BCFED SUBMISSION TO BC BUDGET CONSULTATIONS 2020

SUBMISSION TO THE SELECT STANDING COMMITTEE ON FINANCE AND GOVERNMENT SERVICES OF THE LEGISLATIVE ASSEMBLY OF BC

A FAIR AND EQUITABLE ECONOMY

QUALITY PUBLIC SERVICES

SECURE AND SUSTAINABLE JOBS
The BC Federation of Labour represents more than 500,000 members of affiliated unions, working in every sector of the economy and every corner of the province.

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 the slogan: “What we desire for ourselves, we wish for all.”
THE BCFED IS PLEASED FOR THE OPPORTUNITY to provide input to the 2020 budget. Working people in British Columbia want to have a meaningful role in building a fair, equitable and sustainable economy. The world of work is changing and many British Columbians are worried about their economic security. For too long these economic changes have disadvantaged workers instead benefiting the interests of the wealthy and those with influence and connections.

Due to the choices of successive Liberal governments, budgetary surpluses came at the cost of a growing social services deficit, insecure work, and sharp inequality. British Columbians experienced damaging cuts to public programs, a tax system tilted to the benefit of the wealthy, an affordability crisis, and direct attacks on their rights as workers. The effects of these policies were felt disproportionately by under-represented groups including Indigenous peoples, racialized communities, persons with disabilities and women.

This submission outlines bold progressive policies that will prioritize equity, sustainability and benefit working people. Through the 2017 fiscal update and 2018 and 2019 budgets, the BC government has taken significant steps to reverse the damage wrought by the BC Liberals. For example, through historic investments in childcare and housing; action on poverty reduction and reconciliation; the launch of a Human Rights Commission; reforms to employment standards and the labour code; and meaningful action to combat climate change.

While clear progress has been made, there is much more to do.

Budget 2020 is an opportunity to take advantage of BC’s strong economic growth and put this province’s wealth to work for working people. When coupled with inequality-fighting progressive tax reform, BC has the resources needed to make investments that enhance quality public services, ensure secure jobs, and build the sustainable economy we all want.
Summary of Recommendations

1. A FAIR AND EQUITABLE ECONOMY FOR ALL
   - Introduce a new income tax bracket targeted at the most affluent 1%
   - Establish a Fair Tax Commission
   - Increase social and disability assistance rates and end punitive claw backs
   - Make the Fair Wages Commission a permanent body and eliminate all exemptions to the minimum wage
   - Fund a task force to develop Pay Equity legislation within 90 days
   - Ensure adequate resources for the implementation of the United Nations Declaration on the Rights of Indigenous Peoples and the new Human Rights Commission
   - Provide free menstrual products in all public buildings

2. QUALITY PUBLIC SERVICES FOR FAMILIES AND COMMUNITIES
   - Make bold new investments in education, health care, childcare, transit and housing
   - Create dedicated Quality Public Services Fund to enhance and expand social services and public programs

3. SECURE AND SUSTAINABLE JOBS IN A CHANGING WORLD
   - Create a good jobs plan as a companion to CleanBC
   - Restore one-step process for unionization
   - Increase funding of Employment Standards Branch to $26 million
   - Increase funding to Labour Relations Board to $12 million
   - Strike commission to implement a made-in-BC multi-employer, sectoral bargaining model
   - Strengthen legal protection and equitable access to services for migrant workers
   - Strike a cross-Ministry task force responsible for making BC a Sanctuary Province
   - Increase funding to the Worker Advisor’s Office
   - Reinstate compulsory trades training
   - Provide stable, long-term funding to BC Women in the Trades
   - Expand the number of projects being delivered through Community Benefits Agreements.
A Fair and Equitable Economy for All

BY MEASURES OF BOTH INCOME AND WEALTH, BC remains a highly unequal province. Meanwhile, BC currently boasts the highest projected real GDP growth of any province at 2.7%. This is 0.3% above Alberta (the next closest Province), and nearly a full percentage point above the national average of 1.8%. Furthermore, BC’s debt-to-GDP ratio, a key measure of an economy’s fiscal health, is an enviable 15%.

