

ISSUES NOTE: CONFIDENTIAL ADVICE TO MINISTER

Ministry of Social Development and Poverty Reduction
Date: Nov. 15, 2021
Minister: Hon. Nicholas Simons

Low Wage Redress

SUMMARY: Non-union and partially certified community social services agencies believe the government's 2019 decision on Low Wage Redress (not extending funding for additional wage increases available to unionized employees under the sector's collective agreement to non-unionized agencies) will amplify recruitment and retention challenges. Individual applicants and Equal Work Equal Pay BC (a registered lobbying organization) made an application to the Labour Relations Board in November 2020 seeking equal funding for compensation increases retroactive to April 1, 2019. A hearing was held Sept. 20-24, 2021 and then adjourned to Nov. 3, 2021 and final arguments will be heard Dec. 14, 2021.

ADVICE AND RECOMMENDED RESPONSE

- **People who work in the community social services sector provide important services for some of B.C.'s most vulnerable people.**
- **As part of government's commitment to improve the services and supports that people depend on every day, we are looking at ways to ensure that people in this priority sector are paid fairly.**
- **In May 2019, the former Minister of Social Development and Poverty Reduction convened the Social Services Sector Roundtable to discuss and work collaboratively on broader issues facing the sector – including recruitment and retention.**
- **Since May 2019, the Social Services Sector Roundtable has made significant progress in building trust and good working relationships between government and community social service organizations.**
- **To ensure the sector's overall and long-term strength, our government has:**
 - **Provided \$10 million in 2019/20 to support recruitment and retention including funding for training and occupational health and safety initiatives;**
 - **Provided up to \$26.3 million in 2020/21 for compensation and training to help address recruitment and retention challenges faced by non-union and hybrid or partially certified agencies; and**
 - **Budget 2021 provided \$36.358 million in Ministry base budgets for compensation for non-union and hybrid social service sector**

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agencies and \$0.4 million to the Public Sector Employers' Council Secretariat (PSEC) to develop a sector compensation plan, as the first part of a human resources strategy.

- **As part of government's commitment to improve the services and supports that people depend on every day, I look forward to continuing the work of the Social Services Sector Roundtable to help address the challenges faced by the sector. Parliamentary Secretary Sharma will join me in that commitment.**

If asked about the EWEP complaint to the LRB:

- **I am not going to comment as the matter is currently before the Labour Relations Board.**

BACKGROUND

- The collective agreement for unionized employees in the social services sector includes a general wage increase of 2% per year, between March 2019-March 2022, in addition to significant Low Wage Redress (LWR) funding of 3.5-3.9% per year to reduce the wage differences between similar unionized roles in the community social services and health sectors. The intent was to reduce employee turnover by reducing the pay gap between the unionized sectors.
- LWR was not extended to the over 20,000 non-union employees in the sector, and non-union and partially certified agencies are concerned about not being able to provide comparable wage increases with unionized agencies will further impact recruitment and retention issues.
- The overall differences in compensation (wages and benefits) between union and non-union employees in the community social services sector are long-standing and historical. Government has provided additional funding to non-union and hybrid agencies in response to their concerns, but the available funding does not fully match the funding provided to unionized agencies.