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Chair

Ms. Anita Vandenbeld

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• (1740)

[English]

The Chair (Ms. Anita Vandenbeld (Ottawa West—Nepean, Lib.)): I call this meeting to order. Perhaps everybody would please take their seats because we don't want to lose time. We have three ministers here today.

Welcome.

I am very pleased we are able to have this meeting at this special time at which we're able to bring the three ministers and the departmental officials together all at once.

We will be allotting the time of seven minutes per minister, and then we will go into questions and answers. To remind the committee, Minister Hajdu will be here for the first hour, then she needs to leave but her departmental officials will stay. If you have particular questions for Status of Women, I would suggest you get those questions into the earlier rounds. The other ministers will remain.

We're very honoured to have with us today the Honourable Patty Hajdu, Minister for Status of Women, along with Meena Ballantyne, the head of agency for Status of Women.

We have also the Honourable MaryAnn Mihychuk, Minister of Employment, Workforce Development and Labour, along with her official from the Department of Employment and Social Development, Lori Sterling, deputy minister of labour.

We also have the Honourable Scott Brison, President of the Treasury Board, along with his officials, Manon Brassard, assistant deputy minister, compensation and labour relations, office of the chief human resources officer; and Renée Caron, senior director, equitable compensation, compensation and labour relations sector.

We will begin with seven-minute presentations from each minister, starting with Minister Hajdu.

Hon. Patty Hajdu (Minister of Status of Women): Thank you very much.

Good afternoon, Madam Chair. I welcome the opportunity to appear here before the Special Committee on Pay Equity.

I'd like to begin by recognizing that we are meeting on the unceded traditional territory of the Algonquin nation.

I also want to take a moment to thank this committee for all of their hard work on the issue of pay equity. Since you will hear very shortly from my colleagues about pay equity at the federal level and within federally regulated workplaces, I will focus my comments on

the issue of the gender wage gap, which is closely associated with pay equity.

While definitions may vary, the gender wage gap is generally recognized as the difference between the total of what women earn in our country compared with what men earn. As the committee knows, pay equity is defined as equal pay for work of equal value, where jobs are evaluated on their skill, their effort, their responsibility, and working conditions, and can be compared for their value in the workplace.

[Translation]

The two are linked because addressing pay equity allow us to acknowledge the undervaluing of work traditionally performed by women and consider ways to address it.

Pay equity, however, is only one part of the solution to the gender wage gap. It is a complicated issue with multiple causes, and it requires a multi-faceted response. No single action by an individual, organization or government will close this gap. It is going to take all Canadians working together.

[English]

The need for action on the gender wage gap is quite clear. According to Statistics Canada income data, a woman working full time makes 73.5¢ for every dollar that a man makes. Canada now ranks 80th out of 145 countries in the 2015 World Economic Forum's Global Gender Gap Index report for income equality between women and men.

Just as there are marked differences in the distribution of work between men and women, there are also clear differences between groups of women. Immigrant women's employment lags 7% behind that of Canadian-born women and 14% behind that of immigrant men. Aboriginal women's employment rates are 5% below those of aboriginal men and 11% below those of non-aboriginal women. This is unacceptable and we have to make progress.

Alarming, studies suggest that more than half of the gender wage gap is due to unexplained factors that either we have not yet learned how to measure or, quite frankly, are the result of patriarchy, the systemic bias and discriminatory practices that have resulted in women being paid less than their male counterparts.

Statistics show that, while more women are now making inroads into all industries and occupations, they are still concentrated in lower-paying sectors such as retail, health care, and social services. Women are also overrepresented in part-time work and are less likely to reach more senior positions. Of course, many women have a greater share of unpaid work, including roles as parents or caregivers. The so-called motherhood penalty reduces the earnings of women with children by at least 9% compared to women without children.

Conversely, Canada ranks first out of 145 countries in female educational attainment, according to the World Economic Forum. This makes it clear that we have a significant pool of talented women in Canada with the skills and capabilities needed for a range of economic opportunities.

Women now make up the majority of enrolments in college programs, and the proportion of women is even greater among graduates. Since the early 1990s, women have made up the majority of full-time students enrolled in undergraduate university programs. As a result, women already represent nearly half the workforce.

The sectors of our economy where women are under-represented are slowly becoming fewer. In the public and not-for-profit sectors, women hold many leadership positions, and women are slowly gaining ground as entrepreneurs, senior executives, CEOs, and board members across the country, but challenges remain. Women represent just 19.5% of FP 500 board members, and 40% of FP 500 companies have no women whatsoever on their boards.

How do we make progress in closing this gap? One critical ingredient is leadership. As the Minister of Status of Women, I'm very proud to be part of a government that has made gender equality a priority, an action that will have ripple effects throughout our society and economy. We plan on making meaningful progress on reducing the gender wage gap across the country. We are leading by example. The Prime Minister made history last November by appointing the first-ever federal cabinet with an equal number of women and men, and the federal government is now working to ensure that its senior appointments are merit-based and reflect Canada's diversity, with gender parity as a key goal.

Through Status of Women Canada, we're supporting projects in sectors of the economy where women have traditionally been under-represented, such as the science and technology sectors. We will continue to engage the public, the private, and the not-for-profit sectors to promote increased representation of women in leadership and decision-making positions. We know that, when there are more women in leadership positions and roles, there are better outcomes for women.

In March of this year, I announced a new call for proposals for projects to engage indigenous women and strengthen the role they play in their communities, as well as projects that empower women for political or community action. We expect those projects to be launched later this year. The review of our electoral system is also an opportunity to look for increased engagement of and for women.

Thank you very much.

• (1745)

The Chair: Thank you very much, Minister.

Our next speaker will be Minister Mihychuk, for seven or eight minutes.

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour): Thank you very much for the invitation.

I'd like to acknowledge that we are on the traditional territory of the Algonquin people, and the Métis homeland.

As my colleague has indicated, our government believes it's high time we move forward on the pay equity issue.

As Minister of Employment, Workforce Development and Labour, part of my mandate is to foster safe, fair, and productive workplaces and to encourage co-operative labour relations in the federal jurisdiction. I also have the role of ensuring compliance with pay equity provisions in section 11 of the Canadian Human Rights Act. Section 11 makes it discriminatory for employers to pay men and women employed in the same establishment a different wage when they perform work of equal value.

In addition, the labour program offers educational support to federally regulated private sector employers and crown corporations to help them eliminate gender-based wage discrimination. The labour program can also refer suspected cases of gender-based wage discrimination to the Canadian Human Rights Commission.

Our government's goal is to stop this discrimination related to the undervaluation of work traditionally performed by women.

Many studies show that systemic discrimination related to the undervaluation of work traditionally performed by women is not new, or uniquely Canadian. Modern economies face this kind of discrimination to a greater or lesser degree. Figures from StatsCan's 2015 labour force survey show that women across Canada earn only 82¢ for every dollar earned by men. In the federal sector, a woman earns 87¢ for every dollar earned by men. Neither statistic is acceptable.

Equity and diversity are priorities in our mandate letters, and cabinet reflects their importance. We value fairness, transparency, and collaboration. We strongly believe in the principle of equal pay for work of equal value, and the fair treatment of all workers.

Some progress has been made in closing the gender wage gap; however, too many women still face unfair challenges in the workplace and much more needs to be done. Achieving pay equity is a contentious issue, and there are worries about employers and unions trying to hash it out at the bargaining table. In fact, not all federally regulated employees are union members, so that approach would not work.

We know we can do better. Gender bias in how women and men are paid is simply no longer acceptable. It is a question of fairness and equal access to opportunity—core values of our government and of Canadians. We need to build on what we already have. Sixteen years ago the government created a task force chaired by Dr. Beth Bilson to study pay equity and make recommendations. The Bilson report came forward in 2004 with 113 recommendations on pay equity.

One of its recommendations was that we move to a proactive pay equity model that requires employers to review their compensation systems, identify gender-based disparities, and take measures to address them. While the overall assessment of proactive legislation was very positive at the time, there was little consensus on how to implement those recommendations.

I'd be interested in your views on a proactive approach to pay equity in the federally regulated private sector. I am open to suggestions for free-standing pay equity legislation, but foremost I am committed to making every possible effort to achieve pay equity in the federal jurisdiction.

Pay equity is one means of doing so—a very important one—and we must do so. I therefore welcome the work of this committee and look forward to hearing your thoughts and recommendations on the most effective actions we can take to make pay equity a reality in this country.

