

*Ministry of
Skills Development
and Labour*

**2002/03
Annual Service Plan Report**



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Accountability Statement

The 2002/03 Ministry of Skills Development and Labour's Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the ministry's 2002/03 Service Plan. I am accountable for the ministry's results and the basis on which they have been reported.

A handwritten signature in black ink, reading "Graham P. Bruce". The signature is written in a cursive style with a large initial 'G' and a long horizontal stroke at the end.

Honourable Graham P. Bruce
Minister of Skills Development and Labour

June 12, 2003



Ministry of Skills Development and Labour



The 2002/03 annual report outlines the continued efforts by the Ministry of Skills Development and Labour to create balanced, fair laws that protect workers and stimulate the economy. Government made further progress in fulfilling the commitments outlined in the *New Era* document.

These new laws were developed after extensive reviews of the problems and, following a good deal of input from interested groups, provided solutions that benefit British Columbia employers and employees, union members and injured workers.

The *Employment Standards Amendment Act* was introduced to protect vulnerable employees, simplify workplace rules and revitalize the economy by recognizing the needs of modern workplaces. For the first time, mandatory penalties that can reach \$10,000 have been put in place and target those who break these rules. Averaging agreements allow for more flexible workplaces and the introduction of a self-help kit provides a step-by-step review to allow employees and employers to resolve problems in the workplace first. If the parties cannot resolve the problem, the Employment Standards Branch is available as the second step.

Government also focused on helping employees in the restaurant industry. The Ministry and the B.C. Restaurant and Food Services Association signed a memorandum of understanding that provides for an employment standards officer to work with the association to ensure employees and employers know and follow the employment standards rules. Further MOUs will be developed with groups in other sectors in an effort to promote compliance with employment standards rules.

Workers' Compensation changes were made to ensure the system is sustainable in the future and to provide a more timely appeals process. In the past, three levels of appeals of WCB decisions took an average three years to complete and could last as long as seven. Those who have gone through WCB appeals demanded a better process. Now, with strict time limits in place and a two-level process, appeals can be completed in about half that time. In addition, an independent Workers' Compensation Appeal Tribunal has been established as the final level of appeal. In order to continue to be responsive to the needs of injured workers, a newly appointed, seven-member board of directors was named to review, restructure and rebuild the Workers' Compensation Board.

Labour code changes have provided a framework for labour and management to build modern, healthy and competitive workplaces. The Labour Relation Board and others must now interpret and apply the code in keeping with its stated principles. These include recognizing the rights and obligations of employers, employees and unions, and

fostering employment in economically viable businesses. The right to communicate in union certification/decertification matters has also been restored. In addition a Section 3 committee was appointed to review 14 key issues of interest to both employers and unions. This committee gathered input and submitted a report on April 11, 2003 that provides government with a better understanding of today's labour relations challenges.

This government will continue to work to return British Columbia to its former status as one of the best places in Canada to live, work and do business.

A handwritten signature in black ink, reading "Graham P. Bruce". The signature is written in a cursive style with a large initial 'G' and a long horizontal stroke at the end.

Honourable Graham P. Bruce
Minister

TABLE OF CONTENTS

Accountability Statement	III
Message from the Minister	V
Year-at-a-Glance Highlights	3
Ministry Role and Services	6
Performance Reporting	13
Report on Resources	20
Annual Service Plan Report Appendices	21

Year-at-a-Glance Highlights

May 13, 2002 — Bill 42, *Labour Relations Code Amendment Act, 2002*, introduced to ensure the Labour Relations Board and others interpret and apply the code in keeping with its stated principles; ensure that job security and viability of the business are considered in LRB decisions; and, restore the right to communicate in union certification and decertification matters. Changes provide a framework for labour and management to build modern, healthy and competitive workplaces. Bill 42 passed May 30.

May 13 — Bill 48, *Employment Standards Amendment Act, 2002*, introduced to protect vulnerable employees, simplify workplace rules and to revitalize the economy by recognizing the needs of modern workplaces. Changes include providing greater flexibility in work hours; simplifying record-keeping, overtime and statutory holiday pay rules; and enhancing enforcement in problem areas. Bill 48 passed May 30.

May 13 — Bill 49, *Workers Compensation Amendment Act, 2002*, introduced to ensure sustainability of the program, modernize how benefits are calculated, clarify coverage for mental stress and improve management of the system by restructuring Workers' Compensation Board governance. Bill 49 passed May 30.

May 30 — Bill 56, *Workers Compensation Amendment Act (No. 2), 2002*, introduced to reduce the levels of review and appeal of WCB decisions from three to two, create a new internal review function to improve the quality of decision-making and establish a new, independent appeal tribunal as the final level of appeal for workers' compensation matters. Bill 56 was replaced by Bill 63 in October 2002.

June 30 — Changes to workers' compensation brought about through Bill 49 came into effect. These include basing benefits on a worker's average net earnings, instead of 75 per cent gross earnings and ceasing wage loss benefits at age 65.

July 1 — Implementation of Employment Standards Self-Help kit that assists employees to determine if they have a complaint against their employers and to provide a step-by-step plan to deal with the issue first between themselves. If that does not lead to a successful conclusion, an Employment Standards Branch officer will resolve the dispute.

July 18 — Cabinet and deputy minister economic planning seminar includes discussion on skills shortages that could undermine economic growth in British Columbia. Ministry directed to engage with employers from key sectors to further diagnose the problem and discuss effective strategies.

July 22 — The Ministry and the B.C. Restaurant and Food Services Association signed a Memorandum of Understanding that provides for an employment standards officer to work exclusively with the association to educate workers and members, review payroll information and mediate disputes.

