Opposition – Labour Record

Employment Standards

 Our government is restoring confidence in the Employment Standards Branch by modernizing its processes, hiring more staff, and eliminating the unfair self-help kit.

s.13

 Our government cares about workers and has eliminated the self-help kit, ensuring that all workers have access to the information and supports they need.

s.13

 In our first two years, our government is bringing changes to the Employment Standards Act that will bring balance and confidence back to Employment Standards in BC.

Labour Code

- I appointed a panel of experts who consulted stakeholders across from the province and came to consensus on 94% of their recommendations for changes to the Code
 - o 83 in-person presentations made at 10 regional meetings
 - 108 written submissions and replies, and 93 emails received
 - Following the report's release, 49 submissions were submitted from stakeholders commenting on the recommendations.



DRAFT

Bridging to Retirement Forest Worker Support Programs

EARLY RETIREMENT PROGRAM TO	OTALS (ALL YEARS)	
s.13; s.17		
URRENT YEAR (FISCAL 2020/202	1)	ALTONOMIC SERVICES
s.13; s.17	s.13; s.17	Impacted
13; s.17		
13; s.17	Voluntary s.13; s.17	Impacted
13; s.17		Impacted

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Job Placement Coordination Offices Forest Worker Support Programs

JOB PLACEMENT COORDINATION TOTALS	
s.13	-
	l.

OUTREACH DETAILS:

Туре	Fort St. James	100 Mile House	Mackenzie	Fort St. John	Clearwater
Outreach by Office*	s.13				
Employment through JPCO					

^{*}Clients that have accessed the JPCO = walk-ins, call-ins, and Officer outreach.



Job Placement Coordination Offices Forest Worker Support Program

SUCCESS STORIES:



Bridging to Retirement Forest Worker Support Programs

EARLY RETIREMENT PROGRAM TOTALS

s.13; s.17	

VOLUNTARY STREAM BREAKDOWN

s.13; s.17

IMPACTED STREAM BREAKDOWN

s.13; s.17



Bridging to Retirement Forest Worker Support Program

July 7, 2020

BREAKDOWN OF DECLINED BRIDGING TO RETIREMENT APPLICATIONS:

s.13 s.13

CONFIDENTIAL ISSUES NOTE

Ministry of Labour Date: June 15, 2020

Minister Responsible: Harry Bains

Forestry worker supports

ADVICE AND RECOMMENDED RESPONSE:

- We are dedicated to putting workers, families and communities first, which is why government invested \$69 million to support forest workers impacted by a downturn in the forest sector.
- Our ministry's two programs, reflecting \$42M, work together to create vacancies through retirements in working mills and fill those vacancies with displaced forest workers – supporting Interior communities.

- We are making progress: we have staff in key regions and displaced workers are receiving tangible supports.
 - Two highly-esteemed industry experts, Terry Tate and Frank Everitt, are working directly with workers, unions and employers.

 Ministry staff are connecting with employers, community leaders and unions to ensure coordination of efforts.

- Job Placement Coordination Offices are open in five communities hardest hit by mill closures to serve people:
 - 100 Mile House, Fort St. James, Fort St. John, Mackenzie and Clearwater.
 - Office staff are reaching out to displaced workers and employers seeking skilled workers.
 - Staff are guiding workers who need help in finding jobs or in retraining.
 Applications to our job matching program are being actioned.

- I know being without work can be devastating to families, to communities and to personal health.
- We want to get those who wish to work working again, and those who want to retire soon to be able to do just that.

If asked: What about workers who decline the bridge benefit because they feel they're not being offered enough?

- Some workers may decline to participate.
 That is their decision to do so, but my hope is that the majority of those able to retire do so with the benefit of this program.
- The amount of funding each worker receives from pension bridging is different – it's based on a unique formula such as their length of service, age to retirement and more. The average bridge benefit is \$41,000.

 Voluntary retirement creates space for young workers or workers more junior to enter or stay in the workforce.

<u>If asked:</u> What about workers waiting for training [delayed due to COVID-19]?

- We want to get those who wish to work —
 working again, and one way we're looking to
 do that is through skills training.
- Many things have changed because of the global pandemic, including the ability to have in-person training or learning.
- Some of this training can happen online.
- For in-person, my hope is that as B.C. continues to suppress COVID-19 through physical distancing and following Provincial Health Officer orders, that some in-person instruction will resume and those workers waiting will be able to participate.

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If asked: Why were changes made to program eligibility regarding returning to work after receiving approval of the bridge benefit:

- Since we launched the 2019 Bridging to Retirement Program, the eligibility has remained the same throughout.
- This program is focused on supporting older Interior mill workers.
- The eligibility requirements in the 2008/09 program were different from the current program, and people may remember those older requirements now.
- The current program requires that a worker does not return to work in the forest industry or any other job in B.C. for 18 months (unless it is for their own business).

- We've done this to allow room for younger, more junior workers to remain in the workforce.
- We are asking workers who accept this bridging funding to truly retire, not just change jobs.

- We encourage those workers to engage with the job placement office – the office provides an individual approach to each worker – as each person has different needs, skills and career aspirations.
- It will take time to place each person in the right opportunity; the placement officers are working to find suitable opportunities to help get people back to work.

KEY FACTS:

To support workers displaced by a downturn in the forest sector, on Sept. 17, 2019, government announced \$69 million to fund a series of supports for Interior workers (see below list for breakdown of the funding).

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Breakdown of \$69 million in supports:

- \$40 million to establish a new cost-shared, early-retirement bridging program for older forest workers (LBR);
- \$15 million to establish a new short-term forest employment program, focused on fire prevention and community resiliency projects (FLNRO);
- \$12 million for workers to access skills training, and for employer and community grants for training (AEST);
- \$2 million to establish a new job placement co-ordination office that will track the transition and employment of impacted forest workers on an individual basis. This program will run for two years (LBR); and
- Community support grants aimed at providing short-term assistance to communities more profoundly impacted by the closure of a major forest employer (FLNRO).

Timelines and status of programs:

Despite the widespread employment challenges associated with the COVID-19 pandemic, across the Interior, 83 people have been rehired in full time forestry, construction or mining. Another 30 people have moved into health care, transportation or automotive industry jobs. Other workers are waiting for hands-on training courses, many of which have been delayed due to the COVID-19 epidemic. The Site C project continues to be a source of potential employment in the region, but new COVID-19-related health and safety requirements will affect the numbers hired.

