

BCFED

SUBMISSION

BUDGET 2018

Level the Playing Field: Building an economy that works for everyone

Submission to the Select Standing Committee on Finance
and Government Services

BC Federation of Labour





Level the Playing Field: Building an economy that works for everyone

Please accept the following submission by the BC Federation of Labour to the Select Standing Committee on Finance and Government Services.

The BC Federation of Labour represents over 500,000 members from affiliated unions, representing working people in every corner of the province and every sector of the economy.

OVERVIEW

Through more than a century of political activism, workers have won many important legislative rights, including the legal right to form and join a union; the right to bargain collectively; employment standards that govern hours of work, working conditions and a minimum wage; and laws to protect workers' compensation, health and safety.

Unfortunately, many of these gains have been eroded over the last 16 years.

Deep cuts to public services like health care and education, deregulation and privatization, and economic and social policies that foster a low-wage economy have left many workers in precarious situations. The legacy of the former BC Liberal government is one of poverty and income inequality.

With a change in government comes the opportunity to turn the trend around, and to finally put people at the centre of government priorities.

The recommendations put forward in this submission are in that spirit: the spirit of investing in people, and respect for those who build our province, who deliver vital public services, and who keep our economy moving.

The BC Federation of Labour applauds many of the commitments the BC government has already moved forward on, such as increasing welfare rates, eliminating tuition fees for ABE and ESL students, and reducing MSP premiums.

We also look forward to participating in upcoming consultations on the re-establishment of a Human Rights Commission, the creation of a Poverty Reduction Plan, and how to implement \$10 a day childcare. Many of these critical policies will be explored in the submissions put forward by affiliated unions of the BC Federation of Labour and our many community partners.

We support their efforts to advance public policy and budget priorities that support working people and build strong communities.

For our submission, we focus on reinstating basic protections and rights for working people. We call on the BC government to champion a budget that will ensure working people are treated fairly and given the opportunities to succeed.

To begin this important work, the BC Federation of Labour has outlined four areas that need appropriate funding or service review to once again serve the people of BC. This is by no means a comprehensive list, but instead highlights some fundamental deficiencies in our systems that disadvantage working people and ultimately hurt our economy.

These four areas include: Labour Code; Employment Standards; Apprenticeship and Training; and Green Jobs.

RESTORE FAIRNESS TO THE *LABOUR CODE* AND THE LABOUR RELATIONS BOARD

The *Labour Code* is one of the most important pieces of legislation in BC – it is the backbone of workers' rights and ensures a balance between employer and employee. And while not often top of mind for people, the erosion of the *Labour Code* has had an impact on every person who goes to work each day.

The *Labour Code* and the Labour Relations Board (LRB) are also important to the labour movement, who require a fair and balanced approach to union organizing efforts.

Every worker has the right to form or join a union. That right has been steadily undermined by the previous BC Liberal government.

The underfunding of the Board's operations and inadequate training of staff are posing real challenges to union certifications. Further, insufficient Industrial Relations Officers (IROs) to deal with certification applications are compromising organizing efforts. In short, by underfunding the LRB, the government has made it harder for working people to exercise their right to join a union.

The *Labour Code* is also deficient in successorship provisions. Successorship laws are meant to provide job security and ensure that employers cannot undermine the efforts of workers to organize and bargain collectively simply by selling off all or parts of their business.

The language in Section 35 of the *Labour Code* must be strengthened so that employers cannot undermine bargained wages and working conditions, nor the rights that workers gain through unionizing.

“ And while not often top of mind for people, the erosion of the *Labour Code* has had an impact on every person who goes to work each day. ”



There are many examples, both in the private and public sectors, where unions have lost the right to represent their members when an employer contracts out or cancels an existing contract. Often with a contract flip, workers will be fired and then hired back (as non-union workers) at a lower wage and under poorer working conditions.

This activity has been prevalent in the health care sector, specifically at seniors' care homes where care is often privatized and standards not closely monitored. In these cases it is not just the worker who suffers. Patients also experience high turnover of employees and constant disruption of care routines.

Another example is airport concession workers, who are low-wage workers who staff food service and retail units. Vancouver Airport Authority's business model has resulted in over a dozen units undergoing a lease transition since 2010, displacing hundreds of workers in the process. For already vulnerable employees, work is becoming even more precarious.

