

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

Fiscal Year 2017/18



BRITISH
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Introduction

The Province of British Columbia is pleased to introduce the new Annual Report to Canada under the Canada-British Columbia Labour Market Development Agreement (LMDA).

British Columbia invests federal LMDA funds through WorkBC Employment Services (WorkBC), providing British Columbians with services and supports needed to attain sustainable employment. WorkBC Employment Services was formerly known as the Employment Program of BC.

LMDA-funded services provided through WorkBC include:

- ▶ self-service tools and resources
- ▶ employment support services and job placements
- ▶ financial support
- ▶ apprenticeships
- ▶ skills training
- ▶ self-employment services

Contracted service providers and partners across the province deliver services through WorkBC Centres.

BC and the Federal Government have been working together for several years to strengthen the delivery of programs and services to British Columbians by bringing changes to the LMDA. This work culminated in the signing of the new LMDA between BC and Canada in March 2018.

Through the new Agreement, BC gained additional funding and broadened client eligibility for access to its programs and services. The new LMDA enhances focus on strong performance measurement and continuous improvement, providing the Province with more flexibility in the design and delivery of its programs and services.

As part of BC's measurement and reporting commitments under the new LMDA, the Province will be providing a new annual report to Canada.

The report contains high-level information about clients and employers, discusses stakeholder engagement activities and outcomes, highlights innovative approaches, and reflects on the achievements against performance targets agreed with Canada.

The report also outlines activities undertaken during the year in support of each of BC's Labour Market Priorities. In Fiscal Year 2017/18 they were:

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

Preparing for renewal of WorkBC has been a significant focus across the organization over the last fiscal year. This report would be incomplete without addressing program renewal in its final section.

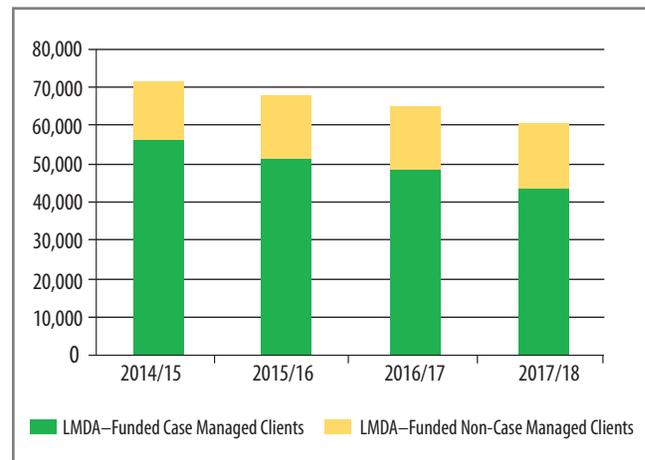
Aggregate Information about Individuals and Employers

WorkBC offers a range of resources that fit individuals' needs, from self-service tools to one-on-one case management provided by the WorkBC Centres. Over 360,000 LMDA-funded clients have accessed WorkBC services between the program start in 2012 and the end of Fiscal Year 2017/18. Of those, about 140,000 achieved employment after working with a case manager to receive an extensive range of services and supports towards achieving sustainable employment.

Clients may receive WorkBC services over more than one fiscal year. Some participate in services more than once within the same fiscal year. To measure fiscal year program performance and results, WorkBC focuses on outcomes achieved by clients who completed their services within that year. In Fiscal Year 2017/18 almost 60,000 LMDA-funded clients completed their services through WorkBC. This includes over 43,500 who completed case management.

Chart 1 demonstrates LMDA-funded clients who completed their services in each of the fiscal years between 2014/15 and 2017/18, as well as the number of these clients who received case management services (case-managed clients). Many individuals choose to access WorkBC self-service resources and tools without providing personal details, therefore the total number of non-case managed individuals who benefit from WorkBC services is underreported.