In February 2020, questions were raised by the Opposition and media about why program eligibility was apparently changed from an 18-month prohibition from working in forestry to an 18-month prohibition from working in any capacity. Government clarified that the Bridging to Retirement program was intended to support workers transitioning out of the workforce, which would create opportunities for junior and midcareer workers.

Of the \$20M allocated for 2019/20 Provincial spending on the Bridging to Retirement program, \$13M was spent. The remaining \$7M was reallocated to other programs.

Following a soft launch in late 2019, in January 2020, the Ministry of Labour officially opened five job placement coordination offices: 100 Mile House, Fort St. James, Fort St. John, Mackenzie and Clearwater. The ministry contracted two people in the forestry industry to help run the program: Terry Tate and Frank Everitt.

The Bridging to Retirement Program opened to applicants in October 2019. As of June 22, 2020, over 1,000 people have applied for pension bridging, and 326 workers have received decisions letters outlining the amount of their benefit. All applications from displaced workers have been processed and the focus is now on voluntary retirement.

Job placement coordination staff have provided ongoing individual, personalized support to both displaced workers and employers. To support this program, some employers have offered to provide health and dental benefits for a period. Most clients are looking for new jobs, with approximately 20% (70)

people) looking to retrain through other programs. The offices are working closely with WorkBC and the Ministry of Advanced Educations, Skills and Training.

Media Interest: Ongoing major and regional media interest. Coverage tends to focus on: what government is or isn't doing to make industry viable, government did too little, too late. An article in Omineca Express (Vanderhoof) in late February quotes some workers who express the offices (Fort St. James specifically) are not working as they had imagined.

CONFIDENTIAL ISSUES NOTE

Ministry of Labour Date: Aug. 7, 2020

Minister Responsible: Harry Bains

Forestry worker supports

ADVICE AND RECOMMENDED RESPONSE:

- We are dedicated to putting workers, families and communities first, which is why government invested \$69 million to support forest workers impacted by a downturn in the forest sector.
- Our ministry's two programs, reflecting \$42M, work together to create vacancies through retirements in working mills and fill those vacancies with displaced forest workers – supporting Interior communities.
- We are making progress: we have staff in key regions and displaced workers are receiving tangible supports.
 - Two highly esteemed industry experts, Terry Tate and Frank Everitt, are working directly with workers, unions and employers.

- Ministry staff are connecting with employers, community leaders and unions to ensure coordination of efforts.
- We've received over 1,000 applications for the Bridging to Retirement Program, which are actively being processed.
 - Decision letters have been sent, reflecting over \$24M in bridging benefits for workers, with \$15M paid out so far.
- Job Placement Coordination Offices are open in five communities hardest hit by mill closures to serve people:
 - 100 Mile House, Fort St. James, Fort St. John, Mackenzie and Clearwater.
 - Office staff are reaching out to displaced workers and employers seeking skilled workers.
 - Staff are guiding workers who need help in finding jobs or in retraining.
 Applications to our job matching program are being actioned.

- I know being without work can be devastating to families, to communities and to personal health.
- We want to get those who wish to work —
 working again, and those who want to retire
 soon to be able to do just that.

<u>If asked:</u> are people who volunteer and get a stipend eligible for the Bridging to Retirement Program?

- This question has arisen, we've reviewed the policy and have acted so that a person can volunteer for community safety, like volunteer firefighters, and still participate in the program.
- We know people have come through the Bridging to Retirement Program, and there may be others in the future, who will be happy we've made this change.
- Now, a person who volunteers for community safety, and who receives a stipend of up to \$5,000 annually, will still be eligible for bridging benefits.

<u>If asked:</u> What about workers who decline the bridge benefit because they feel they're not being offered enough?

- Most workers accept the bridge benefit well over 400 to date.
- Some workers may decline to participate.
 That is their decision to do so, but my hope is that the majority of those able to retire do so with the benefit of this program.
- The amount of funding each worker receives from pension bridging is different it's based on a calculation including their length of service, age to retirement and more. The average bridge benefit is \$41,000.
- Voluntary retirement creates vacancies for younger workers to enter or stay in the workforce.

<u>If asked:</u> What about workers waiting for training [delayed due to COVID-19]?

- We want to get those who wish to work —
 working again, and one way we're looking to
 do that is through skills training.
- Many things have changed because of the pandemic, including the way in-person training and learning is delivered safely.
- Some of this training can happen online.
- For in-person, as B.C. continues to suppress COVID-19 through physical distancing and following Provincial Health Officer orders, some in-person instruction is resuming and those workers who were previously waiting are now able to participate.

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If asked: Why were changes made to program eligibility regarding returning to work after receiving approval of the bridge benefit:

- Since we launched the 2019 Bridging to Retirement Program, the eligibility has remained the same throughout.
- This program is focused on supporting older Interior mill workers.

- The eligibility requirements in the 2008/09 program were different from the current program, and people may remember those older requirements now.
- The current program requires that a worker does not return to work in the forest industry or any other job in B.C. for 18 months (unless it is for their own business).
- We've done this to allow room for younger, more junior workers to remain in the workforce and ensure workers who are bridged to retirement aren't competing with younger workers for local jobs in their communities.
- We are asking workers who accept this bridging funding to truly retire, not just change jobs.

WorkSafeBC Surplus

Highlights:

- An article in the Vancouver Sun caused concern that WorkSafeBC's surplus had
 been eliminated due to market losses stemming from the COVID-19 pandemic.
- WorkSafeBC clarified that it remains on firm financial footing, with its Accident Fund at an estimated 145% of assets-over-liabilities.
- The Opposition suggested the surplus could be used to help businesses purchase PPE as they restart their operations.

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- And I'm pleased to report that WorkSafeBC remains in a strong financial position.
- WorkSafe has a target of 130% assets-over-liabilities to provide stability in the event of economic downturns, such as the COVID-19 pandemic.
- Even with potential market losses due to COVID-19 WorkSafe reported in May that its fund remains at an estimated 145%.
- Workers and their families can rest assured if they get sick or injured on the job, B.C.'s workers compensation system will be there for them.
- WorkSafeBC is also playing an important role as we continue to reopen our economy, by ensuring guidelines are in place and workplaces are safe.

