BC STATS

Service BC
Ministry of Labour & Citizens' Services

Infoline

*Contact:* bcstats.infoline@gov.bc.ca *Issue: 06-18* *May 5, 2006*

- **Jobless rate virtually unchanged at 4.5%, the second-lowest rate in the country**
- **Building permits up 20.3% in March**
- **Softwood lumber prices down 8.5% in March**

## Labour Force

- **British Columbia's unemployment rate was virtually unchanged at 4.5% (*seasonally adjusted*) in April, only marginally higher than the 30-year-low reached in March.** The 0.1 percentage point increase occurred as the labour force expanded by 4,900 people, while the number of jobs rose by 3,800.

Despite the marginal increase in the unemployment rate, BC's position relative to the other provinces improved slightly in April, as Alberta (3.5%) was the only province with a lower jobless rate last month. This was the first time in twelve years that BC has had the second-lowest unemployment rate in the country. During most of the last decade, BC has usually ranked fifth or sixth among the provinces in terms of its jobless rate, but its relative position started to improve last fall, when the unemployment rate began to approach the five percent mark. *Data Source: Statistics Canada*

- **The 0.2% increase in employment last month was largely due to growth in the service sector, where the number of jobs expanded 0.7%.** There were 1.7% fewer jobs in the goods sector, as employment shrank or job growth stalled in every major industry. In the construction industry employment was virtually unchanged, inching up just 0.1%. There were 8.3% fewer jobs in the utilities industry, which has seen an almost uninterrupted decline in employment since last summer. Manufacturing (-2.9%) and forestry, fishing & mining (-2.0%) also shed jobs in April.

In the service sector, there were more jobs in professional, scientific & technical services (+3.2%), accommodation & food (+3.1%), information, culture & recreation services (+2.1%) and trade (+1.8%), with more modest increases occurring in management services (+0.8%) and public administration (+0.5%). However, there were fewer jobs in five of the service industries, with finance, insurance, real estate & leasing (-2.4%) and other services (-2.4%) posting the largest declines.

- **Employment increased in both the public (+0.7%, *seasonally adjusted*)) and private (+0.9%) sectors, but the ranks of the self-employed shrank (-2.8%) in April.** More people had full-time jobs (+0.9%), but there were fewer part-time workers (-2.7%). The jobless rate for young people was 7.7%, while 3.8% of those aged 25 and over were unemployed.

Among the regions, jobless rates ranged from 3.2% (3-month-moving average) in Northeast to 7.7% in North Coast/Nechako.

*Data Source: Statistics Canada & BC Stats*

## The Economy

- **The value of building permits issued by BC municipalities advanced 20.3% (*seasonally adjusted*) in March, following a solid increase in February.** The residential sector (+30.7%) was the leading factor in the planned increase in spending. Non-residential building permits remained relatively flat (+0.6%) with increases in permits issued for institutional & government building construction (+10.2%) offsetting declines in both the commercial (-1.3%) and industrial (-14.5%) sectors.

In Vancouver, permits jumped 37.4% in March on the strength of its booming housing sector. However, building intentions in Abbotsford were down a significant 21.5% after a similar decline in February. Permits slipped 1.8% in Victoria.

Nationally, the value of building permits rose 5.3%, to $5.5 billion in March, the second-

**Did you know...**

In 2004, 38% of BC drivers listed severe rain or thunderstorms as their most feared weather condition for driving while 24% listed sun glare.

highest level on record. Non-residential permits surged 15.1% while residential permits were unchanged (-0.1%). *Data Source: Statistics Canada*

- **Building permits were up in every region of the province during the first three months of this year, compared to the same period in 2005.** Permits jumped sharply in most areas, with the biggest increases seen in Northeast (+102.1%) and North Coast (+172.6%), where non-residential building permits were up substantially from last year. Permits for construction projects in Nechako (+83.3%) and Kootenay (+30.1%) were also significantly higher, while Vancouver Island/Coast (+14.1%) and Mainland/Southwest (+7.8%) saw more modest increases. Cariboo (+4.9%) and Thompson-Okanagan (+3.9%) posted solid, but slower growth. *Data Source: Statistics Canada & BC Stats*