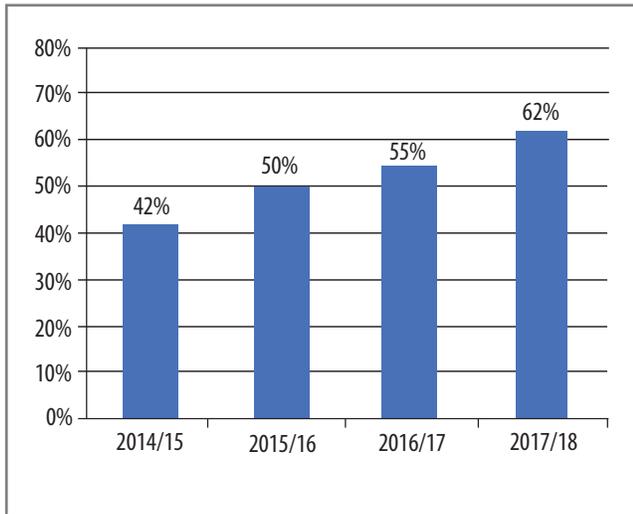
Chart 1: LMDA-Funded Clients (2014/15–2017/18)



The total number of clients accessing WorkBC services has gradually fallen over the past few years, driven by a steadily strengthening economy and falling unemployment. The success rates of case-managed clients finding employment have increased. Continued efforts to improve awareness about the variety of available employment services among clients and employers also helped drive improvements in the Employment Rate. WorkBC defines the Employment Rate as a percentage of clients who completed case management with an employment outcome that has been confirmed or is currently in the follow up process.

LMDA-funded clients who completed case management in Fiscal Year 2017/18, achieved an Employment Rate of 62 per cent, an improvement over the 55 per cent rate achieved in the previous Fiscal Year. Chart 2 illustrates the continued improvement trend.

Chart 2: Employment Rate for LMDA-Funded Clients (2014/15–2017/18)



National Occupational Classification (NOC) is a standardized framework used to describe various jobs in the Canadian labour market by grouping similar types of work under common occupation categories. The majority of LMDA-funded clients who achieved employment and agreed to disclose information about their new position to their WorkBC Centre case manager in Fiscal Year 2017/18, attained employment in one of three NOC occupations (see Table 1). Occupations reported as “unknown” were not included.

Table 1: Top Occupations Attained by LMDA-Funded Clients, Fiscal Year 2017/18

Occupation Category (NOC)	% of Clients
Sales and service occupations	32%
Trades, transport and equipment operators and related occupations	25%
Business, finance and administration occupations	13%
Total	70%

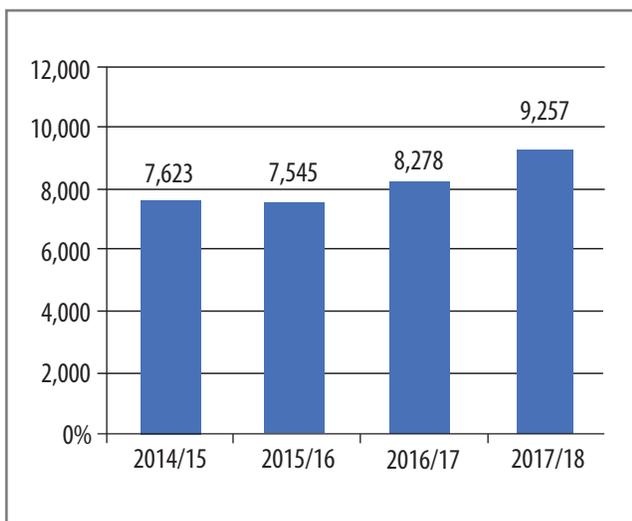
Companies where clients obtained employment in Fiscal Year 2017/18 were very diverse in size and industry focus. They ranged from large multinational retail chains, to local small businesses. Over 15,000 different companies and organizations were identified by clients as their new employer. While approximately 100 of these companies employed 10 or more WorkBC clients across the province, including 11 companies that employed more than 50 clients, the vast majority of employers in the province hired less than 5 WorkBC clients in the past year, representing a wide variety of industries, firm sizes, and occupations.

