

Ministry of Labour

2017/18 Annual Service Plan Report



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Minister's Message and Accountability Statement



It is my privilege to present the Ministry of Labour's 2017/18 Annual Service Plan Report. Since being re-established as a stand-alone ministry in July 2017, the ministry has achieved much to be proud of.

The Ministry of Labour plays an important role in promoting fair, healthy and safe labour and employment relationships and ensuring B.C.'s labour and employment statutes reflect the needs of British Columbians.

A key priority is to ensure workers return home healthy and safe. Reviewing and making changes to the *Workers Compensation Act* along with changes at the service delivery level will help support healthy and safe workplaces in the province.

In keeping with our promise to make life more affordable for B.C. families, one of the first actions undertaken by the Ministry was to raise both the general minimum wage and the liquor server minimum wage in September 2017. We then convened an independent Fair Wages Commission and asked them to recommend a path to a \$15-an-hour minimum wage that was regular and predictable for businesses while providing a much-needed raise for the province's lowest paid workers.

The commission undertook consultations in the fall and, following recommendations the commission laid out, we are now on a predictable path to increasing the provincial minimum wage to at least \$15.20 by 2021. We are also eliminating the liquor server wage by 2021 through gradual wage increases.

As a first step towards ensuring that B.C.'s *Employment Standards Act* keeps pace with the needs of today's workers and workplaces, we introduced several amendments to better support working families. People caring for a terminally ill loved one, parents caring for a new child and parents coping with the death or disappearance of a child can now take longer, more flexible unpaid leaves of absence without having to worry about job security.

My ministry has also eliminated barriers for first responders to access compensation for mental trauma caused by their work. By amending the *Workers Compensation Act*, first responders, sheriffs and correctional officers have greater access to services and compensation for mental disorders, such as post-traumatic stress disorder that can arise from traumatic workplace incidents. The amendments also extend the existing cancer presumptions for municipal firefighters to include federal firefighters on military bases. This was done to recognize that firefighters from military bases may be exposed to dangerous substances, and frequently assist municipalities at off-base incidents. Both sets of legislative changes were made to better reflect our modern work environments, and support workers.

We have also made solid progress on reviewing B.C.'s *Labour Relations Code* to ensure British Columbians have the same rights and protections enjoyed by other Canadians, and that workplaces support a growing sustainable economy with fair laws for workers and businesses. A panel of special advisers has been appointed to independently review the Code. The panel has undertaken extensive consultations with labour organizations, industry stakeholders, individual citizens and the legal

profession as part of their work. This is the first comprehensive review of B.C.'s *Labour Relations Code* in 15 years and is expected to be complete in August of 2018.

The Ministry of Labour secured an additional \$3 million from WorkSafeBC in ongoing, annual funding for the ministry's Workers' Advisers Office and Employers' Advisers Office. The additional funding will allow us to enhance the capacity of these offices to provide independent advice and advocacy to workers and employers on issues of workers' compensation.

The Ministry of Labour has been working with WorkSafeBC towards a new vision for B.C.'s workers' compensation system. By making changes, we will create a system that is more worker-centric in the delivery of services for future generations of workers and employers. I am proud of all we've accomplished since July 2017 and I look forward to continuing this good work in the coming year.

The Ministry of Labour *2017/18 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2017/18 - 2019/20 Service Plan* created in September 2017. I am accountable for those results as reported.



Honourable Harry Bains
Minister of Labour
June 26, 2018

Table of Contents

Minister’s Message and Accountability Statement.....	3
Purpose of the Ministry.....	6
Strategic Direction	6
Operating Environment.....	7
Report on Performance	7
Financial Report.....	10
Discussion of Results	10
Financial Report Summary Table	10
Appendix A: Ministry Contact Information and Hyperlinks	11
Appendix B: List of Crowns, Agencies, Boards and Commissions	12

Purpose of the Ministry

To build a better British Columbia, the [Ministry of Labour](#) promotes fair, healthy and safe labour and employment relationships in support of a strong, sustainable and innovative 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* and the *Workers Compensation Act* – and for the effective administration and enforcement of those statutes. The Ministry has legislative responsibility for [WorkSafeBC](#), the [Labour Relations Board](#), the [Employment Standards Tribunal](#) and the [Workers’ Compensation Appeal Tribunal](#).