- **The number of British Columbians receiving regular Employment Insurance (EI) benefits dropped 0.8% (*seasonally adjusted*) in February, to 44,480.** Nationally, the number of EI beneficiaries remained unchanged at 500,440. *Data Source: Statistics Canada*

- **Canadian manufacturers' prices climbed 1.1% in March compared to the same month in 2005.** Petroleum & coal products (+11.7%) continued to have the strongest influence on the Industrial Products Price Index (IPPI), while motor vehicles & other transport equipment (-3.4%) offset part of the inflation. The IPPI excluding petroleum & coal product prices would have been 106.9, just 0.2% higher than in March of last year. Prices for primary metals (+4.6%) were also up significantly, mainly a result of heavy demand from China, though manufacturers received much less (-8.4%) for lumber & other wood products. Appreciation of the Canadian dollar had a strong impact on producer prices. Had the effect of the exchange rate been excluded, the IPPI would have risen 2.4% over the last year rather than its actual 1.1%.

  Prices for raw materials climbed 4.9% over March 2005, driven by increased prices for non-ferrous metals (+31.4%) and mineral fuels (+3.8%).

  BC softwood lumber prices plunged 8.5%, with both Coastal (-4.6%) and Interior (-9.8%) producers receiving substantially less for their products. Prices for BC pulpwood chips were down 14.8%. *Data Source: Statistics Canada*

## Religious Activity

- **More than half (53%) of adult Canadians engage in some sort of religious activity in private at least once a month, though only about one third attend organised religious services on a monthly basis.** In 2002, of those who did not attend religious services during the previous year, almost 30% reported engaging in private religious practices on a weekly basis. Of those surveyed, immigrants were more likely than those born in Canada to engage in private or organized religious activities. Over 40% of immigrants who arrived in Canada between 1982 and 2001 had a high degree of religiosity-they attended services and engaged in personal religious activities at least once a week, and attached a great deal of importance to their religion. This compares to only 26% of Canadian-born adults. *Data Source: SC: Cat. #11-008-XWE*

## Summer Driving

- **Vehicles in British Columbia travelled an estimated 9.7 billion kilometres in the third quarter of 2005, down (-2.3%) from 9.9 billion in the same quarter of 2004.** The estimated number of kilometres travelled by passengers and drivers was 15.8 billion. As to be expected, the most driving was done in Ontario (35.1 billion kilometres) and Quebec (17.0 billion), though vehicles in Alberta appear to cover more distance than their British Columbian neighbours, driving 13.5 billion kilometres, 32.3% more than in the third quarter of 2004. All provinces except BC, Quebec (-14.0%) and PEI (-5.9%) increased their travel kilometres last summer, with the total vehicle kilometres travelled in Canada rising 7.3% over the same quarter of 2004, to an estimated 88.6 billion kilometres. *Data Source: Statistics Canada*

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# Citizens First 4: What British Columbians and Other Canadians Say About Government Services

What do Canadians think about the quality of public sector services? What do they believe could be improved about those services? These questions have only recently begun to be answered. In 1998, the Institute for Citizen-Centred Service co-ordinated an interjurisdictional partnership that includes the Province of B.C. to undertake “Citizens First”, a survey biennial of citizens in every province and territory to find answers to these questions.

Citizens First 4 is the latest survey in this on-going research project. The results are based on a representative sample of almost 7,000 citizens in every province and territory, including 847 British Columbians.

The findings of Citizens First 4 provide not only the current state of mind of citizens, but a valuable and powerful set of lessons for service delivery managers in the public sector.