• (1750)

Thank you.

The Chair: Thank you very much, Minister Mihychuk.

Our next speaker is Minister Brison.

You have between seven and eight minutes, Minister.

Hon. Scott Brison (President of the Treasury Board): Thank you, Madam Chair. I'm delighted to be here with you and my colleagues at committee today.

I also want to say that the reason Minister Hajdu needs to leave after the first hour hasn't been announced, but she is in fact receiving an award as the mental health champion parliamentarian of the year from the Canadian Alliance on Mental Illness and Mental Health. I think it's important to recognize this.

Some hon. members: Hear, hear!

Hon. Scott Brison: I'm very pleased to be here. We appreciate all committee members having been flexible on the time to meet with us.

[*Translation*]

As you know, we supported the creation of this special committee and we are pleased to see that your work on this vital topic is well underway.

[*English*]

We don't see this as a partisan issue. As we move forward on important social and equity issues around equality and diversity, we ought to seek to move forward as a Parliament working together to build a fairer and better Canada.

[*Translation*]

A gender wage gap in this day and age is simply unacceptable. At Treasury Board, we have the fortunate opportunity to be part of the solution.

Let me begin by briefly explaining the two roles Treasury Board plays when it comes to pay equity.

[*English*]

Firstly, Treasury Board plays an important role vis-à-vis pay equity legislation in the public sector, and secondly, Treasury Board is the largest federally regulated employer. We employ just under 200,000 people in the core public administration, so we have an opportunity to set a standard and to lead by example in pay equity.

The Government of Canada of course believes in the principle of equal pay for work of equal value. This is a fundamental human right. That is unequivocal and is a basic principle that's enshrined in the Canadian Human Rights Act, framed by constitutional guarantees of equality.

The goal of pay equity policy and legislation is to ensure that pay is based on the value of the work, not on the gender of who is doing the work. In 1977 the Government of Canada became the first jurisdiction in Canada to enact pay equity legislation in the form of the Canadian Human Rights Act's section 11. This legislation allowed for pay equity complaints to be filed and was actually the vanguard of its time, but the landscape has changed. Now is the time for the Government of Canada to reassess the method of addressing the issue of pay equity.

My colleague, the Minister of Status of Women, has talked about the gender wage gap and the measures to reduce it. The gender wage gap in the public sector stands at about 9%. It is better than the average, which is about 14%, but we have no time to be complacent about or to derive comfort from these statistics. We have a lot of work to do.

The Prime Minister has delivered on the commitment of appointing a gender-balanced cabinet, which further underscores the importance of this. It sets a real example and is having an impact in corporate boardrooms. I've been told by corporate leaders that in fact it's having an impact on how they look at corporate boards going forward. It's going to actually raise the bar for corporate Canada as well.

It's notable that on International Women's Day the National Film Board of Canada announced that at least half of its production funding will be allocated to films directed by women. It's going to take all of us across government and across business to work together to make meaningful progress.

In terms of making meaningful progress on this front, we will have to ensure not only that women have equal access to good jobs at all levels but that we also make incremental and important progress in reducing the gender wage gap. The more we break down barriers and inspire young women and girls to pursue a wide range of careers, the stronger our country will be. It all depends on us, as representatives of the Canadian people, to set an example.

● (1755)

[Translation]

While noticeable progress has been made towards gender equality, there is still a lot of hard work to be done. Pay equity is an important part of that work.

[English]

It's my understanding that this committee has heard from a number of witnesses, and that much of the discussion has been focused on the pros and cons of the Canadian Human Rights Act, the Bilson report, and the Public Sector Equitable Compensation Act, PSECA. These systems attempt to address the pay equity issue by each implementing different solutions arising from various decision points. We need to understand the decisions that underlie these three systems, decisions like defining the scope of the model or outlining the dispute resolution process. Our government's answers to questions like these will be fundamental in crafting an approach to pay equity that gets it right. This becomes very important from an equity perspective, and also has very significant fiscal implications. As we focus on developing a more widely accepted approach, it's imperative that we learn from the mistakes of past attempts, and as we move forward, that we don't repeat those mistakes.

The committee has heard from multiple witnesses and stakeholder groups, putting in very good positions and input to advise the government. This committee's work is very important. It will inform our decisions as a government as we go forward.

The process by which pay equity is enacted must be revisited. That question is not up for debate. We know the imperativeness of this. We appreciate and support your work as a committee. Time is of the essence. This legislation requires a sound development process, and we commit to maintaining consultations with the stakeholders as we go through this process. We're committed to pay equity at every level, of course, including at the cabinet table.

[Translation]

In 2016, women expect to be full participants in the economic, social and democratic life of our country.

[English]

We're committed to resolving pay equity in a balanced and responsible way, which is why this government supported the motion from the beginning. We look forward to your guidance on this important issue, and to your input and co-operation as we move forward. This issue doesn't just affect women. It affects all of us, as Canadians, because equality and fairness is a Canadian value.

Congratulations on your work. We look forward to the conversation here tonight and your continued engagement.

[Translation]

The Chair: I want to thank all the ministers for joining us today and for their presentations.

We will begin the question period, so I give the floor to Mr. Sheehan.

● (1800)

[English]

You have seven minutes, Mr. Sheehan.

Mr. Terry Sheehan (Sault Ste. Marie, Lib.): Thank you very much to all three presenters. That was very informative.

I, too, would like to congratulate the Minister of Status of Women on receiving that award, as a colleague from northern Ontario. It's well deserved.

Hon. Patty Hajdu: Thank you.

Mr. Terry Sheehan: My question is for the Minister of Status of Women.

We know that the government has been working very hard on promoting gender-based analysis throughout all government work in order to ensure that all members of society are taken into account when policies are being created.

How would greater uptake of GBA affect the wage gap, and can you provide some examples?

Hon. Patty Hajdu: Thank you very much, MP Sheehan.

I am glad you brought up gender-based analysis. It's a core commitment in my mandate, actually, that we strengthen the use of GBA. As you know, GBA has been on the books for a long time and departments should be using gender-based analysis in the decisions they're making that will affect the Canadian population. We've seen a varying degree of use and success in terms of using those tools.

Gender-based analysis essentially supports departments to consider the gendered impacts of programs and policy initiatives. It can also be used to address historic inequities, and I would argue, even inequities in terms of income. It can also look at initiatives, for example, that will strengthen women's labour market attachment; that can help close the gap. For example, why are women under-represented in various sectors, or over-represented in various sectors for that matter?

The most widely known examples of this type in recent years have been the changes to employment insurance special benefits, the implementation of a special range of benefits—and I don't want to steal my colleague's thunder—in terms of EI changes that can actually provide income replacement for women while they're away from work. But also looking at opportunities to support men to have opportunities to take parental leave in a more fulsome way, which would allow women to re-engage in the workforce in a more rapid way, or stay engaged in the workforce.

Perhaps we should be looking at using GBA when we're developing apprenticeships or skills training opportunities, and then, of course, strong GBA as we move forward with an agenda of innovation, of science, of technology, making sure that we have policies, programs, and legislation in place that will allow women to fulsomely take advantage of those opportunities.

I'd also like to say, beyond GBA, that we talk about this as being a human rights issue. It of course is a human rights issue, but it also falls into the category that good social policy is good fiscal policy. Women have contributed more to global GDP growth than have either new technology or the new giants, China and India, a fact supported by OECD and International Monetary Fund studies. This isn't only about human rights, although clearly that is the foundation. This is about spurring our economic growth through the fulsome inclusion of women.

Thanks.

Mr. Terry Sheehan: Chair, I'd like to share my time with Ms. Dabrusin.

Ms. Julie Dabrusin (Toronto—Danforth, Lib.): Thank you.

My question is also for Minister Hajdu.

When you were talking you mentioned something about an unexplained wage gap. Could you please elaborate on what you mean by unexplained? Perhaps you could also provide some suggestions to the committee about what tools you would need, if any, to address that.

Hon. Patty Hajdu: Thank you very much, that's an excellent question as well.

I'm glad we're having this conversation in terms of pay equity being one component of addressing the gender wage gap. It certainly is a component, but it is really only one component.