Oct. 9 — Changes to the *Employment Standards Act* clarified the length of time that the employment standards branch can go back to collect wages from employers when wage complaints are filed. Amendments ensure that complaints filed before the changes took effect are treated under the old rules.

Oct. 10 — Bill 63, *Workers Compensation Amendment Act (No. 2)*, 2002, introduced to implement a new WCB appeals process. Bill 63 replaced Bill 56, introduced May 30. The new process reduces the levels of review and appeal of WCB decisions from three to two, creates a new internal review function to improve the quality of initial decision-making and establishes a new, independent appeal tribunal as the final level of appeal for workers' compensation matters. The new appeals process became effective March 3, 2003.

Oct. 21 — Bill 66, *Public Sector Employers Amendment Act*, 2002, introduced to set new rules for public service executive management compensation practices. The new rules reduced severance and accumulated benefit payments and increased transparency by ensuring contracts are fully disclosed.

Oct. and Nov. — Ministry holds eight employer employment seminars to discuss skills shortage and response options.

Nov. 30 — *Employment Standards Amendment Act*, Bill 48, brings averaging agreements, mandatory penalties and new rules around overtime and statutory pay into effect. As well, new definitions for “manager,” “short-haul truck driver” and “high-technology professional” will modernize and simplify B.C.'s rules, making them more consistent with other jurisdictions. Cabinet approved these changes on Nov. 20, 2002.

Dec. 12 — A seven-member board of directors was named to review, restructure and rebuild the Workers' Compensation Board to make it more responsive to the needs of employees and employers. Douglas Enns was named chair. In addition, the Allan Hunt report on the Workers' Compensation Board's service delivery was released and turned over to the new Board.

Dec. 18 — An independent committee of special advisors was appointed to provide advice to government on the labour code. The five-member committee, appointed under Section 3 of the *Labour Relations Code* and chaired by lawyer Daniel Johnston, will review 14 issues to provide government with a better understanding of today's labour relations challenges and to ensure it is fair and balanced. (See Jan. 24, 2003.)

Dec. 19 — The province is taking a second look at the new Employment Standards regulation for high-end commission sales following a meeting with automobile sales staff and dealers.

Jan. 24, 2003 — The Section 3 Committee reviewing the *Labour Relations Code* has called for labour relations submissions to be provided by Feb. 21. The committee will then review and report to the Minister by April 11, 2003.

Mar. 12 — Bill 21, *University of British Columbia Services Continuation Act, 2002*, is introduced and passed to impose a 20-day cooling off period for striking CUPE members at the University of British Columbia and orders UBC and CUPE to return to the bargaining table immediately in an effort to settle their contract.

Mar. 28 — Government has reviewed new minimum wage and statutory holiday pay rules for people who sell automobiles and recreational vehicles. People who sell automobiles, trucks, recreational vehicles and campers must be paid at least minimum wage for their first 160 hours of work each month. Employees will continue to be exempt from overtime rules. Automobile and truck salespeople will have a 3.6 per cent wage premium added on to every pay cheque in lieu of statutory holiday pay. RV salespeople will continue to be exempt from statutory holiday rules.

Mar. 31 — Government responded to the HEU proposal to delay a pay increase in exchange for the employer putting contracting out and privatization initiatives on hold. The Minister of Labour asked his deputy minister to talk to the HEU to determine if there is a desire to set a framework for discussions.

Ministry Role and Services

Ministry Vision, Mission and Values

Vision

A modern work environment for British Columbians that encourages innovation, rewards creative thinking and increases productivity. Employees and employers are treated fairly and equitably. A prosperous British Columbia where employers and employees have confidence in the future.

Mission

Our mission is to create an employment environment with dynamic 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.

Values

The following values will be integral to achieving the goals of the Ministry of Skills Development and Labour:

- We seek fair and balanced workplaces in all sectors and will ensure that all related ministry decisions are made in a consistent, professional, fair and balanced manner.
- We support a competitive business environment that attracts investment to British Columbia and retains our skilled employees.
- We will protect the most vulnerable workers in the province and ensure they are treated equitably, compassionately and respectfully.
- We will encourage small business to prosper through simple and streamlined processes.
- We adhere to sound fiscal responsibility and management and the implementation of affordable public policies.
- We value the hard work and expertise of all ministry employees.

Ministry Operating Context

Approximately two million people were employed in B.C. in 2002. Almost 354,000 worked in the broader public sector, more than 1.2 million worked in the private sector and approximately 370,000 were self-employed. In the same year, about 600,000 B.C. employees

were members of trade unions. Small business in B.C. grew by 48 per cent between 1991 and 2001. Currently, 47 per cent of employed British Columbians work in small businesses with fewer than 50 employees.