**Government Services Continue to Improve**

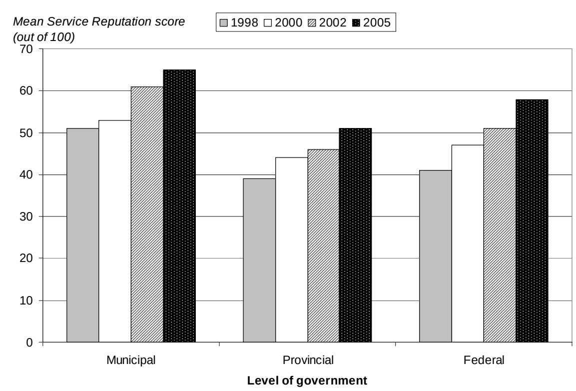
Comparing the results from the four Citizens First surveys, it is evident that Canadians feel the quality of specific public services they have experienced, at all three levels of government, is improving. Between 1998 and 2005, substantial improvements have been demonstrated across Canada in a variety of public services, including health card application or renewals, hunting and fishing licenses, motor vehicle registration and driver’s licenses, and applications for social assistance.

**Government Service Reputation is Also Improving**

Citizens have also steadily increased their rating of public services in general. However, it is important to note that these ratings are usually lower than the ratings for specific services discussed above. As an explanation for this, the authors of the Citizens First 4 report note that:

when rating government services in general, citizens may draw on a range of opinions, experiences and reference group influences that tend to be more negative. The myth that all, or even many, public services are of poor quality still persists. Yet when one gets past the mythical rhetoric and anecdotal examples of poor experiences, many government services rate rather well.[1]

All levels of government show service reputation improvement




[1] Phase 5 Consulting Group (for the Institute for Citizen-Centred Service and the Institute of Public Administration of Canada), *Citizens First 4*, November 2005, p. 13.

In B.C., the climb in the rating of the quality of government services has been steeper than the Canadian average. In 1998, British Columbians were less satisfied with government services at all levels than Canadians as a whole, but by 2005 BC residents rated the quality of government services at the same level or higher than the Canadian average. Provincial government services have shown a 5 point increase across Canada, while in B.C. that increase has been 12 points.

**Citizens Have Higher Service Quality Expectations of Public Services**

Most citizens—three quarters of British Columbians—expect governments to provide a higher level of service than the private sector, but at the same time they recognize that governments have a more difficult task. When asked about specific government services, only two out of five (41%) said that government delivers services as well or better than the private sector.

This is apparently in contradiction with the finding noted earlier that many specific public services achieve higher client satisfaction scores than similar private sector services. To quote the Citizens First 4 Summary Report, "It appears that myths about the overall quality of public services continue in spite of good experiences by clients when they receive individual services."[2]

**Identifying the Common Drivers of Client Satisfaction**

One of the central findings of Citizens First, beginning in 1998, has been the identification of the drivers of client satisfaction—those service features that explain variations in overall satisfaction scores.

Citizens First 4 confirmed that the common drivers are still present: the knowledge and competence of staff, courtesy, going the extra mile, outcome, and timeliness. Of these, timeliness was found to both play the biggest role in client satisfaction, and to have the greatest room for improvement across the public sector.

Citizens First has shown that the more drivers that are present, the higher the overall service quality rating. Knowing how clients view a particular service delivery experience enables public sector managers to better target strategies to improve the specific drivers of that service.

The common drivers that exist across public sector service delivery form the basis of the Common Measurements Tool (CMT), a bank of survey questions specifically designed to evaluate public sector service delivery. The CMT contains a set of core questions that are designed to measure the key drivers of satisfaction of public services. By using the CMT, public sector organizations can assess their performance on the important elements of service delivery, as well as benchmark their results against other similar public sector service delivery organizations.

**Priorities for Service Improvement**

Respondents to Citizens First 4 were asked to identify their priorities for service improvements. For provincial and municipal services, health care services dominated the priorities across Canada. The priorities cited by British Columbians, and the percentage of respondents listing each, are shown in the table below.