The best measure of the health of any economy is, however, how it performs for everyone: whether it is fair and equitable and meets the needs of working people. On this important metric, Budget 2020 is an opportunity for transformative change.

TAX FAIRNESS

The taxation regime is a key part of BC’s inequality story and the affordability struggles of working people. Restoring fairness to the tax system will not only help address these challenges it will also generate new revenues to fund the equity, sustainability and economic security priorities outlined in this submission.

The BCFED recognizes this government has made significant changes increasing fairness in the tax system already. We applaud the elimination of the Medical Services Premium, the most regressive tax on BC’s books. Its elimination will provide significant relief to working people in this province. The modest increases to the corporate income tax rate, and the re-introduction of higher tax rates for the top income tax bracket (over $150,000) were also welcome and provided revenue that helped fund historic investments in childcare, housing and other priorities. Finally, the introduction of the Speculation Tax and additional property tax on high-end properties over $3 million has begun to correct the distortions in BC’s housing market, distortions which have priced so many working people and their families out of the cities they live in as the wealthy used housing for speculative gain.

While these changes are significant, this government has the opportunity to create a provincial tax system that is more fair and entrenches progressivity. The BCFED recommends the introduction of an additional tax bracket for the most affluent British Columbians. We recommend a tax rate of 22% be applied to income over $200,000. According to the most recent Statistics Canada data for BC, this new tax bracket would target the top 1.3% of income earners in BC, leaving the income
We recommend the introduction of an additional tax bracket for the most affluent British Columbians.

taxes of 99% of income tax filers unchanged. This one tax measure has the potential to bring in $500 million in revenue each year.  

Building on the work of the Tax Competitiveness Commission, the BCFED also supports establishing a Fair Tax Commission mandated to provide recommendations to government on how to improve the overall progressivity, fairness and transparency in BC’s tax system. This commission should include tax and public policy experts as well as labour and civil society representation, and should have the mandate to review the full suite of BC’s taxes including corporate and personal income taxes, wealth and luxury taxes, property, consumption and other taxes.

POVERTY REDUCTION

Poverty weakens the social fabric of our communities, results in lost productivity and causes a measurable financial loss to our economy. The BCFED congratulates the BC government for setting legislated poverty reduction targets and introducing a poverty reduction strategy that included a new child benefit among other important poverty reduction measures.

Nevertheless, the BCFED continues to advocate for wholesale reforms to BC’s income support system based on principles of universality, ease of access and a robust social safety net. While recognizing the modest increases to social and disability assistance rates made in the previous budgets, Budget 2020 should prioritize immediate boosts to assistance rates to lift individuals and their dependents out of poverty and put an end to punitive claw backs. Coupled with these changes to benefit rates, significant changes are needed to the delivery of the income and disability assistance programs themselves. This must start with reviewing the underlying principles of the system to ensure it focuses on lifting individuals and their families out of poverty while treating them with dignity and respect.

FAIR WAGES

BC has recently seen encouraging wage growth. While this is good news, many low and middle-income workers continue to struggle to make ends meet and provide for themselves and their loved ones. This is unacceptable.

The BC government has previously announced that it will increase the minimum wage gradually to $15.20 per hour by 2021. Though the timeline is not as quick as we hoped, this is an important step forward. Raising the minimum wage will help hundreds of thousands of workers.

Government needs to take further steps to eliminate all exemptions to minimum wage laws and ensure that the minimum wage does not fall below the poverty line.

In addition, government should make the Fair Wages Commission a permanent body to oversee the achievement of a living wage and provide ongoing monitoring of wage levels and employment standards in BC.
**PAY EQUITY**

Pay equity legislation is needed to ensure equal pay for equal work in BC. The BCFED calls on the government to fund a task force headed by the Parliamentary Secretary for Gender Equity. This task force should have a mandate to develop and introduce legislation within ninety days of Budget 2020 focused on eliminating the gender pay gap, and the pay gap for other under-represented groups including workers of colour, LGBTQ+ workers, Indigenous workers, and workers with disabilities. This task force should look not only at pay, but also at benefits, hiring, and equal access to positions within the workplace.