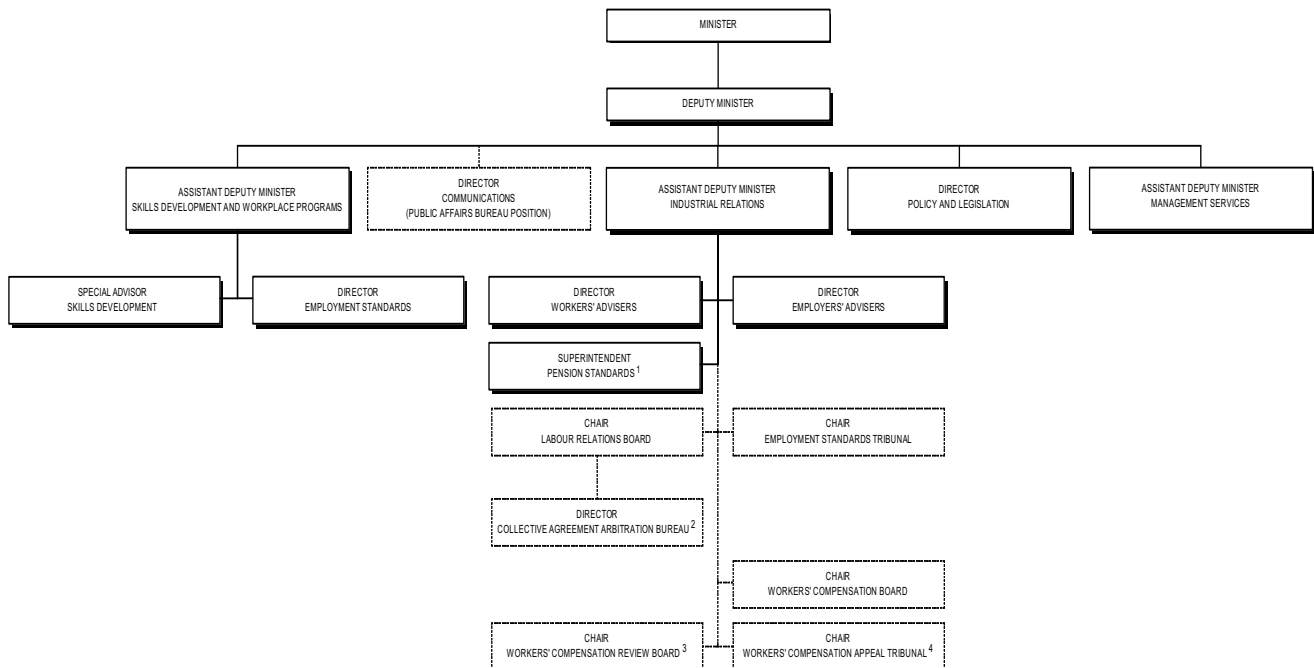
Within this context, the ministry continued in 2002/03 to build on initiatives set forth in the 2002/03 service plan. There were no fundamental changes in direction from the goals and courses of action detailed in last year's annual report.

Update on *New Era* Commitments

Many of the *New Era* commitments for which the ministry is responsible were completed in 2001/02. As fully detailed in the Year-at-a-Glance Highlights section and in the description of core business areas below, substantial work was done during 2002/03 towards achieving the following remaining commitments:

- Give workers and employers greater flexibility in employment standards to negotiate mutually beneficial relationships that help them compete and prosper;
- Make the Workers' Compensation Board more responsive to the needs of workers and employers alike.

Ministry Structure (March 2003)



¹ The Pension Standards Branch was incorporated into the Financial Institutions Commission of British Columbia, effective April 1, 2003.

² Bill 42 continues the existence of Collective Agreement Arbitration Bureau, with the Director designated by the Chair of the Labour Relations Board.

^{3,4} Effective March 3, 2003, the workers' compensation appeal system was reorganized into two organizations — the independent Workers' Compensation Appeal Tribunal and the WCB Review Division. The Workers' Compensation Review Board no longer exists, except for the purpose of completing decisions that were before the Review Board panels before March 3, 2003.

Core Business Areas

Industrial Relations

The ministry's industrial relations activities aim to provide fairly administered industrial relations models. The ministry oversees the *Labour Relations Code* (LRC), which sets a framework for the rights of employees to choose trade union representation, collective bargaining between employers and trade unions in unionized workplaces, and mechanisms to address changes in the employment structure of the workplace.

The LRC establishes the Labour Relations Board (LRB) as an independent tribunal to establish and regulate relationships between employers, trade unions and employees, and to resolve disputes arising in those relationships through mediation and adjudication. As a quasi-judicial tribunal, the LRB's ability to deal with industrial relations disputes is faster and more efficient than the courts. The LRB also provides alternate dispute resolution services which focus on assisting parties in resolving collective bargaining disputes. It also assists parties in improving labour relations, conflict prevention and resolving contractual disputes during the term of a collective agreement. Votes ordered under the provisions of the LRC are supervised by staff from the Employment Standards Branch (ESB).

The ministry actively monitors the industrial relations environment in B.C. Self-reliance in resolving disputes through free collective bargaining is encouraged, but occasionally the ministry plays a direct role in helping parties to settle difficult disputes. This helps maintain industrial relations stability — particularly when the public may be adversely affected by a dispute. For example, the Minister may appoint a mediator or special mediator to work with the parties, appoint a commission to report on the issues involved in a dispute, or direct the LRB to designate essential services.

Additionally, the Minister and ministry staff provide assistance to other ministries responsible for addressing health, education and social services concerns in the development of labour relations legislation.

Workplace Programs (Employment Standards)

The employment standards activities aim to increase compliance with the *Employment Standards Act* and to foster fair, productive and harmonious workplaces that promote prosperous businesses, quality working lives and a strong, growing economy.

The ESB administers the *Employment Standards Act* (ESA) and regulation, which set minimum standards of wage payments, overtime, vacation, statutory holidays, leaves, compensation for length of service, hours of work, employment of children and licensing of certain employment services.

In addition to enforcing the legislation, the branch provides education, training and early intervention to ensure all parties in the workplace are aware of their rights and responsibilities and the enforcement of legislation.

Branch staff answer employee and employer inquiries, receive and address complaints of contraventions, and deliver professional, neutral mediation services to assist parties to come

to a mutually satisfactory resolution to workplace disputes. Where resolution is not possible, the branch adjudicates disputes under the act and issues a decision (Determination).

The branch carries out sector-specific enforcement in areas identified as having greater difficulties with compliance.