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CONFIDENTIAL ISSUES NOTE

Ministry: Labour Date: June 15, 2020

Minister Responsible: Harry Bains

WorkSafeBC surplus and premiums

ADVICE AND RECOMMENDED RESPONSE:

- It's critical to me that B.C. has an effective workers' compensation system.
- WorkSafeBC was in a very strong financial position prior to the COVID-19 pandemic and it remains financially sound today.
- Funding for the workers' compensation system is collected through premiums, paid by employers.
- Employer premiums are deposited into WorkSafeBC's "Accident Fund," which pays out compensation benefits and other services to injured workers and to surviving dependents when there is a fatality.
- WorkSafeBC established a target of 130% of assets over liabilities in the Accident Fund to provide long term stability if economic downturns occur, like what we are experiencing today.

- That 130% remains very much intact: at the most recent estimate, WorkSafeBC had a current funding level of approximately 145%, due in part to strong investment returns.
- In fact, the excess surplus is allowing government to still consider changes to improve the workers compensation system.

If asked: about delaying premiums or other costs to business levied by WorkSafeBC?

- To support businesses, WorkSafeBC is allowing businesses to defer paying their premiums for six months without penalty.
 - Approx. 27,000 employers have taken advantage of this to date.
- As well, WorkSafeBC has delayed setting the 2021 preliminary base rate, and consultations on that rate, until the fall.

<u>If asked:</u> what is the surplus or how much has been lost?

 B.C. employers and workers should be absolutely confident that WorkSafeBC remains on firm financial footing.

- It can maintain operations, pay benefits, and protect workers.
- All markets are experiencing volatility right now, and it's impossible to say exactly what WorkSafeBC's ending financial position for 2020 will be.

<u>If asked:</u> will there be a public inquiry into WorkSafeBC's management of investments?

- There is no need for a public inquiry.
- I have every confidence in WorkSafeBC's financial management.

(on May 23, 2020)

Statement from WorkSafeBC

WorkSafeBC is committed to sound financial management in order to ensure the long-term financial sustainability of the system for workers and employers.

To increase financial stability — and avoid rate volatility during economic and investment downturns — WorkSafeBC retains a reasonable level of assets over liabilities. WorkSafeBC's Board of Directors set a smoothed funded target level of no less than 130 per cent.

The COVID-19 situation has resulted in a lot of economic uncertainty. Prior to the pandemic, WorkSafeBC was in a very strong financial position, and we remain financially sound. Currently, WorkSafeBC continues to exceed its target funding level, despite the volatility.

However, at this point, we do not have a reliable estimate of expected investment income, premium revenues or claims costs for the year. As such, we will not know the full impact of COVID-19 on our financial position for some time.

Background

WorkSafeBC's financial position, for funding and rate-setting purposes, is determined annually and includes actuarial calculations of expected future claim costs, premium revenues, and investment returns. This includes the appraisal of illiquid investment assets, the valuation of which occur only on an annual basis, at the time that financial statements are finalized each year.

Currently, for purposes of contingency planning, WorkSafeBC's actuaries are considering multiple possible scenarios, based on widely varying economic forecasts. Some of these scenarios would result in a year-end fair value funding position at, or even slightly below, the 130% funding target/threshold. Other scenarios would suggest lesser impacts in the current year. While current year-to-date investment losses are estimated to be approximately \$1 billion, on an asset base of approximately \$20 billion, it is impossible at this point to know what the actual final results will be.

A loss in the range of \$1 billion would result in a current funding level of approximately 145%.

It should also be noted, however, that WorkSafeBC's long term planning, including the setting of assessment rates, is based on a smoothed approach to financial valuation and projection, meaning that significant investment gains or losses are generally taken into account over a period of years, rather than having the immediate impact that the fair value financial statements might suggest. This is demonstrated in the publication of WorkSafeBC's smoothed funded level in the organization's annual report.

COVID Presumption – Bill 23

Highlights:

- WorkSafeBC is expediting the addition of COVID-19 and other communicable viral pathogens to the list of occupational diseases wherein it is presumed a worker has contracted the disease as a result of their employment.
- Bill 23 proposes to remove the 90-day waiting period after WorkSafeBC has made a decision regarding a presumption for COVID-19 and similar diseases.
- Some business associations interpret the move as an attempt to download public health costs onto businesses via increases in WorkSafeBC premiums.

Message:

- If WorkSafe determines this change is appropriate, a nurse who contracts COVID-19 while at work shouldn't face even more delay to access benefits.
- Speeding up that process for workers on the front lines of this pandemic is the least we can do.
- Workers who contract a disease at work like COVID-19 are already entitled to workers' compensation.
- WorkSafeBC is looking at simplifying that process so workers who get sick don't have to wait and can focus on getting better.
- I look forward to the results of WorkSafe's consultations.

- If you get sick or injured as a result of your job, you are entitled to compensation for the time you are sick and recovering.
- That is part of B.C.'s workplace protections and it is not up for debate.
- We know that recovering from COVID-19 can be very difficult and can take many weeks for some people.
- WorkSafeBC held consultations to discuss the best way for people with COVID-19 to access those benefits, depending on their workplace and industry.
- I understand the desire to make it easier for workers to access compensation if they contract COVID-19 through work that has a higher risk for the disease.
- We already know that more than 60% of the workers who've submitted claims due to COVID-19 are from the health care and social services sectors.
- Depending on the results from their consultations and research, this decision could reduce waittimes and red tape for people who have contracted COVID-19 at work.
- That is something I hope we can all support.

Workers Comp vs Paid Sick Leave:

- This is not a replacement to paid sick leave, whatsoever.
 - We're working with the Federal government to put in place a paid sick leave program which will help prevent the transmission of COVID-19.
 - We want to ensure people can stay home if they're sick and avoid getting or spreading the virus.
 - We will also ensure that if you get sick as a result of your job that you can get access to the benefits you deserve.

Will this increase costs and premiums for businesses?

- As I have said, you can already get Workers
 Compensation if you contract COVID-19 as a result of your job.
- The consultation is about the best process for workers if they work in a sector that is of higher risk to transmit COVID-19.
- WorkSafeBC has made it clear that they don't anticipate increased costs to employers.
- I look forward to the results of WorkSafe's consultations, but we won't add further delay for workers who contract COVID-19 at work.

Supports for Businesses

Highlights:

Key Government supports for businesses since COVID-19 pandemic.

