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Skills Development
and Labour*

**2004/05
Annual Service Plan Report**



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PLEASE NOTE: On June 16, 2005, the government ministries were re-organized to reflect the new cabinet responsibilities. Many of the website addresses and links in this printed report may have changed following the government re-organization.

- A list of the new ministries is available on the government website at <http://www.gov.bc.ca> — follow the links to Ministries and Organizations.
- An index of all 2004/05 Annual Service Plan Reports, with up-to-date website links, is available online at <http://www.bcbudget.gov.bc.ca/annualreports/>.



Message from the Minister and Accountability Statement

The 2004/05 annual report highlights a remarkable year of achievements for the Ministry of Skills Development and Labour as it continues to ensure there are dynamic workplaces that meet the needs of workers, employers and unions. The thriving B.C. economy has brought with it numerous opportunities, and reinforces the relevance of the ministry vision for a prosperous British Columbia, where employers and employees have confidence in the future.

Through 2004, B.C.'s unemployment rate fell to its lowest level in almost a quarter century, the province continued to lead the country in its rate of job growth and the number of strikes and lockouts continued to be at historic lows. The future looks equally bright, with the construction beginning on the 2010 Winter Olympics and Paralympic Games, and the Major Projects listing \$62 billion in projects planned or underway in the final quarter of 2004.

The ministry continued to focus on safety and protecting vulnerable workers, bringing in a regulation requiring farm labour contractors to provide their agricultural employees with direct deposit of their pay and signing a Memorandum of Understanding with the B.C. film industry to work cooperatively to address issues around employment of young workers. The past year also saw the Forest Safety Council implement the B.C. Faller Training Standard and Certification Program to minimize dangers faced in the logging industry.

Active participation — at the mutual request of both unions and employers — of ministry staff, helped bring negotiated settlements to a number of key public sector labour disputes. A government-commissioned report was also delivered, with recommendations to improve collective bargaining between teachers and school employers.

The Workers' Compensation Appeal Tribunal continues to make significant progress in eliminating an inherited backlog of appeals, reducing it by more than 75 per cent and on track to completely eliminate it in 2006. Changes to the *Workers Compensation Act* also gave the Tribunal a wider range of health professionals to draw on and allowed fishery workers and employers to appeal Workers' Compensation Board decisions to the tribunal, giving them the same rights as other British Columbians.

Just as the government has set five goals for the decade ahead to ensure British Columbia is the best educated and most literate, leads the way in healthy living, provides the best support services for those in need and leads the way in environmental stewardship and job creation, our ministry will also continue to work towards its goals, including fair and balanced labour standards, promoting good relationships in the labour community and safe and healthy workplaces responsive to the needs of employers and employees alike.

The 2004/05 Ministry of Skills Development and Labour Annual Service Plan Report compares the actual results to the expected results identified in the ministry's 2004/05 Service Plan. I am accountable for those results as 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 'B'.

Honourable Graham P. Bruce
Minister of Skills Development and Labour

June 14, 2005

Highlights of the Year

Apr. 20 — Introduction of Bill 19, the *Education Services Collective Agreement Amendment Act*, brought consistency to 60 local contracts and the master agreement covering teachers in British Columbia.

Apr. 28 — Introduction of Bill 37, the *Health Sector (Facilities Subsector) Collective Agreement Act*, protected patient care by ending the labour dispute impacting hospitals, and requiring employees to immediately return to work.

May 2 — Government reached an agreement to end the Facilities Bargaining Association dispute, providing enhanced severance entitlement to healthcare workers impacted by contracting out.

May 3 — Government initiated Phase One of the Human Resource Strategy, gathering an inventory of government programs, policies and initiatives that contribute to labour market development, and provide information on effective strategies for staff recruitment, retention and development.

May 18 — A Memorandum of Understanding was signed with the BC film industry to work co-operatively to address issues around the employment of young performers.

May 26 — A Nurses' Framework Agreement was reached, where Nurses agreed to a two-year contract extension with no wage increase and a plan to jointly address some human resource policy issues, serving as a positive example for other health professionals on reaching an agreement without disruption of care to patients.

June 1 — The Don Munroe report was released, striking a balance to ensure a future for the 10,000 workers in the coastal forest industry and their families along the coast of British Columbia, while maintaining the ability of industry to compete in the world economy.

June 10 — A framework agreement was reached with 13,000 paramedical workers that maintained current wages and benefits for another two years. The framework allows employers and workers to move forward together in their efforts to achieve sustainable health care for British Columbians into the future, and ensured British Columbians receive the health care they need without any disruptions to the system as a result of a labour stoppage.

June 16–22 — A print advertising campaign informed potential employers about rule changes that ensure the protection of young people in the work force.

June 30 — A farm labour contractor direct deposit requirement was regulated in order to protect vulnerable agriculture workers, and foster better working relationships in healthy, dynamic work environments.

July 9 — Positive economic indicators in labour force and increased housing starts demonstrated a revitalized economy. Indicators revealed that the combination of stronger than expected employment growth, increased immigration, and rising consumer confidence fueled housing markets across British Columbia.