We know there are a range of factors that are influencing the gender wage gap. I've talked a little bit about some of them—overrepresentation in lower-paying fields, under-representation in higher-paying fields—also overrepresentation of women in part-time work, lack of representation in senior positions and on boards, as well as women's greater share of unpaid work. I think about my own experience raising children and all of the time that goes into actually raising children that prevents you from possibly pursuing further education or training opportunities that might allow you to advance in your career, or even doing the very valuable networking in certain sectors that is essential to moving up in the ranks.

This discrimination and bias against women, even though we talk about the progress we've made in terms of women's rights, we still see a strong discrimination in certain sectors. When I talk about the Prime Minister's role around leadership, it's really because he's exercising his power in a way that's sponsoring women into higher positions. This doesn't happen across sectors. Quite frequently what happens is that the senior leader says, "Hey, does anyone know of a great guy for this vice-president position?" and four names of men come forward, rather than any names of women. That's because the network is primarily composed of men who are sponsoring other men.

Therefore, there are a number of reasons for the gender wage gap, not the least of which is pay equity, but certainly there are a lot of systemic, cultural, and practical considerations.

If I have another minute, Madam Chair, Status of Women actually has a number of actions across the range of those issues, whether it's looking for ways to empower women to seize leadership opportunities, working with corporations and boards to grow the pipeline and make sure there are women leaders in the pipeline, or looking for ways that we can actually work with our ministerial colleagues to address some of the legislative barriers to women fully participating in the workforce.

● (1805)

Ms. Julie Dabrusin: It's interesting that you talked about that. I practised law before, and you would see a huge dropping out of women as they moved through the practice. There was a big gap.

You mentioned women being educated and that we have a high number of women graduating from programs, but fewer continuing on to be board members or anything like that. Has any thought been given at Status of Women to reintroducing women into the workforce after being pulled out for a number of years?

Hon. Patty Hajdu: Yes, we are looking at how we can support women to re-engage in the workforce, but also to become entrepreneurs and business owners. There has been a focus as well on supporting women in ways that meaningfully support their own direction.

I want to touch on what you talked about in terms of the gap between the women who are educated in certain fields and then their representation in those sectors.

I'm being told to wrap up, so we can have that discussion later.

The Chair: I'm sorry, Minister. You can come back to that in a further question.

We are now going to Mr. Albas.

Mr. Dan Albas (Central Okanagan—Similkameen—Nicola, CPC): Thank you, Madam Chair.

I want to thank all the ministers and your officials for coming and for the work you do for our country. It isn't an easy role, and I'm glad you're here to talk about this important issue.

I'd like to start with the President of the Treasury Board. Thank you for your opening comments. I'd like to delve a little bit deeper into the Public Sector Equitable Compensation Act. Right now the transitional rules are in place. Can you give me your view on this piece of legislation? It is obviously untested because it hasn't come into force. Where do you start, as someone six months into the role?

Hon. Scott Brison: Thank you, Mr. Albas.

I have to tell you that I have difficulty with PSECA from a couple of perspectives. The way it was introduced as part of a budget implementation act didn't start off the conversation well. Let me say that I'm not being partisan. I'm speaking as someone who has been a legislator and as somebody who is now representing a government. I believe an issue this important ought not to have been part of a budget implementation omnibus bill.

This is an important issue and there was little or no consultation with important partners and stakeholders who ought to have been consulted and ought to have been part of the process. This committee, and the mandate of this committee in this study, is a very important step and is only part of the consultation we have to do over the next period of time.

However, what is clear is that the emphasis in PSECA on market forces is a bit of an issue. It is a significant issue, in fact, because the pay equity issues, the gap in pay between men and women, is greater in the private sector than it is in government. There is a real challenge in that government ought to lead, but there is a risk that we might import some things that may not be working well in the private sector.

Bargaining agents have made clear their strong opposition to PSECA as it was brought forward in 2009. Two of the largest unions have launched a charter challenge against the act on the grounds that it violates equality rights, freedom of expression, freedom of association. We're concerned about that and we want to consider what other solutions may exist. Any new pay equity law needs to be based on evidence. It needs to be developed through important and meaningful consultation with partners and stakeholders, including bargaining agents. We as a government are averse to bringing PSECA into force.

• (1810)

Mr. Dan Albas: On that, Minister, I certainly can appreciate the market forces comment. It seems to me when I read the material, especially through the lens of the experience we have had at this committee, that it does give an opt-out clause, introducing forces outside of the public service. I can understand that. I would just suggest, however, that we carefully consider the legislation. To me, I think it's important to have a systematic way to do a workplace assessment every three to five years, where all employees know the pay equity challenges and then there is a process where both the union and the employer have to come together and work out a joint plan, and employees can step back at the end of that process and say, "Did our representatives do us right? Did the employer do right by us?"

There has also been some discussion at this committee with regard to having a more open process. Perhaps it doesn't have to be in legislation. Perhaps it could be done by a policy through Treasury Board. Perhaps there could be a conflict resolution process, an alternative to going through some of the longer provisions that are laid out. I know the union of financial professionals said they would have benefited from that. I think all of us here want to see these things get resolved early. Are you open to looking at alternative mechanisms?

Hon. Scott Brison: Yes, we are. Of course, it's clear that we have to move from a complaint-based to a more proactive approach on this. Again, I encourage the committee. This is one of the things that we are here, as ministers, to actually engage with and listen to your ideas on. We look forward to your report, and this may be one of the recommendations.

Mr. Dan Albas: Let me make a comment before I switch to the Minister of Employment, Workforce Development and Labour.

I attended the GBA+ analysis issued by the Auditor General, and I think Ms. Ballantyne was there for it. Treasury Board, obviously, has a challenge function, and there is a role for your staff to play and each individual department. One thing I think might be helpful is having some sort of mandatory training for ministers, so that they can better challenge in order to make sure that GBA+ is being incorporated.

Minister of Employment, thank you. I appreciate your comments. You said, "While the overall assessment of proactive legislation was very positive at the time, there was little consensus on how to implement the recommendations." Those were your words from earlier.

Last night we had two groups, the Canadian Bankers Association and then a group that represents many of the large employers from the federally regulated workplace, representing two-thirds of employees, who had deep concerns about issuing a new proactive, independent framework because there would be a new bureaucracy in place, new rules, a new mandate. They think there's much more to be gained by speeding up the current processes, seeing more funding, perhaps making use of the pre-existing labour programs and harmonizing with them.

Are you set already on a particular model, or are you looking to see how you can improve the system? We had StatsCan come in last night, Minister, and we heard from them that they have a number of gaps that make it very difficult to assess why these wage gaps exist and why they persist. From what I saw and heard from them, there was not convincing evidence that proactive legislation is the silver bullet that we might utilize.

The Chair: Mr. Albas, I'm sorry, but the time is up. We'll encourage the minister to answer that in a forthcoming round.

We are going to move on to Ms. Benson, for seven minutes.

Ms. Sheri Benson (Saskatoon West, NDP): Thank you.

Thank you so much for making time for the committee and for your comments on how important our work is. I know I speak for everyone when I say we feel that and we certainly hope to do our best to give the government the best advice to follow.

Here are a couple of comments to Minister Hajdu about the gender-based lens analysis.

What I would like to hear is what the role of your ministry is in leading that practice in other ministries. We know that one of the issues with pay equity is that there's a lack of transparency of reporting back concerning where companies and governments are. My fear around a gender-based policy and lens being used is that we won't know where things stand, who is using it, etc.

I think you can probably appreciate where I'm going with that comment. I'd just like to see whether there has been some movement around the ways in which we might see that it's being done.

• (1815)

Hon. Patty Hajdu: Thank you for the question.

Essentially, Status of Women Canada acts as a centre of excellence for GBA. We do a number of things to promote GBA, and of course, we fully welcome the report of the Auditor General that said we could do more. We also welcome the additional funds that will allow us to provide more support for departments and I'm confident we're heading in the right direction.

Also, I would hazard a guess—and I defer to my deputy—that we probably never spent so much time talking about GBA in previous governments, so I think that some of the elevation of conversation is also helping. I think the other part about that is having a full cabinet minister who is specifically tasked with addressing gender equality in cabinet. I would also defer to my colleagues, but I'm fairly vigorous about ensuring that GBA is applied thoroughly or at least we are highlighting MCs that are not applying GBA to my satisfaction, let's say, in the most collegial way.