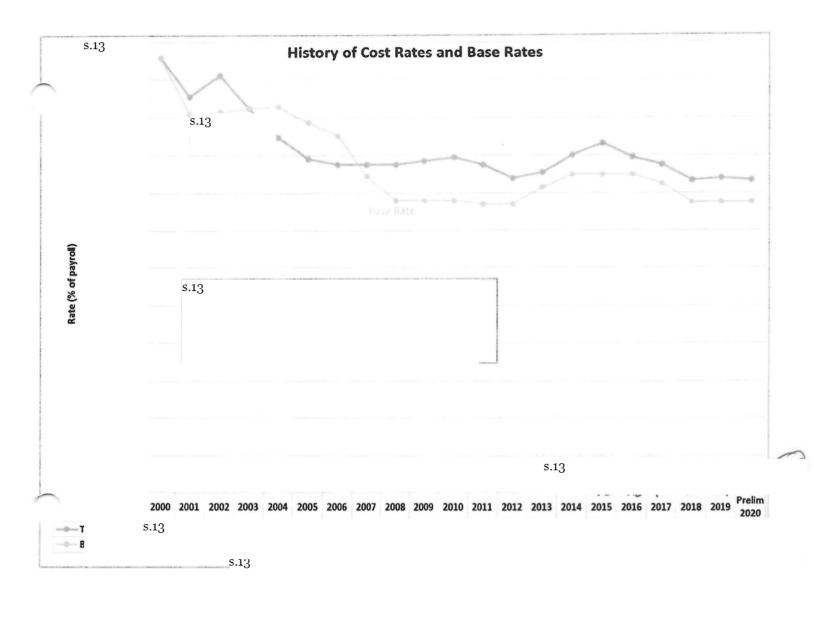
Message:

- Businesses across British Columbia have been hard hit by the COVID-19 pandemic.
- We know the survival of businesses, especially small businesses, is critical to every community and to our province as a whole.
- That's why we provided \$1.8 billion in immediate support for businesses and people.
- By not shutting down the economy entirely, we avoided some of the worst impacts on businesses seen in other regions.
- We worked hand-in-hand with the business community, providing guidelines for their reopening, as soon as it was safe to do so.
- We are closely monitoring businesses across all sectors during this restart process, to see where additional supports are most needed.
- We are soliciting feedback from businesses in every region, to get their ideas about how we can ensure B.C. has a strong recovery.

- We cut property tax bills for businesses by 25%, providing \$700 million in permanent relief.
 - Average urban business will save \$5,600
- We moved quickly to defer many business taxes until the end of September
 - This includes the EHT, the PST, the tobacco tax, the Municipal and Regional District Tax, the motor fuel tax, and the carbon tax.
- Small businesses that were forced to close can have their hydro bills forgiven for three months – saving an average of \$363.
- We enhanced the commercial rent relief program which provides a 75% rent reduction for businesses – by preventing evictions of commercial tenants.
 - We listened to the concerns of businesses and successfully advocated to improve federal programs:
 - o the 75% wage subsidy
 - o loans for small and medium businesses

Hard Hit Sectors

- We allowed restaurants to purchase alcohol at wholesale prices, saving them up to 25%.
- We provided \$10 million in grants to tourism organizations, to support marketing campaigns for this summer.



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BOARD OF DIRECTORS Ralph McGinn, Chair

Anne Naser Baltej Dhillon Michelle Laurie Lee Loftus Rebecca Packer Brooks Patterson Donald Smith Kay Teschke Lillian White

Mailing address: PO Box 5350 Stn Terminal, Vancouver BC V6B 5L5 | Phone 604.276.3100 | worksafebc.com |

April 20, 2020

Sent via Email

Honourable Harry Bains Minister of Labour Office of the Minister Ministry of Labour P.O. Box 9064 Stn Prov Govt Victoria, BC V8W 9E2

Dear Minister Bains:

RE: Recognizing COVID-19 as an Occupational Disease

WorkSafeBC's Board of Directors has directed the Policy, Regulation and Research Division ("PRRD") to add COVID-19 to the list of diseases in Schedule 1 of the Workers Compensation Act on an expedited process. The PRRD will work with WorkSafeBC's Evidence Based Practice Group and Clinical Services to determine the appropriate disease descriptor and associated process, trade and industries to be covered. Consultation will include the Policy Practice Consultative Committee ("PPCC") and an abbreviated consultation with external stakeholders in recognition of the importance of having the presumption in place as soon as possible.

The PRRD will be notifying the PPCC shortly about this project being added to the Policy Priorities Work Plan.

If your office has any questions about the project or process, please feel free to have them contact Lori Guiton, Director of the PRRD at 604-910-2160.

Yours sincerely,

Ralph McGinn

Chair, Board of Directors

WorkSafeBC

Copy:

Anne Naser

President and CEO

WorkSafeBC

Trevor Hughes Deputy Minister Ministry of Labour

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Paid Sick Leave

Ministry of Labour Date: June 15, 2020

Minister Responsible: Harry Bains

ADVICE AND RECOMMENDED RESPONSE:

- In order to prevent the spread of COVID-19 and other communicable illnesses, it's critical that people stay home when they're sick.
- We need to make sure we have protections in place for workers so that they don't have to choose between going to work sick and making ends meet.
- Every part of our country is affected by this, so we're pleased that the federal government is working with the provinces to develop a national paid sick leave program.
- B.C. also recently added three days of unpaid illness and injury leave to protect workers from losing their jobs if they are sick.

<u>If asked:</u> When is paid sick leave expected to be in place?

- We are actively working with the federal government to get a paid sick leave program in place as soon as possible.
- We do not yet have a date when it will be in place, but this is a top priority for our government.

If asked: How much would a paid sick leave program cost in B.C.?

- We are currently in discussions with the federal government, which has committed to working with the provinces to provide a national response.
- We don't want to put further burdens on businesses that are trying to come out from under the financial pressures they're already facing.

ADVICE TO MINISTER

If pressed:

- Paid sick leave comes with an economic cost.
 - But it's clear that there's a greater economic, health and social cost when workers who are sick go to work and transmit their sickness to others.

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Temporary Layoffs

Highlights:

- In difficult economic times, temporary layoffs allow employers to suspend employment for a limited time without paying out severance and with the intention of bringing back those workers in the near future.
- On June 25, the Province announced an extension of the temporary layoffs provisions to 24 weeks expiring on August 30.
- Any further extension can only be accessed by an application for a variance from the employer to the Employment Standards Branch with the agreement of the affected workers.
- At the height of the COVID-19 pandemic, British Columbia extended the maximum period of temporary layoffs from 13 to 16 weeks.
- On June 22, Liberal MLA Jane Thornthwaite (North Vancouver-Seymour) referred to the severance earned by workers as "unnecessary costs."