The ministry also addresses sector-specific issues to promote a more prosperous economy while protecting vulnerable workers. These include the development of sector-focused regulations such as oil and gas, agriculture, mining, forestry, silviculture and the film industry.

The Employment Standards Tribunal (EST) aims to provide timely, efficient and neutral resolution of appeals of ESB Determinations. The EST is an independent quasi-judicial tribunal. Its decisions are final and conclusive.

Workers' Compensation

The ministry oversees the *Workers Compensation Act* (WCA), which sets out the workers' compensation system for B.C., provides a framework to protect workers by promoting safe and healthy workplaces, and establishes the Workers' Compensation Board (WCB) as an independent statutory agency to administer the WCA. The ministry's role is to ensure that the workers' compensation system is responsive to the needs of employees and employers alike. This includes setting standards for the Workers' Advisers Office and the Employers' Advisers Office.

The WCA was amended in spring 2002 to establish a new governing structure to oversee the operation of the WCB. The first appointments to the new board were made in the fall of 2002. The directors will be responsible for WCB's performance measures and standards and implementing service delivery improvements recommended by Allan Hunt.

As an independent statutory agency, the WCB provides compensation services including wage-loss benefits and vocational rehabilitation to workers suffering injury or disease.

It creates and enforces provincial workplace health and safety regulations. The board is wholly funded by employer payroll assessments.

An appeal system is available to workers and employers involved in the workers' compensation system. In spring 2002, following review of the workers' compensation system and administrative justice tribunals, legislation was introduced to make the appeal system more responsive to the needs of employees and employers. The legislation, modified slightly and passed in the fall 2002 sitting of the legislature, provides for a two-level appeal system consisting of an internal review by a new WCB department and an independent external appeal to a new Workers' Compensation Appeal Tribunal.

The Workers' Advisers and Employers' Advisers offices are administered by the ministry and provide support and advisory services to workers and employers involved in the workers' compensation system. The Workers' Advisers and Employers' Advisers offices are funded by employers through the accident fund.

A review of WCB policies and operations took place in fall 2001, with a report and recommendations made to the Minister in February 2002. Legislative amendments in spring 2002 introduced a number of changes in the compensation paid to injured workers. Further potential changes relating to occupational health and safety, benefits for the surviving family members of deceased workers, and rights of an estate are expected in a future session.

Skills Development/Industry Adjustment

The ministry has two areas of business related to skills development. The first is the development of a provincial human resource strategy that focuses on potential skill shortages that would undermine economic growth and the second is participating in the development of a youth employment strategy.

In June 2001, the ministry was tasked with developing a provincial human resource strategy in partnership with the Ministry of Competition, Science and Enterprise. The focus of the strategy is to ensure that labour market planning issues are clearly linked to economic priorities, and that there are mechanisms in place to anticipate future skill shortage situations. The ministry has worked with the following agencies in the development of the strategy: Ministry of Competition, Science and Enterprise; Ministry of Advanced Education; Ministry of Education; Ministry of Community, Aboriginal and Women's Services; Ministry of Human Resources; Ministry of Health Services; the Intergovernmental Relations Secretariat; and the Public Sector Employers' Council.

In the fall and winter of 2002, ministry staff held discussions with eight key sectoral groups around the province. The goal was to canvass employers for their views on the labour market balance today, the upcoming skills shortage and the impact it would have on their business, if any. Ministry staff have also engaged in similar discussions with labour market experts in academic institutions to gather the most recent research and expert opinions on skills shortages within B.C.

To date, a framework of business strategies that could be adopted to address both cyclic and structural skills shortages has been developed. These business practices range from recruitment and compensation practices, which could help ease labour shortages in the short-term, to investment in training and succession planning, which will have longer-term benefits.

The ministry is participating as a member of the 2010 Winter Games Human Resources Planning Committee. This committee has been charged with developing a Human Resources Strategy for the Games, should B.C. win the bid. Ministry analysis and expertise on labour market issues is one of the key inputs for the development of the strategy.

The ministry has also assisted the Public Sector Employers' Council in the development of a labour market planning template that could help public service employers anticipate and avert specific skill shortages.

The ministry does not have new funding for any programs related to this area. Future work on implementation of this strategy will require cabinet decision.

The ministry is continuing to work jointly with the Ministry of Competition, Science and Enterprise on a youth employment strategy for British Columbia, and to monitor the state of youth unemployment.

In January, 2002, the ministry announced that administration and funding of Industrial Adjustment Services was no longer a core service for the ministry. These services have been phased out, and related funding and staffing allocations were completed by September 30, 2002.

Performance Reporting

Industrial Relations

The Labour Relations Board has undergone significant operational changes in 2002/03. Together with changes to the *Labour Relations Code*, this has meant that baseline data for 2003/04 have been substantially revised from the previous year's service plan. In doing so, the ministry has sought to identify anticipated improvements rather than specific targets. If the *Labour Relations Code* is further amended in the future, this may have impacts on the measures as well.

GOAL: Promote productive and competitive workplaces from which good relationships in the labour relations community can be developed.

Objective: Encourage mutual confidence between unions and employers.

Strategies:

- Provide information to LRB clients about LRC and industrial relations practices.
- Create an industrial relations environment that is responsive to the needs of employees, unions and employers.

Objective: Decrease lost workdays due to labour disputes.

Strategies:

- Encourage alternative dispute resolution processes.
- Encourage the use of resources in the community to develop quick resolution of disputes.

Objective: Decrease the number of LRC contraventions.

