**Ministry of Labour** 

# 2024/25 – 2026/27 Service Plan

February 2024



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Published by the Ministry of Labour

## Minister's Accountability Statement



The Ministry of Labour 2024/25 – 2026/27 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 9, 2024

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## Strategic Direction

In 2024/25, the Government of British Columbia will remain focused on providing the services and infrastructure that people depend on to build a good life. Government will continue delivering results that matter to British Columbians including helping people with costs, attainable and affordable housing, strengthened health care, safer communities, and a secure, clean and fair economy. Government will continue working collaboratively with Indigenous Peoples as it implements the Action Plan for the Declaration on the Rights of Indigenous Peoples Act and delivers initiatives that advance reconciliation in ways that make a difference in communities throughout the province.

This 2024/25 service plan outlines how the Ministry of Labour will support the government's priorities including the foundational principles listed above and selected action items identified in the December 2022 Minister's <u>Mandate Letter</u>.

## 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, changing demands for foreign workers, 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 2024/25 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 posted modest growth last year as interest rate increases weighed on the economy, and employment continued to expand, supported by immigration. Inflation in the province continued to ease and the Bank of Canada has not raised its policy interest rate since July 2023. The impact of higher rates on borrowing costs and elevated household debt led to lower consumer spending and reduced home sales. Lumber, natural gas and coal prices declined in 2023, reducing the value of the province's goods exports. Meanwhile, there was a record number of housing starts in the province in 2023. There is uncertainty over the transmission of high interest rates to the residential construction sector and the duration of slower growth for the rest of the economy in B.C. and among our trading partners. The Economic Forecast Council (EFC) estimates that B.C. real GDP expanded by 0.9 per cent in 2023 and expects growth of 0.5 per cent in 2024 and 2.1 per cent in 2025. Meanwhile for Canada, the EFC estimates growth of 1.1 per cent in 2023 and projects national real GDP growth of 0.5 per cent in 2024 and 1.9 per cent in 2025. 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 continue to center around interest rates and inflation, including the risk of price increases stemming from geopolitical conflicts, the potential for interest rates remaining higher for longer, and uncertainty around the depth and timing of the impact on housing markets. Further risks include ongoing uncertainty regarding global trade policies, lower commodity prices, climate change impacts and the volatility of immigration levels.

## **Performance Planning**

### Goal 1: Strong and fair labour laws and standards

## Objective 1.1: 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.<sup>1</sup>
- Continue working with WorkSafeBC, partner organizations, and representatives of workers and employers in the implementation of amendments to the *Workers' Compensation Act* (Bill 41, 2022), the implementation of asbestos certification and licensing requirements, and ensuring the necessary legal changes are made to require flush toilets on any construction site in British Columbia where the construction project has 25 or more workers.
- Appoint a committee of special advisors to review the *Labour Relations Code* in accordance with the statutory requirement for mandatory reviews at least every 5 years.
- 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 2024/25, 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

<sup>&</sup>lt;sup>1</sup> The term "gig economy" can include, for example, short term/temporary work as well as work conducted through internetbased 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	2022/23	2023/24	2024/25	2025/26	2026/27
Measure	Actual	Forecast	Target	Target	Target
1. Percentage of Employment Standards Branch complaints resolved within 180 days	20%	36%	80%	85%	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 in 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 reduced forecasts for the number of complaints resolved within 180 days.

In 2023/24, the Branch received a three-year funding lift for additional FTE's. Work is also being 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. These are both intended to improve the forecasted targets in future years. The Ministry remains committed to resolving complaints in a timely manner.

### 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.
- Continue the redesign of the public-interface and case management system used by the Workers' Advisers Office to better serve the public.
- Continue implementation and streamlining of new practices to support injured workers in achieving a successful outcome in their appeal.
- Maintain a proactive enforcement unit within the Employment Standards Branch for targeted initiatives.
- 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 successfully implemented the new Learning Management System, that now allows clients improved access to virtual and in-person educational sessions. The Employers' Advisers Office continues to work on refinements to the Learning Management System, in order to provide greater support to their clients. The Employers' Advisers Office also continues to make enhancements to their internal case tracking system to improve the ability to identify and track underlying issues and trends for improvements.

Important operational changes, including a new case management system, are underway for the Workers' Advisers Office to improve access to services for workers. The Workers' Advisers Office also continues to see an increase in access to the existing worker portal which provides workers convenient access to its services.