**RECONCILIATION**

The BCFED fully supports the government’s intention to bring forward legislation to implement the United Nations Declaration on the Rights of Indigenous Peoples. We hope this legislation will address the long history of denial of the decision-making authority and rights and title of Indigenous Nations. While we look forward to getting further details on the legislation, the BCFED recommends government allocate new resources to ensure that the Ministry of Indigenous Relations and all other Ministries can successfully implement the new Act and have the resources needed to support the self-determination of Indigenous Nations and urban Indigenous people alike.

**BC HUMAN RIGHTS COMMISSION**

The re-establishment of the BC Human Rights Commission was a landmark moment. We applaud the government for making good on this commitment. The BC Human Rights Commission is well positioned to be the driving force of a much-needed culture change in the province of BC. To do so, it must be adequately funded.

For example, the Commission needs to be able to take a snapshot of all of the industries and institutions in the province and provide an analysis on areas that need attention, education and strategic outreach. To do this, funding must be made available to conduct the necessary research including surveys, workplace and institutional inspections and the establishment of a sophisticated and secure data-management system. Without the ability to collect and analyze data, the Commission will not have the information needed to advance human rights in British Columbia. This is but one example of critical work the Commission needs resources for.

**ACCESS TO MENSTRUAL PRODUCTS**

The BC government should expand the provision of free menstrual products recently announced in the education system to ensure they are free in washrooms in all public buildings across the province.
Quality Public Services for Families and Communities

**POST-SECONDARY EDUCATION**

The labour market in BC increasingly relies upon skilled and educated workers. BC needs a fair, sustainable post-secondary education system to match. **New funding is needed to address the rising precarity and under-paying of contract faculty.** At the same time, tuition costs have steadily increased for post-secondary education. **Investments are necessary to drastically reduce tuition costs** and avoid young workers and workers undergoing retraining from taking on thousands of dollars in student loan debt simply to have a shot at meaningful employment in the labour market of the future.

**K–12**

BC’s per-student funding lags behind most of the country. It’s **time to significantly increase funding levels for BC’s K–12 public education to meet the needs of our kids.** In addition, the government should cease funding elite private schools.

**CHILD CARE**

Record investments in affordable, universal childcare have made a big dent in affordability challenges. In fact, the Living Wage went down last year in Metro Vancouver as a result of access to affordable childcare. We commend the government’s initial steps to implement the Coalition of Child Care Advocates of BC’s $10aDay Plan. It’s **time now to take the next steps to ensure that this important initiative is accessible to all members of our communities, including non-permanent residents.**

**HEALTH CARE**

Budget 2020 is an opportunity to build on the investments of previous budgets and improve the health and wellbeing of British Columbians. **Investments should focus on a BC public health care system that is more integrated, multidisciplinary and prevention-focused.** Furthermore, BC can lead the country...
and work with the Federal government to implement a pharmacare program to provide access to prescription medication, as well as to expand access to dental, optometry, and mental health care.

**TRANSIT**

Transit and rapid-transit ridership is increasing in BC. In Metro Vancouver, for example, transit ridership is growing faster than the population, and both SkyTrain and bus lines are frequently overcrowded during peak periods. Transit ridership into and out of Metro Vancouver is also increasing, and nearly twice as many people ride the bus as use the SkyTrain. During peak morning-riding times — when many riders are commuting to work — analysis shows that cars are faster modes of travel than all transit options between urban centres in the province.

Investments are needed to increase the range and frequency, and to lower the cost, of public transit. Funding could begin with helping municipalities support youth and low and modest-income British Columbians with lower cost or free fares. Making rapid transit more affordable will help reduce road congestion and the use of private vehicles providing major reductions in harmful carbon emissions and supporting climate action.

**HOUSING**

The government has made important progress with its 30-point plan to address housing affordability in BC. The Ministry of Municipal Affairs and Housing should continue to expand the stock of affordable housing through public investment in rental housing, housing for women, children and others affected by violence, partnerships with Indigenous communities, and co-op housing. There remains a pressing need for more supportive homes for people struggling with homelessness and an opportunity to use the Fair Tax Commission referenced above to explore further property and land value taxes. Finally, government must strengthen protections for tenants from demo-victions, displacement and rising rents through amendments to the Residential Tenancy Act.

