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## Special Committee on Pay Equity

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EVIDENCE

**Monday, April 11, 2016**

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**Chair**

**Ms. Anita Vandenbeld**



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• (1745)

[English]

**The Chair (Ms. Anita Vandenberg (Ottawa West—Nepean, Lib.)):** I would like to call the meeting to order. We have quite a few witnesses today so I want to make sure we're starting as early as possible.

Today we have officials from Status of Women Canada, the Treasury Board Secretariat, and the Department of Employment and Social Development. Each one will be given 10 minutes and then we will go through the rotation of questions.

Do the witnesses have a preference in which order they wish to speak, or should I just go in the order listed here?

**Ms. Justine Akman (Director General, Policy and External Relations, Policy and External Relations Directorate, Status of Women Canada):** I believe Status of Women will start and then Treasury Board and then labour.

**The Chair:** In that case without any further ado I would like to call on Justine Akman who is the director general of policy and external relations of the policy and external relations directorate for Status of Women Canada. You have 10 minutes.

**Ms. Justine Akman:** Thank you.

Good afternoon, committee members. We just want to give you a very high-level overview of the wage gap, which is significantly different from pay equity, but it gives you a sense of the broader context.

On slide 2 we give some definitions of what the gender wage gap is, which is the ratio of aggregate female to male wages, and it's used generally to measure income disparity between men and women. It is measured in a variety of different ways. It can look at full-time or full-year wages. It can also be measured in terms of job tenure, or on the basis of hourly wages. This is different from pay equity, which I don't have to tell this committee is defined generally as equal pay for work of equal value.

On slide 3 we give some of the estimates—although there are many—of Canada's wage gap. In 2011 it was about 30%, and within the federal public sector the wage gap is roughly 11%. If you measure full-time job tenure only, women earn roughly 20% less than men who are working full time. In the past, the wage gap closed rather quickly and seamlessly because more women were entering the labour market, but now there are so many women in the labour market the closing of the wage gap has actually slowed.

On slide 4 we provide some international rankings, and there you can see that Canada ranks 28th out of 34 OECD countries for the wage gap between male and female full-time full-year workers, and at about 20%, Canada falls below the OECD average of 15.6%. According to the World Economic Forum, Canada dropped 10 positions to 30th out of 145 countries, and is 80th out of 145 countries if you measure gender income inequality only.

Slide 5 talks about those groups who are most affected by the wage gap. Minority and indigenous women are affected according to their family status, with single mothers most likely to live in poverty, and mothers generally less likely to raise to senior positions. Age affects the wage gap with a smaller wage gap for younger women. Then, of course, there's regional differences as well that affect the wage gap.

On the next slide there's a list of factors contributing to the wage gap, and they're listed here. Pay equity is only one of them, so this presentation will focus on the other factors that are listed.

On slide 7 we talk about part-time work. Women have consistently made up about 70% of part-time workers since statistics became available in 1997. This is true in all age groups. Almost 40% of women working part time indicate they are doing so involuntarily. If they had other options, they may actually be working full time. Part-time work tends to provide less stability, including a lack of pension, vacation, and sick benefits.

Slide 8 shows labour market segmentation is another factor affecting the wage gap. The Canadian labour market does continue to be highly gendered with two-thirds of occupations being gender concentrated. There are more women in the service sectors, whereas men are overrepresented in goods-producing sectors. Many recent shortage occupations have been in male-dominated industries, such as engineering or trades, where women make less than men. Employment growth has been higher in STEM occupations, except I suppose slowing recently, but particularly for men. Women's representation in mathematics and computer science is at 36%, and architecture and engineering is at 30% for master's programs. Women are studying the sciences more than they used to, but they don't tend to then go on to work in the sciences as much.

The next slide talks about women's under-representation in management. They are gaining an increasing share of management positions. However, they are struggling to rise above middle management, and they accounted for 36% of management-level workers in 2014. At the senior management level they accounted for 32% where they were making less generally. The United Nations says that 30% is the tipping point for any kind of representation. We're sort of there in management and could be doing better.

Bias and discrimination is on slide 10. This is obviously a tough one to measure. There's an assumption that it does still feed into the wage gap, and 10% to 15% of the wage gap can be estimated to be attributed to employer bias or discrimination. Pay equity regimes have, of course, been implemented across the country to address employer discrimination related to remuneration. A 2012 study found that all of Canada's designated employment equity groups face stereotypes and bias in employment. A Conference Board of Canada study found that millennial women are less likely to be identified as high potential than their male peers. The slide just continues to talk about the issue of bias and discrimination, and it can occur in relation to remuneration, hiring, job assignment, termination, promotion, compensation, and working conditions, all of which can feed into the wage gap.

Slide 11 talks about unpaid work. Women are still doing more of the care at home and doing more domestic work than their male counterparts. In 2010, the average total time women spent caring for children under five was 6.5 hours per day, while men spent just over three hours.

I won't go into all of the different details on this slide, but women are also taking care of more seniors, parents, or other kinds of dependants, and providing more intense care. Clearly, that also feeds into the wage gap.

The role of Status of Women, in addressing this, is that the minister has been mandated to work with departments to make meaningful progress in reducing the wage gap between women and men. We support other departments to integrate gender considerations into their policy and program initiatives, and to help think of promising areas where we could actually have some influence on the wage gap.

This is about ensuring that the right legislative tools and mechanisms are in place; strengthening labour market participation of women, for example, through child care supports; and enhancing

women's participation in areas where they're under-represented to get at the labour market segmentation piece.

We're also working very closely with our colleagues in the provinces and territories to study the issue of the wage gap. At our upcoming meeting in June, we'll actually be rolling up our sleeves and digging into that issue by presenting some papers and research on the issue to the ministers.

With that, I close my presentation and pass it on to my colleagues.

● (1750)

**The Chair:** Thank you very much.

We have two representatives from Treasury Board Secretariat. We have Renée Caron, senior director, equitable compensation, compensation and labour relations, office of the chief human resources officer; and Manon Brassard, assistant deputy minister, compensation and labour relations, office of the chief human resources officer.

Ms. Brassard, you have 10 minutes.

**Ms. Manon Brassard (Assistant Deputy Minister, Compensation and Labour Relations, Office of the Chief Human Resources Officer, Treasury Board Secretariat):** Thank you, Madam Chairperson, for the opportunity to appear today to talk about pay equity in the federal public service.

I intend to provide you with information on pay equity, and take you through some of the key differences among three models: the CHRA, the Canadian Human Rights Act; the Bilson report recommendations, or some of them; and the Public Sector Equitable Compensation Act.

The goal of pay equity is to redress systemic undervaluation of women's work compared to men's work within an employer's organization. This requires that a comparison be undertaken between the work done predominantly by women with that done predominantly by men. The value of work must be measured with a view to putting equal-value female and male work side by side. If they're paid equally, then there's no problem. However, if the pay is unequal, then there is a pay equity problem that has to be fixed.

It does sound simple; it isn't. It is a highly technical exercise. Employers and bargaining agents either need to agree or they go to an independent third party for resolution.

To put pay equity into practice, an employer's jobs have to be grouped. Often, the job groups or job classes simply follow the employer's occupational group structure. In the Government of Canada, our current occupational group structure would produce 73 groupings for pay equity purposes, at least.

Even though this sounds pretty simple, in practice there is disagreement because the groupings can follow smaller subsets of an employer's occupational structure. A good example of what could be a group structure is the clerical and regulatory group, CRs. They include employees who do data entry, mailroom, records office work. It's one of the largest predominant occupational groups, with 25,000 employees more or less, and the group is almost 80% female.

Experts play a role in pay equity and the measurement of value of work is one of the most important areas where experts need to be relied upon. Experts, often an expert for the employer and one for the bargaining agent side, will advise on the input, the jobs to be evaluated, the tool to measure SERWC—skills, effort, responsibilities, and working conditions—and then the application of the tool. Sometimes the experts come out with the same or similar results; sometimes they don't. Then it's up to the parties or an independent third party to resolve the areas where there are differences of opinion.