Aug. 1 — The Workers' Compensation Appeal Tribunal (WCAT) marked a significant milestone in achieving a 47.3 per cent reduction of the appeal backlog from the previous year.

Aug. 16 — Work continued toward development of a new collective bargaining model for teachers and their employers as the commissioner, Don Wright, provided school employers and the union with a discussion paper outlining various alternatives to the current bargaining structure.

Aug. 27 — The Minister of Skills Development and Labour released a Labour Day message acknowledging the contribution of those who worked for positive change in the workplace, and stressing the need to make workplaces safer.

Oct. 8 — Responding to the growing employment opportunities in oil and gas exploration, the Ministry of Skills Development and Labour worked with Ministry of Energy and Mines and drilling companies, to hold a series of job fairs on Vancouver Island to promote hiring British Columbians to fill more jobs in the oil and gas sector.

Oct. 18 — Mediator-Arbitrator Vince Ready finalized the collective agreement for the BC Ferry and Marine Workers' Union and BC Ferry Services Inc., providing for an extended period of labour stability leading up to 2010.

Nov. 4 — Government worked in partnership with the BC Forest Safety Council to implement the BC Faller Training Standard and Certification Program, which is designed to minimize dangers faced by tree fallers. All tree fallers will be required to meet a certification standard by July 31, 2005.

Dec. 16 — The Don Wright Report delivered recommendations for collective bargaining between teachers and school employers.

Jan. 8 — Job growth in December capped another great year, with an additional 17,300 new jobs and the unemployment rate dropping to 6.1 per cent. British Columbia accounted for half of all the new jobs created in Canada in December, and the monthly unemployment rate fell to its lowest point since June 1981.

Jan. 19 — The British Columbia Forest Safety Council initiated a three-year Training and Certification Program for tree planters, to reduce injuries and accidents, and improve health and safety practices in the Province's silviculture sector.

Feb. 7 — Mediator Vince Ready was appointed to help wrap up outstanding recommendations around labour relations issues in the B.C. film industry that arose from the Tysoe Report delivered in February 2004.

Feb. 8 — Government facilitated resolution of a labour dispute between parties at BC Place, and assisted in the resolution of a labour dispute involving six post secondary institutions and their unionized support staff.

Feb. 11 — Following extensive consultation with the oil and gas sector, changes were implemented in the Employment Standards Regulation affecting oil and gas well exploration and servicing workers who are paid on a salary-plus-bonus system. Changes relate to how these occupations are identified and how bonuses are paid.

Feb. 28 — Implementation of Bill 21, the *Crown Counsel Agreement Continuation Act*, provided a 13 per cent wage increase for Crown prosecutors in 2006, recognizing the valuable job government lawyers provide for the public.

Mar. 31 — As of March 31, 97 public sector collective bargaining agreements had been concluded within the current mandate for three years of no net increases in compensation.

Ministry Role and Services

Ministry Overview

The Ministry of Skills Development and Labour is working to build a modern employment environment that meets the needs of employees, employers, unions and business in British Columbia.

The core programs of the ministry involve the development, implementation and enforcement of employment standards, workplace safety standards and labour relations rules.

The ministry administers 13 statutes — the *Labour Relations Code*, the *Employment Standards Act*, the *Workers Compensation Act* and several statutes concerning the collective agreements of particular service sectors. Some of these statutes are administered in whole or in part by independent agencies, such as the Labour Relations Board, the Employment Standards Tribunal, and the Workers' Compensation Board.

Our key stakeholders are everyone who participates in the B.C. economy, as workers (both unionized and non-unionized), as public or private sector employers, or as unions or industry associations. Major contextual factors include the state of the provincial, national and global economies.

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

The mission of the Ministry of Skills Development and Labour is to create an employment environment with dynamic workplaces that meet the needs of workers, employers and unions. Vulnerable workers will be protected. The ministry will ensure that British Columbians have the tools they need to foster working relationships in safe and healthy workplaces. It 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:

1. **Fairness** — 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.
2. **Competitiveness** — We support a competitive business environment that attracts investment to British Columbia and retains our skilled employees.
3. **Respect** — We will protect the most vulnerable workers in the province and ensure they are treated equitably, compassionately and respectfully.
4. **Simplicity** — We will encourage small business to prosper through simple and streamlined processes.
5. **Responsiveness and Flexibility** — We strive to be relevant and responsive to constantly changing workplaces.
6. **Accountability** — We promote responsible fiscal responsibility and management and the implementation of affordable public policies.
7. **Teamwork** — We value the hard work and expertise of all ministry employees.

Ministry Operating Context

The Ministry of Skills Development and Labour has operated and made decisions under the following strengths and challenges.

Strengths

In 2004/05, the B.C. economy experienced significant job growth, more work opportunities for youth and rising investor confidence.

- Statistics Canada data show that between December 2001 and April 2005, B.C. created over 220,100 new jobs, resulting in an increase in employment of 11.6 per cent, the highest increase in Canada.
- Analysis prepared for the May 2004 Human Resources Strategy estimates that between 2003 and 2015, the B.C. economy will generate more than one million job openings, including new jobs, vacancies created through retirements, and opportunities generated by the Olympic Games and related projects.
- Other signs of B.C.'s economic improvement are increases in residential and non-residential building permits, real estate sales, business incorporations, retail trade, oil and gas exploration and lumber and paper shipments.

