



HOUSE OF COMMONS
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MOVING FORWARD ON THE PAY EQUITY TASK FORCE RECOMMENDATIONS

Report of the Standing Committee on the Status of Women

**Anita Neville, M.P.
Chair**

June 2005

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THE STANDING COMMITTEE ON THE STATUS OF WOMEN

has the honour to present its

FOURTH REPORT

Pursuant to Standing Order 108(2), your Committee reviewed Pay Equity. Your Committee heard evidence on this matter, the result of which is contained in this report.

MOVING FORWARD ON THE PAY EQUITY TASK FORCE RECOMMENDATIONS

Despite the fact that pay equity has been the law in federal jurisdiction for over 25 years, women continue to earn less than men. Statistics show that, on average, women who have full-time jobs earn 71¢ for each dollar earned by a man, and that this discrimination is even more acute for women of colour, aboriginal women and women with disabilities.⁽¹⁾ The objective of pay equity is to ensure that women and men who are performing jobs of equal value receive equal wages, even if their jobs are different.

Section 11 of the *Canadian Human Rights Act* states that it is discriminatory for employers to pay men and women who are employed in the same establishment a different wage when they are performing work of equal value. The Canadian Human Rights Commission (CHRC) receives and investigates complaints of unequal pay for work of equal value under section 11 of the *CHRA*. Witnesses told the Committee, however, that the current complaints-based approach to pay equity is not working well. The Committee heard that

The provisions of the *Canadian Human Rights Act* relating to pay equity are not effective. The process established by the Act is too long and too complex.⁽²⁾

PAY EQUITY TASK FORCE

In June 2001, the Minister of Justice and the Minister of Labour announced the establishment of the *Pay Equity Task Force* to develop a series of options and recommendations to improve the legislative framework for dealing with pay equity matters.

(1) Testimony of Ms. Andrée Côté (Director, Legislation and Law Reform, National Association of Women and the Law), 19 May 2005, 1523.

(2) Testimony of Ms. Andrée Côté (Director, Legislation and Law Reform, National Association of Women and the Law), 19 May 2005, 1523.

Between 2001 and 2004, the Pay Equity Task Force commissioned independent research on a wide range of relevant issues and conducted a cross-Canada consultation seeking the views of a diverse population of individuals, stakeholder groups, and government departments and agencies.⁽³⁾ Consultation by the Task Force was extensive. The Task Force received oral submissions from almost 200 people and 60 written submissions from groups across the country. There were five round tables with multi-stakeholder groups. In addition, the Task Force looked at proactive pay equity legislation in a number of jurisdictions in Canada to identify best practices.

The federal Pay Equity Task Force submitted a comprehensive report entitled *Pay Equity: A New Approach to a Fundamental Right* to the Ministers of Justice and Labour in May 2004. In its report, the Pay Equity Task Force made 113 recommendations, including:

- replacing the current complaint-based model of pay equity with new stand-alone, proactive legislation which would frame pay equity as a fundamental human right;
- Expanding the coverage of pay equity legislation to cover all federally-regulated employers, including Parliament and federal contractors;
- Extending pay equity protection to members of visible minorities, persons with disabilities and Aboriginal people; and
- Requiring all employers to develop and implement a pay equity plan.

MOVING FORWARD ON THE PAY EQUITY TASK FORCE RECOMMENDATIONS

The Pay Equity Task Force found that both employers and employees agreed on the need to move away from the complaint-based approach the federal government currently adopts to pay equity, toward an

(3) Canada, Department of Justice Canada, Press release: *Federal Pay Equity Task Force Releases its Report – Pay Equity a New Approach to a Fundamental Right- Recommending Sweeping Legislative Reform*, Accessed on-line at <http://www.justice.gc.ca/en/payeqsal/6025.html>.

obligation on employers to take positive steps towards eliminating discrimination. In letters to the Committee, the Minister of Justice and the Minister of Labour and Housing both reiterated their desire to work towards an improved pay equity regime. However, the consensus on the need for change does not appear to have resulted in demonstrable progress on the issue of pay equity.

The Minister of Labour suggested that, while labour and equality groups support the recommendations contained in the Pay Equity Task Force report, employers under federal jurisdiction have serious concerns about some of the recommendations. Both the Minister of Justice and the Minister of Labour and Housing agreed they had to work together to develop an effective legislative framework. Witnesses told the Committee that the Minister of Labour and Housing had suggested that an implementation committee be struck with stakeholders to work on a federal pay equity law.⁽⁴⁾ They interpreted this as an invitation for stakeholders to work with departmental officials to draft legislation based on the recommendations made by the Pay Equity Task Force.

The Committee believes that steps need to be taken as quickly as possible to address the wage gap between women and men. The Committee wants to see concrete action on implementation of the recommendations contained in the Pay Equity Task Force report. The Committee feels that the Pay Equity Task Force report contains all the necessary elements for the Department of Justice to develop draft legislation on pay equity. As a result, the Committee wrote to the Ministers of Justice and Labour and Housing asking them to introduce draft pay equity legislation to implement the recommendations of the Pay Equity Task Force Report. The Committee wishes to reiterate this request by recommending

That the Departments of Justice and Human Resources and Skills Development draft and table legislation based on the recommendations of the Pay Equity Task Force by 31 October 2005 and that the legislation be referred to the Standing Committee on the Status of Women.

(4) Testimony of Ms. Sue Genge (National Representative, Women's and Human Rights Department, Canadian Labour Congress), 19 May 2005, 1530.

Pursuant to Standing Order 109, the Committee requests that the government table a comprehensive response to this Report within one hundred and twenty (120) days.

A copy of the relevant Minutes of Proceedings of the Standing Committee on the Status of Women (*Meetings Nos. 32,33 and 37*) is tabled.

Respectfully submitted,

Anita Neville, M.P.
Chair