Strategies:

- Provide information to LRB clients about LRC and industrial relations practices.
- Ensure LRB operations are suited to today's work environment.
- Create industrial relations environment that is responsive to needs of employees, unions and employers.

Objective: Resolve appeals in a timely manner.

Strategies:

- Facilitate use of early intervention and alternative dispute resolution processes.
- Expedite LRB adjudication, including more focused decisions.

Industrial Relations Performance Measures ¹				
	2001 Actual	2002 Target	2002 Actual	Variance
Output Measures				
Number of LRB applications and complaints received ²	3,032	3,430	2,000	-1,430
Number of applications and complaints disposed of	3,152	3,550	2,150	-1,400
Percentage of disputes settled ³	72.4%	72.5%	70-75%	-2.5 to 2.5%
Average number of backlog cases ⁴	38.4	38.5	30	-8.5

¹ Figures for 2002 are projected and subject to change prior to publication of the LRB's 2002 annual report. Data is for calendar years.

² Includes mediations and adjudications, does not include the Collective Agreement Arbitration Bureau.

³ "Disputes" that come to the LRB include: unfair labour practice complaints (Ss. 5–12); applications under sections 32 and 45; Part 5 applications (Ss. 57–70); and applications under sections 55 and 74 of the LRC.

⁴ In general, a case is seen as part of the "backlog" if it has been assigned for more than 90 days and no hearing will be held, or where a hearing has been completed and more than 45 days have passed.

Workplace Programs (Employment Standards)

Changes to the *Employment Standards Act*, as well as the restructuring of the Employment Standards Branch, have meant that the 2003/04 baseline data for this core business have been substantially revised from the previous year's service plan. The introduction of self-help materials, the shift from an investigative to a mediation and adjudication model, and compliance partnerships with industries are expected to substantially affect ministry measures. Similarly, the ministry has sought to identify anticipated improvements rather than specific targets. A case in point is the number of complaints received by the ESB. A decline in the number of complaints could be attributable to a number of factors, such as the improved effectiveness and efficiency of the self-help kits. Likewise, an increase in the number of complaints in the future may be attributable to a substantial upswing in the provincial economy. As the number of British Columbians finding work increases, the overall number of complaints may also increase even though on a per capita basis the number of complaints remains stable. More detailed output measurements will be developed in future years as the changes to employment standards become operational and established.

GOAL: Fair and balanced employment standards that allow mutually beneficial relationships between employees and employers.

Objective: Facilitate increased compliance with ESA.

Strategies:

- Increase employers' and employees' knowledge and understanding of ESA.
- Ensure contraventions of ESA are identified and corrected.

Objective: Create a fairer and more balanced employment standards system that benefits employers and employees.

Strategies:

- Ensure ESA is suited to today's workplaces and meets the needs of employers and employees.
- Increase employers' and employees' awareness of the employment standards system, including where they can go for assistance.
- Develop a vibrant relationship with industry that promotes joint responsibility for education and training.

Objective: Resolve employment standards disputes prior to formal complaint being filed with ESB.

Strategies:

- Provide advice and support services for employers and employees.
- Support early intervention and alternative dispute resolution in employment standards disputes.

Objective: Increase ESB efficiency and effectiveness.

Strategies:

- Support early intervention in employment standards disputes.
- Improve quality of ESB decision-making.
- Provide early intervention/dispute resolution processes.

Objective: Resolve appeals in a sound and timely manner.

Strategies:

- Ensure consistency and quality in decision-making.
- Facilitate use of early intervention and alternative dispute resolution process.
- Review on an ongoing basis the timeliness of decision-making.

Employment Standards Performance Measures				
	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Output Measures				
Complaints received by ESB	12,252	-0-5%	7,090	-42%
ESA determinations ¹	1,600	-10-20%	1,454	-9%
EST appeals and reconsiderations processed.	809	-0-5%	826	+2%
ESB early intervention attempts ²	1,435	1,500	911	-589
Outcome Measures				
Determinations upheld by the EST ³	68%	68%	70%	+2.0%
EST timeliness — oral hearings ⁴	N/A	N/A	134	N/A
EST timeliness — written submissions	N/A	N/A	93	N/A
ESB timeliness ⁵	N/A	N/A	180	N/A

¹ A determination is an official written decision made by the ESB on an employee/employer issue. 2002/03 data includes corporate (880), directors (296) and penalty (278) determinations.

² An intervention attempt is an attempt to resolve a problem between the employee and employer by providing information on basic requirements of the ESA, which eliminates the need to file a formal complaint. Early intervention after September 2002 is defined as “closed before mediation”.

³ Based on 457 decisions that made findings with respect to Section 112 appeals — decisions were: confirmed (70%), varied (9%), cancelled (9%) or referred back to the ESB (12%).

⁴ The length of time to decide appeal (days). Data commenced in 2002/03.

⁵ The length of time from submission of complaint to closure (days). Data commenced in 2002/03.

Workers’ Compensation

As an independent statutory agency, the WCB identifies and measures performance against its own major objectives. This includes measures for the recently established Review Division, which will be the first level of appeal for workers’ compensation matters in a revamped appeal system. Please visit the WCB’s website at www.worksafebc.com to view the agency’s annual reports, statistical reports and strategic plan.

As a result of changes to the *Workers Compensation Act*, the new independent Workers’ Compensation Appeal Tribunal (WCAT) began operations in March 2003. WCAT will be the second and final appeal level in the new system, which was introduced to address delays, complexity and lack of consistency in the present system. The ministry has identified anticipated improvements for the appeal system to ensure fair, timely and consistent decisions. Several legislative changes are designed to assist WCAT with these objectives, such as maximum time frames for decisions, a new role for medical advisors, and policy that will be binding on the workers’ compensation system as a whole. It is premature to provide measures and targets at this point, given that WCAT has only been operating since March 2003. However, WCAT will be measuring its progress in 2003 to assist in establishing appropriate measures and targets for subsequent years.