The Employment Standards Branch and the Ministry’s three administrative tribunals are involved in managing complaints and issues that have been brought before them. 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.

For more information about the Ministry’s areas of responsibility and key initiatives, visit the [Ministry of Labour](#) website.

Strategic Direction

In July 2017, the new government announced its priorities with three key commitments to British Columbians:

- To make life more affordable.
- To deliver the services people count on.
- To build a strong, sustainable, innovative economy that works for everyone.

Integrating with these priorities is government’s commitment to true, lasting reconciliation with Indigenous peoples¹ in British Columbia, as we move towards fully adopting and implementing the United Nations Declaration on the Rights of Indigenous Peoples and the Calls to Action of the Truth and Reconciliation Commission.

In the *2017/18 – 2019/20 Service Plan*, the Ministry provided a series of objectives and performance targets from the Minister’s [Mandate Letter](#) designed to further the key commitments of government.

¹ The term “Indigenous” used throughout this document is intended to include all people of Indigenous ancestry, including First Nations, Métis and Inuit. The term “Indigenous communities” means the diversity of Indigenous communities as defined by the Indigenous peoples and includes descriptions such as urban, rural, metropolitan, land-based and reserve.

Operating Environment

A number of factors were expected to affect the Ministry’s operations during the 2017/18 – 2019/20 period. For example, changing demographics, an increasingly diverse labour market and ever-evolving workplace norms and expectations present challenges and opportunities for British Columbia labour law and policy. The British Columbia Law Institute (BCLI) review of employment standards and recommendations for reform of British Columbia’s *Employment Standards Act* is expected to assist government in addressing many of these challenges and opportunities. The BCLI’s June 2018 release of a public consultation paper will be followed by a final report and recommendations expected in the Fall of 2018. The review of the *Labour Relations Code* being undertaken by a committee of special advisors who are tasked with providing recommendations to government by August 2018 will also make an important contribution to the Ministry’s work on law and policy development.

In addition, the Ministry’s work has been guided by recommendations provided by the Fair Wages Commission in respect to British Columbia’s minimum wage rates, including recommendations in early 2018 on establishing a path to a general minimum wage of at least \$15.20 per hour by 2021, and on increases to the alternate minimum wages. Commencing in 2018, the commission’s further work will be to develop recommendations on addressing the gap between the minimum wage and a “living wage”.

The Ministry’s operating environment is also impacted by ongoing requests to the Ministry and Minister to support the resolution of collective bargaining disputes that may impact the health, welfare or safety of British Columbians.

Finally, specific workplace incidents and developments in our knowledge and understanding of physical and psychological workplace hazards can require responsive legislative or program changes to protect worker health and safety.

Report on Performance

The following table reports on the objectives and performance targets provided in the *2017/18 – 2019/20 Service Plan* along with the Ministry’s achievements.

Objective	Actions Taken Up to March 31, 2018
Objective 1: Establish a Fair Wages Commission to support the work of implementing the \$15-per-hour minimum wage and to bring forward recommendations to close the gap between the minimum wage and livable wages. The commission will make its first report within 90 days of its first meeting.	<ul style="list-style-type: none"> • Established a Fair Wages Commission in October 2017. • Announced four minimum wage increases, starting in June 2018, to bring the minimum wage to at least \$15.20 by 2021.