[2] Faye Schmidt (for Phase 5 Consulting Group, the Institute for Citizen-Centred Service and the Institute of Public Administration of Canada), *Citizens First 4 Summary Report*, November 2005, p. 6.

| Service | Percent choosing the service as a priority for improvement |
|---|---|
| Stayed in hospital to receive care | 46 |
| Received hospital services as an out-patient | 35 |
| Visited a physician or medical doctor’s office | 29 |
| Sent one of your children to attend public school | 20 |
| Visited a municipal, provincial, territorial park or campground | 18 |
| Roads maintained by your municipality | 17 |
| Used municipal public transit (bus, streetcar, subway) | 17 |
| Contacted the municipal police force for help | 11 |
| Drinking water provided to you at your residence | 11 |

## Access to Services Could Be Improved

When asked about the accessibility of government services in general, only one quarter of respondents to Citizens First 4 agreed with the statement that “I can readily access any government service that I need”. But when asked about specific service experiences, two-thirds of the respondents agreed with the statement “It was easy to access this service”. As was seen with service quality, there is a gap between citizen perceptions of public services and their individual service experience.

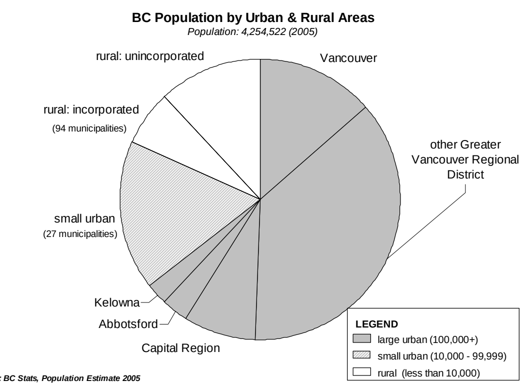
When are citizens satisfied with access to public services? The answer is when they know where to start and how to get the service, when they have the ability to easily find what or who they are looking for, and the ability to contact staff when it is convenient.

## Urban and Rural British Columbians: Do They Differ?

In order to better understand the attitudes of British Columbians, a closer look was taken at the responses, grouped by community size.

“Large Urban” was defined as communities over 100,000 persons. This component is dominated by the Greater Vancouver Regional District, and accounts for just under two-thirds of the provincial population. The next category was small urban, with communities with as few as 10,000 residents, up to 99,999 residents. Small urban communities account for 17% of the B.C. population. Rural B.C. is home to 18% of the province’s people.

### The majority of B.C. residents live in large urban centres




*Source: BC Stats, Population Estimate 2005*

Given the differences in the larger range and proximity of government services that urban residents enjoy, it is perhaps surprising that the attitudes of people in the three areas differ very little from one another on the topic of satisfaction with government services.

Where rural British Columbians do differ from their urban counterparts is in their confidence in the public service. Specifically, they are less likely to agree with statements that the public service is responsive and in touch with their needs, or that the public service has effective management and leadership.

This difference might be explained, at least in part, by the fact that two-thirds of rural residents live in unincorporated areas. These British Columbians do not have a local municipal government, and are therefore removed from garbage collection, snow removal, and other tangible evidence of public services.

**How Do Citizens Prefer to Access Government Services?**

When it comes to citizens' preferred mode for accessing government services, just over half of the respondents indicate that visiting an office where in-person service is available is their preference. One-quarter favour placing or receiving a telephone call, while one in ten respondents state that visiting an internet site is their preference.

In the wired 21st Century, how can the continued preference for in-person service be explained? The answer may lie in the fact that many government services require individual authentication (ensuring that you are who you claim to be), and that many government services are not yet delivered over the phone or internet.

Other reasons are found in respondent opinions about the different modes of accessing services. In-person was selected as "most effective in getting what you need or want" by two-thirds of the respondents, but less than half said it was "fastest".

Perhaps most importantly, the respondents are far more concerned with security and privacy when accessing government services through electronic channels such as the internet and e-mail than they are with person-to-person transactions over the phone or in-person.

