

Colin Hansen, Minister of Economic Development
Speech to ASPECT Conference
November 30, 2007

Good morning everyone. Thanks very much for the invitation to join you as part of this conference. Of all of the different hats that the Premier has given me to wear in this particular portfolio, I can honestly say that the labour market issues are probably the most challenging. If you look at the booming economy that we have in British Columbia today, there's probably one factor that's going to diminish what otherwise might be significant progress for our economy and that's around the relations of skills shortages and retirements of the baby boomer generation as we move forward.

I know you're all very anxious to hear about the Labour Market Development Agreement and the Labour Market Agreement that we're currently negotiation with the federal government – and I'll touch on that as well as giving you a progress report as to where we're at. These two agreements are part of a much bigger puzzle and a much bigger picture of our labour market challenges in the province today.

I'm sure many of you have heard economists forecasting that we will see about a million job vacancies in British Columbia by 2018. About half of those will be because of retirements and about half of those because of the anticipated new job creation in the province over that period of time. And yet we have today, in British Columbia, about 650,000 students in our school system who'll be graduating from grade 12 over that same period of time. So even if every one of the kids who are in the school system today goes into the labour market after they graduate, we're still going to be facing a shortage of 350,000 workers in this province by the year 2018.

How do we plan to address that challenge? Well there's no one simple answer needless to say. B.C. has its own unique labour market priorities that need to be addressed and we need to make sure that, in doing so, we are meeting the needs of each of the individual workers in British Columbia, we're meeting the needs of employers in British Columbia and we're also meeting the needs of those who are and will be looking for work in the future.

Already we're finding ways to do some of this. Just as an example, there are 300,000 adults with a disability in British Columbia and many of these individuals hold university degrees, college diplomas, trades certificates and we need to make sure we find ways that they can be engaged in our workforce in ways that we haven't been able to in the past. I think if you go back, certainly in my experience as an employer in the 1990's, all you had to do was put the word out that you might be hiring somebody and you'd have 300 resumes on your desk the very next morning. You were able to pick from those resumes the individuals who might fit into your particular workforce the easiest and it wasn't really a case of shaping the workforce to meet the needs of the employee; it was actually finding the employee who best fit into a slot you already had.

Today, we are seeing that change pretty profoundly as jobs are going unfilled in this province and increasingly employers are prepared to make the accommodations so that people can fit into the workforce whether it's individuals who have the flexibility in terms of their work times – for example, parents with young children – or whether it's

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people with physical disabilities or whatever it may be. But increasingly, employers are having to look at how they meet the needs of potential workers.

We also have put in place, for people with disabilities, a new website that some of you may be familiar with called the WorkAble Solutions website. We are getting some great feedback from people who have benefited from it. We've actually invested, the provincial government, about \$20 million annually for employment programs for persons with disabilities. There's been a further \$35 million annually that's invested in the B.C. Employment Program which assists approximately 15,000 people with income assistance to get into the workforce. Since 2001, over 53,000 income assistance clients have been placed in good jobs through these employment programs.

What we want to make sure is that skills shortages don't compromise what might otherwise be tremendous economic progress in the province. We need to act to determine how we can best address skills shortages over the next 5 years and in the long term beyond that. There have been many consultations with stakeholders and we've conducted in depth labour market analysis and I know many of you in this room have been involved in those discussions with us. We put out, earlier this year, the WorkBC action plan, which is a comprehensive cross-government blueprint for action that actually sets out five strategic priority areas that we are going to be focusing on as we meet our labour market needs for the future.

We need to make sure that we make the best use of the skills and talents of all British Columbians. That means we have to make sure they have access to the education programs and the skills training programs in British Columbia. We see the significant advantage of that, whether it's the additional 25,000 seats in post-secondary institutions or whether it's the significant expansion of our apprenticeship programs in British Columbia. Through the Industry Training Authority, we have seen an increase in the last three-and-a-half years from 15,000 registered apprentices in British Columbia to over 37,000 today – a tremendous increase.

The WorkBC action plan is also looking at groups within our society who are under represented today in our workforce; it looks at strategies as to how we can get them into the workforce with the training and the skills development they may need prior to employment. That includes programs that are specifically aimed at youth, aimed at Aboriginal persons, persons with disabilities, women and skilled immigrants.

Immigration is actually one of the key sources for our labour market growth. Last year, we received over 42,000 new immigrants to British Columbia. If we're actually going to meet the labour market needs of the future, we're going to have to ramp up our immigration programs even more in the years ahead to make sure we can integrate those new workers into our workforce much faster and more effectively than we've been able to do in the past. We need to make sure there's fast integration into Canadian life, we need to make sure they find employment that aligns with their skills, their qualifications and their experience. We know that many immigrants struggle to find work or are under

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employed because of a lack of Canadian work experience, inefficient language proficiency, non-recognition of credentials or difficulty navigating a very unfamiliar labour market.