To restore balance and fairness to the *Labour Code* and LRB, the BC Federation of Labour calls on the provincial government to:

- Return responsibility for funding the LRB and ESB to the Ministry of Labour, and substantially increase funding to both the Board and the Branch.
- Improve funding and increase the number of Labour Relations Officers to ensure decisions on certifications are granted swiftly.
- Amend the *Labour Code* and fund the LRB appropriately so that when a membership vote is necessary on a union certification an in-person vote is held within two days, and mail-in ballots are only held in exceptional circumstances.
- Repeal Bill 29 in health care.
- Broaden the *Labour Code* to address the problem of subverting a collective agreement through contract flipping, to ensure that workers don't lose their collective bargaining rights when a business changes contracts.
- Strengthen the *Labour Code* to ensure that successorship applies when a business contracts work out or brings contracted out work in-house.

“Every worker has the right to form or join a union. That right has been steadily undermined by the previous BC Liberal government.”

STRENGTHEN AND ENFORCE EMPLOYMENT STANDARDS

In 2001, the BC Liberal government made major changes to employment standards in British Columbia that have significantly lowered the minimum protections for workers. The minimum wage was frozen for a decade at \$8 an hour, a \$6 an hour training wage was introduced, and the minimum working age was reduced to 12 years old (a violation of international child labour conventions).

While the \$6 an hour training wage was finally eliminated (following public outcry), BC still has a three-tier minimum wage with servers earning \$10.10 an hour and farm workers being paid a piece rate.

The BC Federation of Labour has a long-standing campaign calling for the minimum wage to be increased to \$15 per hour, a wage that would put a full-time worker just above the poverty line.

Approximately 482,500 workers - 25% of the provincial workforce - earn less than \$15 per hour.

Using the Low Income Measure (before tax for 2016) a worker in a large city like Vancouver would need to make \$24,949 per year to reach the poverty line. Our recommendation of a \$15 per hour minimum wage would provide \$27,300 based on a 35 hour work week - that's 9.4% above the poverty line.

Another measure used to evaluate wages is a comparison of minimum wage to the average industrial wage. In BC, the average industrial wage in June 2017 was \$944.56 per week. BC's new minimum wage of \$11.35 per hour only amounts to \$397.25 per week - this is just 42% of the average wage.

If we are serious about addressing widening income inequality, then the minimum wage should be more than 50% of the average industrial wage. According to the Organization for Economic Co-operation and Development, in France the minimum wage is 61% of the average wage, in New Zealand it is 60% and in Israel it is 58%.

Despite the stereotype, minimum wage earners are not all young people living at home. The majority of low-wage earners are women (58%). Workers of colour and new immigrant workers are also over-represented in low-wage work. Only 21% of people earning less than \$15 per hour are students. At the other end of the age spectrum, there are 71,300 workers (15%) aged 55 and older who work for poverty wages.

**“ Approximately 482,500 workers
- 25% of the provincial workforce -
earn less than \$15 per hour. ”**



Minimum wage earners are also not just working part-time. 59% of workers earning less than \$15 per hour are working full-time (54% are women). 41% of workers earning less than \$15 per hour are working part-time (64% are women).

In our conversations with low-wage workers, we heard that many of them work multiple jobs to earn enough to get by. This puts tremendous stress on both workers and their families.

Another myth that needs busting is that small businesses make up the majority of low-wage employers. This is simply not the reality. The majority of low-wage jobs are in medium and large companies.

- 69% of workers earning less than \$15 per hour work for companies with 20+ employees.
- 51% work for companies with 100 + employees.

Raising the minimum wage above the poverty line is just one way workers need to be supported and respected.

There is a need to strengthen and enforce minimum working conditions, to undo a decade and a half of weak employment standards. The effect of weak legislative and regulatory framework is increased precarity and exploitation.

The current *Employment Standards Act* (ESA) fails to provide vulnerable workers with necessary rights and protections – which then further contributes to their precarious employment status.

Staffing levels of the Employment Standards Branch (ESB) have been severely reduced, going from a staff of 151 in 2001, to a current total of 74, reflecting a 51% reduction. The expenditures on employment standards administration and enforcement have declined while the number of workplaces with employees has increased by 25% and the number of employees has increased by 24%.

Instead of receiving effective, third-party enforcement, workers are told to download a “self-help kit” from the web to lodge their complaint. Random worksite inspections by ESB officers have been eliminated. As a result, the few rights afforded to workers are nearly impossible to enforce.

