

## **Mission**

Our mission is to create an employment environment with workplaces that meet the needs of workers, employers and unions. Vulnerable workers will be protected. We will ensure that British Columbians have the tools they need to foster working relationships in safe and healthy workplaces. We will develop programs and legislation that contribute to provincial competitiveness and prosperity.

General areas of focus for the Ministry are industrial relations, employment standards and workers' compensation.

## **Strategic Shifts**

The **Labour Relations** climate in British Columbia is often perceived as hindering investment in the province. The Ministry will shift to a labour relations framework that:

- Helps promote a vibrant, productive, competitive economy,
- Balances the rights of employers, trade unions and employees, and
- Protects the rights of third parties not involved in industrial disputes.

The Ministry will also shift from a system that provides broad-based, all-inclusive industrial relations services to one that delivers streamlined, focused activities in a more efficient manner.

**Employment Standards** will move from a system of blanket coverage, prescribed practices and government enforcement to:

- More focused coverage and enforcement to best use government resources
- Greater flexibility to promote practices that work for employers and employees
- Use employer associations to encourage good practices and exert pressure on non-compliant members

**Workers' Compensation** system is being reviewed with recommendations expected by the end of February. Following this, strategic shifts will be identified and implemented.

**Skills Development** programs within the Ministry will be phased out by the end of 2002/03 in order to meet the Ministry's budget plan and maintain funding for higher priority core programs. The Ministry will participate in development of a human resource planning strategy during 2002/03.

## **Core Business Areas**

### **Industrial Relations**

The Ministry's activities aim to provide fairly administered industrial relations models. The Ministry oversees the *Labour Relations Code (LRC)*, which establishes the Labour Relations Board (LRB), an independent tribunal that adjudicates disputes between employers, unions and employees and provides mediation services. The *LRC* sets the framework for collective bargaining between employers and unions in British Columbia. The Ministry also monitors the industrial relations environment. While self-reliance in resolving disputes is encouraged, the

## MINISTRY OF SKILLS DEVELOPMENT AND LABOUR

2002/03 - 2004/05 Service Plan Summary

Ministry can play a direct role in assisting the parties to settle to maintain industrial relations stability. This can include appointment of a bargaining mediator or a commission of inquiry, or direction to the LRB to designate essential services.

### **Employment Standards**

Employment standards activities foster fair, productive and harmonious workplaces that promote prosperous businesses, quality working lives and a growing economy. The Employment Standards Branch (ESB) administers the *Employment Standards Act (ESA)*, which sets minimum standards for such things as wage payments, overtime, vacation, statutory holidays, leaves and hours of work. The ESB responds to enquiries, receives and investigates complaints, mediates disputes and enforces the *ESA*.

### **Workers' Compensation**

The Ministry oversees the *Workers Compensation Act*, which sets out the workers' compensation system for British Columbia, provides a framework to protect workers by ensuring safe and healthy workplaces and establishes the Workers' Compensation Board (WCB) as an independent Crown agency to administer *the Act*.

The WCB's Panel of Administrators is responsible for the Board's performance. The WCB provides compensation services and vocational rehabilitation to workers suffering injury or disease, and creates and enforces workplace health and safety regulations. Employers pay workers' compensation premiums to the WCB to fund the costs of work-related injuries.

The Ministry administers programs to complement WCB activities. Appeals of WCB decisions can be made to the Workers' Compensation Review Board. As well, the Workers' Advisors and Employers' Advisors offices provide advisory services to workers and employers in the WCB claim process.

### **Major Initiatives**

#### **Industrial Relations**

The Ministry will continue to monitor industrial relations disputes and provide assistance as required. The LRB will continue to provide adjudication services and some mediation services to help unions and employers reach settlements. Government may initiate fees for some of these services. The Administrative Justice Project is reviewing the LRB and recommendations for improvement of adjudication and mediation services will be integrated with the Ministry's plans.

#### **Employment Standards**

The Ministry is conducting a review of the ESB operations and the *ESA*. While it is not certain what changes to the *ESA* will proceed, some general direction for the ESB has been decided. The ESB will focus on providing services to the most vulnerable workers and target those employers who repeatedly violate the *ESA*. More time will be spent educating employers and employees of their rights and obligations and more tools will be developed to encourage parties to become more self-reliant.

**MINISTRY OF SKILLS DEVELOPMENT AND LABOUR**  
2002/03 - 2004/05 Service Plan Summary

The Administrative Justice Project is reviewing the Employment Standards Tribunal (EST), an independent body that considers appeals of ESB determinations. The results of the review will be integrated with the Ministry's plans.

