Minister of Innovation,
Science and Industry

Ministre de l'Innovation,
des Sciences et de l'Industrie

Ms. Valerie Bradford, M.P.
Chair
Standing Committee on Science and Research
House of Commons
Ottawa, Ontario K1A 0G6

Dear Colleague:

Pursuant to Standing Order 109 of the House of Commons, I am pleased to submit on behalf of the Government of Canada the response to the ninth report by the Standing Committee on Science and Research entitled *Pay Gaps Among Faculty at Canadian Universities* (the Report), which was presented to the House of Commons on April 9, 2024.

Pay equity must be a fundamental principle in a fair and just society. While progress has been made, research shows gender and diversity pay gaps continue to exist among Canadian faculty. Pay gaps persist for women as well as faculty members who are racialized, Indigenous, those with disabilities, and those at the intersection of multiple identities. Pay inequity may dissuade talented people from seeking academic careers. Diversity enriches science and research and helps ensure the academic profession reflects our communities and has the breadth of experience to tackle the complex problems facing our society.

The Government thanks the Committee and its staff for completing this thought-provoking study, as well as the many witnesses who shared their insights, expertise, and lived experience through testimony and written briefs. The Report's recommendations call on the Government to: (1) emphasize the importance of cross-jurisdictional coordination to improve pay equity; (2) develop a standardized data collection tool for post-secondary institutions; (3) enable the federal granting councils to consider supports to improve pay equity for underrepresented groups; and (4) include post-secondary institutions in the Federal Contractors Program (FCP) and expand the designated groups under the *Employment Equity Act* and the FCP to include 2SLGBTQI+ people.

…2

The Government supports Recommendation 1 in principle, within the scope of federal jurisdiction, the statutory mandates of the federal granting councils, and the Canadian legal context for pay and employment equity. The Government acknowledges Recommendations 2, 3, and 4, and commits to consider these recommendations as part of initiatives to modernize a key statistical survey on academic staff and respond to a major review of the *Employment Equity Act*, which is already underway.

The Government Response was prepared by Innovation, Science, and Economic Development Canada (ISED) in collaboration with Employment and Social Development Canada. Significant contributions are also included from Wage and Gender Equality Canada, Statistics Canada, as well as by the federal granting councils, the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council of Canada, and the Canadian Institutes of Health Research. After closely studying the Committee's Report, the Government's response to each recommendation is provided below.

Recommendation 1: That the Government of Canada, in interactions with post-secondary institutions, provincial governments, and territorial governments, emphasize the importance of cross-jurisdictional coordination to achieve greater pay equity among university faculty.

The Government Response supports Recommendation 1 in principle, within the scope of federal jurisdiction and the current legislative environment for pay and employment equity. While faculty at post-secondary institutions from coast to coast to coast must have access to greater pay equity, there are considerations that shape the appropriate role the federal government can play in this effort. The Report also recognizes the clear responsibility of provincial and territorial governments in these areas, stating that "pay equity largely falls under provincial jurisdiction, as does the administration of universities" (page 5).

The Government is committed to ensuring pay equity between women and men working in federally regulated private and public sectors. At the federal level, the *Pay Equity Act* supports closing the gender wage gap and applies to the federal government and federally-regulated employers. The *Pay Equity Act* is administered and enforced by the Pay Equity Commissioner, who is a member of the Canadian Human Rights Commission. The Commissioner's jurisdiction extends only to federally regulated private and public sectors employers. The federal *Employment Equity Act*, discussed further under Recommendation 4, promotes equality in the workplace, the correction of conditions of disadvantage in employment, and special measures for designated groups.

…3

Provincial governments in Canada play a significant role in establishing and enforcing pay equity within their jurisdictions. Their responsibilities encompass several key areas, including legislation and regulation, enforcement and oversight, guidance and support, compliance audits, dispute resolution, as well as education and advocacy.

Provincial and territorial governments also establish the legislative, regulatory, and policy frameworks that govern post-secondary institutions, which includes varying degrees of provincial or territorial oversight alongside institutional autonomy. Each post-secondary institution has an administration responsible for implementing pay equity policies. This includes ensuring that compensation structures are fair and comply with applicable laws. Unions or staff associations play a crucial role in negotiating terms of employment, including salaries and benefits, to ensure pay equity. Unions and staff associations work with administration to address discrepancies and advocate for equitable treatment. Some institutions have dedicated personnel or offices responsible for ensuring compliance with pay equity and other diversity-related regulations. These offices often conduct reviews and audits to identify and address pay inequities. Human resources departments manage compensation and benefits at the institutional level. These departments ensure that pay structures align with equity principles and adhere to relevant legislation.