The Workers' Compensation Board of BC has adopted the operating name WorkSafeBC to reflect the primary imperative to achieving the vision of workers and workplaces safe and secure from injury, illness and disease. Through improved service, effective alignment of resources, and the cooperative efforts of workers, employers, unions and industry associations, the injury rate in BC has been cut by a third in the last decade. The economy

has been expanding rapidly in some of the sectors with inherently higher than average injury rates, such as the construction sector, and this had impacted the overall average injury rate that has remained essentially flat for the last two years (3.06 loss of time injuries per 100 person years of employment in 2003 and 2004). To move beyond the current level and toward an injury free British Columbia, the WCB has renewed its organizational structure and initiated dialogue with workplace participants.

To March 31, 2005, 97 collective bargaining agreements have been reached in the public sector since 2002 within the 0-0-0 mandate. There have been fewer strikes and lockouts during the past three years than at any time in more than three decades.

Challenges

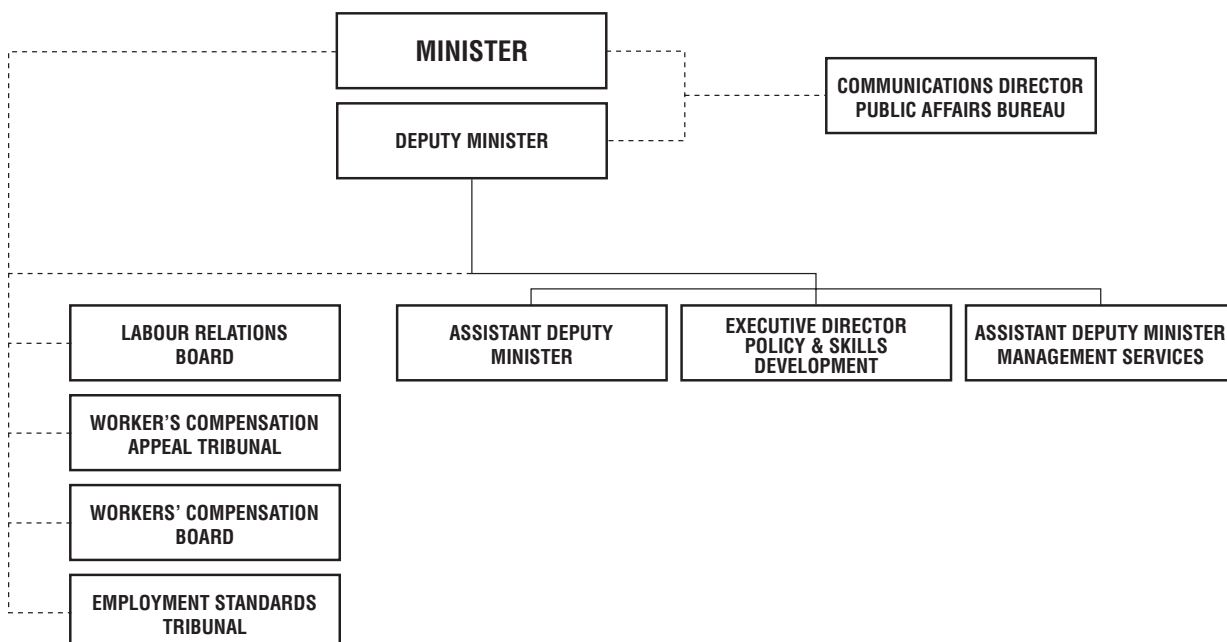
British Columbia's economy is growing, but faces significant competition with international markets.

- The global economy is highly competitive for both investment and skilled workers. While B.C.'s growing economy is expected to generate over one million job openings between 2003 and 2015, there may be skill gaps — meaning demand will exceed supply unless appropriate measures are taken — in certain regions and specialized occupations.

The ministry is concerned about maintaining employment standards for the most vulnerable employees while allowing B.C. business to compete both nationally and internationally.

- The ministry is committed to protecting vulnerable employees, including garment workers and agricultural workers. As these groups have historically been the most disadvantaged and the least able to advance their own interests, the ministry's challenge is in trying to involve the sectors in achieving employer compliance with employment standards.

Organization Chart (March 31, 2005)



Ministry Structure and Core Business Areas

Employment Standards

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

The Employment Standards Branch administers the *Employment Standards Act* and Regulation, which set minimum standards for wage payments, overtime, vacation, statutory holidays, leaves, compensation for length of service, hours of work, employment of young persons and licensing of certain employment services.

There are 108 staff in the branch serving in nine sites throughout the province, with a budget of \$10,042,000.

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

Outreach to workplaces includes random audits to ensure general compliance and a level playing field for employees in various sectors. The branch also carries out targeted enforcement in areas identified as having greater difficulties with compliance.

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 determination.

Determinations made by the Director of the Employment Standards Branch can be appealed on three grounds: error of law, failure to observe principles of natural justice, or new evidence has become available. Appeals are made to the Employment Standards Tribunal, an independent adjudicative body, for timely, efficient and neutral resolution.