	<ul style="list-style-type: none"> • Announced changes to the alternate minimum wage rates, including the phasing out of the minimum “liquor server” rate.
<p>Objective 2: Begin work to create a Temporary Foreign Worker registry to help protect vulnerable workers from exploitation and to track the use of temporary workers in our economy.</p>	<ul style="list-style-type: none"> • Continued development and implementation of the Temporary Foreign Worker registry in partnership with the Ministry of Advanced Education, Skills and Training and the Ministry of Jobs, Trade and Technology.
<p>Objective 3: Update employment standards to reflect the changing nature of workplaces and ensure they are applied evenly and enforced.</p>	<ul style="list-style-type: none"> • Increased the budget by \$1 million, \$750,000 of which is being specifically allocated to operational planning and improvements to the Employment Standards Branch. • Supported the independent review of the <i>Employment Standards Act</i> through the British Columbia Law Institute. • Passed legislation to amend the <i>Employment Standards Act</i>, adding two new unpaid leaves for parents – up to 104 weeks for the death of their child under any circumstances, and up to 52 weeks for the crime-related disappearance of their child. The legislation amended three of the existing unpaid leave provisions under the <i>Employment Standards Act</i> – increasing the length of compassionate care leave available to a worker who is caring for a dying family member, allowing pregnancy leave to begin earlier and permitting parental leave to be taken for a longer period of time. • Amended the Family Day Regulation to move British Columbia’s Family Day statutory holiday from the second Monday in February to the third Monday in February, to better support families starting in 2019.
<p>Objective 4: Review and develop options with WorkSafeBC to increase compliance with employment laws and standards put in place to protect the lives and safety of workers.</p>	<ul style="list-style-type: none"> • Appointed a new Chair and three new members to the WorkSafeBC Board of Directors. • Encouraged WorkSafeBC to conduct a comprehensive review of its Rehabilitation and Claims Services policies to identify possible opportunities

	<p>for implementing a worker-centric approach.</p> <ul style="list-style-type: none"> • Developed legislation to amend the <i>Workers Compensation Act</i> to provide a new mental disorder presumption for first responders, sheriffs and correctional officers. The legislation also extended the cancer presumptions that exist for local government fire fighters to include federal fire fighters working on military bases in British Columbia.
<p>Objective 5: Ensure British Columbians have the same rights and protections enjoyed by other Canadians by reviewing the <i>Labour Relations Code</i> to ensure workplaces support a growing, sustainable economy with fair laws for workers and businesses.</p>	<ul style="list-style-type: none"> • Appointed a new Chair of the BC Labour Relations Board – the first woman to hold that post. • Appointed a panel of special advisers under Section 3 of the <i>Labour Relations Code</i>. The panel is tasked with conducting a comprehensive review of the <i>Labour Relations Code</i> and is expected to provide recommendations to government by August 2018.

As committed to in the *2017/18 – 2019/20 Service Plan* tabled in September 2017, the Ministry released fully developed objectives and performance measures in the Ministry’s *2018/19 – 2020/21 Service Plan*, tabled in February 2018.

Financial Report

Discussion of Results

The Discussion of Results reports on the Ministry of Labour's financial results for the year ended March 31, 2018, and should be read in conjunction with the Financial Reporting Summary Table provided below.

The Ministry of Labour was established as a Ministry in July 2017. The total Ministry expenditures for all program areas was \$10.880 million against a total budget of \$11.524 million, resulting in a surplus of \$644,000. This included funding for operations of the Fair Wages Commission.

The Ministry of Labour was established on July 18, 2017, through OIC 213, part way through the fiscal year. The savings reported by the ministry are the result of a partial year of expenditures from the newly established Executive Support Services from the Ministry, reported against an annualized budget.

Financial Report Summary Table

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance
Operating Expenses (\$000)					
Labour Programs	10,001	0	10,001	9,800	(201)
Executive and Support Services	1,523	0	1,523	1,080	(443)
Sub-Total	11,524	0	11,524	10,880	(644)
Adjustment of Prior Year Accrual	0	0	0	0	0
Total	11,524	0	11,524	10,880	(644)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Labour Programs	3	0	3	0	(3)
Total	3	0	3	0	(3)

¹ "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

Appendix A: Ministry Contact Information and Hyperlinks

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To learn more about the numerous programs and services provided by the Ministry of Labour, please visit the [Ministry website](#).

To find a specific person or program in the Ministry of Labour, you can use the [B.C. Government Directory](#).

Appendix B: List of Crowns, Agencies, Boards and Commissions

[Labour Relations Board](#)

[Employment Standards Tribunal](#)

[Fair Wages Commission](#)

[WorkSafeBC](#)

[Workers' Compensation Appeal Tribunal](#)