One of the programs that we've had considerable success with is the Skills Connect for Immigrants Program that was rolled out last year. I've had the pleasure of meeting now with two different groups of graduates from this program. I must say it was probably one of the most heart-warming experiences that I've had in public life when you meet recent immigrants who came to Canada with big hopes and aspirations for this new life as a Canadian citizen, only to have those hopes dashed by an inability to get into the workforce at the level of their experience. Through the Skills Connect program they were able to get through the English language proficiency training, to get advice on membership on a job search program, to get practical skills on the job so that they would be more attractive to an employer and then to actually get into the dream job they had when they first came to Canada; it was certainly very satisfying to hear their stories first hand. The Skills Connect program actually allows for those kinds of individualized assessment, career planning, skills upgrading and work practice opportunities.

I know a lot of you have heard about the negotiations around the Labour Market Development Agreement (LMDA). There's now five provinces in Canada that have taken responsibility for the administration of the programs that are provided under the Labour Market Development Agreements; now, British Columbia is negotiating with the federal government to shift that responsibility from federal government administration to provincial government administration. We are looking at fully devolving the Labour Market Development Agreement to the province as well as negotiating the new Labour Market Agreement that was announced in the last Federal Throne Speech.

I appreciate that many of you who are on the front lines of delivering services provided under the LMDA are perhaps somewhat anxious about where these negotiations might go, but we are trying to get through these as efficiently as we can so we can bring some certainty to the service providers of the province. What we are very much looking forward to is the opportunity to shape these programs in a way that we can meet the unique needs of British Columbia. I think the federal government has recognized that these programs do not necessarily work efficiently in a one-size-fits-all for all of Canada and there are unique labour markets from province to province. With a devolved LMDA, we're going to be able to structure programs that can help better meet the needs of British Columbia's citizens in the future.

I know you share our goal of ensuring British Columbians have the skills that employers are looking for as the demand for skilled workers increases across the province. Stakeholder involvement and feedback on the implementation of the LMDA and the LMA are going to be very important to us; very soon we'll be establishing an advisory committee that will provide advice to the Labour Market Program Transfer Project Office – as it will be called – on key aspects of the implementation of these two agreements. There is going to be more information available on that committee once we get to the

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conclusion of our negotiations with the federal government. I know the input from all of you will be invaluable to make sure these new programs and this new structure works for all concerned.

For B.C., the LMDA transfer means about \$285 million annually for labour market programs for EI clients. The LMDA funding will allow us to better target our investments in skills development and training across the province and do a better job of meeting local needs and priorities. One thing that is going to be very important to us is our ability to better integrate the provincial programs with what up until now have been federal programs to make sure we're getting the most efficient use of the dollars available in that area. We want to build on and support the WorkBC strategy we rolled out earlier this year. This will provide a greater range of programs and services for a wider range of clients, including employers, and for those of you who will benefit from essential skill enhancements.

The implementation of the LMDA will be characterized by a smooth transition for federal employees who will transfer to the provincial public service; we've already started some work to make sure the interests of those workers are foremost. We also want to ensure there is a continuity of service for British Columbians; this is going to be an evolution, not a revolution, as the LMDA is transferred. Most importantly, we want to make sure there is stability for those who benefit from the programs, as well as for those who supply the programs, whether it's the employees in those programs or whether it's the third-party service providers that many of you represent.

These funds may be used for support activity such as literacy and basic skills upgrading, on-the-job training, preparation for re-entry to the workforce, employer supports, appointments and career counselling as well as skills training. As these are complex arrangements and they're going to involve many stakeholders, we appreciate the need to proceed carefully in these negotiations and the subsequent implementation.

Another part of the negotiations that are underway with the federal government is the funding under the new Labour Market Agreement – the LMA – that was announced in the Federal Throne Speech last year. These new arrangements are going to deliver about \$500 million annually to the provinces and British Columbia will be getting a per capita share of that \$500 million. This particular program is targeted at unemployed Canadians or underemployed Canadians who are not eligible for EI. It actually hits a target group that is quite important and isn't captured by existing LMDA programs. These are groups that are under represented in the workforce and would include new entrants to the workforce such as new immigrants and employed Canadians who need skills upgrading because of low literacy or low educational attainment.

Beginning next year, British Columbia's estimated share of this agreement will be about \$66 million annually and it will provide some great opportunities for some new and innovative programs to meet this particular target market in the province.

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I know that many of you will have questions about these labour market agreements; I'm not going to pretend today that I have all the answers yet as we are still in the stage of trying to finalize these negotiations. But reaching these agreements are a high priority both for our government provincially, as well as for the federal government. It is in everybody's interest that we can get to a conclusion as soon as possible so that some of the questions I can't answer today can, in fact, be answered as soon as possible to make sure there is stability in the delivery of these programs going forward.

I can tell you one thing that I'm very confident about: if we work together and keep the lines of communication open, we're going to wind up with programs in British Columbia that are going to best be able to meet the needs of British Columbians in every corner of this province.

Thank you very much.