I would say that we do provide support to departments in a number of ways. We provide people with training and tools. I love the suggestion that we should make GBA a mandatory part, and I would suggest not just for ministers but for all parliamentarians, because I think it's something we should all be reflective about, in things such as how we're presenting private members' bills, for example. It is not just ministers that are working on legislation and having interventions and conversations. We provide advice, expertise, and guidance regarding increasing capacity to implement GBA across the federal government.

We are, as I mentioned, encouraging and engaging leadership around GBA, and around what gender-based analysis is and looking at why it is valuable. We're using a multiple-lenses approach to that, so that it's not just about social justice or about equity but it's actually about the functioning of our country, and about making sure that with regard to the legislation, the policies, the procedures, and I would even argue the things that we procure, we're being thoughtful about how this is going to affect both genders.

The agency works very closely with the Privy Council Office and the Treasury Board Secretariat, as well as other federal departments, to recognize that GBA implementation does require a whole-of-government engagement. Now with a little extra financial support, we're going to be able to better track and monitor the progress of GBA implementation, which specifically answers your question, and then we're going to be able to report back on that.

We are really looking forward to gathering more data generally about gender. We've identified a huge gap in terms of gender data resulting from inaction over the years. We have data gaps and this is one of those areas, so we'll be collecting data in a much more vigorous manner.

Ms. Sheri Benson: Thank you very much.

I'd like to now go to Minister Mihychuk.

Welcome. We are pleased that you're here.

I do like to hear your comments. I believe my hearing of the witnesses around the table is that there was a lot of consensus. We've heard about the 2004 pay equity task force and have heard agreement around some key pieces, with regard to having stand-alone legislation that is separate from other legislation; with regard to the need to have a focus on pay equity that's separate from the

Canadian Human Rights Commission; and with regard to how what we've done around a complaints-based process has not worked.

I think many of us are going back to the recommendations of that task force and looking for ways that they can be implemented. I wonder if you share that view of that task force. A lot of people testified, but there was consensus in that report around those recommendations, albeit not on everything, and we have certainly heard that here at the committee level as well.

• (1820)

Hon. MaryAnn Mihychuk: Thank you for the question.

The Bilson task force recommendations were comprehensive. It was an enormous study, but there was a difference of opinion. FETCO opposed it. However, over time, a lot of companies have actually moved toward addressing these issues. When we looked at governments across the board in terms of provinces and the federal government, only ourselves and Alberta remain to go through the process of pay equity. I participated in the process, which is complicated, detailed, and quite time-consuming, both at the school board level and then at the provincial level. It was informative and also insightful, and it brought in fairness.

How we maintain a vigilance on that, I think is important. What you're doing now is reviewing all of the recommendations.

When we look at any system that takes 30 years to get a resolution, like Canada Post, it obviously did not work. Payments have been made to the estates of employees. They waited so long—30 years—for a resolution. Clearly, the process we have now has failed workers, and in particular women.

I look forward to your ideas. The idea of having a workplace pay equity committee is something that is functional. We work with workplace health and safety committees all the time. There are a lot of new and innovative ideas.

I thank you for the question.

The Chair: That is your time.

We will now be moving to Mr. DeCoursey for seven minutes.

Mr. Matt DeCoursey (Fredericton, Lib.): Thank you, Madam Chair, and I'm going to split my time with Ms. Dzerowicz as well.

My question is for Minister Brison.

First of all, I say thanks to everyone here for your commitment to gender equality across the range of issues. Certainly we know that closing the wage gap is a complex issue. However, we have received testimony and evidence that does show that moving forth with pay equity in a proactive manner can play a role there.

Minister Brison, you spoke a little about some of your concerns as they relate to PSECA. What other petition or testimony have you heard that may cause concern with that piece of legislation? We've heard a lot about a need for expertise in looking at pay equity issues. Is there anything along those lines that might draw concern with the legislation that was brought down in 2009?

Hon. Scott Brison: Again, I've expressed some concerns on that.

The committee is studying some models from the past, including PSECA. We're looking forward to your recommendations. We agree that pay equity shouldn't be collectively bargained. Among other things, it would create logjams at the bargaining table. It's an enormously complex issue, and it takes years to resolve with the largest employers.

It's important to understand the relationship between pay equity and collective bargaining. Both have important objectives, and they're important to understand and to preserve. There is a tension between them. We need to understand and address that in any pay equity reform.

In terms of PSECA, I've expressed my views. I'm speaking on behalf of the government in terms of our views on PSECA, the way it was introduced, and the need to have meaningful consultation on something that is this important. We're looking forward to this committee's work because this is part of the consultation with you as parliamentarians.

I want to make one point. There has been some progress within the public service, from I'm told 1999, when there was a 17% pay gap, to 2003-04 at 14%, and now it's down to about 9% in 2013. There's been some progress and there are some reasons behind that.

In terms of the pay gap within the public service, there is an occupational segregation within the public service. Right now, 56% of the federal public service are women. There are more women than men doing lower-paid work, and there are more men doing work in higher-paid fields like engineering, for instance, and computer systems.

There has been some specific progress. For instance, 46% of senior and executive ranks are women now, compared to 35% in 2004-05. There is 56% of women in the economics and social science group, compared to 53% in 2004-05; 57% of the law group are women, compared to 51% in 2004-05; 47% of the commerce officer group, compared to 40%. There has been some progress, but we need to do more.

One of the things we want to do more of is to attract millennials to the public service. We believe that this has the capacity to really move the needle in terms of gender balance within the public service as well. We can talk about that in subsequent questions.

• (1825)

Mr. Matt DeCoursey: Certainly, and I think a lot of the testimony that we've heard would reflect the fact that people do recognize the advances that have been made, but certainly see much more that needs to be done.

Hon. Scott Brison: Big time.

Mr. Matt DeCoursey: I'll pass the rest of my time to Ms. Dzerowicz.

Ms. Julie Dzerowicz (Davenport, Lib.): Thank you very much.

I too want to say thank you very much for being here, for thinking it's important to be here, for your wonderful presentations.

I also want to reiterate a comment because I think it's very important. We've had a number of presentations over the last few weeks, and the majority of the people who have come before this

committee have overwhelmingly supported some type of proactive pay equity model. I didn't want you to get the impression that wasn't the case, even though we did have a couple of groups last night that indicated otherwise.

Minister Mihychuk, you talked about the labour program being able to refer suspected cases of gender-based wage discrimination to the Canadian Human Rights Commission. My understanding is that over the last five years, there have not been any referrals. Do you know why, and if anything can be done?

Hon. MaryAnn Mihychuk: Yes, that's true. No cases have been referred over the last five years, and I think it's a reflection of the previous government's priorities. The department is small. It's overtaxed. They've seen a reduction of support for staffing, and they've been focusing on workplace health and safety.

Ms. Julie Dzerowicz: Minister Brison, one of the very clear recommendations of the Bilson report was that pay equity should not be included in the collective bargaining process for a number of the reasons you've mentioned. What role, if any, do you see unions playing in pay equity legislation?

Hon. Scott Brison: First, we meet with union leaders on an ongoing basis. For instance a couple of months ago, we released a report on mental health that was attained through the co-operative work between the government and public sector unions led by the joint council. This is one of the areas where there's a lot of common ground between public service unions and the Government of Canada.

Incidentally, that mental health report was commenced under the previous government under Tony Clement when he was in my job, but there are important areas of social and economic progress, including pay equity and including mental health and others, where there is a significant level of common ground with organized labour, including the public service unions. These are areas that we want to work on with them, including a proactive pay equity system, which we believe has real merit.

The Chair: Thank you, that is the time.

Our next questioner will be Ms. Gladu for five minutes.

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

Thank you, Ministers, for being here, we appreciate your time and the work you do.

We've been hearing lots of different witnesses and a lot of the discussion has come from the 2004 report. We've heard unanimously that a pay equity committee within every organization is a key part of the success.

On the legislation part of it, we've heard varying things. Minister Brison, your point about the improvements that have happened in the federal government to close the wage gap without the legislation being there is fair, and that's the same message we heard from the Canadian banks. That said, we see that Quebec has the narrowest gap—they're lowered it to 8%—but that Nova Scotia's legislation produced the biggest improvement in a short period of time. When we start looking at the time frame of how we close the gap quickly, they told us the Quebec legislation took two years from the beginning, when they started crafting it, to the time it was implemented, which is hugely long.