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

British Columbia leverages LMDA funding to help bridge the needs of employers and British Columbians seeking employment, by providing relevant skills training and supports through WorkBC Employment Services.

In Fiscal Year 2017/18 British Columbia continued to demonstrate its strong commitment to training. BC invested over \$29 million in skills-training programs and provided training for more than 9,200 LMDA-funded clients. This is an increase of 12 per cent over the previous year.

Chart 3: LMDA-Funded Clients in Skills Training (2014/15–2017/18)



Continued focus on investing in skills training resulted in an Employment Rate of 72.5 per cent achieved by the LMDA-funded case-managed clients who received skills training as part of their services — the highest achieved in the program to date and 5 percentage points higher than in the previous fiscal year.

As part of its ongoing commitment to prepare for the expected shortfall of skilled trades people, BC invested nearly \$9 million in programs supporting non-case managed apprentices, exceeding its commitment of \$7.4 million. Participating in apprenticeship training allows individuals to develop and hone skills that will closely match future employer demand.

The Ministry of Social Development & Poverty Reduction (the ministry) works closely with partner ministries and key stakeholders, to coordinate the delivery of projects, programs and initiatives. In Fiscal Year 2017/18, \$7.9 million was transferred to the Ministry of Advanced Education, Skills and Training (AEST) in support of LMDA-eligible Canada Job Grant activities. This funding contributed to over 1,000 unemployed and self-employed individuals receiving employer-led skills training, helping meet the needs of employers of all sizes, across 20 different industries.

Spotlight on: Skills Training

Rick was a commercial meat cutter for 17 years. A shoulder surgery and arthritis left him unable to work in his profession any longer. He moved to Oliver, BC in hopes that a warmer climate would ease his arthritis. Rick visited the local WorkBC Centre and found out about case management services offered by WorkBC.

Rick was insecure about his computer skills and was looking for help with creating a resume and applying to jobs electronically. His case manager directed him to a workshop that focused on developing job search skills, learning about the local labour market, accessing online resources, and applying for jobs online. Through completing the workshop, Rick developed a new resume and cover letter, and practiced interviewing techniques and responses.

Rick received Career and Skills assessments to identify his transferable skills and develop employment goals suitable for the Oliver labour market. A Disability Related Needs Assessment also helped him understand how his arthritis will affect his ability to perform some tasks, and to identify a labour market goal that would not aggravate his condition.

Rick explored employment options with his Case Manager. They looked at options that would suit his temperament, his skills and his physical abilities.



The new Okanagan Correctional Center was about to open near Oliver that year and Rick wanted to learn about available opportunities. His case manager researched companies that were contracted to provide services to the Correctional Center and leveraged local employer contacts developed by the WorkBC Centre to help Rick find suitable opportunities. After he submitted a resume and attended an interview, Rick successfully secured full time employment with Evergreen Maintenance, a contractor with the Correctional Center. Rick has achieved his employment goal.

Priority 2: Continual development of strategies to engage all British Columbians, including underrepresented groups

In Fiscal Year 2017/18, over 47,000 WorkBC Employment Services clients, or 79 per cent of total, identified as belonging to one or more underrepresented groups. Table 2 lists these as Client Inclusion categories.

Table 2: WorkBC Client Inclusion Groups in Fiscal Year 2017/18

Client Inclusion Group (each client may be included in more than one group)	Number of Clients
Indigenous Peoples	6,729
Francophone	565
Immigrant	8,559
Client with a Disability	17,652
Multi-Barriered	12,350
Rural and Remote	8,546
Survivor of Violence and/or Abuse	4,669
Youth	23,104
All clients in Client Inclusion Groups	47,170

As part of the strategy to continue improving access to employment services for underrepresented groups, BC has rolled out province-wide engagement sessions to understand the needs of individuals and communities, and in turn to increase awareness of WorkBC Centres located across the province and the services and supports they could provide. One of the outcomes of successful outreach strategies to improve awareness was that more than 7,200 individuals in underrepresented groups, listed in Table 2 above, received skills training to improve their employability and meet labour market needs in Fiscal Year 2017/18.