The next four slides give you a flavour of how a typical pay equity analysis does wage comparisons. This is where we get technical. I hope you have the slides. They were handed out.

• (1755)

**Ms. Julie Dzerowicz (Davenport, Lib.):** I don't know which page you're referring to.

**Ms. Manon Brassard:** I'm on page 5 of the public Treasury Board deck.

**The Chair:** If you could specify the title of the deck....

**Ms. Manon Brassard:** It's called "Pay Equity: Key Concepts and Comparison of Models", Treasury Board.

**Ms. Julie Dzerowicz:** We don't have it.

**The Chair:** If you'd like to continue, we'll make sure that it gets handed out.

**Ms. Manon Brassard:** The first and simplest way to do the comparison is what we call job to job, which is on page 5. Without worrying too much about the graphic for the moment, the idea is that if you have a female job and a male job that are of equal value, then there can be a straight one-to-one comparison about how much they are paid. The graphic, if you have it in front of you, is helpful to show you the reality that the experts are analyzing lots of jobs, both female and male, and trying to figure out if they are equal value jobs and if there is a pay difference.

On page 5 it will show you that E has a clear comparator and it's L. Therefore, job to job, there's a female predominant job that has the same value. If you look at L, it's the same, and that would be the pay rate of this person. You take the first L if it's going with the lowest pay comparator, and if you're not, the comparator could go to L2.

Job to line is a widely used method. The essential idea in this case is to take all the comparators and then draw a line on the axis for value. Once you have that line of the male jobs, that's a regression line. Then you do a best fit, and the female jobs that are in the complainant group—those jobs you're looking at—are plotted. If any job falls below the male line, then an adjustment needs to be made. In the example on the graphic, job G would get an \$11-per-hour adjustment.

If you look at the next slide it's the case of line to line. Here you draw a male line in the matter I just described. You do the same for the female jobs, and if the female line falls below the male line, then the adjustment is the amount necessary to bring the female line up to the male line so that the two lines will coincide. If a female job falls below the female line, then the adjustment it receives will still leave it below the male line. That's the difference between this method and the job-to-job method.

Then there's the job to segment. It's like the job to line except that instead of drawing a long male wage line, the evaluation axis is subdivided into smaller portions of two or more best-fit male lines. That allows for a more curvy line, and it takes into account the fact that the male jobs might follow more of a curve. It's probably a more accurate and precise representation of the male pay.

The last slide gives a summary of some of the key differences between the Canadian Human Rights Act, PSECA, and Bilson. The first distinction is the gender threshold. The CHRA is a sliding scale. For PSECA the threshold was 70%, and under Bilson it is 60%. The second major feature is to be aware of how the value of work comparison could be done, and the last one is the wage comparisons. The CHRA looks at line to line and job to line. PSECA was job to job, and with Bilson there could be two methodologies. That is the extent of my presentation, and I look forward to your questions.

• (1800)

**The Chair:** You do have a minute and a half left if your colleague wishes to speak; otherwise, we'll move on to the next speaker.

We also have two people from the Department of Employment and Social Development.

I understand Mr. Giles will be speaking.

**Mr. Anthony Giles (Assistant Deputy Minister, Policy, Dispute Resolution and International Affairs, Labour Program, Department of Employment and Social Development):** That's right.

**The Chair:** You have 10 minutes between you, so you can divide that as you wish.

Anthony Giles is the assistant deputy minister of policy, dispute resolution, and international affairs for the labour program, and Margaret Hill is here as the acting director general, strategic policy, analysis, and workplace information.

You have the floor, Mr. Giles, for 10 minutes.

**Mr. Anthony Giles:** Thank you very much.

Thank you very much for inviting me this afternoon.

I had the advantage of knowing what my colleagues were going to present, so I will not repeat anything that they've gone through. I thought I would use my time instead to focus on what the Minister of Employment, Workforce Development and Labour is responsible for in the pay equity file to help you understand a little more about what we call the "federal private sector" jurisdiction to which pay equity applies.

I'll start by talking about the federal private sector. Oh, I should have checked that everyone has—

**The Chair:** You might give us the title of the deck so that people will know which one it is.

**Mr. Anthony Giles:** The title of the deck is "Pay Equity—The Federal Private Sector", and it's coloured in mauve and green.

As I was saying, I'll speak first about the federal private sector. I'll then speak briefly, toward the end of my presentation, about the various roles and activities played by the labour program of ESDC, and then very briefly some high-level points on what has happened in the private sector with respect to pay equity.

Slide number 3 makes one simple point, and it's an important reminder, I think, because here in the Ottawa region pay equity often gets debated in terms of the federal public service, which is the preoccupation of most of the people who live here. The Canadian Human Rights Act, and particularly the right to equal pay for work of equal value also applies in what's called the broader federal private sector.

I should say that the normal way we define the private sector might strike you as a little unusual. We include federal crown corporations, and that's for two reasons. First is that they tend to work more like businesses than a public service does. Second, for that reason, federal crown corporations are covered by the Canada Labour Code, which applies generally to the private sector, so corporations like Canada Post or VIA, for example. We understand that crown corporations aren't perfectly private, but that's for your consideration.

On page 4, you can see that the minister's mandate for the private sector includes some very distinct and different kinds of industries in Canada. First, telecommunications, so radio, television, broadcasting, cable companies are covered, so obvious examples for you—Telus, the CBC, Astral Media, Vidéotron in Quebec.

The federal jurisdiction also includes the banking sector, so all of the large banks and many of the smaller banks as well are covered by federal labour legislation and by pay equity in the federal jurisdiction.

I should say, just by way of parentheses, that of all the employees in the federal jurisdiction in Canada, about 30% work in the banking industry.

Then there's a category of smaller organizations, or at least smaller sectors. Federal legislation covers grain handling, uranium mining, pipelines, and postal services. As I said earlier, crown corporations are covered, and the two largest examples that come to mind are Canada Post and VIA Rail.

Federal jurisdiction also covers interprovincial and international transportation. That is probably one of our biggest sectors, next to

banking. For that reason, I've broken it out into some of the subsectors to help you understand the differences.

First is air transportation, not just the airlines themselves but also NavCan, which runs the air traffic control system in the country, security services at airports, and so on. Rail transportation—any rail line in Canada that crosses a provincial border is covered by federal legislation. Maritime industries, so ports, ferries, shipping that goes between provinces, those are all covered as well. Finally, there is road transportation. This includes any trucking firm that trucks across a provincial border or an international border, and oddly enough, even some municipal transit systems. The two here in the Ottawa-Gatineau area, both of which cross the bridges, fall under federal jurisdiction simply because they span more than one province.

On page 6, I've tried to give you some sense of the relative size of the private sector versus the public service. You can see here that about 75% of federally regulated employees in general, who are covered by pay equity, actually fall in the private sector. About 26% are in the public service, which includes the RCMP.

• (1805)

On page 7 we've tried to give you a sense of some of the variety you find in the federal jurisdiction in Canada. You can see in this matrix that we've divided examples into medium and large firms—that is, those with 100 or more employers. There are about 500 of these in the federal jurisdiction, but they actually employ 90% of employees who fall under the federal jurisdiction. That relatively small number is actually of firms that are among the most important in the country.

Then there are smaller firms—about 10,000 of them—that fall under federal jurisdiction, but they account for only about 10% of total employees.

Within those two categories there are the highly unionized and the barely unionized, if you will. Some obvious examples are airlines, railways, and crown corporations, which tend to be very highly unionized. Among the bigger firms that are non-unionized, you find banking as well as a couple of examples that fall into other industrial categories, such as FedEx, Rogers Communications, and WestJet in the airline industry.

Among small firms, you find some industries that are fairly highly unionized—marine transportation, for example—and then you find a sector of very small firms that don't have very many unions at all. Trucking is a classic example.