**THE BCFED RECOMMENDS**

The BCFED recommends government create a new Quality Public Services Fund, dedicated to expanding and strengthening social programs, and improving public services and supports in BC.

The fund should be financed in part by revenue from the new tax on the 1%, projected to bring in half a billion dollars in revenue each year, as well as additional revenues garnered from tax reforms that emerge from a Fair Tax Commission. This fund could be managed like a sovereign wealth fund. Spending should be restricted to initiatives that enhance or expand public programs and social services ensuring the funds cannot be used to replace or reduce existing levels of program or service funding.
ECONOMIC INSECURITY AND THE CLIMATE CRISIS are two central public policy challenges of our time. The BCFED believes they must be addressed in tandem, ensuring climate action provides fairness and opportunity for workers. In addition, advancing technology, automation, and digital platform-based labour has increased precarious and insecure work throughout BC. Budget 2020 must begin to address these complex and interacting factors.

SUSTAINABLE JOBS PLAN

Budget 2020 should expand on the CleanBC climate plan and ensure that sustainable jobs are good secure jobs in every corner of the province. The BCFED recommends government use the CleanBC plan to build out a companion good-jobs strategy that ensures the next generation of jobs provide the protections, security and benefits workers deserve. We are in a climate emergency. Swift transformation of our energy systems, transit and building infrastructure are necessary. Needed climate action should not come at the expense of working people, nor can rural communities with resource-sector-intensive workforces be left behind.

SECURE JOBS

Part-time and precarious employment — that is, contract, seasonal, casual, temporary-agency, and other types of non-standard work — is rising in BC.\textsuperscript{10} Research conducted by the Poverty and Employment Precarity in Southern Ontario research group (PEPSO) found that precariously employed workers experience significant levels of stress and anxiety, even at above-minimum wage levels.\textsuperscript{11} The PEPSO study found that precarious employment disproportionately impacts women, people of colour, and workers without post-secondary education.

One of the most common problems we hear from workers is that they aren’t considered employees at all. The over application of the “independent contractor” classification has resulted in many employees losing access to important employment protections. Due to the current lack of enforcement, this problem has been allowed to grow, especially in sectors like construction, delivery services and passenger transportation.

When employers intentionally misclassify a worker, they gain a significant financial advantage. They are relieved of many obligations including hours of work, vacation and statutory holiday pay, severance and the requirement to
provide job-protected leave. For the worker, the cost of this misclassification is significant—not only do workers lose out on these important rights, they may also miss out on access to other entitlements like employment insurance, workers’ compensation and the Canada Pension Plan. To protect workers from unscrupulous employers, the Employment Standards Branch (the Branch) must have the resources to hire staff needed to educate, investigate and enforce the law across all sectors, especially those industries with a history of misclassifying workers, such as construction.

The BCFED recommends the budget of the Employment Standards Branch be increased to $26 million. Funding for the Branch has significantly eroded over the past two decades and current funding levels are not sufficient to fully implement updates to the legislation.

The Employment Standards Branch must be proactive in responding to problematic industries and changing work trends. Rather than allowing practices that break the law to become established and harder to reverse, they should clearly set out how the rules apply to these industries. For example, with the upcoming expansion of the passenger transportation and ride-hailing industry, there is an opportunity to establish practice directives to ensure that workers know their rights and employers follow the law.

In summary, the new funding is needed to:

• Expand proactive enforcement and investigate complaints;
• Educate workers and employers on their rights and responsibilities;
• Conduct research into employment trends and compliance with the law; and
• Develop a policy strategy to address the changing nature of work, and the rise in precarious and insecure work.

UNIONS

Decades of research demonstrate that labour unions decrease both economic inequality and inequalities in access to political resources and representation.\(^\text{12}\) Even the liberal International Monetary Fund has found that de-unionization bears a strong positive correlation with increased inequalities in wealth and income.\(^\text{13}\)

The BCFED strongly calls for the restoration of a one-step system of union certification on the basis of membership cards alone. The requirement for workers to indicate their desire to form a union twice is an infringement of workers’ rights to organize under the Canadian Charter of Rights and Freedoms (the Charter). The certification process is not an electoral process. It is the demonstration of the will of workers to bargain their working conditions. The second voting period is an obstruction to this right as it inevitably becomes a campaign period for the employer. The double choice system has led to a rise in unlawful interference and a decline in successful certifications. There is no evidence to support that a membership card does not adequately reflect an employee’s wishes.