These budget and staffing cuts have reduced the ESB to an ineffectual service of the government at a time when the need for pro-active enforcement has increased with the growth of precarious employment across all sectors of the economy.

“ The current *Employment Standards Act* fails to provide vulnerable workers with necessary rights and protections. ”

In light of the changing nature of work, other jurisdictions in Canada have undergone extensive reviews of Employment Standards, including the Province of Ontario. BC needs to follow suit. The BC ESA is simply not adequate in its current form to protect workers.

To ensure workers rights are protected, the BC Federation of Labour calls on the government to undertake an extensive review of the *Employment Standards Act* to address the following deficiencies:

- Increase the minimum wage to \$15 an hour for all workers. This includes the elimination of the server wage and farmworker piece rate.
- Eliminate child labour provisions in the ESA that allow 12-year-olds to work.
- Increase the wage recovery period from 6 months to 36 months, so that workers can make claims on unpaid wages.
- Restore and improve hours of work provisions by increasing the minimum shift call-out time to four (4) hours.
- Introduce paid sick leave.
- Introduce paid leave for victims of domestic violence.
- Restore the ESA as the minimum standard for workers, including those with provisions covered by a union collective bargaining agreement.
- Provide protections for employee tips and gratuities (currently absent from our legislative framework).
- Provide sufficient notices of shifts (currently there is no notice of shift requirement).

Along with a review of the ESA, there must be a substantial budget increase for the Employment Standards Branch that would enable the Branch to once again proactively enforce basic workplace standards.

This should include, but not be limited to:

- Elimination of the Self-Help Kit process that requires workers to first attempt to enforce their rights with their employer before they are allowed to submit a complaint.
- Implementation of a proactive system of enforcement to increase compliance through the use of compliance teams in sectors where workers are likely to be particularly vulnerable.



- Restore offices in remote areas of the province and relocate the Lower Mainland Office to a central location accessible by transit.
- Strategically target emerging employer practices, including the misclassification of employees as independent contractors and the failure to pay overtime.
- Implement a deterrence model of enforcement that compels employers to comply with the ESA.
- Provide funding to non-profit advocacy organizations which regularly provide information and support to workers who require assistance in filing ESA complaints.

IMPLEMENT A COMPREHENSIVE APPRENTICESHIP AND TRAINING PROGRAM

We need a more focussed investment in our skilled trades. British Columbia is simply not producing enough journeypersons to meet the mid to-long-term needs of our economy.

Apprenticeship programs strengthen communities by providing career paths and job stability. They benefit industry by providing a motivated and well-trained workforce, increasing their competitive advantage, enhancing workplace safety, and reducing turnover.

Interest in skilled and trades training is on the rise and BC's public and private training providers have the capacity to increase enrolment in apprenticeship programs.

The real challenge lies in a lack of job placements.

In most skilled and trades apprenticeships, 75 to 80 per cent of training takes place on the job. Yet in BC finding job placements for apprentices is the number one barrier to successful completion.

Training in project-to-project industries, like construction, have an extra barrier because employment ends before the four-year-term of an apprenticeship can be completed. Labour union Joint Boards have successfully overcome the job placement barrier by using their multi-employer dispatch halls. When apprentices are laid-off, the dispatch call-out offers a link to new employers. The Joint Board sponsorship and dispatch system allows apprentices to seamlessly switch employers and continue their training on new projects.

BC labour organizations are primary stakeholders in the trades' training system. Labour and employers have a long tradition of partnering to train the province's future generation of workers.

Labour organizations work with employers to ensure apprentices learn the full range of skills required. Red Seal certifications set a baseline standard for all employers and inter-provincial Red Seal standards allow workers to travel across jurisdictions to meet demand in local labour markets.

For an apprenticeship to be successfully completed, the work experience must be complemented by timely technical classroom instruction. Currently, 85% of the classroom study takes place at colleges and post-secondary institutions. These public institutions, staffed with instructors holding journey-level certifications, have the capacity to double their current registrations. In short, the training programs are designed and then facilities are in place. With more funding, BC's colleges and post-secondary institutions can accommodate the increasing demand for more technical training.

As the largest employer in BC, government can play a direct role in providing apprentices with jobs on publicly-funded infrastructure projects by making apprenticeship a mandatory condition of project tenders.