Contrast:

- We understand this pandemic has put many workers and businesses under significant strain.
- Following conversations with representatives from businesses and workers, we extended the temporary layoff period to 24 weeks, expiring on August 30.
- But we've been clear, COVID is not an excuse to deny workers the benefits they've earned.
- The Opposition may view workers' severance as "unnecessary costs"... [Thornthwaite, June 22]
- Our government will always defend the rights of workers and the benefits they've earned.

Solution:

- Workers as well as employers want to see their businesses survive.
- Everyone wants to be part of a strong recovery as we continue to restart our economy.
- Following conversations with representatives from businesses and workers, we extended the temporary layoff period to 24 weeks, expiring on August 30.
- If an individual business needs an additional extension, the employer can do so with the with the agreement of the affected employees.
- At the same time, we've made it clear that employers must honour their obligations to workers.
- Our government understands that businesses have been hard hit by COVID-19.
- We also believe strongly that workers should not have their benefits cuts, especially during an economic downturn.
- British Columbians have succeeded in bending the curve by working together.
- A strong recovery will require us to come together even more as we build an economy that works for everyone.

Supports for businesses

- We will also continue supporting businesses through the restart and into our recovery.
- We provided \$1.8 billion in immediate relief to businesses and workers.
- We have worked with the federal government to put in place programs to support B.C. businesses.
- These supports for businesses include:
 - Cutting property tax bills by 25%.
 - Deferrals of many business taxes—including carbon tax, employer health tax, etc.
 - A 75% wage subsidy.
 - Helped restaurants industry by allowing them to purchase alcohol at wholesale discount.
 - Deferral of WorkSafeBC premiums and waiver of premiums for certain employers.
 - Commercial rent assistance program with a provincial ban on commercial evictions.
- More needs to be done that's why we allocated \$1.5 billion for economic recovery.
- We will continue to work with businesses towards a strong recovery.

Claim of backlog at Employment Standards Branch:

- There are longstanding backlogs at the Employment Standards Branch due to the complexity of complaints made against employers.
- That backlog grew as a result of the self-help-kit created by the previous government to deny workers their rights.
- That's why as a part of Budget 2019, our government added additional staff to Employment Standards to start reducing the backlog.
- While the current number of variance applications for temporary layoffs is small, we expect to see more applications in the coming weeks.
- Employment Standards Branch is preparing for an increase in applications and is making sure there is a process that can review them in a timely manner.

CONFIDENTIAL ISSUES NOTE

Layoff provisions: ESA changes

Ministry of Labour Date: June 15, 2020

Minister Responsible: Harry Bains

ADVICE AND RECOMMENDED RESPONSE:



- Our government is committed to helping all British Columbians through this pandemic.
- Many employers have had to make the difficult decision to temporarily layoff staff due to the COVID-19 pandemic.
- And we know many workers and employers are concerned that these layoffs may become permanent.



 This means workers will stay connected to their jobs and employers will be able to defer costs associated with permanent layoffs.





 We're doing everything we can to help workers and employers during this difficult time.

<u>If asked:</u> Will you extend the temp layoff period further?

 We've heard from employers and labour representatives on this and believe that the recent changes we've made to extend temporary layoffs to 16 weeks for circumstances related to COVID-19 strike a balance between the needs and interests of employers and temporarily laid-off workers.



- In B.C., employers who have the agreement of a majority of affected workers can apply to the Employment Standards Branch to request a variance that will extend a temporary lay-off beyond 16 weeks.
- Any employers who hope to extend the temporary lay-off period should begin with talking to their workers about the lay-off period and then write to Employment Standards Branch to request the variance.

Supports for Businesses

Highlights:

Key Government supports for businesses since COVID-19 pandemic.

Message:

- Businesses across British Columbia have been hard hit by the COVID-19 pandemic.
- We know the survival of businesses, especially small businesses, is critical to every community and to our province as a whole.
- That's why we provided \$1.8 billion in immediate support for businesses and people.
- By not shutting down the economy entirely, we avoided some of the worst impacts on businesses seen in other regions.
- We worked hand-in-hand with the business community, providing guidelines for their reopening, as soon as it was safe to do so.
- We are closely monitoring businesses across all sectors during this restart process, to see where additional supports are most needed.
- We are soliciting feedback from businesses in every region, to get their ideas about how we can ensure B.C. has a strong recovery.

KEY FACTS:

In response to the financial impact on business resulting from the COVID-19 pandemic, B.C. has amended the Employment Standards Regulation to extend temporary layoff provisions from a maximum of 13 to 16 weeks for layoffs related to COVID-19. Premier Horgan and Minister Bains have been asked by media whether 16 weeks is enough and if a further extension would be considered.

The extension to 16 weeks was criticized by some worker organizations in general, who argued it is unneeded and potentially hurts workers who would need to wait longer for severance pay. It was also criticized by employers, who say 16 weeks is not long enough. Of note, Unite Here! Local 40 have asked for extension of their collective agreement recall period.

On May 29, Ontario passed a regulation extending a temporary layoff during COVID-19 and defined as a period from March 1, 2020 until six weeks after the end of the declared provincial emergency.

In Alberta, the maximum time for temporary layoffs has been temporarily increased from 60 days (8.5 weeks) to 120 days (17 weeks).

Manitoba created an indefinite temporary layoff period until the state of emergency is lifted. Any period of layoff occurring after March 1, 2020 is not counted toward the period after which a temporary layoff would become a permanent termination.

In BC, employers approached the Ministry of Labour requesting changes to permanent and temporary layoff provisions, including permitting temporary layoffs of longer than 13 weeks. Under the Act, the general rule is that a temporary layoff that exceeds 13 weeks in any 20-week period is a permanent layoff. With a permanent layoff, employers are required to provide employees with written working notice of termination and/or pay compensation to qualifying employees for length of service.

