Ministry of Labour

2023/24 – 2025/26 Service Plan

February 2023



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Published by the Ministry of Labour

Minister's Accountability Statement



The Ministry of Labour 2023/24 – 2025/26 Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

Honourable Harry Bains Minister of Labour February 10, 2023

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Strategic Direction

In 2023/24, the Government of British Columbia will continue our work to make life better for people in B.C., improve the services we all rely on, and to ensure a sustainable province for future generations. Government will focus on building a secure, clean, and fair economy, and a province where everyone can find a good home – whether in a rural area, in a city, or in an Indigenous community. B.C. will continue working toward true and meaningful reconciliation by supporting opportunities for Indigenous Peoples to be full partners in an inclusive and sustainable province. The policies, programs and projects developed over the course of this service plan period will focus on results that people can see and feel in four key areas: attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy that can withstand global economic headwinds.

This 2023/24 service plan outlines how the Ministry of Labour will support the government's priorities and selected action items identified in the <u>December 2022 Minister's Mandate Letter</u> and the <u>December 2022 Parliamentary Secretary for Labour Mandate Letter</u>.

The Ministry will also continue to support government's priorities and foundational principles identified in the November 2020 Minister's Mandate Letter.

Purpose of the Ministry

To build a better British Columbia, the <u>Ministry of Labour</u> promotes fair, healthy and safe labour and employment relationships in support of a strong, sustainable and inclusive economy.

In this context, the Ministry has overall responsibility for British Columbia's labour and employment statutes – including the *Labour Relations Code*, the *Employment Standards Act*, the *Workers Compensation Act* and the *Temporary Foreign Worker Protection Act* – and for the effective administration and enforcement of those statutes. The Ministry houses the <u>Employment Standards Branch</u>, the <u>Workers' Advisers Office</u>, the <u>Employers' Advisers Office</u> and the <u>Bridging to Retirement Program</u>. The Ministry has legislative responsibility for <u>WorkSafeBC</u>, and for the Ministry's three tribunals: the <u>Labour Relations Board</u>, the <u>Employment Standards Tribunal</u>, and the <u>Workers' Compensation Appeal Tribunal</u>.

The Employment Standards Branch and the Ministry's three administrative tribunals manage complaints and issues that have been brought before them. The Workers' Advisers Office and the Employers' Advisers Office provide advice and advocacy for workers and employers with respect to issues under the *Workers Compensation Act*. In all cases, timely and accurate disposition of those complaints or issues is an essential component of a fair and balanced system of labour and employment laws that is readily accessible to all stakeholders.

The Bridging to Retirement Program provides support to B.C. forestry workers impacted by old growth harvesting deferrals by assisting workers who are 55 or older transition to retirement, creating opportunities for younger workers.

For more information about the Ministry's areas of responsibility and key initiatives, visit the <u>Ministry of Labour</u> website.

Operating Environment

The Ministry of Labour operates in a changing environment shaped by shifting economic conditions and demographics, an increasingly diversified labour market and ever-evolving workplace norms and expectations. The work of the Ministry is also impacted by other factors such as the ongoing effects of the COVID-19 pandemic, labour shortages and rising inflationary pressures. These challenges have had significant implications for the economy and for employer/employee relations and are expected to have continuing impacts on the Ministry in this reporting cycle.

The goals and objectives in the Ministry 2023/24 Service Plan outline key priorities and deliverables, including measures used to track and assess performance over time in key program areas.

Economic Statement

B.C.'s economy has been resilient to pandemic, geopolitical and climate-related disruptions. However, higher interest rates are expected to weigh on the economy in the coming years. Following a rapid recovery from the economic impacts of the COVID-19 pandemic, high inflation led to successive interest rate increases from the Bank of Canada in 2022. The impact of higher interest rates has been evident in housing markets and there is uncertainty over its transmission to the rest of the economy in B.C. and among our trading partners.

B.C. is heading into this challenging period in relatively strong position, with a low unemployment rate. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 3.0 per cent in 2022 and expects growth of 0.5 per cent in 2023 and 1.6 per cent in 2024. Meanwhile for Canada, the EFC estimates growth of 3.4 per cent in 2022 and projects national real GDP growth of 0.5 per cent in 2023 and 1.5 per cent in 2024. As such, B.C.'s economic growth is expected to be broadly in line with the national average in the coming years. The risks to B.C.'s economic outlook center around interest rates and inflation, such as the risk of further inflationary supply chain disruptions, the potential for more interest rate increases than expected, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, the emergence of further COVID-19 variants of concern and lower commodity prices.