GOAL: Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of workers and employers alike.

Objective: Fewer workplace injuries, illnesses and deaths.

Strategies:

- Support employers in managing the risks and consequences of workplace illnesses and injuries; encourage workplaces to improve their safety practices.
- Provide information, education and training programs.
- Target employers and industries with poor safety records.

Objective: Better compliance with WCA and Occupational Health and Safety (OSH) regulations.

Strategies:

- To inspect for compliance, order corrective action and levy administrative penalties when there is repeated non-compliance or where workers have been exposed to serious risk of injury or death.
- Ensure workers' compensation system is responsive and meets the needs of employers and employees.
- Ensure WCA and OHS regulations are suited to today's workplaces.

Objective: Decrease numbers of appeals filed.

Strategies:

- Facilitate employers' and employees' understanding of the workers' compensation system, including appeal procedures.
- Streamline appeal system.

Ministry Services Supporting Workers' Compensation ¹				
	2001/02 Actual	2002/03 Target	2002/03 Actual	Variance
Output Measures				
Inquiries responded to by Workers' Advisers Office	115,105	137,500	137,500	0
Advice/assistance provided by Employers' Advisers Office ²	13,150	8,000	13,500	5,500
Employers' Advisers Office information and skills development seminar participation ³	3,150	15,000	4,500	-10,500

¹ As an independent statutory agency, the WCB identifies and measures its own major objectives. Please visit the WCB's website at www.worksafebc.com to view the agency's annual reports, statistical reports and strategic plan.

² Includes advice and assistance provided to new clients that fully addressed their needs at point of contact.

³ Includes employers, workers, safety committee members and professionals who attend EAO seminars on various components of workers' compensation legislation.

Pension Standards

Responsibility for the Pension Standards Branch and the administration of the *Pension Benefits Standards Act* was transferred to the Ministry of Finance as of April 1, 2003.

The Branch ensures that all B.C. pension plans meet the minimum standards set out in the Act, and provides advice and information to pension plan members and plan administrators.

GOAL: Retirement income security for British Columbians.

Objective: Well managed, secure pension plans; compliance of B.C. pension plans with the *Pension Benefits Standards Act* (PBSA); and, pension plan members and administrators receiving expert advice in an efficient and effective manner.

Strategies:

- Review plans registered by the Superintendent thoroughly to ensure plans comply with the PBSA, which sets minimum standards for B.C. pension plans.
- Continue to make efficient, effective service a priority.
- Provide expert advice and information to pension plan members and plan administrators.
- Regular consultation with the Pensions Advisory Council, made up of pension experts, for advice and expertise on pension policy issues.

Retirement Income Security				
Indicator	1999/00	2000/01	2001/02	2002/03
Average Funded Ratio of Multi-Employer defined benefit pension plans (assets divided by liabilities)	0.947	0.980	0.992	0.885
Average Funded Ratio of Single Employer defined benefit pension plans (assets divided by liabilities)	1.145	1.293	1.161	1.08

- The average funded ratio is an indicator of the aggregate financial health of B.C. pension plans. The funded ratio of pension plans is affected by many factors, including interest rates, investment markets, employment, and the decisions of pension plan administrators.
- The funded ratio is beyond the direct control of the Pension Standards Branch. However, if the average funded ratio declines, it is a signal to the Pension Standards Branch to increase monitoring efforts, and intervene where there might be pension plans that are not complying with the funding rules in the legislation.
- The decline in average funded ratios in 2002/03 flows from two significant factors: investment losses and more conservative assumptions used by actuaries in projecting long-term rates of return. The former reduces the value of plan assets and the latter increases the value of plan liabilities.

Deregulation

Cross-government deregulation initiatives, which seek to reduce the overall regulatory burden by one third, will impact all core businesses of the Ministry of Skills Development and Labour.

By the end of 2002, the ministry had reduced its regulatory requirements by over 15 per cent and the Workers' Compensation Board had reduced its regulatory requirements by almost five per cent.

The ministry will continue its analysis to streamline regulations and eliminate unnecessary requirements throughout 2003 to 2004. Specifically, legislative reviews of the *Workers Compensation Act* and the *Employment Standards Act* will continue with changes to legislation through 2004. The ministry anticipates that the deregulation efforts of the Workers' Compensation Board will result in substantial reductions. As a result, the ministry anticipates achieving its goal of reducing its regulatory requirements by one third by June 2004.

While efforts will continue to reduce the number of requirements imposed on the public, the ministry will also seek to ensure that the more qualitative impacts of deregulation also proceed. For example, while employers are still required to maintain records for employment standards, the length of time has been reduced from five to two years. This is a substantial lessening of a government-imposed obligation though it does not alter the 'count' of regulations.