The change to the Employment Standards Regulation for temporary lay-offs caused by COVID-19 achieves the following:

- Maintains the employment relationship for the 16 weeks of temporary layoff and allow employers to quickly resume operations should the crisis end within that time period
- Defers costs for employers. However, if the crisis continues longer than 16 weeks, they will still be required to permanently layoff employees and pay compensation for termination to those who qualify
- Aligns B.C.'s temporary layoff provisions with the federal Canada Emergency Response Benefit period — which provides 16 weeks of financial support

The emergency temporary layoff provisions will be repealed when no longer needed.

Exemptions:

The Employment Standards Act provides for an exception for an employer's obligation to give notice and/or pay severance under an "employment contract that is impossible to perform due to an unforeseeable event or circumstance." Whether this exception applies to a work closure related to COVID-19 is determined by the Branch on a case-by-case basis and does not automatically apply.

Employers and employees may also jointly write to the Employment Standards Branch to request a variance to extend their temporary layoff period if they require longer than 16 weeks.

Media Interest: Employers' calls for changes to the temporary layoff provisions have been noted in several major publications, including the Globe and Mail.

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Minimum wage

Ministry of Labour Date: June 15, 2020

Minister Responsible: Harry Bains

ADVICE AND RECOMMENDED RESPONSE:

- Now, as much as ever, B.C.'s lowest-paid workers need support.
- Many of these workers are the ones on the front lines — food service staff, grocery store workers, retail workers — and they deserve to make a fair wage.
- Two years ago after consulting broadly we committed to employers and working people that the minimum wage would follow a predictable path of regular increases and we are firm in that commitment.
 - To help working people get ahead, we are increasing the minimum wage to at least \$15.20 by 2021.
 - This year it rose from \$13.85 to \$14.60.
- We must support both workers and employers during this difficult time.

If asked: what about struggling businesses?

- We recognize businesses are facing tough challenges too — that's why there are supports in place to help:
 - Deferrals and reductions of taxes including carbon, employer's health, commercial property and sales taxes.
 - Deferral of WorkSafeBC premiums.
 - Monthly rent and wage subsidies, deferred bill payment and waived late payment penalties for utilities.
 - Credit and financing assistance, including low-interest/interest-free loans and repayment deferrals.
 - Job leave protections and a temporary layoff extension to give employers flexibility.
 - More funding to hard-hit sectors liked tourism, farming, and energy.

ADVICE TO MINISTER

- <u>If asked:</u> will the living wage review underway result in further increases to minimum wage?
 - The Fair Wages Commission is working on the third and final part of its mandate — to examine the gap between living wages and the minimum wage in B.C.
 - We expect to receive this report later this summer.
 - While I don't want to speculate on what their report may include, what I will say is that this review is an important step in understanding how we can make life more affordable for people.

KEY FACTS:

Several business groups, including the BC Chamber of Commerce and the BC Restaurant and Food Services Association (BCRFA), called on government to delay the scheduled June 1 increase to minimum wages in recognition of the financial challenges created by the COVID-19 pandemic.

Government has publicly committed to following the path set out by the Fair Wages Commission to reach a general minimum wage of at least \$15.20 per hour by 2021. The 2020 increase goes from \$13.85 to \$14.60.

Stakeholder views:

Following the June 1 increase, there was significant media coverage featuring stakeholders criticizing and praising the increase. Several business groups, including the Canadian Taxpayers association and the Retail Council of Canada, said they thought the increase should have been delayed, citing concerns about businesses having to close permanently.

The Together Against Poverty Society, along with other worker advocacy groups, said the increase was not enough and still too far off the living wage for most workers.

While the BCRFA requested government defer the minimum wage increase, they also told media prior to the increase, "As offsets, the government has been working proactively with our industry and have made many positive and quick policy changes that is benefiting the industry." (Times Colonist, May 22, 2020)

Several chambers of commerce requested government defer the increase for at least six months.

The 2019 BC Child Poverty Report Card, released Jan. 14, 2020, advocates for government to move more quickly to a \$15/hr minimum wage and index it annually to the cost of living.

History:

On Feb. 8, 2018, government announced that B.C.'s minimum wage will increase to at least \$15.20 an hour by June 2021 with increases each year, on June 1, for four years. On April 19, 2018, the ministry announced that B.C.'s minimum liquor server wage will be eliminated and that the wage of B.C. liquor servers will be equal to the general minimum wage by 2021.

As of June 1, 2020, B.C. has the second-highest minimum wage in Canada after Alberta — up from seventh position in 2017.

Alternate minimum wages:

On April 19, 2018, the ministry announced a schedule of increases for the daily rate for live-in camp leaders, as well as the monthly rates for resident caretakers and the minimum farm worker piece rates for harvesters of certain fruits and vegetables. Government increased the minimum piece rates by 11.5 percent as of January 1, 2019 — equal to the rate of increase for the general minimum wage on June 1, 2018. $^{\rm s.13}$

The alternate rate for live-in home support workers was originally planned to be eliminated, based on the commission's report that few or no workers exist in this category, but the ministry has since learned there are many workers in this category. The decision on this alternative wage has been deferred.

Other Jurisdictions:

Several jurisdictions have moved ahead, or plan to move ahead, with scheduled minimum wage increases despite the COVID-19 pandemic. Quebec, Nova Scotia, PEI and Yukon all increased their minimum wage in spring 2020. Ontario, Saskatchewan and Manitoba have announced plans to increase minimum wage in fall 2020.

ADVICE TO MINISTER

General Minimum Wages in Canada (as of June 12, 2020):

Jurisdiction	Rate (\$/hr)	Effective Date	Notes on Future Changes
Alberta	15.00	Oct 1, 2018	
British Columbia	14.60	June 1, 2020	 June 1, 2018: \$12.65 an hour (\$1.30 increase) June 1, 2019: \$13.85 (\$1.20 increase) June 1, 2020: \$14.60 (\$0.75 increase) June 1, 2021: \$15.20 (\$0.60 increase)
Ontario	14.25	Oct 1, 2020	Future increases to be linked to inflation.
Northwest Territories	13.46	April 1, 2018	Independent body gives advice
Nunavut	13.00	April 1, 2016	Mandatory review by Minister
Yukon	12.71	April 1, 2020	On April 1 of each year, the rate increases based on annual increase for the preceding year in the CPI for Whitehorse
Quebec	13.50	May 1, 2020	13.50 on May 1, 2020, as scheduled
Prince Edward Island	12.85	April 1, 2020	Independent body gives advice
Nova Scotia	12.55	April 1, 2020	Government has committed to increases of 30 cents PLUS CPI (estimated at 25 cents) for three years (until 2021). Future increases tied to CPI. Independent body gives advice
New Brunswick	11.50	April 1, 2019	Future changes tied to inflation. Minister review every two years
Newfoundland and Labrador	11.40	April 1, 2019	Future annual increases based on CPI. Independent body gives advice
Manitoba	12.15	Oct 1, 2020	Yearly increases indexed to provincial CPI
Saskatchewan	11.45	Oct 1, 2020	Yearly increases based on average of increases in CPI and average hourly wage.