We recommend government use the CleanBC plan to build out a companion good-jobs strategy that ensures the next generation of jobs provide the protections, security and benefits workers deserve.
LABOUR RELATIONS BOARD

Like the Employment Standards Branch, the Labour Relations Board (the Board) has also been starved of funds. From an antiquated on-line presence to chronic understaffing, the Board currently lacks the resources it needs to meet its mandate. These significant deficiencies existed prior to the introduction of updates to the legislation this past spring. The new responsibilities of the Board exacerbate the strain on their limited resources. For example, the Board must meet shortened timelines for expedited arbitrations and certification votes, increased demands for mediation, and improve its website and on-line services, in addition to other obligations under the Act. That’s why the BCFED recommends the annual funding of the Labour Relations Board be increased to $12 million.

SECTORAL BARGAINING

The Supreme Court of Canada has upheld that workers have a Charter right to form a union. Yet many workers do not have access to this right, in particular those in temporary, part-time and/or precarious employment. Further, with the changing nature of work and the growth in these difficult to organize sectors, failing to provide opportunities to unionize negatively impacts the quality of life and entrenches poverty for workers and their families.

We believe that sectoral, multi-employer bargaining is a necessary step forward to address the growing precarious workforce in our province. Under the current model, too many workers are unable to access their Charter right to form a union. Unless we expand the ways in which workers organize, thousands of workers will lose a critical opportunity to improve their working and living conditions. As recommended by the Section 3 Review Panel of the Labour Code, the BCFED calls for the immediate appointment of a commission to recommend both a bargaining model and plan for its implementation.

MIGRANT WORKERS AND WORKERS WITHOUT STATUS

While pay equity legislation will help address some of the discriminatory elements of the labour market, some groups will continue to face discrimination. Some of the challenges facing migrant workers include low wages, limited benefits, the absence of information or misinformation, and indebtedness to unscrupulous recruiters. Migrant workers often find themselves isolated and the contributions they make to our province and its economy undervalued.

Employers in Canada circumvent unionized collective agreements by bringing hundreds of thousands of workers into the country who are employed in predominately low-wage sectors of caregiving and domestic work, farm work, and retail and cleaning. Wages in these sectors are lower than average and rarely provide benefits. Allowing unions to sponsor workers under the Provincial Nominee Program for any temporary

WORKER ADVISORS

The Worker’s Advisors Office provides independent advice and advocacy for vulnerable injured workers as a first step in the process for those whose claims for compensation have been rebuffed by the Workers Compensation Board (WCB). In 2018, the government announced increased funding of $3 million a year to be shared between the Workers’ Advisors Office and the Employers’ Advisors Office. This was a small but positive step to do more to help injured workers navigate the WCB’s complex injury claims system. As the Board deals with increasing numbers of injured workers requiring assistance with their claims, the government should increase the budget of the Workers’ Advisors Office so it can adequately meet the needs of workers.
British Columbia can lead on this issue by becoming Canada’s first sanctuary province.

foreign worker classification would avoid employer exploitation by giving workers the protection of citizenship sponsorship stipulated within a collective agreement. This would avoid the all-too common problem of employers falsely promising to sponsor a migrant worker’s citizenship.

To alleviate the precarious circumstances of migrant workers, Budget 2020 should identify a lead Ministry and allocate resources to provide:

• Immediate access to Medical Services Plan coverage upon arrival for all migrant workers;
• More options under the Provincial Nominee Program for workers who want to stay in Canada, including union sponsorship of workers;
• Timely implementation of the Temporary Foreign Worker Protection Act, and the funding required to make it successful, including the hiring of officers to do unannounced proactive inspections of workplaces using the Temporary Foreign Worker Program in BC;
• For the Ministry of Labour take immediate jurisdiction over the living conditions of workers with employer provided housing, including proactive unannounced inspections, and approval of accommodations before workers arrive;
• Increased inter-jurisdictional cooperation between health authorities, the Workers’ Compensation Board, and municipalities to ensure that any health or safety or employment standards issue faced by a migrant worker can be dealt with swiftly; and
• Immediate changes to the Employment Standards Act to ensure that farmworkers under the temporary foreign worker program, including workers here under the Seasonal Agricultural Workers Program are entitled to hours of work and overtime protections.