The Government of Canada can make valuable contributions to cross-jurisdictional coordination within this legislative environment and Canada's federal system. Given their responsibility for post-secondary education and pay equity legislation, provincial and territorial governments could choose to coordinate on pay equity by sharing best practices on reporting mechanisms, accountability measures, labour relations, data management, among other areas. The federal government can support and strengthen cross-jurisdictional coordination on pay equity from a national perspective while respecting provincial and territorial governments to initiate coordination on areas within their jurisdiction.

In addition to supporting cross-jurisdictional coordination, the Government advances gender equality through significant investments in key programs, policies, and initiatives. Introduced in Budget 2018, the Gender Results Framework (GRF) represents the Government's vision for gender equality. The GRF is a whole-of-government tool designed to track how Canada is currently performing, define what is needed to achieve greater equality, and determine how progress will be measured going forward. The *Canadian Gender Budgeting Act* enshrines Canada's commitment to decision-making that considers policy impacts on diverse groups of Canadians. The federal government has demonstrated its commitment to reducing the gender wage gap and supporting women's economic participation through several major initiatives, including

…4

establishing a Canada-wide system of affordable early learning and child care to support women's participation in the labour force; increasing women-owned businesses' access to the financing, networks, and expertise that they need through the Women's Entrepreneurship Strategy; and supporting the work of equity-seeking organizations to break down barriers for women in the economy through key investments in the Women's Program.

Recommendation 2: That the Government of Canada, through Statistics Canada and the federal granting councils—the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research—develop a standardized data collection tool for post-secondary institutions to report on pay equity, including consistent demographic data on gender, race, disability status and Indigenous identity that would be tied to institutional funding eligibility.

With respect to the federal granting councils, the Government acknowledges Recommendation 2 in principle within the scope of federal jurisdiction and the councils' statutory mandates. On the standardized data collection tool, the Government acknowledges and commits to take this recommendation under advisement as part of the modernization of a key statistical survey on academic staff.

Federal Granting Councils

The federal granting councils appreciate the Committee's important work on pay equity gaps among faculty at Canadian post-secondary institutions. To the extent their mandates permit, the granting councils will take the underlying principles and spirit of the recommendation into consideration when developing programs and funding opportunities.

The federal granting councils provide transfer payment funds (grants and awards) to researchers and students based at post-secondary and other institutions to advance research, research training, and innovation. In recent years, the granting councils have undertaken several initiatives to foster a more equitable, diverse, and inclusive research ecosystem in Canada. The federal granting councils recognize that, despite these efforts, much more needs to be done. To achieve world-class research, systemic barriers that limit the full participation of all talented individuals must be addressed.

The federal granting councils must act in alignment with the authorities conferred by the statutes that created the councils. These authorities allow the agencies to administer funding programs that support research at post-secondary institutions and to set conditions for those programs. They do not provide the federal

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granting councils with authority to set regulations within the workplace of an institution subject to provincial jurisdiction. The federal granting councils do not have authority over the employment practices of the institutions, including pay equity, and as such do not have clear authority to collect data on pay equity of the institutions that host the recipients of their grant funding.

To promote accountability in the use of taxpayer dollars to fund research, the federal granting councils have established the Agreement on the Administration of Agency Grants and Awards by Research Institutions (Institutional Agreement) which, among other elements, clearly outlines the importance of equity, diversity, and inclusion (EDI) and Indigenous (First Nations, Inuit, and Métis) rights in the conduct of research and research training, and in research funding opportunities and policies. All institutions that administer funding from the federal granting councils must sign the Institutional Agreement, thereby committing to promoting equitable and inclusive practices and eliminating systemic biases.

The collection of self-identification data is an important component of the federal granting councils' commitment to equity, diversity and inclusion. A harmonized Tri-Agency questionnaire was first launched in mid-2018, collecting data on the diversity of the population applying for and receiving granting council funds and participating in peer and merit review. The granting councils previously collected information on some identity factors, but it was incomplete, collected in different ways, and lacked comparability. The current self-identification questionnaire, used by the granting councils and the Canada Foundation for Innovation (CFI), includes questions related to date of birth, gender identity, sexual orientation, Indigenous identity, visible minorities, population group, persons with a disability, and languages (all responses include the option ‘prefer not to answer’). To help the granting councils make evidence-based improvements to their programs, the granting councils encourage applicants and selection and review committee members to select the options that best represent their identities. This information increases the granting councils' capacity to monitor their progress on increasing EDI in their programs, to recognize and remove barriers, and to design new measures to achieve greater EDI in the research enterprise.