Performance Planning

Goal 1: Strong and fair labour laws and standards

Objective 1: Update and modernize B.C. labour laws to ensure they are responsive to the needs of the modern workplace

Key Strategies

- Continue to develop and implement a precarious work strategy that reflects modern workplaces' diverse needs and unique situations, including the development of specific measures to address the rise of the gig economy.¹
- Continue a collaborative approach in working with representatives of workers and employers to address the ongoing impacts of the COVID-19 pandemic on people and businesses.
- Review and consider options to update current legislation, including the *Labour Code*, to modernize and improve B.C. labour laws.
- Continue to engage employer and worker representatives in consideration of any changes proposed to workplace legislation to ensure the widest possible support.
- Protect and ensure fairness for workers and employers in the application of labour laws through the timely resolution of complaints involving non-compliance with the provincial labour and employment law.
- Continue to prioritize opportunities for Ministry engagement with Indigenous Peoples as part of the ongoing effort to implement the *Declaration on the Rights of Indigenous Peoples Act*.

Discussion

Labour laws require periodic updating to be relevant and responsive to the modern workplace and to support an inclusive, sustainable and innovative economy. Robust labour laws also promote fairness, protect vulnerable workers and support world-class worker health and safety outcomes. The Ministry continues its work towards this goal through these key strategies, which target priority areas for improvement and provide opportunities for collaboration with affected stakeholders, including workers, employers and Indigenous Peoples.

In 2023/24, the Ministry will continue initiatives underway to improve B.C.'s labour and employment laws. This work will build on several recent legislative changes made to increase fairness in B.C.'s workers' compensation system, to protect vulnerable workers, to improve

¹ The term "gig economy" can include, for example, short term/temporary work as well as work conducted through internet-based platforms such as food delivery and transportation services.

access to collective bargaining and to establish improved minimum standards for employees across the province.

Performance Measure

Performance Measure	2022/23	2023/24	2024/25	2025/26
	Forecast	Target	Target	Target
1 Percentage of Employment Standards Branch complaints resolved within 180 days	20%	50%	80%	85%

Data source: Ministry of Labour Employment Standards Branch internal data.

Discussion

This is a long-established Performance Measure for tracking the percentage of complaints to the Employment Standards Branch resolved within 180 days. It supports the goal of strong and fair labour laws and standards that protect vulnerable workers and provides for the fair and timely resolution of complaints involving non-compliance with the law.

The Branch has experienced a significant increase in demand for its services recent years, the result of several factors and improvements. In 2019, the Ministry removed the Self-Help Kit, which was a barrier to access to justice for workers, making it easier to submit complaints. A new investigation model was implemented, and the statutory recovery period was doubled from six months to one year. The *Temporary Foreign Worker Protection Act* and the associated Temporary Foreign Worker Registry was also launched. Pandemic response actions – including temporary layoff variances, vaccination leave, and illness and injury leave – also resulted in new work for the Branch. These changes have led to higher complaint volumes, and, in turn, a longer period of time required to assign, investigate and resolve cases. This is reflected in the 2022/23 forecast for the number of complaints resolved within 180 days, which is lower than previous year targets and reported actuals.

Work has been undertaken to increase the timely resolution of complaints. For example, the Ministry has developed new, streamlined intake and triage processes to provide better outcomes for workers. Technological improvements have also been made as part of the overall digital transformation strategy, along with enhancements to information gathering to support faster complaint processing. The Ministry remains committed to resolving complaints in a timely manner and is continuing to work to implement a new investigation model and to modernize the current complaint resolution process. Performance Measure targets for subsequent years will be revisited once the Ministry has had further experience operating under the new model.

Goal 2: Ensure that labour laws are communicated and enforced through effective, client-centered service delivery

Objective 2.1: Continue to implement new and updated Ministry processes to improve service delivery

Key Strategies

- Broaden training and outreach efforts to a wide array of workers, employers and service providers in the workers' compensation system, including enhanced Indigenous client outreach as well as the continued use of multi-language service delivery.
- Implement a redesign of the public-interface and case management system used by the Workers' Advisers Office to better serve the public.
- Continue to implement new collections procedures aimed at improving collections outcomes on new employment standards complaints.
- Maintain a proactive enforcement unit within the Employment Standards Branch that will focus on industries and sectors with high complaint volumes.
- Prioritize the processing of complaint files to improve service delivery for workers and employers.