In the effort to identify leading employment practices for underrepresented groups, Ministry staff participated in engagement sessions with non-profits and organizations representing immigrants and Indigenous Peoples, attended conferences and workshops, and worked with

government counterparts in the Ministries of Indigenous Relations and Reconciliation, and Forests, Lands, Natural Resource Operations & Rural Development.

Of particular value was the engagement with First Nations and service delivery partners across the province to understand the unique needs and labour market challenges of their diverse communities. Ministry staff visited with five Bands and four First Nations to consult on a wide range of topics, from wildfire recovery to economic development and employment strategies. This led to many targeted employment initiatives and helped shape and inform the delivery of employment services.

The ministry also focused on increasing awareness of WorkBC Employment Services in underrepresented communities by hosting live webinars aimed at improving employment outcomes when working with recent immigrants, Indigenous clients and persons with disabilities. Internally-created Expert Advisory Panel on Specialized Populations continued to champion increased accessibility to WorkBC services and developed future programming recommendations.

In support of the ongoing outreach to the immigrant population, Ministry staff participated in an Immigrant Employment Working Group led by the Ministry of Jobs, Trade and Technology in partnership with Citizenship Canada and BC's Ministry of Advanced Education, Skills & Training. The goal of the Working Group was to improve labour market outcomes of newcomers through improved program coordination, information sharing, and identifying immigrant and refugee employment initiatives for collaboration and implementation.

In partnership with the United Chinese Community Enrichment Services Society's (S.U.C.C.E.S.S) Northern BC Newcomers Integration Service Centre, the Ministry continued to develop close ties with the

local ethnic communities, WorkBC Centre service providers, and employers in the region to promote the integration and community participation of new and established Canadians.

Spotlight on: Targeted Client Engagement

Targeting, Referral and Feedback (TRF) initiative is implemented by British Columbia in partnership with the Government of Canada to proactively engage EI applicants and assist them to return to employment more quickly.

TRF connects new EI applicants to their local WorkBC Centre where they can access employment information, services and supports while matching their existing skills with local labour market needs. Information about the resulting client experience is shared with the Government of Canada to help shape future TRF enhancements and inform policy development.

TRF was introduced as a pilot project in the fall of 2016. BC was only the second province in the country to introduce it and the first to use an online portal for implementation. TRF was fully implemented across the province in 2017/18 and quickly started making a meaningful impact on the number of EI applicants accessing employment services.

As of March 2018, over 27,000 individuals were proactively contacted through TRF by WorkBC Centres staff to provide them with information about employment services available to them. Furthermore, 74 per cent of TRF clients who received case management services returned to employment through working with their local WorkBC Centre case manager.

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

BC's economic regions are very diverse and local labour market conditions are driven by region-specific factors such as industry sector exposure, demographics, and geography. To achieve its goal of engaging with a broad range of labour market stakeholders, BC continues to leverage Community and Employer Partnerships (CEP) to learn about and address unique local labour market issues as well as social challenges beyond unemployment.

CEP funding supports community-driven projects that provide employment and work experience opportunities for unemployed individuals, economic growth for the community, positive social impacts, or innovative solutions to local labour market challenges. The ministry's CEP staff engage with local organizations and employers to assess communities' needs and opportunities that could be supported through CEP funding.

In Fiscal Year 2017/18, CEP community engagement took place in multiple communities across the province:



As a direct result of community engagement activities by CEP staff in Fiscal Year 2017/18, an additional \$1.4 million was committed to providing employment for 61 EI eligible participants.