Workers without status (sometimes pejoratively referred to as “undocumented”) face high levels of poverty, insecurity and stress. Because of their lack of legal status, these workers and their families fear accessing services and supports. BC can lead on this issue by becoming Canada’s first sanctuary province. This would allow residents without status to access education, health care and other vital services. It would also level the playing field by ensuring that workers without status have the confidence to access health, safety and employment standards protections. By eliminating the ability of bad employers to leverage the fear of deportation over workers who claim their rights, BC can close the door on the exploitation of vulnerable workers.

To make BC a sanctuary province, Budget 2020 should allocate resources to strike a cross-ministry task force mandated to:

• Protect workers without status from information sharing between service providers, law enforcement and the Canadian Border Services Agency that may lead to detention and deportation;
• Prohibit school districts, health care providers, and educational institutions offering basic English as an Additional Language courses from enquiring about documentation status; and
• Proactively enforce the Workers Compensation Act and Employment Standards Act and issue penalties to businesses who do not meet health and safety and employment standards when employing workers without status.
APPRENTICESHIPS AND TRAINING

Skilled trades in British Columbia offer good wages, advancement opportunities and employment security. The BC government should re-instate compulsory certification in consideration of public, worker, and environmental safety, the general public interest, and the viability of skilled trades training and apprenticeship. Apprenticeships offer an important pathway to great jobs by providing the skills, mentorship and experience for workers to succeed in the trades. British Columbia is the only province in the country without compulsory trades certification. As a result, BC apprentices continue to struggle within a system that does not require them to be certified in order to practice their trade. **The BCFED calls for the reinstatement of compulsory certification and recommends the BC government establish a clear framework for the review of trades for compulsory certification and an effective compliance and enforcement policy.**

WOMEN IN TRADES

With large public and private construction projects on the horizon, and a looming skilled tradesperson shortage, it will be key for British Columbia’s skilled trades and broader economy to attract and retain Indigenous peoples, women and other under-represented groups. In 2017, after a ground-breaking report on women in the trades was released, the labour movement partnered with government, industry and tradeswomen themselves to create the BC Center for Women in the Trades (BCCWITT), a two-year pilot project. BCCWITT was developed specifically to eliminate the barriers faced by women in the trades by building a network committed to creating a culture of equality and equal opportunity. It has the expertise and commitment from stakeholders that is required to make a difference for women in the trades in BC as well as contribute to the growth and sustainability of the entire construction and commercial trades sectors.

**The BCFED recommends that Budget 2020 provide stable long-term funding to the BCCWITT, including funding to expand its mandate to look at increasing the participation and retention not just of women, but Indigenous people and other under-represented groups in the skilled trades.**

COMMUNITY BENEFITS

Community Benefits Agreements (CBAs) ensure public projects offer benefits to the communities in which they are built by including provisions for the hiring of qualified local workers, Indigenous Peoples, apprentices and women in trades. CBAs also include provisions for union wages and ensure tax dollars are reinvested in local communities. With numerous large public and private construction projects on the horizon, and a looming skilled trades shortage, it will be key for British Columbia’s skilled trades industry and economy to develop new CBAs that leave a lasting legacy of experience, skills, training, and employability among the workers who work on the project.

**The BCFED therefore recommends that Budget 2020 expand the number of projects being delivered through Community Benefits Agreements across the province.**
Conclusion

**BUDGET 2020 IS AN OPPORTUNITY** to take advantage of BC’s strong economic growth and put this province’s wealth to work for working people. This submission calls for government to introduce bold progressive tax reform so that it can make needed investments in social programs and public services.

During the BC Liberal government, British Columbia’s wealth was built on a social services deficit, rising insecurity at work and sharp inequality. Having undone some of the worst damage, Budget 2020 is an opportunity for the NDP government to outline a social democratic vision for the province that prioritizes a fair and equitable economy, quality public services and secure sustainable jobs.
NOTES


