



HOSPITAL EMPLOYEES' UNION

BACKGROUND

Government policy paved way for low wages for hospital cleaners and dietary workers

- About 3,500 HEU members are employed as cleaning and dietary staff by Aramark, Sodexo and Compass Group (the 'Big Three') in B.C. hospitals and care facilities.
- The Big Three hold commercial contracts worth approximately \$643 million with four of B.C.'s public health authorities to clean health facilities and feed patients and residents.
- Health authorities used the B.C. government's 2002 legislation, *The Health and Social Services Delivery Improvement Act* (Bill 29), to fire thousands of directly employed cleaning and dietary staff (and others) and contract out the work to these multinational companies.
- As a result, wages were slashed to between \$9 and \$10 an hour, along with benefits.
- HEU organized most employees and reached first collective agreements with the Big Three between 2004 and 2007 that brought hourly wages to about \$13 an hour for most workers, by the end of the three-year contracts. All three collective agreements expire September 30, 2008.

The 'Big Three'

- London-based **Compass Group** currently has five-year contracts to provide cleaning and dietary services to both the Vancouver Island Health Authority (\$100 million) and the Provincial Health Services Authority (\$40 million). Compass Group CEO Richard Cousins pocketed more than C\$4.5 million in salary and benefits in 2007. The company reported just under C\$21 billion in revenue and more than C\$1 billion in profits in 2007.
- Paris-based Sodexo holds a 10-year, \$330 million food services contract with Vancouver Coastal Health Authority and a five-year, \$73 million cleaning contract with the Fraser Health Authority. Sodexo CEO Michel Landel reported more than C\$3.5 million in salary and benefits in 2007. Sodexo reported more than C\$21 billion in revenue and more than C\$551 million in profits.
- Philadelphia-based **Aramark** has a five-year, \$100 million contract with the Vancouver Coastal Health Authority to provide cleaning services. CEO Richard Neubauer took in C\$8.3 million in salary and other benefits in 2007. ARAMARK went private in 2007, but in 2006 it reported sales of C\$11.8 billion and profits of more than C\$265 million.

What are living wages and living wage policies?

- A living wage is a rate of pay that allows a full-time worker to provide a safe and healthy standard of living for themselves and their family. A living wage allows families to participate in their communities in meaningful ways and allows them to save for future needs and goals.
- Over 130 U.S. cities and counties have enacted local living wage laws that tie wage and working condition requirements to government contracts. In the UK, the Greater London Authority introduced a fair employment clause into its contracting procedures in 2002. Several of London's large financial institutions and hospitals have also implemented fair wage policies or practices covering contract workers in their facilities.

March 27, 2008





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Living wage policy for health authorities has strong support from public -- poll

Poll highlights

- **Nine of ten British Columbians think health authorities should require contractors to pay family-supporting wages to their workers.**
- **Four out of five say hospital contractors who don't pay decent wages should not receive tax dollars.**
- **87 per cent believe that no full-time worker in a B.C. hospital should need to have a second job just to make ends meet.**
- **78 per cent support a policy that would require any corporation contracted to provide public services in B.C. to pay living wages to their employees.**

The telephone survey of 607 British Columbians was carried out between March 9 and 15, 2008 and is accurate to within +/- 4.1 per cent, 19 times out of 20. It was conducted by Viewpoints Research for the Hospital Employees' Union.

These questions form part of a longer survey on a range of health care issues. Here are the detailed questions and results.

All companies who have contracts with B.C. health authorities should be required to provide safe working conditions and to pay wages high enough to support a family

91.3 % overall agreement 6.3 % overall disagreement 2.5 % don't know/refused
(45.3 % strongly agree) (0.5 % strongly disagree)

As a taxpayer, I don't want to see health care dollars spent on hospital contractors that don't pay decent wages to their employees.

81.4 % overall agreement 14.0 % overall disagreement 4.6 % don't know/refused
(28.0 % strongly agree) (2.8 % strongly disagree)

No one working full-time in a B.C. hospital should have to take a second job in order to make ends meet.

86.6 % overall agreement 11.2 % disagreement 2.1 % don't know/refused
(37.2 % strongly agree) (1.5 % strongly disagree)

In the United States and Britain, some local governments have brought in policies that require any private company that receives a contract to provide public services, to pay their employees a living wage. In B.C., would you support or oppose a similar policy?

77.5 % total support 15.2 % total oppose 7.2 % don't know/refused
(35.7 % strongly) (3.3 % strongly)

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