Additionally, to fulfill their obligations under section 351 of the *Workers Compensation Act*, Workers' Advisers often request and obtain expert evidence. Altogether, go-forward operational changes aim to increase access to services and remove significant financial barriers previously paid out-of-pocket by the worker. Together, these key strategies and outcomes provide for the ongoing improvement of Ministry processes to ensure that services are responsive to the needs of workers and employers.

Performance Measures	2020/21 Baseline	2022/23 Actual	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
2.1a Number of community outreach sessions conducted annually by the Workers' Advisers Office <sup>1</sup>	10	18	12	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 <sup>2</sup>	100	147	175	Maintain or improve over baseline	Maintain or improve over baseline	Maintain or improve over baseline

Data source:

<sup>1</sup> Ministry of Labour, Workers' Advisers Office internal data.

<sup>2</sup> 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 and capacity 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 Workers' Advisers 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.

# **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 provincial employer registry under the *Temporary Foreign Worker Protection Act* is the initial level of screening and tracking of BC employers who intend to hire Temporary Foreign Workers (TFWs). The process verifies an employer's compliance with applicable labour legislation. To avoid any delay in the overall recruitment process, employers are encouraged to apply for their Certificate of Registration well in advance and ensure that their application is complete.

Starting in September 2022, the Province has experienced a surge in applications, leading to increased processing times.

The Employment Standards Branch (ESB), which administers the provincial employer registry, has worked with Employment and Social Development Canada to better coordinate service delivery to meet the demand and employer needs. The ESB has also devoted increased resources to processing applications.

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	2022/23	2023/24	2024/25	2025/26	2026/27
Measure	Actual	Forecast	Target	Target	Target
2.2 Number of proactive investigations undertaken under the Temporary Foreign Worker Protection Program	20	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.

This performance measure reflects an important aspect of the Ministry's priority described above in objective 2.2.

### 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.

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 transition to retirement and create job vacancies for junior forestry workers to fill, while minimizing the overall impact<del>s</del> on employer operations. The Program is funded through 2024/25.

The partner, Ministry of Post-Secondary Education and Future Skills, provides key workforce grant funding for junior forestry workers to receive training to increase their on-the-job skills through the Employer Grant Skills Training Program and the Community Workforce Response Grant Program.

#### **Performance Measures**

Performance Measures	2022/23 Actuals	2023/24 Forecast	2024/25 Target	2025/26 Target	2026/27 Target
3a Number of workers receiving bridging benefit funding offers	364	400	200	N/A	N/A
3b Number of forestry jobs opened for impacted workers	329	200	TBD	N/A	N/A

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 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 number of jobs opened when a senior worker voluntarily retires. Forestry worker jobs are opened when an older worker chooses to voluntarily retire, thereby opening a new job for an impacted junior worker or for one at risk of job loss. During the first year of the Program, 329 jobs were opened and filled by workers who were at risk of losing their job due to lower seniority. If a forestry worker wants to voluntarily participate in the Program and is working in an operating mill, their employer must agree to replace them with a more junior worker.

In fiscal 2022/23, some employers chose not to support Program related voluntary retirements, citing constraints in hiring skilled workers due to labour market conditions and the training challenges of upskilling workers. To resolve the constraints, the Program endeavours to customize workforce transition solutions where possible to support a worker's desire to voluntarily retire, minimize job losses and address operational training needs for workers in partnership with unions, employers, communities, the Ministry of Post-Secondary Education and Future Skills, the Ministry of Jobs, Economic Development and Innovation and the Ministry of Social Development and Poverty Reduction.

The Program continues to evaluate the forestry worker support needs while the sector transitions to more sustainable forest management and as additional information is available.

Targets for Performance Measures 3a and 3b are not applicable for 2025/26 and 2026/27 since the Program is not funded beyond 2024/25.

### **Financial Summary**

	2023/24			
(\$000s)	Restated Estimates	2024/25 Estimates	2025/26 Plan	2026/27 Plan
Operating Expenses	Estimates	Estimates	Fidii	Fidii
Labour Programs	19,618	23,322	23,322	23,322
Executive and Support Services	1,871	2,085	2,085	2,085
Total	21,489	25,407	25,407	25,407
Capital Expenditures				
Labour Programs	3	3	3	3
Total	3	3	3	3

<sup>1</sup> For comparative purposes, amounts shown for 2023/24 have been restated to be consistent with the presentation of the *2024/25 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 9, 2024, the Minister of Labour is responsible and accountable for the following organizations:

#### WorkSafeBC

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*.