In addition to the responsibilities the branch has under the Act, branch staff provide services to the Labour Relations Board by conducting and monitoring certification and decertification votes.

Industrial Relations

Through its industrial relations activities, the ministry oversees the fair administration of B.C.'s industrial relations to promote a healthy labour relations environment. The ministry is responsible for the *Labour Relations Code*. The Code establishes the rights of employees to choose trade union representation, the system for collective bargaining between employers and trade unions in unionized workplaces, and mechanisms to address changes in the employment structure of the workplace.

The *Labour Relations Code* also establishes the Labour Relations Board (LRB) as an independent tribunal to govern the establishment and regulation of 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, preventing conflicts and resolving contractual disputes during the term of their collective agreements. Votes ordered under the provisions of the *Labour Relations Code* are supervised by staff from the Employment Standards Branch.

The LRB has a budget of \$5,154,000 and 45 employees. The Chair of the LRB is also the Chair of the Employment Standards Tribunal, which has three additional employees and funding of \$505,000.

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.

Workers' Compensation System

The ministry oversees the *Workers Compensation Act* (WCA), which provides a framework for promoting safe and healthy workplaces and sets out the workers' compensation system for B.C. The workers' compensation system includes the following components: the Workers' Compensation Board, the Workers' Compensation Appeal Tribunal, and the ministry-based Workers' and Employers' Advisers Offices.

The Workers' Compensation Board (WCB) is an independent statutory agency mandated to administer the *Workers Compensation Act*. The Board creates and enforces provincial workplace health and safety regulations. It also adjudicates claims and administers wage-loss benefits and vocational rehabilitation benefits for workers suffering injury or disease and their dependents or survivors. Under the *Workers Compensation Act*, the WCB Review Division has a role in providing reviews of the WCB's claims decisions. The board is wholly funded by employer payroll assessments (the accident fund).

Effective March 3, 2003, the Workers' Compensation Appeal Tribunal (WCAT) replaced both the former Workers' Compensation Review Board and the former Workers' Compensation Board Appeal Division. WCAT is the second and final level of appeal in the restructured appeal system, which was introduced to simplify the process and enhance the consistency, timeliness and finality of decisions. Autonomous from the WCB, it is the responsibility of the Ministry of Skills Development and Labour, and is funded by employers through the accident fund. For the first three years of operation, WCAT has been provided with additional resources to reduce the backlog of appeals built up under the old appeal system. In 2006/07, gross expenditures will be reduced from the current level of \$22.4 million to \$18.9 million, and employees will be reduced from 185 to 167 FTEs.

A third component of the workers' compensation system are the ministry-based workers' and employers' advisers, who provide support and advisory services to parties involved in claims under the workers' compensation system. The ministry administers the Workers' Advisers Office and the Employers' Advisers Office, which are authorized by the *Workers Compensation Act* and funded by employers through the accident fund.

The Workers' and Employers' Advisers Office directly support the ministry's goal of safe and healthy workplaces and a workers' compensation system that is responsible to the needs of workers and employers.

Employers' Advisers are mandated to work with employers and the Workers' Compensation Board to resolve claims, assessments and safety issues. They advise employers on the interpretation of the *Workers Compensation Act* and any decisions under the Occupational Health and Safety Regulation, and provide information and training to employers on legislative and regulatory changes to assist employers in meeting their obligation and responsibility to provide a safe work environment for their workers.

Workers' Advisers are mandated to advise and assist injured workers in resolving issues with respect to benefits, claims and the interpretation of the *Workers Compensation Act*. Program clients include injured workers and their dependents, professional associations, union representatives, injured workers' associations and members of the public. They provide information and public education.

Executive and Support Services

Executive and support services for the Ministry of Skills Development and Labour include executive advice and assistance, skills development, policy and legislation development, communications, financial operations and management services. The Executive and Support Services section of the ministry maintained activities to support the government's goals of a strong and vibrant provincial economy, a supportive social infrastructure and safe and healthy communities, such as monitoring the results of recent legislative and regulatory changes in areas of ministry responsibility and identifying items needing further improvement. Through a focused approach to industrial relations the ministry promotes a strong and competitive economy. Executive and Support Services continues to be responsive to developing labour and labour market policies to ensure that British Columbia's twenty-first century workforce is equipped with the skills and knowledge to succeed and prosper.

The Policy and Skills Development Branch provides policy analysis, legislative, regulatory and program development support to senior ministry officials, ministry program areas — including employment standards, industrial relations and workers' compensation — the minister's office, cabinet and its committees, and other ministries needing advice or assistance on labour and employment issues. The branch is also responsible for the provincial human resource strategy.

The ministry also continues to monitor labour market conditions in B.C. for signs of emerging skills shortages, and undertakes research on the effective solutions to mitigating

skills shortages. The ministry provides assistance and advice to industry associations who are engaged in sector-wide human resource planning, and assists other ministries in addressing sector-specific employment standards issues to promote a more prosperous economy. These include the development of sector-focused employment standards regulations for the oil and gas, agriculture, mining, forestry, silviculture, aquaculture and film industries. The ministry also provides support for other ministries working on creating sector specific skills development initiatives.