These new projects will provide participants with training and hands-on work experience in:

- ▶ carpentry and construction, through constructing a 26-unit affordable housing complex
- ▶ milling, carpentry and safe handling of tools and equipment through improving infrastructure at the North Thompson Fall Fair horse barn
- ▶ working as residential insulators in the North Okanagan area
- ▶ constructing a low-income duplex housing unit with Habitat for Humanity
- ▶ renovating the Community Inclusion Centre, Thrift Store and Shelter
- ▶ constructing traditional hunting and fishing cabins
- ▶ working as forest operators in the forest sector in the North Okanagan and Shuswap
- ▶ retail industry skills.

Between the launch of WorkBC Employment Services in April 2012 and until March 31, 2018, the ministry entered into 330 CEP agreements, providing 1,903 job seekers with work experience and on-the-job training, while providing social or economic benefits to local communities. This included investing over \$9.8 million across 91 projects in Fiscal Year 2017/18.

Spotlight on: Softwood Lumber Tariffs Response

In June 2017, Employment and Social Development Canada (ESDC) announced \$6.8 million in financial support to BC to be received over 2017- 2018 to address the impact on the communities affected by tariffs imposed by the United States on Canadian softwood exports.

The ministry targeted this additional funding to communities and workers impacted by the tariffs, with a focus on supports such as retraining, provided through WorkBC Employment Services. This includes an investment of over \$1.45 million in CEP projects to provide skills, training and work experience to help impacted workers transition to in demand occupations.

Fourteen CEP projects provided training and work experience to 86 clients in communities affected by the tariffs in 2017/18. CEP also engaged with communities to increase awareness of funding streams and to identify the specific needs of that community which funding can support. The ministry worked with WorkBC Centres to ensure there is adequate funding to support laid-off or job threatened workers with skills-based retraining.

Priority 4: Continue to leverage and enhance labour market information and knowledge

The way the ministry manages and improves its services is increasingly driven by a combination of robust data and analytics, and strong community partnerships with stakeholders in the local labour markets. The ministry collaborates with BC government counterparts such as the Ministry of Advanced Education, Skills and Training on provincial labour market initiatives. It also participates in collaborative cross-provincial initiatives with counterparts across Canada. This allows the ministry to keep abreast of leading-edge developments in labour market knowledge.

The ministry's Business Intelligence (BI) Portal is a valuable tool. It facilitates deep analysis of local market conditions and client population trends through diligent tracking of client data and outcomes across multiple metrics. Continuous improvements to the Portal's data collection and reporting capabilities are a focus of BC's activities under this Labour Market priority. The BI Portal will play a critical role in BC's ability to provide enhanced performance reporting required under the new LMDA with Canada. Making changes to the BI Portal's data collection and reporting capabilities formed an important part of WorkBC program renewal activities which are discussed in the last section of this report.

In addition to improving internal analysis capabilities, BC funds projects to better understand and address barriers within specific industries and local labour markets. In Fiscal Year 2017/18, ten such projects were undertaken across the province, from Prince George to Smithers, Victoria, and the Lower Mainland. New insights and strategies were developed to address local challenges and take advantage of opportunities in:

- ▶ manufacturing
- ▶ technology
- ▶ green economy
- ▶ food services and more

New studies initiated in Fiscal Year 2017/18 will help study and address unique challenges and emerging skill requirements for the District of Parksville-Qualicum and restaurant industry in the Vancouver area. These studies will lead to specific recommendations and training opportunities specific to the local labour market needs.

As part of the commitment to improve labour market information available to WorkBC Centres, information gleaned from the labour market forecasting model maintained by the Ministry of Advanced Education, Skills and Training, is routinely shared with WorkBC Centre service providers. The model provides 10-year projections of labour demand and supply for 500 occupations for BC and its economic development regions, and helps WorkBC Centre service providers, and WorkBC Employment Services operational staff, keep abreast of important labor market information such as projected in-demand occupations, to make informed investment and training decisions.

