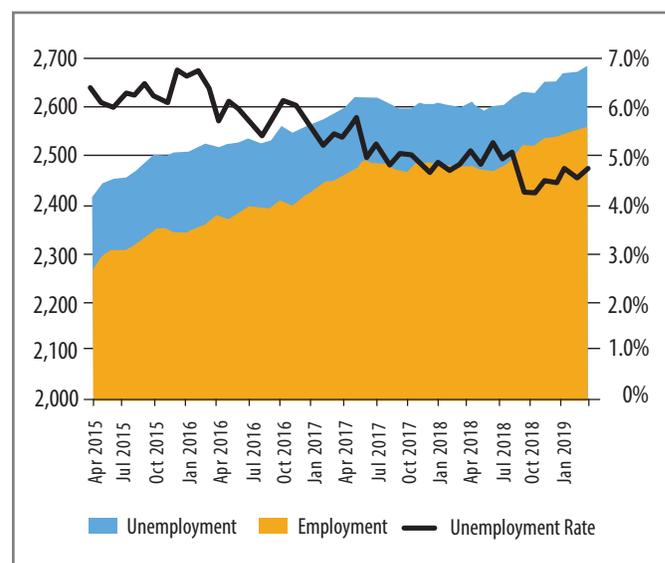
After a fourth consecutive year of achieving economic growth above the national average, the rate of B.C.'s continued economic improvement was expected to moderate in 2018 from 3.4 per cent achieved in 2017.

The B.C. Budget 2019 estimated that real gross domestic product (GDP) grew 2.2 per cent in 2018 and increased the forecast for year 2019 to 2.4 per cent. This is due to better than expected performance of employment and exports and positive investment, balanced by some moderation in housing activity and consumer spending.

The unemployment rate in B.C. was forecasted by the Ministry of Finance to increase from 5.1 per cent in 2017, to an average of 5.4 per cent in 2018, and 5.6 per cent in 2019. As a result, the percentage of individuals who returned to employment after accessing WorkBC services, was expected to be comparable to the previous year. The target for the number of individuals returning to employment was set to 20,000. That equals approximately 61 per cent of all active EI claimants accessing the benefits and measures through WorkBC.

The realized unemployment rate in 2018 turned out to be its lowest annual rate since the 2008/09 recession, averaging 4.7 per cent. The Ministry of Finance has updated its unemployment rate outlook for 2019 to 4.9 per cent. Chart 4 illustrates recent declines in the monthly unemployment rate in B.C., as well as the declining growth in the level of unemployment since April 2015.

**Chart 4: B.C. Labour Market Conditions (Monthly, '000)**



Due to the stronger than expected labour market conditions, the performance against the second target significantly outperformed expectations. It achieved a 78 per cent rate of clients returning to employment, as illustrated in Table 3.

**Table 3 — EI Claimants Returned to Employment**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Target	24,000	24,000	21,750	21,750	21,750	20,000
Achieved	20,040	19,787	19,552	21,055	20,997	21,514
Success rate vs all clients	58%	59%	54%	60%	64%	76%

## Savings to the EI Account

Savings to the EI account are driven by the number of clients who return to employment before their EI benefits run out. The level of benefits, driven by clients' previous employment situation, is one of the factors. Another factor is the length of time it takes the clients to find employment.

As a result of the larger than expected number of clients returning to employment in 2018/19, the total savings to the EI account also exceeded the target. The savings per client were comparable to prior years, as illustrated in Table 4.

**Table 4 — Savings to the EI account**

	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
Target	\$104,000,000	\$134,000,000	\$130,000,000	\$130,000,000	\$142,000,000	\$136,000,000
Achieved	\$121,800,000	\$126,500,000	\$125,300,000	\$152,700,000	\$136,600,000	\$136,800,000
Per client	\$6,078	\$6,393	\$6,409	\$7,252	\$6,506	\$6,359

\*Per client amount was unusually large in 2016/17 due to a one-time EI benefits extension for commodity-based regions

# Renewed WorkBC Employment Services

The employment service delivery contracts for WorkBC expired on March 31, 2019. The Province took this opportunity to change the WorkBC employment services model. The new model incorporates outcomes and feedback from stakeholder engagement. It was conducted throughout the years and included recommendations from the independent, third-party program evaluation concluded in 2016. Program renewal activities included drafting of new contracts, procurement, systems design, cost analysis and training in 2018/19.

Key changes to the program will allow the Province to better align skills training with employer demands. It will also help to focus on sustainable outcomes and achieve consistency in services available to British Columbians. As of April 1, 2019, WorkBC offers improved services for people who need support to re-enter the workforce, access training opportunities and find good jobs. The services people count on continue to be available with service improvements that include:

- ▶ Increasing the number of WorkBC centres to 102 locations, up from 84
- ▶ Moving to an outcome-based funding model that makes people's success in the job market a priority for service providers
- ▶ Extending eligibility for specialized WorkBC services to anyone who has paid into EI for five of the last 10 years, removing EI eligibility barriers
- ▶ Helping people find a better job if their hours are unstable, or if the work is not in line with their skills
- ▶ Providing an additional \$9 million in direct supports and helping people access tools so they can pursue a career in the trades

- ▶ Improving services in rural communities by consolidating administrative catchment areas to align with economic regions used by the federal and provincial governments

In addition, two WorkBC programs are now offered provincially, providing consistent, reliable services for people, no matter where they live:

- ▶ The Assistive Technology Services program offers adaptive technology to help people with disabilities pursue employment opportunities
- ▶ Apprentice Services program includes processing financial support applications and help for apprentices to collect EI benefits while in school

Recent EI amendments expanded the ability of previously ineligible clients to access LMDA-funded programs and services. The new program design will allow for enhanced services to some of the most vulnerable people receiving EI. Expanded EI reachback eligibility will include individuals who paid EI premiums in at least five of the previous 10 years. It will allow individuals with unstable or unsustainable employment to access services to assist them in improving their employment situation.

Through a procurement process, 47 new contracts took effect on March 1, 2019. Collaboration between the Province and new service providers allowed for seamless transition from old to new contractors and led to a successful launch of WorkBC Centres on April 1, 2019.