A provincial human resource strategy that focused on identifying potential skills shortages that would undermine economic growth in B.C. was released in May 2004. This framework continues to form the basis for the ministry's engagement with industry on labour market challenges.

During 2004/05 the ministry participated as a member of the 2010 Multi-lateral Stakeholder Committee. This group meets regularly to share information about recent research into skills shortages, and ongoing initiatives that might help alleviate 2010-related skills shortages. The committee includes representatives from provincial, federal and municipal governments, Vancouver Organizing Committee for the 2010 Olympic and Paralympic Winter Games, the Vancouver Legacies Now and First Nations.

The committee has now concluded its work, and released its final report "Planning for Gold" in February 2004. Ministry analysis and expertise on labour market issues is one of the key inputs for the development of the strategy. The work of sharing information and coordinating initiatives to meet the 2010 human resource challenge continues through the 2010 Multilateral Stakeholder Committee — a less formal committee with representation from federal, provincial and municipal governments, First Nations, Legacies Now, and the Organizing Committee for the Olympic Games (OCOG).

Through 2004/05, ministry staff focused their efforts on supporting industry-led human resource planning initiatives. Examples of this include the Agriculture Labour Partnership Committee and the Construction Sector Council Labour Market Information working group for B.C. Staff also served as a resource for other ministries who required expertise on labour market issues and the development of sector/client specific programs.

The ministry continued to monitor the state of youth unemployment in British Columbia, in order to determine the impact that broader economic recovery will have on lowering youth unemployment.

Strategic Shifts and Significant Changes in Policy Direction

The Ministry of Skills Development and Labour has experienced no shifts or changes from the goals outlined in the 2004/05 – 2006/07 Service Plan Report, and will stay the course with those targets. The Executive and Support Services section of the Ministry was reorganized in 2004 to strengthen ministry policy support.

Update on *New Era* Commitments

Many of the *New Era* commitments for which the ministry is responsible were completed in 2001/02. Substantial work was done during 2004/05 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; and
- Focus on reducing B.C.'s youth unemployment.

Report on Performance

Overview of Ministry Goal and Linkage to Government Strategic Goals

The following pages provide an overview of key ministry goals for each core business area, the strategies to meet these goals and the measures used to determine progress. These goals and objectives are consistent with the ministry's vision of a modern work environment for British Columbians that treats employees and employers fairly and equitably, increases productivity and contributes to the prosperity of British Columbia. Each of the goals listed below are related to one of the ministry's core business areas.

Report on Results

Government Strategic Goals	Ministry Goals	Ministry Key Objectives	Measures/Targets (As appropriate)
A strong and vibrant provincial economy. Safe, healthy communities and a sustainable environment.	1. Fair and balanced employment standards that promote mutually beneficial relationships between employees and employers.	→ 1. Facilitate increased compliance with the <i>Employment Standards Act</i> .	→ ESB early intervention closures. Complaints received by ESB.
		→ 2. Create a fairer and more balanced employment standards system that benefits employers and employees.	→ ESB determinations. EST appeals and reconsiderations processed.
		→ 3. Resolve employment standards disputes prior to formal complaint being filed with the Employment Standards Branch.	→ Number of sector specific initiatives concurrently in operation.
		→ 4. Increase Employment Standards Branch efficiency and effectiveness.	→ Determinations upheld by the EST. ESB timeliness.
		→ 5. Streamline appeal system.	→ EST timeliness — oral hearings. EST timeliness — written submissions.
	2. Promote productive and competitive workplaces from which good relationships in the labour relations community can be developed.	→ 1. Encourage mutual confidence between unions and employers.	→ Number of LRB applications and complaints received.
		→ 2. Increase collective bargaining mediation success rate.	→ Percentage of mediation applications settled (ss. 55 and 74).
		→ 3. Increase number of <i>Labour Relations Code</i> applications that are resolved prior to adjudication.	→ Number of applications and complaints disposed of. Percentage of disputes settled.
		→ 4. Issue decisions in a timely manner.	→ Average number of backlog cases.
	3. Safe and healthy workplaces and a workers' compensation system that is responsive to the needs of employees and employers alike.	→ 1. Better compliance with the <i>Workers Compensation Act</i> and the Occupational Health and Safety Regulation by providing responsive, independent and expert advice, assistance and representation to workers and employers.	→ Inquiries responded to by Workers' Advisers Office. Advice/assistance provided by Employers' Advisers Office.
		→ 2. Decrease number of appeals filed.	→ Workers' Advisers Office public education seminar participation. Employers' Advisers Office information and skills development seminar participation.
		→ 3. Increase efficiency of appeal system.	→ Backlog of appeals acquired from old system at implementation of WCAT.
	4. Develop programs and legislation that contribute to provincial competitiveness and prosperity.	1. Work with core business areas to ensure that legislation, policies and programs are relevant to the needs of today's employers and employees.	→ Client satisfaction survey results.

Employment Standards

Changes to the *Employment Standards Act*, as well as the restructuring of the Employment Standards Branch (ESB) in 2002/03, have meant baseline data has significantly changed. 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.