The point we're making here is that as this committee studies the area of pay equity and thinks about how it could be applied. It's important to keep in mind the variety of different firms to which it will apply and to think in terms of their needs for some flexibility.

I'll just finish quickly, if I still have a minute.

I won't go into page 8 in detail. I'll just say that the labour program of ESDC plays three roles with respect to pay equity. First, we offer policy advice. For example, the Bilson report was a joint initiative of the Minister of Labour at the time and the Minister of Justice, along with the government response.

We play a fairly small legislative role, but I want to mention it. The Canada Labour Code gives labour inspectors the authority to refer any suspected cases of gender pay discrimination to the Canadian Human Rights Commission.

Then third, we play a modest program role, largely providing educational support tools by way of our website to employers and employees who are interested in the area of pay equity.

I'll finish with a couple of points on pay equity over the years in the federal jurisdiction and the federal private sector.

First, there is obviously still, as my colleagues have pointed out, a gender wage gap. It has reduced slightly over the last 10 years or so from 81.9 cents in 2005 to 86.9 cents in 2015. Most of you will be familiar with some of the large cases that have fallen into the federal private sector—Bell Canada, Canada Post, and Air Canada. What's of note is that those are all very large firms.

I'll finish there. Thank you.

• (1810)

**The Chair:** Thank you very much to all the witnesses for being informative, and also for being so succinct.

We'd like to go into the first round of questions, in which each member will have seven minutes.

We will start with Ms. Nassif.

**Mrs. Eva Nassif (Vimy, Lib.):** Thank you for being with us today to share with us your explication about pay equity.

The federal government and some of the provinces have pay equity legislation in place, while other provinces currently have none. The wage gap has declined slightly over the last decade in the federal public service, although a fairly significant gap remains. In the provinces that do not have legislation, the overall reach is varied.

My question is in two parts. Do you believe that legislation could ever adequately address the issue? Is it the only answer to address this issue? Is there any way we have been able to attribute the decline in the wage gap strictly or mostly to the existence and application of pay equity legislation currently in place?

The second part is, assuming we could implement further legislation that is national in scope, would forced compliance be realistically possible from the federal level across all provinces? Even more, with or without the help of the provinces, would it be possible to administer and enforce such legislation adequately across the private sector in Canada?

**Mr. Anthony Giles:** I'll try. Thank you for the question.

With respect to the first part of your question, I think most experts would probably agree that legislation alone, particularly legislation on pay equity, will not by itself entirely close the gender wage gap.

As my colleague from Status of Women pointed out earlier, the gender wage gap is created by a whole series of factors, one of which is addressed by pay equity.

So it can make a contribution, but I would also go on to say that legislation can't fix some of the underlying problems that stem from the socialization of children into gender roles and perceptions. Legislation can't fix that. It can contribute to sensitizing people to the issues, and therefore, can play a positive role, but by itself it's not a single solution.

With respect to a nationwide program, I think it would be unconstitutional for the federal government to attempt to impose a pay equity regime in provincial jurisdictions. I do think there would be some scope, if the federal government had the appetite to do so, to discuss with its provincial and territorial partners opportunities to work together in this area, exchanging best practices and so on. But by itself it could not intrude into provincial jurisdiction and impose a pay equity program.

**Mrs. Eva Nassif:** I have another question.

There are reports that call for the removal of pay equity regulations from collective bargaining. It's often said that pay equity, which should be seen as a right, should not be something that has to be bargained for. Conversely, there are those who say that removing this bargaining ability would reduce the necessary scope of power and influence of unions in collective bargaining situations. Do you think removing it from collective bargaining could have potentially damaging consequences for our cause?

• (1815)

**Ms. Manon Brassard:** The PSECA has been criticized for introducing it into collective bargaining. The issue of pay equity in collective bargaining has its challenge from an implementation point of view. On the other hand, it provided a process by which, or a time by which, pay equity could be revisited. So it's a policy choice to do it. There are advantages and disadvantages of doing it.

**The Chair:** Did you have any additional questions or did you want to share your time? You have two and a half minutes.

**Mrs. Eva Nassif:** I can share my time with Terry.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** Thank you very much for the opportunity and thank you very much for the presentation. The work you do is very important. My first question is for Justine.

In the presentation this particular slide really jumped out at me, the one about those most affected by the wage gap. As a father to a Métis daughter, aboriginal women earn less than aboriginal men and 31% less than non-aboriginal men. Again, as a husband to a Métis and with a daughter who's Métis, it's very alarming. What are the causes? Can you delve into that for us? What are the stats and the stories about that? Why?

**Ms. Justine Akman:** That's a complicated question with a complicated answer.

**Mr. Terry Sheehan:** It's difficult to answer in two minutes.

**Ms. Justine Akman:** If I understand the question properly.... Is it why indigenous women earn significantly less than indigenous men or non-indigenous men, or both?

**Mr. Terry Sheehan:** It's both, because the statement on here is that aboriginal women earn less than aboriginal men and 31% less than non-aboriginal men.

**Ms. Justine Akman:** It would be related to all of the factors that I stated within the presentation, so part-time work, labour market segmentation, inability to work at all because of lack of supports and education, but also all of the other social issues that affect indigenous communities. The list is very long and I'm not the proper person to go into all of that, but these are all of the issues that are plaguing reserves in Canada today, including lower levels of education, etc.

So why women more than men? It's for all the same reasons other women as well are lower in the wage gap than men. I'm not sure it's as precise, but racism also would play into it. It's not a terribly precise answer to your question but it would be that all of the different social issues have claim to it.

**The Chair:** That's the end of the time for that question.

Ms. Gladu.

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** Thank you.

Even where there is pay equity legislation to say men and women should be paid the same, it's apparent to me that it doesn't happen. As a chemical engineer for 32 years, I experienced, along with many of the women in engineering that I worked with, less pay than a man within an existing job category and longer times to promotion, even with better job performance ratings.

Some of the fixes that were applied at the various companies involved making a job-class pay range transparent, so that people would know what it was, and then showing with dots the population within the group, divided by men and women. Once that was done, it was transparent to everyone that this was the pay range, and you could see visually whether men or women were paid equitably.

My question for Anthony would be, within the sectors that you know about, what kind of transparency of pay grades is there? Do you feel that there's something to be done there?

**Mr. Anthony Giles:** I can only answer partly. I'm not familiar with the non-unionized occupations in those sectors. What I will say is, where there is unionization, all the pay grades are public. They're contained in the collective agreement.

What I don't know is how many unions and companies go through the process you've just described of actually charting out that distribution. What I would also say—although I stand to be corrected

—is that pay equity as such doesn't focus on individuals and their salaries; it focuses on job categories. I don't think the kind of distribution you're talking about within a particular job category would be addressed through a pay equity program.

• (1820)

**Ms. Marilyn Gladu:** I'm sharing my time. Do you have a comment?

**Ms. Justine Akman:** As we mentioned at the beginning of the presentation, there are different ways of measuring this. But some of what is affecting the wage gap—and whether or not it's within the definition of pay equity, I'm not sure—has to do with hidden ways of compensating men.

If you look at my diagram that talks about how many women are at the very top rates of the management echelon. In the CEO category, a lot of their compensation might come from bonuses and other forms. If you speak to university professors, there might be published salaries for the jobs, but the difference is in the perks with the job. It's the more hidden systems of compensating people that may be affecting some of the wage gap, and that's often linked to their ability to work longer hours or having not had interruptions in their time in the labour force, etc.

**Ms. Marilyn Gladu:** Thank you. I'll be sharing my time with Dan.

**Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC):** Thank you, Madam Chair, and I want to thank all of our witnesses for their testimony thus far.

I'd like to focus on the presentations from Treasury Board. First of all, in our last meeting, we had an opportunity to discuss the 2004 pay equity report with some of the authors. At the time, I asked a question about the fact that the Public Service Equitable Compensation Act, instead of “pay equity”, refers to “equitable compensation”.