Spotlight on: Innovative Labour Market Information and Proactive Outreach

Events such as a permanent layoff or a temporary shutdown of a large business can have a significant impact on a local labour market, affecting workers in the community both directly and indirectly.

The ministry uses an innovative approach to proactively address potential labour market disruption events through Event Code Protocol. The Protocol provides insight that allows the ministry to plan and execute a targeted approach to addressing the impact of the event on the community, and to continue following up on the effectiveness of the response provided.

The ministry initiates the Protocol when it identifies an event with a large potential community labour market impact. A special alpha-numeric code is assigned to the event and WorkBC Centres staff are instructed to use this code to flag clients who are directly or indirectly affected by the event, in the Ministry database. Using this unique event code permits the Ministry to track service instances, types of services/ support provided and outcomes. The code can be used for a specific catchment or where the lay-off impacts are broad, the same code is utilized across catchment areas.

LMDA Target Results

Each year, British Columbia reports to the ESDC on its achievements against annual targets that measure outcomes of services provided to EI recipients in British Columbia by WorkBC Employment Services.

These measures encompass:

1. number of active EI claimants accessing British Columbia Benefits and Measures
2. number of EI claimants who return to employment, and
3. savings to EI benefits that were achieved as a result.

In 2017, the number of British Columbians receiving regular EI benefits declined by 7.7 per cent, and active EI claimants accessing WorkBC services fell by 6.8 per cent compared to the prior year. A strong provincial economy, and WorkBC's continued execution on its Labour Market Priorities through training, engagement, and community partnerships, contributed to strong performance against the annual employment target. As a result, 64 per cent of EI clients returned to employment, compared to the target of 58 per cent. Savings to EI benefits per client were comparable to prior years. Total savings declined due to the smaller number of clients and one-off changes in benefit calculations.

The number of active EI claimants accessing WorkBC programs and services each year is driven by the level of unemployment (number of unemployed labour force participants), and the factors causing it. When unemployment level declines, the number of people drawing on EI and accessing WorkBC services declines as well. A drop in the unemployment level had been expected in 2017/18, due in part to the moderating growth in size of the labour force. Lower inter-provincial migration due to improving economies in other provinces, and an ageing population, continue to put downward pressure on the size of BC's labour force.

Little or no change was forecasted in the number of clients accessing WorkBC Employment Services in 2017/18. Actual results, presented in Table 4, show a 6.8 per cent decline in the number of EI claimants accessing services. This unexpected decline was driven by better than expected economic and labour market conditions discussed below.

Table 4: Active EI Claimants Accessing British Columbia Benefits and Measures

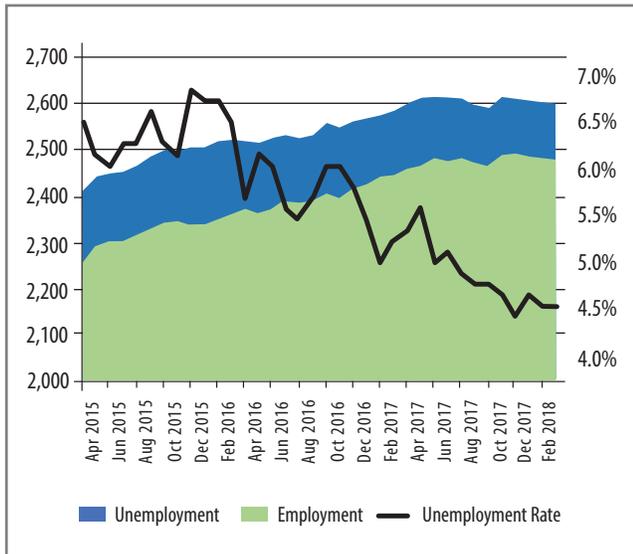
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Target	50,000	39,000	39,000	37,500	37,500	37,500
Total Achieved	31,952	34,612	33,730	35,891	35,276	32,881

Economic growth, demographic trends, and innovation drive labour market supply and demand conditions. After achieving significant growth in 2016, the rate of British Columbia's continued economic improvement was expected to slow in 2017, driven by the cooling housing market, slowdown in exports, and tighter credit markets.