Discussion

These key strategies support the goal of effectively communicating and enforcing labour laws by developing, implementing and monitoring new and updated processes to ensure the effective delivery of services provided by the Employment Standards Branch, Employers' Advisers Office, and Workers' Advisers Office.

In 2023/24, the Employers' Advisers Office will implement a new learning management system to better support external clients through virtual and in-person educational sessions. An enhanced case tracking system is also being developed to identify and track underlying issues for improvement.

Important operational changes are also planned for the Workers' Advisers Office to improve access to services. The changes, which are based on a recent behavioural insights-based analysis of the needs of clients, will make enhancements to the case management system, forms and the worker portal to significantly improve how workers engage with the Office.

Together, these key strategies provide for the ongoing improvement of Ministry processes to ensure that services are responsive to the needs of workers and employers.

Objective 2.2: Maintain an effective B.C. temporary foreign worker protection regime

Key Strategies

- Maintain and enforce the recruiter licensing system.
- Maintain and enforce the employer registration system.
- Maintain the public-facing website to ensure reliable information is available and accessible.

Discussion

Administered by the Employment Standards Branch, the *Temporary Foreign Worker Protection Act* protects vulnerable temporary foreign workers from harmful hiring practices. It requires recruiters of temporary foreign workers to be licensed and employers of certain temporary foreign workers to be registered, and provides for enforcement of legislative requirements.

The key strategies support the effective maintenance and enforcement of B.C.'s temporary foreign worker protection program that serves the needs of workers, employers and recruiters. These strategies also include public education measures to ensure that workers, employers and recruiters have accurate and accessible information to know their rights and obligations under the legislation.

Performance Measures

Performance Measures	2020/21 Baseline	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
2.1a Number of community outreach sessions conducted annually by the Workers' Advisers Office ¹	10	20	Maintain or improve over baseline	Maintain or improve over baseline	Maintain or improve over baseline
2.1b Number of educational outreach sessions conducted annually by the Employers' Advisers Office ²	100	100	Maintain or improve over baseline	Maintain or improve over baseline	Maintain or improve over baseline

Data source:

¹ Ministry of Labour, Workers' Advisers Office internal data.

² Ministry of Labour, Employers' Advisers Office internal data.

Discussion

To be effective, labour laws must be communicated and enforced through accessible, clientcentered programs. Performance Measures 2.1a and 2.1b track outreach sessions conducted annually by the Workers' Advisers Office and Employers' Advisers Office. These Performance Measures reflect efforts to promote awareness and education among employers and workers about the workers' compensation system.

The Workers' Advisers Office provides regional community outreach sessions to foster education and awareness and directly assist workers by providing information on the workers' compensation system and claims issues. The Office also provides outreach and training to local workers' representatives and advocates throughout the Province.

The Employers' Advisers Office delivers educational outreach to promote awareness and understanding among employers of their responsibilities under B.C.'s workers' compensation system and occupational health and safety requirements. In addition, these sessions assist employers in meeting their training requirements both under the *Workers Compensation Act* and Occupational Health and Safety Regulations.

Last year's Service Plan set 130 educational outreach sessions as the new baseline for this measure as it reflects a new normal, for the foreseeable future, in terms of client interaction as a result of the COVID-19 pandemic. The ongoing effects of the pandemic are expected to continue to impact performance and future targets in this area.

Performance Measure	2022/23	2023/24	2024/25	2025/26
	Forecast	Target	Target	Target
2.2 Number of proactive investigations undertaken under the Temporary Foreign Worker Protection Program	26	Maintain or improve	Maintain or improve	Maintain or improve

Data source: Employment Standards Branch data.

Discussion

Proactive investigations of employers that hire foreign workers and of agencies that recruit foreign workers are a key feature of ensuring that the *Temporary Foreign Worker Protection Act* is effective in protecting vulnerable foreign workers. Proactive investigations are evidence-based inquiries that utilize complaints data to identify economic sectors with high levels of non-compliance, as well as routine and random auditing.

Last year's Service Plan Annual Report noted how 56 proactive investigations were held in 2021/22, the result of improved collection and responsiveness to business intelligence and increased coordination of services across the organization. Since this exceeded the initial target of 20, the Ministry reviewed and set a higher baseline target of 26 proactive investigations for this year's Service Plan.

Goal 3: Support forest workers as government transitions towards a new approach for sustainable forest management

Objective 3: Support forest workers impacted by old growth harvesting deferrals through the Bridging to Retirement program.