I definitely want to encourage Ms. Ballantyne to continue her efforts on trying to encourage women in STEM, women on boards, women who are under-represented. Those areas will close the gap in a much faster way. There was unanimous agreement that the existing complaint resolution, 15 years for \$30 million, is not working for anyone so there definitely needs to be some mechanism that is a faster resolution mode.

But that said, it's still not clear to me whether the legislation is needed or not. When you talk about addressing the gap, you're down to the last 9% in some areas, like in the federal government. StatsCan has said to us, that's where these unknown factors come in and now you're going to need to do some research to figure out what it is. Is it women leaving, or whatever?

Minister Brison, would you support doing research with Statistics Canada to try to analyze that for the federal sector?

•(1830)

Hon. Scott Brison: We want to have better data and a better understanding of this issue. We have some indication as to what has made a difference. For instance, in terms of lowering the gap, the gap is lower in those who are under 35 within the public service. That's due in part to women graduating in ever-increasing numbers from post-graduate and post-secondary programs that are leading to higher-paid jobs. There may be in that cohort less of what Minister Hajdu referred to as the motherhood penalty. These are things we need to address.

There are other barriers to women in the workforce that we, as a government, need to address both within the public service and more broadly in terms of public policy, so with regard to Statistics Canada and other sources of good-quality data, we want to make decisions based on good data and good evidence.

Ms. Marilyn Gladu: Absolutely. There are some people who think we don't want to spend more time studying to get that last 9%, that we should just pay for it. Do you have an idea how much that would cost for the federal service?

Hon. Scott Brison: First of all, there are a number of methodologies and calculations, most of which have been based on studies that were done some time ago and have not been updated to current numbers. I want to be clear, though. When I mentioned earlier progress that had been made—you mentioned that the banking association said progress was made—I did not cite that progress in any way, shape, or form to reduce the imperative of addressing pay equity. In some ways when you are addressing these issues, it's sometimes the last 9% that is the toughest and requires real action. I didn't cite it from the perspective of a self-

congratulatory thing that we have inertia here. I just want to make that clear. There has been some progress.

Even on the issues of gender-based analysis, the decisions rendered by a cabinet with gender parity are better decisions that are more reflective of the diversity at the cabinet table. That goes to any decision-making table whether it's in a caucus room, a committee, or within a department or agency of government. On an ongoing basis we need to be rigorous in terms of demanding progress and measuring progress, and that's where the evidence comes in.

Ms. Marilyn Gladu: You'll be happy to know—

The Chair: That is the time, but thank you very much.

Our next questions will come from Ms. Sidhu.

You have five minutes.

Ms. Sonia Sidhu (Brampton South, Lib.): Thank you, Madam Chair.

Thank you to all the ministers for being with us.

My first question is for Minister Mihychuk. How can the federal government better include immigrants and indigenous people in federally regulated areas of employment? What will it take to hit pay equity? What barriers will be challenging to overcome?

•(1835)

Hon. MaryAnn Mihychuk: That's such a big question, but it's very important.

We released a study about a month ago showing that in the federally regulated sector, we have done relatively well in terms of visible minorities and the disabled. On indigenous, we're still below what is the average for the general population, but there is an incline. In terms of gender we've seen a significant drop of the number of women who are employed in federally regulated sectors, which is very disappointing.

I think that we need to be proactive. We need to lead by example, as our Prime Minister did. When we reach out and have opportunities, we must include committees or groups that reflect Canadians. Of particular concern are those minority groups, like indigenous people, that often come with so many challenges to participating fully. We must take extra effort to ensure that we find a way to understand those things.

I'll give you an example. Many indigenous people will require time off work to participate in traditional agricultural activities. They may want to go on the moose hunt, and that would take three weeks. If an employer were to look at understanding culture, that would then produce an employee who would come back, would be very loyal, and then continue working. However, if the employer doesn't understand how that is a cultural norm, those individuals are often terminated.

I think that's also true when we look at, for instance, parental leave. Women will take maternity because it's often the best solution financially for a family. When we're discussing paternal leave, this would help women have greater opportunities in terms of their career. It would of course enhance the quality of life for the child, as both parents would be able to have an opportunity to participate. This as a concept, I think, that's time has come. There are so many different aspects of trying to break down what we see as the wage gap, and I think it will take all of us to be vigilant.

Thank you.

Ms. Sonia Sidhu: What would you say for the immigrant people?

Hon. MaryAnn Mihychuk: For immigrants, we look at the opportunity to have an understanding of the skills that many immigrants bring to Canada. They are very sophisticated and very well-educated, and sometimes there are stereotypes that hold people back. Sometimes people say that if you just look at the resumé and don't include the name on it at all, you'll be able to then be more objective with your hiring procedures. I think we need to be sensitive to culture and eliminate the stereotypes for immigrants.

The Chair: Minister Brison, did you want to respond?

Hon. Scott Brison: One of the things that I'm very interested in as a policy approach to this is name-blind hiring. This is something that the government of the U.K. has implemented and moved forward with. Effectively when that government is doing a job search, when people apply, their CV is there but their name is not there until further on in the discussion. What this means is that women who might be disadvantaged by somebody in an interview, or in a consideration process, or people who may have a name that is, for an anglophone in a traditional setting, difficult to pronounce, or for whatever reason, these people aren't discriminated against.

I find name-blind recruitment a very compelling and interesting model, and it is one that at present in the Treasury Board we are looking at quite seriously in terms of how it's working in other places. I think it could really make a difference for us to consider here in Canada.

The Chair: Thank you very much, Minister.

We will now go to our next question, and it's Ms. Stubbs for five minutes.

• (1840)

Mrs. Shannon Stubbs (Lakeland, CPC): Thank you.

Thank you, Ministers, for being here today.

I have a question related a little bit to some testimony from a witness in yesterday's committee. She had said that one of the best practices of companies that are successful at achieving and maintaining pay equity is pay transparency, along—she emphasized—with consistent monitoring and enforcement, and that this is one of the practices that set apart companies that are successful at maintaining pay equity.

Just given your comments on your view about the government's leadership role on both the gender parity and particularly on gender pay equity, I just wonder, first of all, if you foresee any issues or challenges that might arise from a lack of transparency for non-unionized employees whose pay grades aren't published.

Hon. Scott Brison: First, we do have transparency. Our pay scales within the Government of Canada core public service are—

Mrs. Shannon Stubbs: Non-unionized employees that aren't public.

Hon. Scott Brison: —public. We have our pay scales for public servants. These are all on the web, so there is a considerable amount of transparency around what people within the Government of Canada are paid. I would agree with the importance of transparency. That's something we're committed to as a government, but it is something in terms of pay scales that is already addressed within the Government of Canada.

Mrs. Shannon Stubbs: Given the complexity and the division between what are considered the private sector public employees and the public sector employees, I think there are differences in terms of transparency and the publishing of pay grades. I'm wondering about your thoughts on those complexities and how you'd deal with that.

Hon. Scott Brison: Maybe Minister Mihychuk can answer that.

Hon. MaryAnn Mihychuk: There would be a fairly high degree of sensitivity from the private sector on disclosing all pay wages. I think what we learned from past labour legislation, or other initiatives, was that we should try to build agreement and consensus, and move without causing significant disruptions. For the private sector this is clearly something that is confidential. I've heard from business leaders that this is not an area they're looking to divulge, but on the public sector, as my colleague indicated, our wages are open and quite transparent, and for many unions that's also the case.

Mrs. Shannon Stubbs: Thanks, Minister.

I have a question on the issue of federal contractors, because it's been commented on here on both counts in terms of both gender parity and gender pay equity. I'd welcome comments from both ministers on whether they foresee—particularly if there's the implementation of a proactive pay equity regime for both gender parity and gender pay equity, and given your government's stated commitment to leadership on this issue—that those measures would become conditions for private sector recipients of federal contracts, subsidies, and grants?

Hon. MaryAnn Mihychuk: Do you want to start, or should I?

Hon. Scott Brison: Sure. I understand why the Bilson report was interested in this issue in using the federal contractors program as a way of increasing the number of organizations that would be subject to a new pay equity regime. All contractors in the federal contractors program are under provincial jurisdiction. Over 77% are headquartered in Ontario or Quebec, and that would cover 84% of the employees. We need to give some careful thought to that and work with our provincial partners. As with so many of these issues, it's one we would address with other levels of governments, as well.