In government, if you define a term, there's usually a reason for it. Can you share some of the rationale for the use of the term “equitable compensation” versus “pay equity” in the legislation?

**Ms. Renée Caron (Senior Director, Equitable Compensation, Compensation and Labour Relations, Office of the Chief Human Resources Officer, Treasury Board Secretariat):** Thank you, Madam Chair.



I was actually looking into this question today and going through the testimony of the previous officials when PSECA was brought into force. Based on the information that I was able to glean from their appearance at the standing committee, apparently there was a linkage to the word “equitable”. I think the term “equitable remuneration” was used in one of the international conventions. As to why it was switched to “compensation”, I think this was just to create consistency with our usual language in the public service compensation management system.

**Mr. Dan Albas:** Ms. Akman, though, was trying to capture where certain benefits or bonuses would not be caught in a structure similar to what Ms. Gladu had mentioned earlier. Is that correct? The idea is to try to capture total compensation in any form at any level in the public service. Is that correct?

**Ms. Renée Caron:** Most pay equity systems are looking at compensation that is broadly defined to include wage and non-wage compensation, yes.

**Mr. Dan Albas:** The act was originally brought in.... Legislatively it was enacted by Parliament in 2009 but has yet to come into force.

Are there any expected timelines for that?

**Ms. Manon Brassard:** I believe there has to be a government decision as to whether to bring it into force or not.

**Mr. Dan Albas:** There was also some testimony with regard to a question I asked about.... There was a reference by one of the witnesses to collective bargaining. To me, when you read through the Public Sector Equitable Compensation Act or PSECA—I think that's the acronym Ms. Caron used—it seems that the government through that legislation has changed our understanding of collective bargaining in some capacity.

In it there's an assessment process whereby an employer and the employees can bring forward issues of pay or compensation and have a process that happens on a regular basis. Again, collective bargaining happens usually every four to five years I would imagine, so it allows for a constant refreshing of the environment in which workers and employers are operating.

To me, that seems to be less collective bargaining and more collective disclosure because there's disclosure to the employees as to the challenges in the workplace as well as there is a discussion and negotiation and ultimately ratification.

So to me, it seems that....

• (1825)

**The Chair:** Mr. Albas, I'm sorry but you're out of time for the seven minutes, but of course in a future round if you want to revisit it....

**Mr. Dan Albas:** I'll revisit it another time. I was coming to a question, but thank you, Madam Chair. I respect your time.

**The Chair:** We'll now go to the third questioner.

Ms. Benson, you have seven minutes.

**Ms. Sheri Benson (Saskatoon West, NDP):** Thank you, Madam Chair, and thank you for the presentations.

I have a couple of high-level questions I'd like each department to respond to.

We had an opportunity to hear from Beth Bilson, the author of the report on pay equity in 2004 and heard the extensive amount of research and time spent looking at the issue of pay equity in...I guess more than 2004 because I believe it went over several years. They recommended a model of pay equity that was stand-alone legislation. For me, that kind of model is comparable to occupational health and safety, where there's legislation and it would apply to all federally regulated employers, including the public service.

I can start with you, Mr. Giles, and your comment on why we wouldn't go back to that report and build on the work that is already done to be able to move forward. What happened to those recommendations?

The other thing would be just what role.... Three different departments are here today talking about pay equity, and I would be very interested to hear from each of you what role you feel your department or your ministry would play in addressing pay equity. What would be your responsibility on this issue? You can relate it to the report itself or to the work you're doing now.

**Mr. Anthony Giles:** I can't speak from personal knowledge of what happened or didn't happen in the wake of the report being published. I know from the record that the government of the day responded by saying that it felt there was not a sufficient consensus among all the stakeholders who would be affected by it to move forward in adopting the recommendations of the report. That's my understanding from reading the historical record.

On your second question about the usefulness of the Bilson report today, I think it is probably one of the most comprehensive looks at the subject ever undertaken in Canada, certainly, and in terms of it being a starting point, I don't think anyone would disagree that it would be a critical place to start to consider what in 2016 would be a good pay equity model. But in regard to the fact that 12 years have passed, I think that from a purely policy development point of view there should be at least some sort of exercise of consulting broadly, of talking to employers and to unions and finding out what they think of this 12 years later. So yes, it's a good starting point, but not the only one.

With respect to responsibilities, as I said in my presentation, the Minister of Employment, Workforce Development and Labour is broadly responsible for labour matters in the federal private sector, including crown corporations, and therefore has a role, along with other ministers, in coming to a consensus within government on what policy to go forward with.

• (1830)

**Ms. Sheri Benson:** I have a quick question. The Canada Labour Code applies to all federal employees, both public service and private, but the Canada Labour Code doesn't apply to the public service...?

**Mr. Anthony Giles:** The Canada Labour Code has three parts. One of those parts only applies to the federal public service. That's the occupational health and safety part.

**Ms. Sheri Benson:** Right, so when I say that it's sort of comparable to pay equity, it's looking at it like occupational health and safety, which would have that part of the protocol apply to all federally—

**Mr. Anthony Giles:** Or a free-standing piece of legislation, yes.

**Ms. Sheri Benson:** If it were free-standing legislation, would it fall under your department?

**Mr. Anthony Giles:** I think it would be a shared responsibility much like the Employment Equity Act, for example, which gives various ministers various responsibilities to implement and report on employment equity. It gives the Human Rights Commission a role as well. It would be a shared piece, I think.

**The Chair:** Do the other departments have a comment?

**Ms. Manon Brassard:** I'll echo what my colleague said. Certainly, the Bilson report would be a good starting point.

Twelve years later, we know that some provincial jurisdictions have taken parts of that work in looking to establish their own legislation. It would probably be something to go and consult with in order to see how their legislation was built—what was their experience, what are their lessons learned, what they would do again, and what they would not do—to see how much of that is transferable to our experience and then maybe come up with something a bit new and different.

As far as the Treasury Board role goes, Treasury Board is the biggest employer and therefore has a shared policy role vis-à-vis pay equity and is of course the employer of the public service and therefore has a responsibility in that way as well.

**The Chair:** From Status of Women, did you wish to answer? You have 20 seconds.

**Ms. Justine Akman:** Our role is more of a challenge function, as I say in the last slide, so we wouldn't actually have a concrete role in developing or implementing any apparent legislation.

**The Chair:** Thank you very much.

We'll go to question number four with Ms. Dzerowicz.

**Ms. Julie Dzerowicz:** Thank you very much, Madam Chair.

I unfortunately missed the first presentation, but I want to thank everyone for the excellent presentations. Thank you so much.

I have two questions. The first is for Mr. Giles. On slide 7, you took us through the medium- and large-sized firms and the low unionization in small firms. You made reference that there may be a need for flexibility and mentioned the kind of flexibility you're looking at. Could you elaborate a little bit on that?

My second question is for Ms. Brassard. You did a wonderful job of taking us through the different wage comparison methodologies. I wonder if there is an international example you might want to refer us to. It's hard to decide between methodologies. I don't want to reinvent the wheel. I figure there might be an international country that we can compare ourselves with in terms of unionization or business structure.

I wonder if you might be able to share some international lessons, in terms of methodologies and which ones have worked better in pay equity legislation.

That's it. Thank you.

**Mr. Anthony Giles:** In terms of the sorts of flexibilities that might be considered, one has to do with how employees are engaged in the process of pay equity. Obviously, in unionized firms you have bargaining agents who already represent certain groups of employees, but even highly unionized firms have non-unionized groups as well. In the non-unionized sector, you're facing quite a challenge for how to engage employees in the absence of some sort of representational structure. What I would say is that the legislation cannot presume one situation or the other, but has to be sensitive to the fact that particular types of organizations, whether they are coast to coast or small or split into complex structures with different divisions or whether they're more simple.... The legislation has to be flexible enough to allow tailor-made solutions to that problem.