Instead, British Columbia's real GDP growth in 2017 outperformed forecasts by growing 3.9 per cent. This greater than expected growth was driven by ongoing strength in exports, boosted by the commodity prices, and by above average strength in the domestic economy. Consumer spending grew, while tourism and construction continued to boom.

While the unemployment rate (percentage of labour force that is actively looking for employment) in BC was forecasted to average 6.1 per cent in 2017, the annual rate was much lower at 5.1 per cent, the lowest in Canada for a second year in a row. Chart 4 illustrates recent declines in the monthly unemployment rate in BC, as well as the declining growth in the level of unemployment since April 2015.

Chart 4: BC Labour Market Conditions (Monthly, '000)



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, and by the economic and labour market conditions that influence their success at finding new employment.

The expectation for Fiscal Year 2017/18 was that, with no significant change in the number of EI clients accessing WorkBC services, the rate of clients returning to employment, relative to clients accessing services, would remain comparable to previous year's target of 58 per cent of clients.

WorkBC Employment Services significantly outperformed expectations by achieving a 64 per cent rate of clients returning to employment, as illustrated in Table 5. This result was in part due to efforts to better address local labour market needs and raise awareness of WorkBC services, as well as the continued positive labour market conditions.

Table 5: EI Claimants Returned to Employment

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Target	30,000	24,000	24,000	21,750	21,750	21,750
Achieved	16,777	20,040	19,787	19,552	21,055	20,997
Success rate vs all clients	53%	58%	59%	54%	60%	64%

Savings to the EI account are driven by the number of clients who return to employment before their EI benefits run out. Both the level of benefits, driven by clients' previous employment situation, and the length of time it takes the clients to find employment, impact the final savings per client.

There was an unusually large increase in savings per client in 2016/17, caused by a one-time EI benefits extension for commodity-based regions. Savings per client were expected to return closer to the average of \$6,600 per client in 2017/18. A smaller total number of claimants going back to work resulted in the total savings to the EI account that were smaller than the expected target, as seen in Table 6.

Table 6: Savings to the EI account

	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Target	\$124,000,000	\$104,000,000	\$134,000,000	\$130,000,000	\$130,000,000	\$142,000,000
Achieved	\$112,512,524	\$121,846,795	\$126,474,936	\$125,294,701	\$152,701,957	\$136,556,392
Per client	\$6,706	\$6,080	\$6,392	\$6,408	\$7,253	\$6,504

Program Renewal

Employment services across the province are delivered through WorkBC Centres. Service delivery contracts for the program expire on March 31, 2019, and the Province is taking this opportunity to make changes to WorkBC structure, incorporating outcomes and feedback from stakeholder engagement conducted throughout the years, and recommendations from the independent, third-party Program Evaluation concluded in 2016.

Program renewal activities, including drafting of new contracts, procurement, systems design, cost analysis, and training have been a focus for Ministry staff in Fiscal Year 2017/18. Key changes to the program will allow BC to better align skills training with employer demands, focus on sustainable outcomes, and achieve consistency in services available to British Columbians across the province.

One of the key changes to the program introduces a new service delivery model for Apprentice and Assistive Technology services, to be delivered by one province-wide contractor for each service type, allowing for consistent service levels throughout the province, including for clients in underrepresented groups and rural communities.

Employment Services will be delivered under the WorkBC brand through regional contracts, while new regional definitions will remove boundaries for service to clients and align with economic regions to leverage and enhance local labour market knowledge.

Recent EI amendments expanded 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 segments of the EI client population. Expanded EI reachback eligibility will include individuals who paid EI premiums in at least five of previous ten years, and allow individuals with unstable or unsustainable employment, many of whom are working poor, to access employment services to assist them in improving their employment situation.



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