Mrs. Shannon Stubbs: Do you foresee making these measures a condition for any potential federal public subsidization or grant to either federal contractors or private sector organizations?

Hon. Scott Brison: We'd be interested in your work at the committee on this, and if this is something you would consider or recommend. We're looking at your recommendations, but we're also taking into account the witness testimony of this committee. These hearings are not only informing your deliberations as a committee, but we're paying attention to them and benefiting from the work that you're doing, so we're interested.

• (1845)

The Chair: Thank you very much.

We're on to our next question with Ms. Dzerowicz for five minutes.

Ms. Julie Dzerowicz: Thank you, Madam Chair.

I have a couple of questions. The first is to Minister Mihychuk, although I always welcome any wise words from Minister Brison. In talking about scope, we've talked quite a bit about what the scope of any type of proactive pay equity model might include. One of the recommendations from the Bilson report is that all employees within the federal jurisdiction should be covered, including non-unionized, temporary workers, employees of Parliament, and federal contractors. I want to know if you had any thoughts on the scope, and what this committee should consider? That's my first question.

I'm also going to ask a question to Minister Brison. Minister Brison, you indicated any type of pay equity legislation will have wide-ranging fiscal implications. Is there anything you could share with us on that front? If there's some data or more information, I'd be grateful if you could share that with the committee.

Thanks so much.

Hon. MaryAnn Mihychuk: Thank you very much.

I'll start out with the issue of who should be covered in something like pay equity. I actually think it's related to job type, not whether you are unionized or not unionized, or whether you work part time or not part time. It's basically what type of job you do, and that's where the analysis needs to occur.

In terms of federal contractors as well, it's important to note that in Ontario and Quebec there's a proactive pay equity system. Of the companies that are federally regulated contractors, 84% are actually from Ontario and Quebec and have been covered by that proactive legislation. That's a fairly comprehensive number, and many of the companies are actually complying with those standards.

Hon. Scott Brison: One of the things I want to mention is in terms of the Bilson recommendations. You mentioned one of the recommendations. Another one was the establishment of pay equity committees. It's important that we have a balance between employer and employees in terms of these committees. That's something that's very important to consider. It's important to have a balance between employer and employee in terms of these pay equity groups.

In terms of the figure, there's a range and they're quite dated to be honest. They're based on analysis that is really out of date. First of all, you land on a number of methodologies to use, but they all right now are based on older data. It would be folly for me to put out figures that aren't reflective of current analysis. There is a significant range in figures.

Ms. Julie Dzerowicz: Thank you.

Do you have anything for the last minute, Matt?

Mr. Matt DeCoursey: I'll just add the comment that it's become quite clear to us that the concept of pay equity is simple, but the process of implementation is somewhat less so. Thinking about the broad recommendations back in the 2004 report, are there any complexities that we should be thinking about as we look at those that would be of significance to Treasury Board or ESDC? Perhaps if I have time I'll comment on that again.

• (1850)

Hon. Scott Brison: One of the things I mentioned is the pay equity committees and the balance on the pay equity committees. I think that's important. I think the notion that pay equity ought not be part of the collective bargaining process is one that's important to respect. I think that moving forward we need to ensure that we measure on an ongoing basis. We have a mechanism within government to measure progress on this on an ongoing basis. We have a tool within government to measure progress on pay equity going forward on an ongoing basis, and to monitor, assess, and advise on ways we can improve. I think that's important. It's not just a one-time thing. This is a work in progress that will continue over a longer period.

The Chair: Thank you, Minister. That's your time.

We have a question now from Ms. Benson for three minutes.

Ms. Sheri Benson: Thank you.

Minister Brison, I want to follow up on something with you. We have heard at the committee about the Public Sector Equitable Compensation Act, that it wasn't something people welcomed. There were lots of issues with it, in particular when it came to pay equity, because it had it as bargaining, not as a fundamental right—you mentioned that—as well as now including the market mechanism piece. That's definitely something I've heard at the committee.

I think the other piece you mentioned is the leadership role the federal government can play in a variety of areas. I guess I'm saying that this is a key place where we can step up and work in our own federally regulated area to make a difference, and have others come after. We did hear from the federally regulated private sector folks last night. They were kind of worried, and not really welcoming something.... They felt they were doing a good job, but they couldn't share with us any statistics on how well they were doing, how far they had come, and where they were going.

I just want you to comment on the importance of reporting out on how we're doing as a way to be a leader.

Hon. Scott Brison: Well, you can't manage what you don't measure, so doing that within government is important. I think we can do a better job. I think federally regulated industries have a responsibility to provide good information on this. This is really important for us to understand.

I think this point of leadership, though, in terms of what we do on this as government—in terms of politics, in terms of candidates, in terms of the forming of cabinets—all makes a significant difference. I would agree with you in terms of reportage. We ought to expect better reportage on these. I've given you some of the data within government, but for a lot of it we do need better data.

I mentioned that in terms of the younger cohort, those under 35, the gap is not as great. However, there's a real issue in that the average age of new hires in the federal public service is 37. It's one of the reasons why I want us to do more in terms of attracting millennials to the public service. We have a world-class public service, but we also have the demographic reality of a lot of really great public servants who are going into retirement age. Young people and the millennials want to make a difference. You can really make a difference in the lives of Canadians in the public service. We feel that this will help in terms of gender parity as well.

The Chair: Thank you very much.

We'll go on to our second round.

The first seven minutes of questioning will be for Mr. Sheehan.

Mr. Terry Sheehan: Thank you very much.

Thank you very much for your information so far. I've appreciated your comments, in particular on some of the matters related to Canada's indigenous people and newcomers. As the committee knows, we've heard information over and over again about the gap being much larger in those two particular areas.

I'm from northern Ontario. I've mentioned before that I'm not indigenous, but my daughter and my wife are. They're Métis, and they have a lot of Ojibwa in them. My niece is Inuit. I really appreciated your comments on those matters.

I also appreciated the comments about starting from within ourselves, and taking a look at the gender parity in cabinet and in the boardrooms. It's so important to be in that dialogue within ourselves and to start elevating the discussion.

I thank all of the committee here, because we've been given a very important mandate. We've sat down and devoted a lot of time, which is necessary, in a very short period.

I appreciate your coming out here on a Tuesday.

One of the things we've been talking about, too, is measurement. One of the difficult issues of pay equity is measurement. What methods of measurement have the departments historically used to determine the success or challenges associated with pay equity? What are your opinions on that?

Minister Mihychuk, I know you talked about Canada Post taking 30 years to resolve an issue. We've heard about Bell Canada taking 15 years and such. I would like your comments on measurements that have been used, and perhaps on how we should be measuring this going forward.

• (1855)

Hon. MaryAnn Mihychuk: It's interesting that the labour program actually does not measure or ask companies to report on pay equity. We ask them to report on gender issues and on diversity, so when they do their reporting they'll say that they have made

certain progress here and there, but we actually don't go into pay equity.

Many of the measurements have been incorporated, like I say, through other provincial requirements. As I said, 84% of the private sector companies are now within the Ontario and Quebec proactive regimes. It is important, then, for you to consider exactly what measurements. That is how we monitor. We use data and science to see whether we're making progress or not. At this point, the present regime doesn't.

We've seen some significant changes because women and unions have launched complaints. We have a complaint system right now. It took Canada Post 30 years. As well, I've noted that the Peterborough Public Library was finally awarded compensation. CUPE took them on and complained. It started in 2011. They had a relatively swift result, coming to a conclusion in February 2016, but it's still such a long, protracted, costly procedure. Every one of these hearings is probably represented by legal counsel, and it's all very formal and litigious.

The Human Resources Professionals Association issued a white paper on April 12 of this year. The name of that report is "Closing the Gender Wage Gap: A Review and Recommendations". In that report, 912 professionals were surveyed. It actually cites that StatsCan estimates the wage gap at between 12% and 31.5%. When we look at those numbers, I think it's clear that if we look at our indigenous people they are in general earning less than the regular population. As well, if you are female and indigenous, it is twice as bad, because things are even more challenging.

I'll never forget being involved with a program to try to get women from a local reserve to be heavy equipment operators. The point was that many of them would make excellent drivers. Women are easier on heavy equipment. They don't rev the motors as much, they're more gentle with the touch, and they like large toys. They can handle it, but as soon as a woman would be interested in going, she would lose her housing. Her kids would not have a school. Their supports wouldn't be there.