**Workers Compensation**

Reviews of WCB policies and operations began in fall 2001, with reports and recommendations planned for February 2002. Once the reports are received, government will consider what steps should be taken to make the WCB more responsive to the needs of workers and employers. If legislation is required, it would proceed in spring 2002 and regulatory changes would likely follow.

**Skills Development**

The Industry Adjustment Services program assists industries and communities adjust to large-scale lay-offs or quickly gain new employees in industries experiencing rapid growth and expansion. To meet the Ministry's budget plan, and maintain other core programs, this program will be phased out.

The Ministry had also been directed by the Premier to develop a provincial human resources strategy to address skill development and skill shortages as part of the province's economic development. Policy proposals will be developed during 2002/03 in conjunction with the Ministry of Competition, Science and Enterprise. However, funding for new employment programs is not included in the MSDL funding plan.

The Ministry also had a lead role in addressing the New Era commitment of reducing youth unemployment in British Columbia. A first job rate was introduced in fall 2001 to encourage the employment of new entrants into the labour market. Government's overall plans to revitalize the provincial economy will also create employment opportunities for British Columbia's youth.

**Ministry Resources**

	Fiscal Year				Percent Change 2001/02 to 2004/05 *
	(restated Estimates) 2001/02	2002/03	2003/04	2004/05	
Operating Expenses (million \$)	30	28	26	19	-35
FTEs					
• Workers Compensation Review Board and Compensation Advisory Services (under review)	238	238	238	238	0
• All Other Programs	<u>298</u>	<u>238</u>	<u>214</u>	<u>185</u>	<u>-38</u>
Total FTEs	536	476	452	423	-21

\* Percent change may vary due to rounding.

**MINISTRY OF SKILLS DEVELOPMENT AND LABOUR**  
2002/03 - 2004/05 Service Plan Summary

Funding and FTE reductions will occur over a three-year period and will be spread across the Ministry's program areas. By the end of 2002/03, 17 FTEs associated with the Industry Adjustment Services program and 7 FTEs associated with the Labour Market Applied Policy and Program Branch will be eliminated. ESB policy and legislative changes will focus coverage and streamline work processes. These efficiencies will result in approximately one-third fewer FTEs required to provide ESB services. Industrial relations will incur similar FTE reductions. FTE and spending decreases in the industrial relations area will be achieved by restructuring the LRB programs. This is consistent with the ministry's strategic shifts. Ministry operations will achieve efficiencies through restructuring the central executive, policy and support areas. FTEs in these areas will be reduced by approximately one-quarter. The outcome of the core review processes for the WCRB and advisory services, the LRB and the EST will determine final staffing levels in these areas.

## Attachment 1

### Government Priorities Relating to the Ministry of Skills Development and Labour

#### New Era Commitments Achieved

- Restore education as an essential service under the *Labour Code*.
- Restore secret ballot votes on certification.
- Remove mandatory sectoral bargaining in the construction sector.
- Restore open tendering on government contracts.
- Eliminate union-only “hiring hall” requirements on highway construction and silviculture contracts.
- Repeal the *Skills Development and Fair Wage Act*.
- Repeal the ability to suspend pension benefits for early retirees who continue to work in their previous field of employment.

#### New Era Commitments Included in 02/03 – 04/05 Service Plan

- Make workers’ compensation system more responsive to workers and employers.
- Give workers and employers more flexibility in employment standards.
- Reduce regulatory burden.
- Focus on reducing BC’s youth unemployment (e.g., first job rate)

#### Key Projects Included in 02/03 – 04/05 Service Plan

- Respond to findings of Agencies, Boards and Commissions review and to core review findings regarding labour relations and legislation issues.
- Develop a program for reforming labour-management relations in BC.
- Examine employment standards and recommend policies to accommodate the new economy.
- Examine ways in which the WCB and the LRB can be made more accountable and cost effective.
- Develop a human resource planning strategy for the province in co-operation with the Ministry of Competition, Science and Enterprise.

#### New Era Commitments Not Included in 02/03 –04/05 Service Plan

- With Ministry of Advanced Education (AVED), work with employers, post-secondary institutes and the Industry Training and Apprenticeship Commission (ITAC) to increase training and apprenticeships in trade and technical sectors. (Responsibility for this issue is now transferred solely to AVED).