In employment standards, the ministry has sought to identify anticipated improvements rather than specific targets. A case in point is the number of complaints received by the branch. 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 or the new sector-specific employment standards. 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.

The Employment Standards Branch has committed to providing resources to work concurrently with three targeted sectors through initiatives such as partnerships with employees and employers. Sectors will be prioritized to optimize resource utilization in those areas presenting the greatest risk to vulnerable workers. As joint objectives are realized and compliance issues improved in one sector, the branch will reassess priorities and focus on new sectors to maintain its targets of three concurrent initiatives.

Goal

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

Objective: Facilitate increased compliance with the *Employment Standards Act*.

Strategies:

Increase employers' and employees' knowledge and understanding of the *Employment Standards Act* by working together with industry on education and awareness initiatives.

- Ensure contraventions of the *Employment Standards Act* are identified and corrected by focusing enforcement activities on noncompliant sectors or employers.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
ESB early intervention closures ¹	1,419	1,500	1,370	-130 ²
Complaints received by ESB	5,799	5,200	5,015	-185

¹ An 'early intervention closure' is a successful resolution of a workplace problem by providing information on basic requirements of the *Employment Standards Act* after the initial filing of a formal complaint but before mediation is scheduled.

² While early intervention closures were slightly less than anticipated, the number of files closed at this stage still represents an increase over the number of closures in fiscal 2003/04 measured as a percentage of the total complaints filed. The targets set for 2004/05 were an estimate and there are a number of variables that may impact both the number of complaints filed and the closure rate at different stages.

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

Strategies:

- Ensure the *Employment Standards Act* is suited to today's workplaces and meets the needs of employers and employees by introducing regulatory changes that address the unique circumstances of specific sectors.
- 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 on workplace matters to ensure a level playing field meeting at least the minimum standards of the *Employment Standards Act*.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
ESB determinations ¹	787	500	798	+298
EST ² appeals and reconsiderations received	300	300	210	-90

¹ A determination is a legally enforceable decision made by the Branch regarding an employer/employee issue under the Act.

² Employment Standards Tribunal. The Tribunal provides an independent avenue of appeal of determinations made by the Branch. In specific circumstances, the Tribunal may also reconsider its own decisions.

Objective: Resolve employment standards disputes prior to formal complaint being filed with the Employment Standards Branch.

Strategies:

- Provide advice and support services for employers and employees through improving availability of employment standards and dispute resolution information.
- Support early intervention and alternative dispute resolution in employment standards disputes by supporting the new complaint resolution model, which mandates the use of self-help materials and mediation prior to adjudication.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Number of sector specific initiatives concurrently in operation ¹	2	3	3	0

¹ Initiatives may include partnership agreements, such as Memoranda of Understanding, or targeted enforcement operations.

Objective: Increase Employment Standards Branch efficiency and effectiveness.

Strategies:

- Support early intervention in employment standards disputes.
- Improve quality of Employment Standards Branch decision-making through advanced training for officers, clear policy direction and the sharing of best practices.
- Provide early intervention/dispute resolution processes.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Determinations upheld by the EST ¹	70%	70%	66%	-4%
ESB timeliness ²	180	130	190	60 ³

¹ Determinations that are not upheld are not all cancelled — 14% were varied, 11% cancelled and 9% referred back.

² The length of time from submission of complaint to closure (days).

³ The number of days to closure is fairly consistent with the level for 2003/04. The timeliness on closure of files was likely impacted as a result of staff turnover and the resulting resources that needed to be devoted to training.

Objective: Streamline appeal system.

Strategy:

- Ensure consistency in decision-making by sharing Tribunal lead decisions and high-quality Branch decisions, and by using online policy interpretations to ensure consistent interpretation by staff.

Performance Measure ¹	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
EST timeliness — written submissions ²	85	85	88	3

¹ Due to a new operating model, almost all EST cases are decided based on written submissions. Therefore, the measure of EST timeliness for oral hearings has been discontinued.

² The length of time to decide an appeal (days) based on written submissions.

Industrial Relations

In recognition of the power of external factors to impact the ministry's goals in this core business area, it has refined a number of its objectives and performance measures to more accurately reflect ministry activities. For example, the ministry has set objectives of increasing the success rate of collective bargaining mediations and increasing the number of *Labour Relations Code* applications that are resolved prior to adjudication. These objectives are more consistent with ministry responsibilities and are therefore more accurately measured.

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 Labour Relations Board clients about the *Labour Relations Code* and industrial relations practices.
- Create an industrial relations environment that is responsive to the needs of employees, unions and employers by maintaining the accessibility of Labour Relations Board services to all parties and streamlining their administrative requirements.

Performance Measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Number of LRB applications and complaints received ¹	2,417	2,550–2,780	2399	-151

¹ Includes mediations and adjudications, does not include the Collective Agreement Arbitration Bureau.

Objective: Increase collective bargaining mediation success rate.

Strategies:

- Encourage alternative dispute resolution processes.

Performance Measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Percentage of mediation applications settled ¹ (ss. 55 and 74)	77%	75–80%	74%	-1%

¹ In 2003/04, there were 104 mediation applications settled out of 130 applications. In 2004/05 there were 81 mediation applications settled out of 110 applications.