Report on Resources

2002/03 Resource Summary by Core Business Areas

	Estimates	Other Authorization	Total	Actual	Variance
Operating Expenses (\$000)					
Industrial Relations (net of recoveries)	9,510		9,510	7,961	1,549
Workplace Programs (Employment Standards) (net of recoveries)	10,487		10,487	9,465	1,022
Workers' Compensation (net of recoveries)	1		1	—	1
Skills Development/Industry Adjustment (net of recoveries)	3,757		3,757	624	3,133
Internal Administration	4,973		4,973	5,980	(1,007)
Total	28,728	—	28,728	24,030	—
Full-time Equivalents (FTEs)					
Industrial Relations	83		83	70	13
Workplace Programs (Employment Standards)	126		126	125	1
Workers' Compensation	238		238	175	63
Skills Development/Industry Adjustment	3		3	7	(4)
Internal Administration	27		27	25	2
Total	477	—	477	402	74
Ministry Capital Expenditures (CRF) (\$000)					
Industrial Relations	178		178	44	134
Workplace Programs (Employment Standards)	—		—	—	—
Workers' Compensation	863		863	985	(122)
Skills Development/Industry Adjustment	—		—	—	—
Internal Administration	489		489	141	348
Total	1,530	—	1,530	1,170	360
Consolidated Capital Plan Expenditures (CCP) (\$000)					
N/A			0		0
Other Financing Transactions (\$000)					
N/A			0		0

Annual Service Plan Report Appendices

Appendix 1: List of Crowns, Agencies, Boards

Workers' Compensation Board

The Workers' Compensation Board (WCB) is an independent statutory agency that operates under the authority of the *Workers Compensation Act* and administers the Act for the Ministry of Skills Development and Labour. The WCB is dedicated to the safety, protection and good health of workers in British Columbia and is funded by employers in industries covered by the Act. The WCB produces its own annual report, which details its activities.

Workers' Compensation Appeal Tribunal and the Workers' Compensation Review Board

Bill 63, *Workers Compensation Amendment Act (No. 2)*, 2002, introduced to implement a new WCB appeals process. The new process reduces the levels of review and appeal of WCB decisions from three to two, creates a new internal review function to improve the quality of initial decision-making and establishes a new, independent appeal tribunal, the Workers' Compensation Appeal Tribunal, as the final level of appeal for workers' compensation matters. The new appeals process became effective March 3, 2003. The Workers' Compensation Review Board has been phased out.

Labour Relations Board

The Labour Relations Board's mandate is to regulate the acquisition of collective bargaining rights, to resolve complaints brought before it under the *Labour Relations Code*, and to assist employers and employees in reaching collective agreements.

The Labour Relations Board (LRB) also produces its own annual report, which provides a comprehensive account of its activities.

Employment Standards Tribunal

The Employment Standards Tribunal provides timely, efficient and neutral resolution of appeals of Employment Standards Branch Determinations. Legislative, regulatory and operational amendments have been implemented that reflect the government's vision for fair and effective resolution of appeals.

Appendix 2: Legislation

April 1, 2002 – March 31, 2003

Barbers Act

Cosmetologists Act

Education Services Collective Agreement Act

Employment Standards Act

Fire and Police Services Collective Bargaining Act

Fire Department Act

Fishing Collective Bargaining Act

Greater Vancouver Transit Services Settlement Act

*Health Care Services Collective Agreements Act*¹

Labour Relations Code

Ministry of Labour Act (except provisions re: gas safety, electrical safety, elevating devices, boiler and pressure vessels)

*Pension Benefits Standards Act*²

Workers Compensation Act (except s. 3 (6))

¹ The *Health Care Services Continuation Act* was repealed by the *Health Care Services Collective Agreements Act*.

² Responsibility for the Pension Standards Branch and administration of the *Pension Benefits Standards Act* was transferred to the Ministry of Finance as of April 1, 2003.

Appendix 3: Regional Offices

Employment Standards Branch Offices

Burnaby
Dawson Creek
Kelowna
Nanaimo
Nelson
Prince George
Surrey
Terrace
Victoria

Employers' Advisers

Abbotsford
Cranbrook
Kamloops
Kelowna
Nanaimo
Prince George
Richmond
Victoria

Workers' Advisers

Abbotsford
Campbell River
Kamloops
Kelowna
Nanaimo
Nelson
Prince George
Richmond
Victoria

Appendix 4: Other Program Statistics

Unions With a Membership in British Columbia Greater Than 5,000

Relative Position 2002	Union	Membership 2002	Relative Position 2001
1	Canadian Union of Public Employees and Affiliates	114,658	1
2	BC Government and Service Employees' Union and Affiliates	68,921	2
3	BC Teachers' Federation	46,622	3
4	United Food and Commercial Workers' International Union	32,493	4
5	Industrial, Wood and Allied Workers of Canada and Affiliates	27,591	5
6	BC Nurses' Union	26,000	6
7	National Automobile, Aerospace . . . Workers (CAW) and Affiliates	25,000	7
8	International Brotherhood of Teamsters	19,522	8
9	Communications, Energy and Paperworkers Union of Canada	14,000	9
10	Public Service Alliance of Canada	14,000	10
11	Health Sciences Association of BC	12,917	12
12	Office and Professional Employees' International Union	12,710	11
13	International Union of Operating Engineers	12,543	13
14	International Association of Machinists and Aerospace Workers	11,334	18
15	Hotel, Restaurant and Culinary Employees', and Bartenders' Union	10,500	14
16	Telecommunications Workers' Union	10,405	15
17	United Brotherhood of Carpenters and Joiners of America and Affiliates	9,303	16
18	International Brotherhood of Electrical Workers	9,071	17
19	Christian Labour Association of Canada	7,494	20
20	United Steelworkers of America	7,229	19
21	Union of BC Performers	6,622	
22	Canadian Union of Postal Workers	6,555	21
23	College Institute Educators' Association	6,460	22
24	Laborers' International Union of North America	6,106	24
25	Pulp, Paper and Woodworkers of Canada	5,567	23