Somehow, our system does not provide that transition, which is so important, and then it goes into the bigger wage gap. If women were able to be operating the large equipment, they would then be more likely to make a healthy wage and participate in our economy.

Those kinds of systemic problems occur, whether it's in chemistry, in geoscience, or in my background, minerals. We could make it into the laboratory or generally to the VP level, but it's very difficult to go higher. The number of women who are mine managers is tiny. It's less than 2%. It's not that there aren't women with enormous experience who are capable. These are systemic discriminatory issues that come from the culture, which is a kind of a boy's culture. For years and years they felt if you put a woman underground that would be unlucky.

●(1900)

I've always remembered that a mine in Snow Lake had the highest number of women underground in Canada, and that very mine won the safest mine in Canada award two or three times in a row. The mine shut down, as is typical for many, and they're all now tellers at the bank or whatever. They tell me they would be glad to go underground if given the opportunity.

The Chair: Thank you very much.

We will move to the next question, from Ms. Gladu.

You have seven minutes.

Ms. Marilyn Gladu: Excellent. I will be sharing my time with Mr. Albas.

My question is for Minister Mihychuk.

One of the things we've heard when listening to what is making up the wage gap.... Part of it is the hourly wage, or the annual salary, and part of it is bonus compensation. We heard from Statistics Canada that they don't have the granularity to tell or get some transparency on what is happening there.

I know you are undertaking some EI reforms. You are probably working closely with your CRA counterparts. If there was a way of getting granularity on people's T4 slips or something, to break down the total compensation so you could plug the holes where discrimination is happening, that would be good.

I had the multiple sclerosis folks come by for a visit today. They told me that four times as many women as men are subject to MS. As part of that, a lot of times it is a recurring disease, so they have recurring absences in the workplace. The other side of what we have been looking at is why women leave the workplace. Sometimes it's disease; sometimes it's elder care. Any way we can make an adjustment or a reform in the EI system to help compensate for that would be great.

Perhaps you could comment.

Hon. MaryAnn Mihychuk: The bonus system is very prominent and common, especially in the private sector. The higher you go up in the company, this is something that can make a significant difference.

We have all heard stories, and the statistics show that women haven't really been raised in a culture of saying, "I deserve a million dollars", or whatever the bonus. We don't play hockey, in general, so we are not privy to sharing what is common. Sometimes we don't know how to ask; other times we don't have the confidence to. It is a very good idea to have a look, with CRA, to see if we can get a handle on that. We might follow up on that, for sure.

In terms of MS, this is a particularly large problem, especially in the Prairies. We have a very high number of people, most of them women, who have this disease, and it comes and goes. I am very proud to say that part of my mandate is to look at EI and compensation that is much more flexible. If people need to leave, let's hold their position and they will come back. We are definitely looking at opportunities like this, and we'll put that into the mix.

Thank you for your comments.

Ms. Marilyn Gladu: It's over to you, Mr. Albas.

Mr. Dan Albas: Thank you. I appreciate the opportunity.

Minister, we spoke earlier. Even in your own opening comments, you said the government wants to reach out and engage with stakeholders and partners to come up with timely workable solutions.

Again, you have said a few times that a big part of your process is to work with stakeholders to find consensus. When you have FETCO, and when you have the Canadian Bankers Association, representing two-thirds of the federally regulated workforce, saying they have very real concerns, it doesn't sound as though they were consulted. As for the amount of consultation that has been done, I think it has been through this committee process, and they felt rushed.

What do you say to that?

●(1905)

Hon. MaryAnn Mihychuk: It's a good point. Sometimes it is very difficult to get consensus. We try to move with the best collaboration we can. This is a perfect venue to hear from all the stakeholders and look for a system that is going to give time and a process to allow companies to meet the new demands and make that a reality.

I must point out that in 2013 the previous government went ahead with a series of changes that were directly opposed by unions and the labour movement, increasing the—

Mr. Dan Albas: Right now I am talking specifically about the private sector, though. There are concerns right now.

Hon. MaryAnn Mihychuk: There are concerns. As I was saying, whenever you have a system that is going to put one group, either labour or private sector, in a position of extreme disadvantage—for instance, like the 40 trade unions, women's groups, and human rights organizations that supported PSAC in their appeal because of the 2013 legislation—

Mr. Dan Albas: Minister, I am asking about private sector concerns.

Hon. MaryAnn Mihychuk: That unbalanced the situation, and what we keep on talking about is actually making it a relationship that works for everyone.

Mr. Dan Albas: Minister, I would just like to go back—

The Chair: Minister Brison also wanted to answer that question.

Mr. Dan Albas: Actually, Madam Chair, I'm questioning the witness. Thank you.

Telecommunications, banking, grain handling, uranium mining, pipelines, Canada Post, VIA Rail, airports, navigation, airlines, trains across provincial borders, marine shipping, ferry and port services, trucks and buses that cross provincial borders, that's a very wide range and we've even had staff from your department come and say that to try to use a one-size-fits-all approach for such a very diverse marketplace, Minister, is a big challenge.

Are you using just this committee? I do admit that this is a great committee, with great members, great process, and a great chair, but is this the only consultation you've done towards this process?

Hon. MaryAnn Mihychuk: What we do know is that 84% of the companies that are in federally regulated industries operate in Ontario and Quebec and are actually covered by proactive pay equity legislation very successfully.

Mr. Dan Albas: Can I ask you, Minister, about your area, though?

Hon. MaryAnn Mihychuk: Now we work very closely with the 16%—

Mr. Dan Albas: Have you consulted?

Hon. MaryAnn Mihychuk: — who have not already been included to be sure. We look forward to your comments from this process.

Mr. Dan Albas: I'm looking forward to your comment on my question, which is specific.

Have you done the consultation? This is a wide range of employees. I'm not saying you dismissed two-thirds of the representatives who voiced their concerns, but I'm starting to get a little worried that if this is the only process for consultation on what could be quite a large step.... I'm not saying that I'm opposed, but I would just like to know that there have been more consultations with this very wide variety of people.

The Chair: Actually, the time is up. I know Minister Brison did want to answer, but we'll have to do that in the beginning of the next round, if that's okay.

Hon. Scott Brison: It's up to you, Madam Chair.

The Chair: I think we will do that in the next round.

We'll go to Ms. Benson for three minutes.

Ms. Sheri Benson: Thank you.

Actually, I have a couple of comments. I think what we've heard around this table from witnesses is that the 2004 task force report was world class, one of the best done. I'm not just saying that because Professor Bilson is from Saskatoon, but I'll add that there. She was the first woman chair of a labour relations board and whatnot. It was ahead of its time. It was extensive, and that's what we've heard over and over again. We've also heard three main points and I would like your comments on them.

One was that the legislation needs to be proactive, and it should cover both public and private sectors. It needs to be a stand-alone type of legislation, which was the point you mentioned earlier, Minister Mihychuk, because it takes a skill set and an expertise that aren't found in other places. If the resources aren't there within the Canadian Human Rights Commission or within the Canada labour department, then those things don't get done.

We heard that in the first round in 2004, the private sector employers did support it with some reservations, but contained in those recommendations there was a flexibility with regard to employer size and whatnot. I think the other point to make is that the complaint-based process allowed employers, when there were settlements for pay equity, to pay less—50 cents on the dollar—for settlements, and that means that in some ways there was a bargaining away of pay equity, and you can imagine what that would be like if you'd been waiting for 30 years for pay equity and you were going to take a 50-cent dollar. That is not pay equity.

I strongly believe that this committee will provide you with guidance based on some pretty credible witnesses and some consistency in what people we've talked to have said. I would like to hear your general comments about this. The last thing is to have a timeline. We heard that in Quebec it took a little bit longer, but that's because it was one of the first and it was challenged by the unions because it was going to exclude the private sector. The private sector is now included.

Two large jurisdictions have gone ahead of us, so I think we can move forward, and it would be nice to know, point blank, if you would be supportive of stand-alone proactive pay equity legislation in this mandate. I'm asking both of you.

•(1910)

Hon. Scott Brison: First, a policy approach for proactive pay equity is one that's very complex. It is one that involves the public sector but also federally regulated employers. Mr. Albas asked an important question. With any legislative approach we take as a government, we'll consult broadly.

Don't underestimate the importance of the consultations that this committee is doing. When you have an employer group here before this committee, it's really important. We are not operating parliamentary committees as branch plants of ministers' offices, these are important legislative creators of policy and recommendations and we respect the work you're doing.