Objective: Increase the number of *Labour Relations Code* applications that are resolved prior to adjudication.

Strategies:

- Provide information to Labour Relations Board clients about the *Labour Relations Code* and industrial relations practices.
- Ensure Labour Relations Board operations are suited to today’s work environment by continuing to apply the principles enshrined in the *Labour Relations Code*, such as encouraging cooperation between employers and trade unions in resolving workplace issues, adapting to changes in the economy, developing workforce skills and developing a workforce and a workplace that promotes productivity.
- Create industrial relations environment that is responsive to needs of employees, unions and employers by maintaining the accessibility of Labour Relations Board services to all parties and streamlining their administrative requirements.

Performance Measures	2003/04 Actual	2004/05 Target ¹	2004/05 Actual	Variance
Number of applications and complaints disposed of ¹	2,554	2,350–2,580	2259	-91
Percentage of disputes settled ²	65%	70–75%	66% ³	-4%

¹ Number of applications and complaints disposed of includes mediations and adjudications; CAAB applications received prior to January 1, 2003 are not included. “Disposed of” means an arbitrator or mediator-arbitrator has been appointed, but the case will remain open to record the final outcome.

² ‘Disputes’ that come to the LRB include: unfair labour practice complaints (ss. 5-12), applications under sections 32 and 45, and Part 5 applications (ss. 57-70). Applications under sections 55 and 74 of the *Labour Relations Code* are excluded from this calculation and are instead listed separately under ‘objective 2’. “Settled” means resolved without formal decision, order or declaration.

³ If complaints related to section 12 of the *Labour Relations Code* (which address complaints by workers that their union has not represented them fairly) are removed, the percentage of disputes settled in 2004/05 was over 77%. Section 12 complaints are often resolved through adjudication. Of 395 disputes brought forward, 323 were settled.

Objective: Issue decisions in a timely manner.

Strategies:

- Facilitate use of early intervention and alternative dispute resolution processes.
- Expedite Labour Relations Board adjudication, including more focused decisions and review and analysis of procedural timelines.

Performance Measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Average number of backlog cases ¹	34	N/A	37	N/A

¹ In general, a case is 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.

Workers' Compensation System

As an independent statutory agency, the WCB identifies and measures performance against its own major objectives. Key objectives and performance indicators are set out in the WCB's 2003 Annual Report and 2004 – 2006 Service Plan. These documents are available on the WCB's website at <http://WorkSafebc.com>.

The Workers' Compensation Appeal Tribunal (WCAT) became operational in March 2003. WCAT is the second and final appeal level in the new system, which was introduced to ensure fair, timely and consistent decisions. WCAT has an objective of eliminating, within three years, the backlog of appeals it acquired from the Workers' Compensation Review Board and the WCB Appeal Division. Over the coming year, WCAT will develop other measurable objectives with respect to adjudication activity. These objectives and measures can only be accurately identified when the volume of appeals received from the WCB and the WCB Review Division under the new system matures and stabilizes.

This year the ministry has removed one objective and its associated strategies from this core business area, to better focus on areas of ministry responsibility. The objective of fewer workplace injuries, illnesses and deaths is addressed by the Workers' Compensation Board and is more appropriate to its business activities.

Goal

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

Objective: Better compliance with the *Workers Compensation Act* and the Occupational Health and Safety Regulation by providing responsive, independent and expert advice, assistance and representation to workers and employers.

Strategy:

- Facilitate workers' and employers' understanding of the workers' compensation system, including appeal processes, by providing information and assistance to workers and employers.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Inquiries responded to by Workers' Advisers Office ¹	133,850	130,500	110,885	-19,615
Advice/assistance provided by Employer's Advisers Office ²	9,394	8,500	9,083	+583

¹ Documented brief service advice. Does not include general inquiries.

² Advice and assistance provided to new clients that fully addressed their needs at point of contact. This does not include general inquiries. Results in a Liability Protection Form completed and signed by an Advisor only. Distinct from a File, which generally deals with appeals.

Objective: Decrease the number of appeals filed.

Strategy:

- Facilitate workers' and employers' understanding of the workers' compensation system, including appeal processes.

Performance Measures	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Workers' Advisers Office public education seminar participation ¹	450	290	848	+558
Employer's Advisers Office information and skills development seminar participation ²	5,052	3,600	6,333	+2,733

¹ Individual participants. Includes injured worker representatives, constituency assistants and other public groups who attend WAO seminars on using the workers' compensation system.

² Individual participants. Includes employers, workers, safety committee members and professionals who attend EAO seminars on various components of workers' compensation legislation.

Objective: Increase efficiency of appeal system.

Performance Measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Backlog of appeals acquired from old system at implementation of WCAT ¹	10,792	5,695	4,478 ²	-1,217

¹ WCAT acquired 22,425 appeals from the old system on March 3, 2003.

² WCAT has developed strategies for the reduction of the backlog. The implementation of these strategies, coupled with a lag in intake of new appeals under the new appeal system, enabled WCAT to exceed its goal for the reduction of the backlog.