Media Interest: There's been sustained media interest, by major and regional outlets, on minimum wage-impacts for workers and businesses. There was significant coverage of the June 1, 2020 increase for over one month leading up to the change. One theme to the inquiries has been regarding the cumulative effect or cost on businesses, especially during COVID-19.

PPE for Businesses

Highlights:

- Some businesses that have reopened in line with WorkSafeBC guidelines have required additional equipment and non-medical personal protective equipment to protect their staff and customers.
- The Opposition has request that government provide resources to help businesses locate and purchase PPE.

Message:

- Workplaces are developing their safe reopening plans with support from WorkSafeBC.
- Dr. Henry has been clear that distancing are more effective than others in preventing transmission of COVID-19.
- There are some instances where non-medical PPE is appropriate and recommended by WorkSafeBC.
- The Province's Supply Hub has been focused on fulfilling the PPE needs of the Health Sector —freeing up traditional supply chains of PPE for others.
- In June, our government partnered with Small Business BC to establish an online non-medical PPE Marketplace.
 - The Marketplace is an easy-to-access directory for businesses to quickly locate a supplier of non-medical PPE.
- As we move forward, we will continue to explore how we can support businesses access their PPE needs in line with their WorkSafeBC guidelines.



- We understand that businesses need support to get through this crisis into a strong recovery.
- That's why we provided immediate support for businesses and people
- We cut property tax bills for businesses by 25%, providing \$700 million in permanent relief.
- We moved quickly to defer many business taxes until the end of September
 - This includes the EHT, the PST, the tobacco tax, the Municipal and Regional District Tax, the motor fuel tax, and the carbon tax.
- Small businesses that were forced to close can have their hydro bills forgiven for three months.
- We enhanced the commercial rent relief program which provides a 75% rent reduction for businesses – by preventing evictions of commercial tenants.
- We listened to the concerns of businesses and successfully advocated to improve federal programs:
 - o the 75% wage subsidy
 - o loans for small and medium businesses
- We will continue to work closely with businesses in building a strong recovery for every sector of B.C.'s economy.

Ride Hailing – Employment Standards

Highlights:

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Solution:

- Workplaces are changing in the modern economy but what hasn't changed is the need to ensure all have standard protections.
- Workers need fair pay and fair compensation.
- As Minister of Labour my intention is that our employment laws are applied evenly, and they reflect the needs of modern workers.
- The Employment Standards Branch is in place to protect the rights of workers.
- The Branch has the authority to investigate and ensure employers are in compliance with BC law.

Background:

- The process for determining classification of workers rest with the Employment Standards Branch:
 - The Employment Standards Branch can investigate suspicions or complaints of employers not complying with the Employment Standards Act.
 - The Director of the Employment Standards Branch makes an official Determination based on the investigation.
 - If a party is dissatisfied with that Determination, it can be appealed to the Employment Standards Tribunal.
 - A decision or order of the Tribunal can be further challenged through an Application for Reconsideration with the Tribunal.
 - A party who disagrees with a Reconsideration Decision of the Tribunal may file an application for a judicial review with the courts.
- Independent contractors are not entitled to minimum wage, maximum hours, overtime pay rules, paid holidays, vacation and other employee protections under the Employment Standards Act.
- Most taxi drivers are classifieds as employees under the Employment Standards
 Act but have specific regulations governing their employment relationship with
 employers, which includes:
 - A taxi driver must be paid at least minimum wage for all hours worked, averaged monthly.
 - A taxi driver who works more than 120 hours within two consecutive weeks is entitled to be paid 1½ times their regular wage for all hours worked in excess of the 120 hours.
 - A taxi driver is deemed to be at work when he or she is available for dispatch and seeking to obtain a fare or driving with a fare aboard.
- In December 2019, UFCW Local 1518 filed a challenge with the Labour Relations Board contending the contracts between Uber/Lyft and they drivers violate provincial labour law.
- A decision by the Labour Relations Board may affect the ability of drivers to unionize but it would not affect their classification under Employment Standards.

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CONFIDENTIAL KEY MESSAGES

Ministry of Labour Date: August 10, 2020

Minister Responsible: Harry Bains

Hotel worker hunger strike

- I'm aware of the job security concerns that workers have in B.C.'s hotel sector and I share their concerns.
- I'm also aware that the pandemic has created huge financial challenges for the companies that employ these workers.

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- That's why I've appointed Sandra Banister, QC, to undertake a review of layoff and recall rights of unionized workers in the hotel sector.
- The goal of the review is to help employers and hotel unions come together and find solutions to issues around layoff and recall rights due to COVID-19. Ms. Banister will provide a report summarizing her findings by Aug. 20, 2020.

- Our government supports free and fair collective bargaining between unions and employers.
- I strongly encourage the unions and the employers to participate in the review currently underway by Ms. Banister.
- It's in everyone's best interest to keep workers and employers connected — and we've been focused on maintaining that relationship so we can protect jobs. I expect employers to recall those people who have been there to build those businesses.
- This is the time to come together and support each other so we can get out of this together.
 If pressed:
- I'd prefer to reserve further comment until Ms. Banister has completed her review.

Hotel Workers - Hunger Strike

Key Message:

- Hotel workers have been extremely hard hit by the impacts of COVID-19
- I expect employers to meet their obligations to workers and to recall those people who have been there to build those businesses when they reopen their doors.
- It's in everyone's best interest to keep workers and employers connected and we've been focused on maintaining that relationship so we can protect jobs.
- We've worked to hard ensure that laid off workers get the supports they need during this pandemic.
- COVID-19 is not an excuse for employers to ignore their obligations to workers.
- Businesses should be also be aware that they could be ordered to pay penalties on top of compensation for length of service if they are found to have illegally denied benefits.
- Our government has created a simplified process that allows hard hit businesses and their workers to come to an agreement that would extend a temporary layoff while protecting the worker's job.
- Labour Minister Harry Bains has also appointed Sandra Banister to undertake a review of layoff and recall rights of unionized workers in the hotel sector.
- The goal of the review is to help employers and hotel unions come together and find solutions to issues around layoff and recall rights due to COVID-19.