Key Strategies

- Administer the Bridging to Retirement Program to transition older workers to retirement to help manage the transitional impacts resulting in employment loss and forestry contract reductions.
- Collaborate with other ministries to facilitate forest workers' transition to retirement while providing workers for industry and B.C. communities.
- Provide bridging program support and information to forestry workers, employers, labour organizations, associations, communities, and indigenous nations about the benefits of the program and any other forestry support programs available that may assist or complement the workers' transitional circumstances.

Discussion

The Bridging to Retirement Program (The Program) is part of a suite of provincial supports for the forest sector, including for forest workers impacted by old growth deferral decisions across B.C. The Program works with workers, employers, communities, labour organizations and partner ministries to help eligible forestry workers 55 years and older to transition to retirement creating new positions and opportunities for younger workers, minimizing impacts on employer operations. The Program is currently funded to 2024/25.

The Ministry of Post-Secondary Education and Future Skills also supports forestry workers receive training through the Employer Grant Skills Training Program and the Community Workforce Response Grant Program.

Performance Measures	2022/23 Forecast	2023/24 Target	2024/25 Target	2025/26 Target
3a Number of workers receiving bridging benefit funding offers	450	400	200	N/A
3b Number of forestry jobs created for impacted workers	200	TBD	TBD	N/A

Performance Measures

Data source: Ministry of Labour, Bridging to Retirement Program internal data. Current year forecast and future year targets are based on estimates of potential impacts for the industry.

Discussion

Performance Measure 3a is the target number of total workers expected to receive funding offers for each year of the program. Older workers receiving the benefits are either directly or indirectly impacted by the old growth harvesting deferrals and fiber supply shortages that lead to mill closures, indefinite curtailments and shift reductions.

Performance Measure 3b sets the target expected number of jobs created when a senior worker voluntarily retires. New forestry worker jobs are created when an older worker chooses to voluntarily retire, thereby creating a new job opening for a more junior worker who has lost or may lose their employment in the community. The 2022/23 forecast of 200 new jobs is based on anticipated future impacts and historical program data. Generally, the employer must agree to support the voluntary retirement by filling the position with a more junior worker. Some employers are not participating, citing constraints in hiring replacement skilled workers due to the current labour market and the challenge of upskilling existing workers.

The future performance targets are yet to be determined for 2023/24 and 2024/25 with the forecasting of voluntary retirements difficult to determine. Performance Measure 3b will continue to be evaluated as information on employer participation becomes available.

Targets for Performance Measures 3a and 3b are not included for 2025/26 since the program is not funded beyond 2024/25.

Financial Summary

Core Business	2022/23 Restated Estimates ¹	2023/24 Estimates	2024/25 Plan	2025/26 Plan			
Operating Expenses (\$000)							
Labour Programs	15,828	19,618	20,494	21,239			
Executive and Support Services	1,595	1,871	1,924	2,016			
Total	17,423	21,489	22,418	23,255			
Capital Expenditures (\$000)							
Labour Programs	3	3	3	3			
Total	3	3	3	3			

¹ For comparative purposes, amounts shown for 2022/23 have been restated to be consistent with the presentation of the *2023/24 Estimates*.

* Further information on program funding and vote recoveries is available in the <u>Estimates and Supplement to the</u> <u>Estimates</u>.

Appendix A: Public Sector Organizations

As of February 10, 2023, the Minister of Labour is responsible and accountable for the following organizations:

<u>WorkSafeBC</u>

WorkSafeBC is an agency established under the *Workers Compensation Act* with the mandate to oversee a no-fault insurance system for workplace injuries, illnesses and fatalities. WorkSafeBC partners with employers and workers in B.C. to: promote the prevention of workplace injury and illness; rehabilitate those who are injured, and provide timely return to work; provide fair compensation to replace workers' loss of wages while recovering from injuries; and ensure sound financial management for a viable workers' compensation system.

The Workers' Compensation Appeal Tribunal

The Workers' Compensation Appeal Tribunal is the final level of appeal in the workers' compensation system of B.C. and is independent of WorkSafeBC. The Tribunal is established under the *Workers Compensation Act.*

The Labour Relations Board

The Labour Relations Board is an independent, administrative tribunal established under the *Labour Relations Code* with the mandate to mediate and adjudicate employment and labour relations matters related to unionization and unionized workplaces.

The Employment Standards Tribunal

The B.C. Employment Standards Tribunal is an administrative tribunal established under the Employment Standards Act. The Tribunal conducts appeals of determinations issued by the Director of Employment Standards under the *Employment Standards Act* and under the *Temporary Foreign Worker Protection Act*.