**The Public Sector Service Value Chain**

Research in the private sector has identified a "service profit chain". A public sector "service value chain" has been proposed[3], linking public service employee engagement client satisfaction with public sector service delivery, and citizen trust and confidence in the public service.

Citizens First 3, conducted in 2002, established evidence of the link between service quality and confidence in government. Citizens First 4 confirmed the link, and explored the relationship further, identifying four drivers of confidence in the public service, listed in order of importance:

1. Strong leadership and management
2. Benefits to citizens
3. Strong services
4. Equal and ethical treatment

"Strong services" can be more precisely defined. Citizens have more confidence in the public service when it is seen as being responsive, effective in achieving its objectives, meeting citizen needs and priorities, and when service delivery is of high quality.

The research into the other part of the service value chain—the link between public sector employee engagement and the quality of service delivery—has only just started. In British Columbia, BC Stats is playing a central role in measuring both employee engagement and client satisfaction with public service delivery. And as part of the public sector research community in Canada, BC Stats will be exploring the link between the two.

[3] Ralph Heintzman and Brian Marson, "People, service and trust: is there a public sector service value chain?", *International Review of Administrative Sciences*, Vol.71(4), 2005, pp.549-575.

**Conclusion**

Citizens First 4, and the previous three surveys, provides enormously valuable insights into the factors necessary to provide excellent service to citizens. By applying the lessons of Citizens First, government service delivery—the very reason for the existence of the public sector—can be improved.

This summary only scratches the surface; readers are encouraged to seek out the comprehensive Citizens First 4 reports published by the Institute for Citizen Centred Service (www.iccs-isac.org).

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# BC at a glance . . .

| POPULATION (thousands) | Jan 1/05 | % change on one year ago |
|---|---|---|
| BC | 4,279.5 | 1.3 |
| Canada | 32,422.9 | 1.0 |
| **GDP and INCOME** | | % change on |
| *(BC - at market prices)* | 2005 | one year ago |
| Gross Domestic Product (GDP) *($ millions)* | 168,011 | 6.8 |
| GDP *($ 1997 millions)* | 144,028 | 3.5 |
| GDP *($ 1997 per Capita)* | 33,853 | 2.2 |
| Personal Disposable Income *($ 1997 per Capita)* | 20,896 | 3.5 |
| **TRADE ($ millions, seasonally adjusted)** | | % change on prev. month |
| Manufacturing Shipments - Feb | 3,706 | -3.4 |
| Merchandise Exports - Feb | 3,007 | -1.1 |
| Retail Sales - Feb | 4,327 | 0.1 |
| **CONSUMER PRICE INDEX** | | 12-month avg |
| *(all items - 1992=100)* | Mar '06 | % change |
| BC | 126.3 | 1.9 |
| Canada | 129.3 | 2.3 |
| **LABOUR FORCE (thousands)** | | % change on |
| *(seasonally adjusted)* | Apr '06 | prev. month |
| Labour Force - BC | 2,296 | 0.2 |
| Employed - BC | 2,193 | 0.2 |
| Unemployed - BC | 103 | 1.1 |
| | | Mar '06 |
| Unemployment Rate - BC *(percent)* | 4.5 | 4.4 |
| Unemployment Rate - Canada *(percent)* | 6.4 | 6.3 |
| **INTEREST RATES (percent)** | May 3/06 | May 4/05 |
| Prime Business Rate | 5.75 | 4.25 |
| Conventional Mortgages - 1 year | 6.25 | 4.90 |
| - 5 year | 6.75 | 6.05 |
| **US/CANADA EXCHANGE RATE** | May 3/06 | May 4/05 |
| *(avg. noon spot rate)* Cdn $ | 1.1072 | 1.2506 |
| US $ *(reciprocal of the closing rate)* | 0.9024 | 0.8026 |
| **AVERAGE WEEKLY WAGE RATE** | | % change on |
| *(industrial aggregate - dollars)* | Apr '06 | one year ago |
| BC | 720.63 | 2.9 |
| Canada | 724.06 | 3.5 |

**SOURCES:**

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

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