The other thing about the size of firms that needs to be taken into account, and I think different provinces have handled this in different ways, is what sorts of obligations you put on employers in small firms and how you define "small" firms. Most pay equity legislation and similarly the Employment Equity Act makes employers generally obliged to respect fundamental principles, but then it alters the reporting requirements, for example, to take into account the difference between the big firms and the small firms. That's another example of a potential flexibility to be considered.

• (1835)

**Ms. Manon Brassard:** We don't have an international comparator at the moment, and it's probably something that would be good to consider as the committee looks at this question in the next few weeks and months.

**Ms. Julie Dzerowicz:** Is there more time?

**The Chair:** Yes, you have three minutes still.

**Ms. Julie Dzerowicz:** Oh my goodness. That is so much time. I could give a speech in that.

One of the things I thought about as I was hearing the presentations was something I learned coming out of MBA school. My female professor said to me "Julie, negotiate as high an income as possible when you are negotiating your first job out of MBA school", because that is where—this is what I've been told—women fail to negotiate, coming out of school. I don't know if I did that very well, but I did try to do it.

I wonder, in the case of the federal sector when you look at people coming out of professional programs, whether that's where we're failing or where the gap starts, and whether there's been any research or a look at that.

I wonder whether anyone can address that.

**Ms. Manon Brassard:** If I take it from a public service employee perspective, what we have is.... We negotiate with the lawyers. Any groups we have are represented, and we collectively bargain for pay ranges. When I was a lawyer in the government, there used to be LAs: LA-1, LA-2, LA-3, and LA-4. They are now called LPs: LP-1, LP-2, LP-3, and LP-4. Within this, you have set increments as you move from year to year to year.

There isn't a whole lot of arbitrariness, and the negotiation happens at the collective bargaining table with the bargaining agent on those items. Then, when you arrive, it's a matter of your experience in terms of where you fit at the beginning. The rule is pretty much the same for everybody. As you get one more year of experience and have a good evaluation, you move up. After a few years, you hit the ceiling and unless you are promoted, you stay there.

In terms of individual negotiation in a universe such as this one, there isn't a whole lot, if any, negotiation on that. It eliminates that part. The negotiation is done elsewhere for the entire group, and it's pretty set.

**Ms. Julie Dzerowicz:** Is there anyone else?

**Mr. Anthony Giles:** It's a little different in the private sector, in the sense that most professions are excluded from that sort of regimented approach, so I imagine there would be more scope for that kind of negotiation on an individual level. In most jobs it probably doesn't happen very much, but in those professional categories you are talking about, it probably does.

I am not familiar with any research that proves that, though.

**The Chair:** Thank you. I'm sorry, the time is up.

We will now start with the second round of questions. The first questioner is Mr. Albas, for five minutes.

• (1840)

**Mr. Dan Albas:** Thank you, Madam Chair.

I appreciate the witnesses' testimony. Going back to what we were discussing earlier, I wanted to go back to the assessments that are done. I believe the formal name of it is....

**A voice:** SERWC?

**Mr. Dan Albas:** No, no. It's basically the assessments that are done as part of the Public Service Equitable Compensation Act. Could you explain the rationale for doing those, and maybe some of the background as to what goes into them?

**Ms. Renée Caron:** An assessment of skill, effort, responsibility, and working conditions is the typical way of doing a job evaluation, whether you are doing that for classification purposes inside an employer's organization or for pay equity purposes. The idea behind using skill, effort, responsibility, and working conditions is to establish the internal value of the work.

**Mr. Dan Albas:** Under the PSECA architecture, the equitable compensation assessments themselves happen before collective bargaining, and they are done on a recurring basis. What extra value is there to that, rather than just pinpointing current issues?

To me, anytime you have to revisit something at a certain time, it almost entrenches the process or is a cultural shift, so to speak.

We've heard from witnesses today about some of the challenges when you have just a legislative framework. Oftentimes there are societal overtures that may not provide for that. To me that seems to be the proactive centrepiece of this new model. Could you expand on that?

**Ms. Renée Caron:** First, I would clarify that PSECA was never brought into force, so those assessments have never been done under PSECA. Our experience with these kinds of evaluations for pay equity purposes is still under the Canadian Human Rights Act.

The assessments themselves are still based on skill, effort, responsibility, and working conditions, whether you are looking at it under PSECA, if that were in force, under the CHRA, or indeed under the Bilson recommendations. They are all looking from that lens at determining job value.

**Mr. Dan Albas:** You raised earlier that it's a government decision to bring that part of the law into force. Is it because they are going through collective bargaining right now? Is that why the government probably doesn't want to add another issue on top of everything else?

**Ms. Manon Brassard:** I think it has to do with wanting to look at the policy underpinning of this.

**Mr. Dan Albas:** Were there any stakeholder consultations on this new process, when it comes to these assessments being put in place?

**Ms. Renée Caron:** There were a few rounds of consultation regarding the development of regulatory policy directions under PSECA. There were consultations done in 2010 as well as in early 2013, I believe. These provided some opportunity to have discussions with stakeholders at the time. We met with union representatives and we met with employer representatives and talked about how the regulatory policy could be developed to fill some of the gaps left in the statute itself that need to be set through regulations.

**Mr. Dan Albas:** There's the framework that was created, but not all of it is in place. Right now, there are transitional rules. Can you, then, go through what some of the transitional rules do right now?

**Ms. Manon Brassard:** I'm not sure it needed regulations. The regulations are not adopted, so there are not transitional rules per se.

**Mr. Dan Albas:** Is there nothing in place of this? I thought there were some transitional rules that would immediately transfer from the Canadian Human Rights Commission and then subject that to the Public Service Labour Relations Board. Is that right?

**Ms. Renée Caron:** Yes. There were consequential amendments made, I believe, to the Canadian Human Rights Act, but in effect, in 2009 complaints that were at a certain stage in the process and not too far advanced in the Canadian Human Rights Commission process were required to be transferred to the Public Service Labour Relations Board.

That only applies to the federal public sector, so it has no impact whatsoever on the private sector. Those consequential amendments are in effect. That's the only very narrow slice that is in force.

• (1845)

**The Chair:** Thank you. That's our time. We'll go to the next question.

Ms Romanado, you have five minutes.

**Mrs. Sherry Romanado (Longueuil—Charles-LeMoine, Lib.):** Thank you.

Thank you very much for the presentation. Let me say that I'm new. I'm replacing a colleague, so please forgive my very simple question.

From looking at the data that you provided us and listening to the presentations, it's clear that the wage gap still exists both in the federal public service as well as in the federal private service. While we've been able to reduce it over the last 12 years, it in fact still exists, and you've given us concrete data to support this.

My question is simply this. If you're able to pinpoint with accuracy the wage gaps, how is it that we're not able to then address them? We know exactly who's making what, obviously, with this data. If we know for a fact that a female is making less, why aren't we just fixing it? This may sound like a very simple question, but I'm curious. In 12 years, how have we not been able to fix this?

**Mr. Anthony Giles:** It's because the gender wage gap is a measure of the difference not between men and women doing the same job, in which case you'd be perfectly right. In the case of equal pay for equal work, that could be addressed as soon as it's identified. The wider gender wage gap, however, springs from a number of different reasons. It has to do with career choices. It has to do with occupational segregation. It has to do with a range of factors that don't just apply to individual cases of unequal pay. That's why tools such as pay equity programs have been thought about as ways to address different parts of that gender wage gap.

**Mrs. Sherry Romanado:** Okay.

In your presentation, Mr. Giles, you talked a little bit about the employees, the unions, and those employers who believe that pay equity is not being achieved being able to complain to the Canadian Human Rights Commission. How many employers are actually filing complaints?

**Mr. Anthony Giles:** I'm not aware of a single one. I'm not aware—I don't have a complete list—but I'd be surprised.

**Mrs. Sherry Romanado:** So the onus is on the employees in the union to get the information to file a complaint, whereas it's the employers who have the data on the wage gap.