Government is uniquely positioned to bridge the gap between training and apprenticeship placements and create real opportunity for working people. On the one hand, post-secondary institutions are the largest provider of skills training. On the other hand, the government is continuously investing in public infrastructure projects that have the ability to create a large number of needed job placements for apprentices.

Training master workers requires a careful combination of four years' experience on-the-tools with technical classroom training at annual intervals. There is no shortcut, but improvements must be made. With appropriate resources and support, and adopting the best practices of the labour's proven contributions, the process can be enhanced.

To develop a comprehensive apprenticeship and skills training program that provides the pathway to meaningful employment, the BC Federation of Labour calls on the provincial government to:

- Introduce new legislation mandating a four-pillar partnership to the Industry Training Authority (ITA) board, including business, labour, educators, and government.
- Sufficiently fund an appropriate number of apprenticeship advisors to help students navigate the path to completion.
- Enact legislative changes with a transition plan to require ITA regulation over compulsory certification and its enforcement for all highly skilled trades.

“Labour and employers have a long tradition of partnering to train the province’s future generation of workers.”



- Introduce legislation mandating apprenticeship ratios in Red Seal trades to ensure quality experiential training.
- End modular certifications for partial components of a trade.
- Restore full-funding to training providers with proven track records of linking apprentices to sponsoring employers and education institutes whose instructors are journey-level, Red Seal endorsed and certified.
- Develop criteria that require winning tender bids on all new provincial and local government-funded infrastructure construction to employ apprentices.
- Create greater engagement with the K-12 system along with up-to-date equipment and resources to provide learners with essential skills prior to entrance to the workplace.
- Institute a grant/levy system of financial incentives to encourage more employers to invest in training.

ADVANCE A GREEN JOBS AGENDA

Moving to a low carbon economy (or net zero emissions economy) must be a top priority for our government. But people need to be reassured that the impacts of this transition are not unduly borne by working women and men, their families, and communities.

British Columbia has an opportunity to create good jobs that strengthen our communities and sustain our environment. There's huge potential for economic growth if we strategically pursue opportunities in the new green economy. This requires concrete government action and leadership to ensure a just transition.

This is a long-term project. But there are initiatives that can be taken now to demonstrate leadership on this critical file.

The BC Federation of Labour is a proud member of the Green Jobs BC initiative. Together, this group has identified how targeted investment in public building retrofits, clean energy technology, mass transit, and forestry are important first steps to tackling climate change and building the green economy of tomorrow.

“There’s huge potential for economic growth if we strategically pursue opportunities in the new green economy.”

To develop a comprehensive Green Jobs program that provides the pathway to meaningful employment, the BC Federation of Labour calls on the provincial government to:

- Scale up and/or develop energy efficiency retrofit financing and incentive programs for all types of BC residential and commercial buildings.
- Invest more in greening public sector buildings, including schools, hospitals, office building and community centres.
- Invest in quality training, apprenticeships and education for the green buildings sector that meet CSA Standards and can be integrated with Red Seal trades certification.
- Support job creation and growth in BC's low carbon clean technology and green manufacturing sectors through tax incentives, research and development support, regulatory incentives, supportive financing options and public procurement.
- Make increasing jobs per cubic metre harvested a guiding economic principle of BC forestry policy.
- Invest in the future of BC forests through expanded reforestation and revitalized public oversight and management.
- Expand public transit capacity and infrastructure for all BC communities.

The priorities set out in the budget are a critical roadmap to the kind of province we want. This is an opportunity to put people and families back into the centre of government policy, it is an opportunity to invest in a sustainable future, and it is an opportunity to give people the tools and support they need to thrive.

The BC Federation of Labour looks forward to working with the provincial government on these, and other critical initiatives, to ensure we are building an economy that works for everyone.

Thank you.



Irene Lanzinger
President, BC Federation of Labour



#200 - 5118 Joyce Street
Vancouver, BC
Canada, V5R 4H1
604.430.1421
bcfed@bcfed.ca

The British Columbia Federation of Labour represents over 500,000 members working in every corner of the province, and in every sector of the economy.

The BCFED has a long and proud history of fighting for the rights of all working people.

The goals of the BCFED are best exemplified by its slogan:
“What we desire for ourselves, we wish for all.”

www.bcfed.ca