Will you meet with the workers on hunger strike?

- · We're very concerned with how hotel workers are being impacted by this pandemic.
- Labour Minister Harry Bains and Tourism Minister Lisa Bare will be meeting with these workers to hear directly from them.

Will you provide recall rights for all hotel workers?

- Our government has appointed Sandra Banister to review layoff and recall rights of workers.
- Many protections already exist in the Employment Standards Act and those rights need to be respected.
- COVID-19 is not an excuse for employers to ignore their obligations to workers.

ADVICE TO MINISTER

CONFIDENTIAL ISSUES NOTE

Ministry of Labour Date: July 6, 2020

Minister Responsible: Harry Bains

Right to Recall

ADVICE AND RECOMMENDED RESPONSE:

 During this pandemic we've been making changes to support both workers and employers through our actions.

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- We also changed the temporary layoff period from 13 weeks to 16, and then again recently to 24 weeks to help keep our workplace relationships intact during this unprecedented time, and align the leave with federal CERB program.
- Our focus is maintaining connections between employers and workers who have a joint interest in supporting the economic recovery of businesses in B.C. and the jobs that go with them.
- These efforts from B.C. work hand in hand with the Federal Government's CERB

- program, which also seeks to preserve work relationships.
- In addition, we have taken steps to make it easier for employers to face this tough time such as:
 - various tax deferrals, like PST or carbon tax;
 - up to 3-months of reprieve on BC Hydro bills for customers who can't pay.
- We also have a unique provision in our Employment Standards Act that allows the workers and employers to extend the temporary layoff period even further, if needed.
- We will get through this pandemic by working together, and we have the tools to support workers and employers in BC's workplaces.



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ADVICE TO MINISTER

KEY FACTS:

The Unite Here! local 40 has been actively campaigning for changes to the Employment Standards Act [ESA] that would make it so there was a right to recall provision for those employees who become furloughed.

This was spurred by union members becoming laid off from their hotel jobs, and then more recently, some of the employees being served notice of termination and denied severance under section 65 of the ESA (which states that severance may be withheld due to unforeseen circumstances). This has caused the Union to raise that workers' severances are at risk in industries outside the hotel sector too.

The union is advocating for the change to the ESA so that those who become laid-off have the first right of refusal for their jobs once the COVID-19 pandemic ends. Currently, there is no provision within the ESA that dictates this, nor does it say what order employees should be recalled after a layoff. The union is effectively saying that an employer can server employees and then hire new, lower hourly cost, employees instead of bringing back those furloughed.

Unite Here! local 40 has held multiple rally's in downtown Vancouver and their union president, Zailda Chan, has been quoted in multiple articles and has published op-eds.

Background on Employment Standards Act:

The Employment Standards Act does not include a right of recall provision for laid off employees. Neither does the Act dictate in what order employees should be recalled to work after a layoff. If an employee is not recalled after a layoff, the employer must provide the employee with notice of termination or termination pay, based on their length of service. Some collective agreements contain a right to recall, though non-union companies may also have a policy around when employees should be recalled.

Employers are required to follow the Employment Standards Act and Regulations. If a worker believes that their employer failed to follow the act or the regulations, they should file a complaint with the Employment Standards Branch which will investigate, mediate or conduct a hearing. Resolution can happen through one of these processes.

Media Interest: Sustained media on the right to recall has happened in some media, notably The Tyee. One major publication has touched on this subject and also published an op-ed from the union president.

CONFIDENTIAL KEY MESSAGES

Ministry of Labour Date: July 28, 2020

Minister Responsible: Harry Bains

Hotel worker hunger strike

- Thousands of workers in the hospitality sector have been hit hard by the COVID-19 pandemic.
- We know that workers want to be able to go back to their jobs — as I'm hearing loud and clear from those workers involved in the strike.
- We are making sure that both workers and employers are supported — but we have no intention of interfering with collective agreements.
- I have been clear that I expect employers to meet their obligations to workers — and to recall those people who have been there to build those businesses.
- This is the time to come together and support each other so we can get out of this together.

Secondary

 During this pandemic we've been making changes to support both workers and employers.

- We put in place a job-protected sick leave for workers during the pandemic and beyond and we're working with the federal government to develop a national paid sick leave program.
- We're fast-tracking COVID-19 presumptions, so that those who become sick at work can get the help they need more quickly.
- We have created a new online tool for nonunion workers and employers to jointly apply for an extension of the temporary layoff period beyond August 30 — which ensures employers and workers can stay connected during the pandemic and have a quick restart when it's safe to reopen.
- It's in everyone's best interest to keep workers and employers connected — and we've been focused on maintaining that relationship so we can protect jobs.
- For unionized hotel workers, I encourage the unions and hotels to get together and negotiate options to address the workers' concerns about preserving employment for when the hotel sector is able to get back to full operations.

Key Message:

- We understand this pandemic has put many workers and businesses under significant strain.
- That's why we've been there to provide immediate relief to businesses and workers who have been hit hard.
- Deferrals and reductions of taxes—including carbon, employer health, commercial property and sales taxes.
- Deferral of WorkSafeBC premiums and waiver of premiums for employers receiving the Canada Emergency Wage Subsidy (CEWS).
- Monthly rent and wage subsidies, deferred bill payment and waived late payment penalties for utilities.
- Credit and financing assistance, including low-interest/interestfree loans and repayment deferrals.
- Expanded unpaid leave protections and temporary layoff deadlines to help give employers and workers flexibility.
- More funding to hard-hit sectors liked tourism, farming, and energy.
- Unlike in other jurisdictions, there's flexibility in BC's employment standards which allow employees and employers to come to an agreement to extend a temporary layoff that works for both sides.
- Worker want to see their businesses survive too and I encourage employers to discuss these matters with their employees and come to an agreement where possible.
- Everyone wants to see a strong recovery for workers and businesses as we continue our restart plans
- We will continue to defend the rights of workers, especially as they face significant hardships as a result of COVID-19.

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VICTORIA — B.C. Liberal frustrations over the last election result came pouring out this week when candidate Andrew Wilkinson lashed out at rival and former cabinet colleague Todd Stone during the party leadership debate on Tuesday night.

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