**Mr. Anthony Giles:** Yes. In unionized sectors often that data can be collected by unions. It's rarer of course for individual employees to be able to make those calculations. That's the fundamental feature of the existing federal model, the original federal model; it's complaint-based. It depends on someone coming forward, making a sufficient case, to trigger a discussion between the employer and the employees, because sometimes they are settled without going to the Canadian Human Rights Commission. That's the fundamental difference between that model and PSECA, the Bilson recommenda-

tion, and the models in Ontario and Quebec, which were all proactive and required not just complaints but actual proactive addressing of the problem.

**Mrs. Sherry Romanado:** Further to my colleague's question, if we know that the federal public service has salary ranges and that there's really not much room for negotiation in terms of on-boarding and starting salary, where is this gap happening? If we know it's not happening in the recruitment and on-boarding salary, I don't know if in the federal public service you have more opportunity for negotiating your starting salary.

I'm just trying to pinpoint where the problem is starting because it seems as if we're reactive, as you mentioned, having to file a complaint when we realize that so-and-so is making less, versus a proactive approach where it's automatic that equal work has equal pay and so on. I'm just trying to figure out where it's happening so we can prevent it, instead of having to react to it. Could you elaborate?

• (1850)

**Ms. Manon Brassard:** Pay equity and wage gap are related but they are not the same thing. With pay equity in the government the idea is that if, after doing the SERWC, a job's value is 600 points and another one is 600 points, then it's the same pay. The wage gap is different because you take all the women doing all sorts of work—part time, full time, all of that—and find hourly rate  $x$ . It's the same for men, hourly rate  $y$ . They are higher, but you're not addressing the same issues.

**The Chair:** I'm sorry, your time is up.

We'll go to the next questioner, and it is Ms. Gladu for five minutes.

**Ms. Marilyn Gladu:** Continuing on the theme of where the problem is happening, I think we heard previous witnesses tell us that within the same job class we're pretty good, but in this area where it's equal pay for work of equal value, there's some discussion. It looks as if there's a good methodology here with the SERWC tool and the criteria, but it's not being implemented.

In the places where it has been used, how contentious is it? Is it something that when you apply these factors it seems clear to everybody on all sides that you are correct, or are the criteria themselves contentious?

**Ms. Manon Brassard:** I'd say just about everything is contentious.

**Voices:** Oh, oh!

**Ms. Manon Brassard:** It's a complaint-based process. First you have to identify the group. What's the female-predominant group you are talking about? It can be a long discussion. Then where are the male comparators? Another long discussion about that. Then how do you value? So that's the SERWC. That's why sometimes we go to court and we have experts, two experts, three opinions. You get an expert saying that SERWC means this and another who says that SERWC means that. It's not mathematical. A judgment needs to be brought into this.

At some point you come to a conclusion on the value of work, but at every step there's room to interpret, to make representations, and then a judgment needs to come down. Either a third party or the parties themselves agree, and one is able to convince the other, and in the end you have a result that way.

**Mr. Anthony Giles:** Just to add to that, the problem of the contentious nature, or frequently contentious nature of the process isn't limited to pay equity comparisons. It happens in most kinds of job evaluations whether they're done for pay equity purposes or whether they're done to design a sensible compensation structure in an organization.

As my colleague says, there is inevitably some judgment involved in peoples' perceptions of what their work is worth versus someone else's. There are techniques to help people through that, but it's naturally contentious.

**Ms. Marilyn Gladu:** It sounds like where there isn't legislation, there needs to be legislation. It sounds like the data about how people are paid needs to come out and be transparent. Then it sounds like there needs to be some kind of enforcement activity. I'm interested in hearing your ideas on what you think would be a good model of promoting an enforcement on employers to make sure they're paying equitably.

**Ms. Manon Brassard:** I'm not sure I can answer your question on an enforcement mechanism directly. I want to make a point on the question of my LP, my lawyers from earlier. There'll be a lot of debate on the job description itself. Am I an LP-1 or an LP-2? Never mind pay equity; it's just compensation at that point and where I fit on the scale. There's a lot of discussion around those issues to set out the work itself. Then you get into those pay equity issues: if I'm an LP-2 compared to an engineer, is it the same number of points?

The federal government pay scales can be found on the Internet. In terms of transparency, they are there.

• (1855)

**Mr. Anthony Giles:** Just on your question about enforcement, I should say that in one of my other jobs I'm the head of the federal mediation and conciliation service, which spends all its time trying to help the parties get to a solution. Within the labour program, our minds generally don't go to enforcement in the first instance, but rather enforcement in the last instance and designing a system to help better understand what the challenges are, to offer tools, and to offer mediation services.

**The Chair:** Thank you.

That's it for your time.

We'll move to the next questioner, Mr. Longfield, for five minutes.

**Mr. Lloyd Longfield (Guelph, Lib.):** Thank you.

It's great to be a guest at this conversation. There are so many great conversations on the Hill, and I really appreciate the details from our witnesses having been a business owner, and managing businesses, and being involved with business for about 30 years.

One thing that's come to mind is that there's possibly a language gap as well as a gender gap that we're talking about. Businesses don't necessarily see this as a corporate social responsibility. Maybe this is directed toward status of women and promoting pay equity within the public service, as well as private business. Normally businesses look at corporate social responsibility as being outside their walls versus inside their walls, whether this is an item that could fall, or has fallen, or whether you've used this as a means to say there's an inequity that has to be addressed. Under the mandates of B corporations, if you're going to be a B corporation, you have to show diversity and equity within your human resources. It is a complicated situation to try to implement.

In general, is this something you've seen discussed in terms of corporate social responsibility, and would that help bring this forward as a more important issue than just trying to balance the books?

**Ms. Justine Akman:** I don't know if there are discussions going on about pay equity in particular as part of CSR, corporate social responsibility. There's a lot of work going on with the private sector, with corporations, and with the non-profit sector to focus on equality issues in general, whether that be with women on boards, having more diverse workforces, or working with the science and technology or trade sectors to try to get them to recruit more women and offer more training for women. That includes not just cities, but rural and remote areas. All of these are things could have an impact on not necessarily pay equity, the narrow slice, but the wage gap generally.

**Mr. Lloyd Longfield:** I think that's a possible role for federal employment. They could be promoting this type of an idea within a control group that is well controlled within the federal civil service. Maybe that would get the attention of private business as well.

But on the balancing of the books, when you looked at the delta among the curves you gave us, do we know the budgetary deficit between what we could be paying, what we should be paying, and what we are paying? If we were to implement what was put forward in 2009, if we were to implement that in the next budget cycle, would we know what the impact would be?

**Ms. Manon Brassard:** It's a very complicated calculation to make. As you mentioned earlier, depending on how you define the groups, how you define the comparator, and whether or not you choose to go to the lowest male-predominant comparator, you'll have very different answers to that. It's driven by a number of policy choices.

• (1900)

**Mr. Lloyd Longfield:** Then the suspicion that it was something that wasn't implemented because of budgetary reasons isn't necessarily a good assumption to make. It's more the complexity of the problem.

**Ms. Manon Brassard:** It is a very complex area.

**Mr. Lloyd Longfield:** Okay.

Thank you.

**The Chair:** We'll go to the next round. We have Ms. Benson for three minutes.

**Ms. Sheri Benson:** I just want to make a couple of comments.

What I'm hearing is that in the 12 years or so since the report from 2004, we have attempted a complaints-based process, mostly to deal with pay equity. I guess from the results and statistics, you could say, if you were going to be a little facetious, that it doesn't work. Generally speaking, it has not had an impact of a substantial nature on pay equity. We've dropped down as a country. Other countries are going ahead. We have provinces that have put legislation in place.

I understand that it's complicated. I don't think anyone thinks it's not complicated. I think the comparison to occupational health and safety is a good one here. We do have a model that has worked in another area, that is not leaving it to corporate responsibility to be safe. It's saying you have to have a safe workplace, and this is how you do it. It reflects the sizes of organizations. It is a good model, and it was the one thing that was recommended in the report.