Strategies:

- Streamline appeal system.
- Eliminate appeal backlog.

Executive and Support Services

The Executive and Support Services section of the ministry maintained activities to support the government's goals of a strong and vibrant provincial economy, a supportive social infrastructure and safe and healthy communities. This was done by monitoring the results of recent legislative and regulatory changes in areas of ministry responsibility and identifying items that needed further improvements.

Performance Measure	2003/04 Actual	2004/05 Target	2004/05 Actual	Variance
Client satisfaction survey results	N/A	85% satisfaction	N/A ¹	N/A

¹ This measure was discontinued. It was determined that direct interaction with ministry stakeholders, including employers and employees, provides feedback that is more accurate, current and relevant as opposed to internal surveys.

In the fall of 2002, government adopted Enterprise-wide Risk Management (ERM) as a process to be applied to all ministry, branch and agency planning processes and activities. The ERM policy is intended to modernize and improve public sector management by integrating a systematic approach to risk management into each program or service area.

In the next three years, the Ministry of Skills Development and Labour anticipates that its risk management culture will mature as it builds capacity through ERM awareness-building and training, and continued executive support of the initiative.

Deregulation

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

By March 31, 2005, the combined regulatory requirements of the ministry and the Workers' Compensation Board had been reduced by more than one third.

The ministry will continue to implement the government's smart regulation policy by simplifying and reducing unnecessary regimes and by ensuring that any new regulation is necessary.

Report on Resources

	Estimated ¹	Other Authorizations	Total Estimated	Actual	Variance (Actual minus Total Estimated) ²
Operating Expenses (\$000)					
Skills Development and Employment Standards	10,142	0	10,142	10,380	238
Industrial Relations	5,659	0	5,659	5,302	(357)
Workers' Compensation	1		1	0	(1)
– Gross Expenditures	31,253	0	31,253	25,095	(6,158)
– Recoveries	(31,252)	0	(31,252)	(25,095)	6,157
Executive Support Services	3,010	0	3,010	2,695	(315)
Total	18,812	0	18,812	18,377	(435)
Full-time Equivalents (FTEs)					
Skills Development and Employment Standards	109	0	109	106	(3)
Industrial Relations	48	0	48	46	(2)
Workers' Compensation	263	0	263	225	(38)
Executive Support Services	22	0	22	22	0
Total	442	0	442	399	(43)
Ministry Capital Expenditures (CRF) (\$000)					
Skills Development and Employment Standards	677	0	677	407	(270)
Industrial Relations	20	0	20	0	(20)
Workers' Compensation	2,815	0	2,815	158	(2,657)
Executive Support Services	0	0	0	1	1
Total	3,512	0	3,512	566	(2,946)
Consolidated Capital Plan Expenditures (CCP) (\$000)					
N/A					
Other Financing Transactions (\$000)					
N/A					

¹ Estimated amounts correspond to the Estimates presented to the Legislature on February 17, 2004.

² Variance display convention has been changed this year to be consistent with the change introduced in public accounts. Variance is in all cases "Actual" minus "Total Estimates". Where the Actual is greater the Variance is displayed without brackets.

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 and three-year Service Plan, which details its activities.

Workers' Compensation Appeal Tribunal

Bill 63, *Workers Compensation Amendment Act (No. 2)*, 2002, was 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 (WCAT), as the final level of appeal for workers' compensation matters. The new appeals process became effective March 3, 2003. WCAT replaced the Workers' Compensation Review Board and the WCB Appeal Division.

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, 2004 – March 31, 2005

Coastal Forest Industry Dispute Settlement Act

Community Services Labour Relations 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

Labour Relations Code

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

Railway and Ferries Bargaining Assistance Act

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

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

Union Membership in British Columbia, 1997-2004¹

Year	BC Union Coverage	Percentage Change From Previous Year	Total Employment	Estimate of Union Membership as Percentage of Total Employment
2004	561,600	1.6	1,671,700	33.6
2003	555,200	0.3	1,643,700	33.8
2002	553,700	0.4	1,599,900	34.6
2001	551,500	-1.8	1,567,400	35.2
2000	561,600	6.4	1,568,600	35.8
1999	527,800	1.8	1,500,900	35.2
1998	518,400	-2.0	1,470,900	35.2
1997	529,100		1,492,600	35.4

¹ Source: Statistics Canada Labour Force Survey. Union coverage includes those employees who are members of a union and employees who are not union members but are covered by a collective agreement.

Work Stoppages in British Columbia

(Work Stoppages Involving One or More Workers, 1994–2004)
All Industries

Period	Total number	Workers involved	Person-days not worked
2004	15	40,204	293,630
2003	10	18,138	204,780
2002	18	37,302	77,350
2001	40	51,082	434,100
2000	46	40,773	399,170
1999	49	22,792	187,520
1998	42	45,717	329,160
1997	18	8,272	383,500
1996	29	15,903	341,100
1995	32	11,320	255,850
1994	49	21,596	306,010

¹ Person-days not worked as a per cent of estimated working time is only available for All Industries and Canada Total.
Source: Human Resources Development Canada, Labour Program, Workplace Information Directorate.