Union Membership in British Columbia, 1950 – 2002¹

Year	BC Union Membership	Percentage Change From Previous Year	Total Employment	Estimate of Union Membership as a Percentage of Total Employment
1950	146,259	2.3	411,000	35.6
1951	157,287	7.5	416,000	37.8
1952	170,036	8.1	429,000	39.6
1953	174,894	2.9	432,000	40.5
1954	178,533	2.1	437,000	40.9
1955	186,951	4.7	462,000	40.5
1956	191,952	2.7	489,000	39.3
1957	216,070	12.6	509,000	42.4
1958	233,972	8.3	501,000	46.7
1959	219,279	-6.3	521,000	42.1
1960	215,437	-1.8	516,000	41.8
1961	221,946	3.0	527,000	42.1
1962	216,685	-2.4	551,000	39.3
1963	222,138	2.5	571,000	38.9
1964	226,690	2.1	605,000	37.5
1965	237,864	4.9	639,000	37.2
1966	256,241	7.7	678,000	37.8
1967	273,946	6.9	723,000	37.9
1968	287,502	5.0	750,000	38.3
1969	292,842	1.9	795,000	36.8
1970	310,222	5.9	810,000	38.3
1971	316,587	2.1	847,000	37.4
1972	332,091	4.9	879,000	37.8
1973	350,175	5.5	937,000	37.4
1974	395,846	13.0	996,000	39.7
1975	401,608	1.5	1,027,000	39.1
1976	426,723	6.3	1,062,000	40.2
1977	439,730	3.0	1,085,000	40.5
1978	450,802	2.5	1,134,000	39.8
1979	465,980	3.4	1,185,000	39.3
1980	480,680	3.2	1,263,000	38.1

¹ Source: Statistics Canada Labour Force Survey.

Union Membership in British Columbia, 1950 – 2002 (Continued)

Year	BC Union Membership	Percentage Change From Previous Year	Total Employment	Estimate of Union Membership as a Percentage of Total Employment
1981	501,001	4.2	1,317,000	38.0
1982	507,965	1.4	1,252,000	40.6
1983	488,239	-3.9	1,246,000	39.2
1985	466,864	-4.4	1,274,000 ²	36.6
1986	454,410	-2.7	1,328,000	34.2
1987	464,279	2.2	1,375,000	33.8
1988	457,285	-1.5	1,435,000	31.9
1989	477,633	4.4	1,509,000	31.7
1990	502,036	5.1	1,555,000	32.3
1991	516,975	3.0	1,573,000	32.9
1992	524,158	1.4	1,620,000	32.4
1993	525,948	0.3	1,676,000	31.4
1994	536,653	2.0	1,754,000	30.6
1995	545,219	1.6	1,792,000	30.4
1996	551,920	1.2	1,821,000	30.3
1997	558,191	1.1	1,869,000	29.9
1998	578,343	3.6	1,870,000	30.9
1999	592,539	2.4	1,906,000	31.1
2000	590,380	-0.3	1,949,000	30.3
2001	594,070	0.6	1,942,000	30.6
2002	595,143	0.2	1,968,000 ³	30.2

² Data for 1984 not available.

³ Estimated.

Work Stoppages in British Columbia

Three year comparison by industry 2000 to 2002^(a)

Professional/Scientific ²	Stoppages			BC Workers Directly Involved			Duration in Worker Days		
	2000	2001	2002	2000	2001	2002	2000	2001	2002
ALL INDUSTRIES:	81	44	20	42,514	25,754	37,137	403,446	456,528	107,498
Provincial	80	41	18	41,114	21,518	36,622	400,796	448,909	76,567
Federal	1	3	2	1,400	4,236	515	2,650	7,619	30,931
GOODS PRODUCING:	14	12	4	13,605	2,028	219	168,420	90,851	4,122
Agriculture									
Forestry	1	1		400	350		400	700	
Fishing, Hunting									
Mining and Oil and Gas Extraction	1	1		350	74		720	1,470	
Utilities		2			520			13,256	
Construction									
Manufacturing	12	8	4	12,855	1,084	219	167,300	75,425	4,122
SERVICE PRODUCING:	67	32	16	28,909	23,726	36,918	235,026	365,677	103,376
Trade	7	5	2	204	148	30	4,214	4,570	2,081
Transportation/Warehousing	6	6	2	2,163	4,032	515	14,206	242,377	30,931
Information/Cultural Industries	5	2	2	1,988	228	1,106	8,951	5,622	20,056
Finance ¹	1	2		82	52		978	744	
Professional/Scientific ²									
Management ³									
Administrative Support ⁴									
Educational Services	40	2	1	19,410	463	35,000	75,840	675	35,000
Health Care/Social Assistance		7	2		14,150	23		60,718	241
Arts, Entertainment and Recreation		4	4		508	171		22,624	4,438
Accommodation, Food Services	5	3	1	2,407	151	20	45,961	10,193	164
Other Services	2		1	155		44	2,222		10,414
Public Administration	1	1	1	2,500	3,994	9	82,654	18,154	51

¹ Finance, Insurance, Real Estate, and Rental and Leasing.

² Professional, Scientific and Technical Services

³ Management of Companies and Enterprises

⁴ Administrative Support, Waste Management and Remediation Services.

In 2001, the teachers were legally on strike but lost no time. Their strike and those by the nurses and health care facilities staff were counted in the number of stoppages but no figures were available for numbers of workers or days lost. In 2002, the community service workers' and pilots' strikes were counted in the number of stoppages but no figures were available for numbers of workers and/or days lost. Demonstrations, etc. in the health sector around hospitals and cutbacks were not counted as stoppages.

■ Highlights the numbers which are affected by the lack of information in these stoppages.

Source: Policy and Legislation Branch, Ministry of Skills Development and Labour. Revised: Jan 10, 2003.

^(a) Preliminary