The one piece for me that's very clear here is that this isn't about doing the right thing. This is about basic human rights for a group, for half the population to be paid for their work of similar value and to not be discriminated against.

I'm probably taking up too much of my time here, but I do have a very simple question. Is the 2004 report part of any of your departments' basis to go forward? Who within the federal government will lead this piece? My fear is that it will bounce around. We'll talk about it being complicated, and we'll talk about how you have to do this and do that.

I'm obviously not talking to the three of you as individuals. I'm being general here. But why wouldn't you start with...?

For me, I guess the only thing that's changed in 12 years is that things haven't gotten much better. This committee is about going back to that report and doing what I don't think is a huge amount of work to move forward. I think we've had an opportunity to do some different things, but I think it has to be legislative. It has to be recognized as a human right. We have a model in occupational health and safety that I think is a good model. I think our daughters and women would now like to see some progress.

I'm not sure if you want to comment on that.

**The Chair:** Actually, there's no time to comment. We're at three minutes. Sorry about that.

We'll go back now to the third round of questions, which will be a seven-minute round.

We'll start with Mr. Sheehan for seven minutes.

**Mr. Terry Sheehan:** Thank you very much, and thank you for the presentation. This is a really good discussion, and we're getting great feedback and answers. The great thing about going towards the end is that it's brought forward a few more questions through the discussion.

We're doing some comparables between the various provinces, and some are doing better than others, and we were looking at perhaps taking a look at them. In my mind—it was sort of talked about earlier but we didn't really delve into it—it was doing the comparables between countries. Which countries have recently dealt with pay equity or are dealing with pay equity? Do we have some examples, some particular names of some countries that we wouldn't mind taking a look at and reviewing what they're doing? Do we have an example of some countries that might...?

• (1905)

**Mr. Anthony Giles:** I'm not sure about pay equity in the narrow sense, but I think international statistics generally demonstrate that the Scandinavian countries are world leaders in reducing gender inequalities. If I were interested in looking at models to see what they have accomplished and what they did to accomplish that, I would likely start there.

**Ms. Justine Akman:** Yes, I would add to that and, again, it's really important to differentiate between pay equity and wage gaps. I'm not sure if your question was just about pay equity.

**Mr. Terry Sheehan:** It doesn't hurt to look at both the pay equity and sort of what this committee is looking at. It's sometimes good to do comparables around the world and to take a look at some best practices.

**Ms. Justine Akman:** Yes, as my colleague pointed out, Finland would certainly be a good place to start on wage gaps. Again, the Nordic countries have all sorts of different responses to wage gaps, including ways of helping women work more flexible hours, better child care regimes than perhaps we have in Canada right now, subsidized elder care, parental benefits, etc.

There are all sorts of measures for the wage gap, but as for pay equity itself, I wouldn't be the best placed to answer.

**Mr. Terry Sheehan:** Great, and duly noted.

Also in the presentation, it mentions that pay equity in the federal private sector in the last 10 years has been declining, but it's still significant. In 2015, for every dollar earned by a male worker, a female worker earned about 86.9%, and from 2005 it's only been about a nickel difference. That's alarming.

Then it talks about the employees, the unions, or employers who believe that pay equity is not achieved in the workplace. It says that they can go to the Canadian Human Rights Commission.

When I take a look at some of the other presentations, in particular the one from the Status of Women on pay equity, they talk about how it really seems to be, I'll say, bad for women who have been working for a while, who are already there and have been there for a while, and that's alarming.

My first question would be, okay, just take me through the process so that I can wrap my head around it. What would someone do in going to the Canadian Human Rights Commission? What's the process from start to finish, and how long does that take? How many cases do we have, in particular, dealing with the federal private sector?

I'll leave it there. I'm just wrapping my head around this.

**Mr. Anthony Giles:** I can answer partly. The number of cases is low. I'll just give you, for example, that over the last four years the total number of complaints, private sector or otherwise, were only 10. That jumped up and down over the years.

In terms of the process, I think the Canadian Human Rights Commission is in a better position to provide you with that information. But what is on the public record is that one of the factors that led to the establishment of the Bilson committee, the pay equity task force, was the length of time and cost involved in the existing complaints-based model. I believe it was the Canada Post case that took over 30 years to be resolved and cost an enormous amount of money to both parties as well.

**Mr. Terry Sheehan:** Yes, absolutely, lots of lost time for sure.

The issue therein is the.... Again, I look at all the presentations we've seen. For my particular questions, first of all I want to take a look at the Status of Women presentation from you, Justine. You talked about a number of things, including women being under-represented in the trades.

I spent a bit of my life working with the trades. I think the number was around \$28—it's on one of these slides—compared to about \$20, give or take. If we take a look at the federal private sector and at places such as Air Canada or CN, is this the case as well within the private federal sector, where tradespeople, regardless of their gender, are making different wages? I'm thinking of a heavy-duty mechanic or aircraft maintenance and that sort of thing.

Is that also happening in our federal service and our federal private service as well?

• (1910)

**The Chair:** Unfortunately, there are only two seconds left. I'm sorry.

**Mr. Anthony Giles:** I'm sorry. I don't know.

**The Chair:** Okay. We'll go to the next seven-minute question with Mr. Albas.

**Mr. Dan Albas:** Thank you, Madam Chair.

I'm going to do a quick question and then pass this on to my colleague, because there's one thing that I didn't get to ask earlier.

I believe it was in the Status of Women presentation that we have statistics being collected by Statistics Canada since 1997, but slide 9 of the deck supplied by Employment and Social Development Canada says, "There continues to be a gender wage gap in the federal private sector, however, over the past 10 years it has been declining". Again, it goes from where it was in 2005, at 81.9 cents, to 86.9 cents now.

Do we have any understanding of why? I know that wages overall for the average median worker went up, but how do we explain this statistic? Has there been any thought put into that?

**Mr. Anthony Giles:** No. These are just straight calculations based on Statistics Canada data. To understand why that change is happening, you would have to do far more detailed research and analysis to unpick the problem and figure out what's at work there.

**Mr. Dan Albas:** Does this information stem from a labour force study that happens on a regular basis?

**Mr. Anthony Giles:** Yes, the underlying data comes from Statistics Canada. As for the way we figure out what's going on in the federal jurisdiction, because Statistics Canada doesn't divide its data by federal and provincial, we take the predominant sectors in the federal jurisdiction and apply that to Statistics Canada data to do estimates of what trends are going on federally.

**Mr. Dan Albas:** Just to make that clear, you take the Statistics Canada data and you pull it out specifically for the federal...? Okay. Thank you very much.

Marilyn, go ahead.

**Ms. Marilyn Gladu:** All right.

Following up on my NDP colleague's question, in the 2004 report the suggestion was that if they introduced pay equity legislation and all of the tools and the complaint process resources.... In your opinion, what is the best department to provide that? Secondly, what is the best department or organization to provide the oversight they talk about?

Status of Women? I know you want to....

**Ms. Justine Akman:** No, I think I had better pass.

**Mr. Anthony Giles:** Does anyone want to take that?

**Voices:** Oh, oh!

**Ms. Manon Brassard:** I think that question has to be looked at in detail.

If there are three of us, it's because the three of us have a policy role to some extent. I'd say that the Department of Justice probably would want to have a say from a charter perspective as well. It's not as clear-cut as it looks. I believe the Bilson report had a structure that was not so much department led. There was a commission and a tribunal.

**Mr. Anthony Giles:** Yes, I'd agree with that. I think that because of the nature of the problem it naturally involves a number of different departments, and then the choice is, do you create something separate as was recommended by the pay equity task force or do you find some way to share responsibility?