The work you're doing is very important, but in terms of any legislative approach we take, of course there will be a broad level of consultation as part of that. I want that to be clear. But again, this committee's work and the independence of this committee is important. Don't underestimate the time required to get this right in terms of the complexity of this issue. We need to have the right data; we need to have the best methodologies.

I believe that you're studying some of the wage comparison methodologies—job to job, job to line, line to line, job to segment—and the pros and cons of each. This is an area of public policy of which I think Mr. DeCoursey said that the principle is simple. We all understand that as a committee, as a Parliament. Getting it right is the part that in something as big as the public service and all federally regulated industries is really important.

Our parliamentary secretary at Treasury Board, Joyce Murray, has experience as a provincial minister in British Columbia, as does Minister Mihychuk. We can learn from and draw from those examples of provincial governments in Canada, and governments in other countries, as we look at the best way to move forward. That should be part of a process that is more comprehensive.

Hon. MaryAnn Mihychuk: It's fair to say that the previous complaints-based system was a failure, in that we've seen cases that took 15 years, 30 years, to go through the system at enormous costs and pain through that whole process. A proactive approach seems to be working in Ontario and Quebec. I think you're getting first-hand knowledge from the very best of individuals from across the country. We're anxious to hear what you have to say, and of course we'll be consulting with unions, with the private sector, with youth, and of course, with our partners in the private sector.

• (1915)

Ms. Sheri Benson: That's fine.

The Chair: Thank you very much.

The next question will go to Mr. DeCoursey for seven minutes.

Mr. Matt DeCoursey: Thank you again, Madam Chair.

Once again, I appreciate the acknowledgement of the complexity around the implementation of pay equity. I would like to echo the comments of Mr. Albas, that this is a great committee and there has been a lot of good witness testimony come before us, and largely, there has been a commitment shown from the members here to make sure we get this right and put in place the right proactive model, including potential legislative and other steps to do that.

Looking at some of the provincial legislation, both Quebec and Ontario, that covers public and private sectors, as well as some of the other provinces that cover the public sector, is either ministry looking at lessons that can be learned from the provinces? Is there any advice that you can provide to us of where we should look for some of those provincial models to help with our final recommendations?

Hon. Scott Brison: I know that we look forward to the results of the Ontario wage gap review. That will help to inform us. As a committee, are you looking at some provincial examples as well, in terms of Quebec and Ontario?

It would be very helpful to us to identify any best practices or approaches that can help inform our way forward from this committee. That would be helpful. As I said, that's one of the things we're looking forward to in terms of Ontario's wage gap review, which is forthcoming. We're expecting that in the autumn.

Hon. MaryAnn Mihychuk: Absolutely, we're going to look at best practices, but some jurisdictions have been doing this for the 20 to 30 years that they've been through the process. Some knowledge has already been gained. The Human Resources Professionals Association's white paper is obviously timely. It's brand new; it was recently issued.

We'll look at international best practices with regard to pay equity. In the case of Sweden, the 2009 Discrimination Act requires employers and employees to endeavour to equalize and prevent differences in pay and other terms of employment between men and women who perform work. In France, there is the 2006 act on equal

pay between men and women. Switzerland has an act that they brought in from 1994, the federal act on public procurement. In the U.K., firms are encouraged to implement gender-neutral job evaluation schemes.

I think we have an opportunity to look at a broad-based experience from various jurisdictions, and it will help us make one of the best systems possible.

Mr. Matt DeCoursey: Something else we've heard from groups whom I would characterize as proponents of the 2004 report is recommending that government perhaps look to that report but try to implement it in a staged approach, perhaps with more flexibility, in order to make working through the process of implementation more palatable.

Have you heard that type of testimony in your outreach and consultations, in delving into this file?

Hon. Scott Brison: Just to that point concerning flexibility, the federal private sector is dominated by small and medium-sized firms with fewer than 100 employees. In working with those firms and hearing concerns, and in moving forward while recognizing that there are challenges potentially faced by smaller employers, I think we have to listen to those concerns.

The Bilson report is very helpful in terms of informing, but again, Bilson recognized the complexity of this. I mentioned earlier the importance, for instance, for committees dealing with pay equity to have a balance between employers and employees. I think that's important, and it may not have been part of Bilson at that time. It's something I would urge the committee to consider.

• (1920)

Mr. Matt DeCoursey: Julie, did you have a question?

Ms. Julie Dzerowicz: I'm not sure. I have a comment.

A voice: Sonia has a question.

Ms. Sonia Sidhu: My question is for Minister Brison.

Yesterday we had testimony from Serena Fong from Catalyst, and we heard about Gap Inc. We also had testimony from bankers who adopt their own living wage to ensure pay equity.

Do you see voluntary models such as these as being effective?

Hon. Scott Brison: The issue around a living wage... We often don't recognize excellence in social progress as practised or implemented by corporate Canada; we sometimes overlook it.

I heard a really good one a while ago. Craig Alexander was chief economist of TD Bank. He got a phone call one time from Ed Clark, who was CEO of the bank. He wanted to do an analysis within the TD Bank of the lowest-paid people in their branches to consider whether they were receiving a living wage, taking into account cost of living and other factors. The analysis came back, and people got a pay raise at the lower end; it came from people at the higher end. That was from a bank CEO at one of Canada's largest and most successful banks.

Inequality is bad socially. It's bad economically as well. This is something that's really important. I'm getting off topic a little bit. I'm sorry about that, but—

The Chair: You are also out of time, Minister.

Hon. Scott Brison: There are rapid changes in terms of automation and globalization, and governments are going to have to have some level of foresight and analysis in terms of what the impact will be. We talk about gender-based analysis in terms of our decisions here. We should also have gender-based analysis in terms of looking ahead at the global trends in terms of the nature of work and consider how we can pre-emptively approach social and economic policy, including education, skills, and training.

The Chair: Thank you very much.

My apologies for having to cut you off on several questions, but we do want to make sure that it's fair for all the members to be able to ask questions.

Hon. Scott Brison: I apologize.

The Chair: That finishes that round of questioning. We have a couple of minutes left if you would like to more fulsomely reply to any of the questions you received. If you'd wish to have some closing statements or reply to those questions now, this is your opportunity.

Hon. MaryAnn Mihychuk: I just want to encourage you to work on the file and work quickly. We're anxious to hear about and to get your report. Clearly, from the enthusiasm we saw in the House, this is something that a lot of our members care about. I know that the public in general is watching your activities with great interest.

Thank you very much for doing this.

Hon. Scott Brison: I want to thank the committee too. I must say I have served in opposition, I've served in government, and I've been on parliamentary committees a lot over the years. This one seems to have a good sense of co-operation, collaboration, and non-partisanship. I think that's great. We do value the work of parliamentary committees and we look forward to the results of this.

I'll leave you with a couple of points. Pay equity reform is only part of the solution to the gender wage gap. Minister Hajdu pointed out some of the other areas, and I think we've had some discussion in terms of how to close that gap. Pay equity is part of that. Certainly

any pay equity reform needs to manage the complexity both on the policy side but also on the implementation side.

We as politicians tend to focus 90% of our effort on policy and about 10% on implementation. That's why a lot of times we get great policy and lousy implementation, and we need to get the implementation right on this. It's really important even for the classification of jobs and these things. There are enormous complexities to this, and your work can actually help, including the choice of evaluation tools over the long term and having some flexibility in those.

Lastly, on the issue of compliance, in a proactive model the expectation will be that all employers comply within established time frames. The experience in other jurisdictions indicates that non-compliance is a significant problem. I'd like us to understand where that non-compliance is and what's generating it. Let's not ignore challenges in terms of the implementation in other jurisdictions, and let's be honest about what the challenges are here and deal with them as we move forward. If we don't, then this will be an exercise in policy, and again, getting the implementation of this is critically important because I think we all broadly agree on the policy imperative.

Thank you very much for the opportunity to be here and I look forward to your report and to working with you as we move forward as a Parliament on this.

• (1925)

[*Translation*]

The Chair: Thank you very much for this very dynamic discussion.

[*English*]

It was a very engaging discussion. Thank you to the ministers. Thank you to the members for adding a special day for this committee meeting, and we will see all of you tomorrow at 5:30.

Thank you. This meeting is adjourned.

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