I'm not sure I know what the best answer to that is, but what I will say is that my experience working on issues like this across government does not suggest that it would end up with everyone trying to toss the responsibility elsewhere. There is a genuine understanding that there's a problem here and a genuine willingness to work on it.

•(1915)

**Ms. Justine Akman:** If I could just add one thing from Status of Women. When FEWO studied this in the past, the recommendation was for the Departments of Justice and Labour to continue to lead the work on it and I believe that was back in 2004. There is definitely a role for the Department of Justice in this as well.

**Mrs. Shannon Stubbs (Lakeland, CPC):** I have a question relating to what Terry was getting at and I hope I understand this correctly.

I understand the Canada Labour Code gives labour program inspectors the authority to examine wage records and then gather information related to pay equity, and then the inspectors can notify the Canadian Human Rights Commission if they do find evidence of gender-based wage discrimination in the establishment.

Can you give us a sense of how often the labour program exercises that authority and also if labour program inspectors have the authority then to conduct ongoing audits and monitor compliance related to pay equity?

**Mr. Anthony Giles:** I was wondering that very same thing myself, so I can actually answer it.

I'm not sure where the original idea of empowering labour inspectors to report cases to the commission came from and there were a few in the early years, but what was determined and experienced is that the nature of the inspections done by labour inspectors, who go in to check on paid wages whether it's hours of work or being properly regulated and so on, does not very frequently give them the kind of information they would need to even suspect that there might be unequal pay for work of equal value.

What the program efforts then turned to was more of an educational role and a support role, so that if employees came with a specific question, we would either be able to give them a first-level answer or refer them to the right people at the Canadian Human Rights Commission.

In recent years, I don't think there have been any referrals at all, certainly not in the last five years, which is the period that we checked.

**Mrs. Shannon Stubbs:** In terms of the federal contractors program, I think that falls into the labour program, and on the issue of compliance, you explained earlier some of the experiences that contractors have in terms of compliance. Are you aware of any employers that have declined to continue to be registered under the federal contractors program because of employment equity requirements?

**The Chair:** We're out of time, sorry.

Do you want to follow-up with that, Ms. Benson?

**Ms. Sheri Benson:** Sure, I don't mind following-up on that question. I'd like to hear the answer.

**Mr. Anthony Giles:** I don't know the answer to that.

Has any previous federal contractor stopped bidding on federal contracts because of the obligations in the federal contractors program? I don't know. I could check back with our department and come back with an answer.

**The Chair:** Ms. Benson.

**Ms. Sheri Benson:** Thank you.

First, there are two things. This committee is looking at pay equity as opposed to.... At the moment it is illegal to discriminate on pay, so if someone's a heavy duty mechanic and a man, or a heavy duty mechanic and a woman, and they're getting paid differently, that's against the law. But what we're trying to get at here and what the 2004 report is about is the fact that there's work being performed of equal value, but because it's being performed predominantly by women or predominantly in professions that women are in, the discrimination is happening on a broader scale.

To your point, it's not as easy to figure that out, and it's certainly not easy for an individual to figure out. You're in there with 3,000 other people all not getting paid the same or enough. It's hard.

The complaints-based system has been tried and then we veered off and had the public service do their own version, and then we have federally regulated employers doing something different.

Just to my point, because I really do feel that we can move on this issue, I respectfully understand that lots of different departments have expertise within areas that would touch on pay equity, but it is a concern of mine that the conversation about who's going to start when, and who's going to lead, and whose budgets it will be from.... Those things do concern me. They do get into those bureaucratic conversations and, to be cynical, we keep talking about it, as opposed to....

I would be interested to hear from each of your departments. Have you actually had a conversation about pay equity and about where it fits, whether it's framed within the minister's mandate or whether it has been part of a conversation? I'd just like a clarification of what your role is in pay equity.



•(1920)

**Mr. Anthony Giles:** We haven't had the kind of conversation that you're referring to and the reason is that with the process that has been created with the appointment of this committee, our work since the motion came up in the House and since the committee was created has been, (a) to start to gather information that you may have asked of us, and (b) to begin to look at the issues that we're all looking at here so that we will be ready to jointly advise the government on how to respond to what this committee recommends. So at least in the case of our department, we're not out ahead trying to think of a solution to that division of responsibility. It's too early to do that, given the process that has been put in place.

**Ms. Justine Akman:** As I stated in my presentation, the wage gap is firmly in the minister's mandate letter and she has already started working with her colleagues on this issue in a variety of different ways and will continue to do so.

**Ms. Sheri Benson:** I'd like to come back to something a bit more specific, and this is about Status of Women, building on your comments, Justine, that in the mandate letter there is an ask of the minister to make some progress on reducing the wage gap, which I understand is a much bigger picture than just pay equity. That's something you can start to move forward on and look at so maybe you could tell us a bit about how you might be looking at that and how that might add to this conversation, because I know pay equity is not going to solve all the issues and you want to be able to focus on one piece.

Today this committee has a chance to focus on pay equity, so how would your work inform this piece?

**Ms. Justine Akman:** In my presentation I mentioned the factors that contribute to the wage gap, but there's a variety of different items right now in the mandate letters of various ministers that could actually play into the wage gap. There's developing a national child care framework, working on a poverty strategy, working on more flexible work arrangements, and working more with the Department of Employment and Social Development on enhancing women in apprenticeships and in the trades. The list is very long. There is a number of different ideas.

Of course, a lot of this is not in federal jurisdictions, so it will be very important to engage with the provinces and territories. Our department engages with the ministers and agencies that are responsible for the status of women; but, of course, it will also be very important that they reach out across their governments as well.

•(1925)

**The Chair:** Thank you. We're out of time.

Seeing that it's two minutes before 7:30, we have two minutes for Ms. Dzerowicz, and then that will be everything.

**Ms. Julie Dzerowicz:** It might be a very quick thing.

I was thinking almost exactly along the same lines as Ms. Benson. I know that you don't have any solutions; we're not that far down the line. But I wonder if in our last minute and 30 seconds any of you

might have some advice for us, at this point in our deliberations as we move forward into meeting witnesses and meeting with the ministers, in terms of our deliberations around pay equity legislation.

I'll just throw it open to all of you.

**Mr. Anthony Giles:** I would echo a suggestion one of my colleagues made earlier this evening, and that was to look closely at the two Canadian provinces that have gone along this path, and to ask them what worked, what didn't work, why they made certain decisions, and whether they're still happy with them. I think having real, concrete examples can only inform the thinking that this committee will be doing.

**The Chair:** Anybody else?

We have 45 seconds.

**Ms. Manon Brassard:** I think simplicity is best when it can be achieved. Part of the complaint process is that it takes time, it takes money, and it's a complex process. If in the end it's something that is simpler, I think it would make progress.

**The Chair:** Thank you very much.

I want to thank the witnesses and everybody for being here this evening.

Our next meeting will be on Wednesday at 5:30, when we'll be discussing the work plan and also hearing from the library analyst for one hour.

**Ms. Julie Dzerowicz:** Can I ask a final question before we break up?

There seems to be a number of questions around international examples. Is this something we can ask our library staff, or whoever, to maybe look at? It seems like the Scandinavian countries are leaders in pay equity. I wouldn't mind a little more research or information from Sweden and maybe from Finland. If I'm looking at the gender wage gap and at the world, I wouldn't mind also looking at New Zealand.

I'd be grateful for a sample of some of your "best in class" that might be relevant to our Canadian system. I think it would be very helpful. Is that possible?

**The Chair:** That doesn't require a motion.

The committee wants to ask the library for a report on international comparisons.

**Ms. Julie Mackenzie (Committee Researcher):** Yes, we can clarify it on Wednesday when we go over the work plan. We can certainly do it. It's a question of timing, because there are so many meetings coming up that are quite dense. We can certainly put something together for you. It's a question of what and when it would be most helpful.

**The Chair:** Thank you.

**Ms. Julie Mackenzie:** I'd be happy to do it.

**The Chair:** The meeting is adjourned until Wednesday.





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