For data on post-secondary institutions that is not directly related to the granting councils’ programming, including data on faculty demographics, the granting councils rely on surveys conducted by Statistics Canada. The granting councils utilize the data from the University and College Academic Staff System (UCASS) survey and the Survey of Postsecondary Faculty and Researchers as comparator information for understanding the participation of members of under-represented groups in the granting councils’ programs. The federal granting councils have been collaborating closely with Statistics Canada on the feasibility study to improve data on members of the four federally designated groups in the UCASS survey, which is discussed in the next section.

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Statistics Canada

Statistics Canada administers the UCASS survey, which collects national comparable information on the number and socio-economic characteristics of full-time academic teaching staff in Canadian universities. UCASS data has been collected since 1937, with a short interruption between 2012 and 2016, and has a complete time series available since the 1970s. The target population is full-time academic teaching staff, whose term of appointment is not less than twelve months, in 113 degree-granting institutions. UCASS can be used for a variety of purposes, including the study of employment patterns, gender-based analysis, aging of the professoriate and implications for renewal, salary analysis for contract negotiations, retention and losses to the system, projection of demand, promotional patterns, among other topics.

The UCASS Modernization Project is studying the feasibility of closing known data gaps on academic staff in Canadian post-secondary institutions. These gaps include information on EDI; sociocultural characteristics of academic staff; as well as information on part-time or contract staff—whose term of appointment is less than twelve months or those employed part-time—who are currently out of scope for UCASS. Statistics Canada will also look at ways to strengthen the collection of gender-based data.

To address information needs related to EDI, the project is exploring the feasibility of adding variables such as racialized groups, Indigenous identity, and disability identity to the current collection and dissemination of UCASS. The project is also assessing the feasibility and efficiency of collecting additional personal identifiers to facilitate anonymized data integration with the Canadian Census and other data sources to obtain the EDI characteristics. Finally, the project is investigating the feasibility and options to collect data on part-time and contract staff, a segment of the academic workforce with significant EDI data implications. Timelines, cost estimates, and potential funding sources for these data activities will also be considered.

An initial feasibility study on UCASS modernization was funded by key postsecondary education stakeholders, including Equity, Diversity and Inclusion Canada, the federal granting councils, and the CFI. Subsequent phases were funded through the Disaggregated Data Action Plan (DDAP). DDAP is a whole-of-government approach led by Statistics Canada that aims to increase and improve statistics on diverse populations and to support more representative data collection methods.

An initial consultation with eight universities was completed by Statistics Canada between January 2023 and February 2024. Preliminary results indicate that, in general, participants understood the purpose of the consultation and

…7

acknowledged the importance of incorporating diversity characteristics into UCASS data collection. All participants reported they are collecting some forms of EDI information on their teaching personnel, both full-time and part-time. All participants are collecting information about the four employment equity groups: women, visible minorities (racialized persons), Indigenous persons, and persons with a disability. Data integration with the Canadian Census appears to be a potential viable option to estimate diversity characteristics on teaching staff from Canadian universities.

The initial consultation also identified challenges to effectively modernizing UCASS. The definitions and categories used to collect this information varied and may not be easily integrated without the aggregation of some categories. While it may be feasible to integrate responses to the gender and Indigenous identities questions, information for racialized persons and self-reported disability may be more challenging to integrate into functional categories. A common definition of EDI groups among universities would need to be brought forward. Half of the pilot participants were able to share nominal information with seemingly little to no difficulty. Some participants reported they could face various challenges in reporting the new information, such as limited capacity to address new demands, financial constraints, staff turnover, and those related to institutional data governance policies.

The final feasibility study report and recommendations for UCASS modernization based on the consultation with eight Canadian universities is expected to be completed later in 2024. If Statistics Canada goes ahead with the modernization initiative, broader engagement would then occur with all 113 universities to implement these recommendations. Statistics Canada expects to make improvements to standardized EDI data collection for post-secondary institutions in ways that are expected to align with the Report's recommendation.

Recommendation 3: That the Government of Canada, to the extent that federal jurisdiction allows, through the federal granting councils—the Social Sciences and Humanities Research Council, the Natural Sciences and Engineering Research Council of Canada and the Canadian Institutes of Health Research—consider specific supports to increase pay equity for under-represented groups.

The Government acknowledges Recommendation 3, within the scope of federal jurisdiction and the statutory mandates of the federal granting councils, and recognizes that achieving a more equitable, diverse and inclusive Canadian research enterprise is essential to creating the excellent, innovative, and impactful research necessary to advance knowledge and understanding, and to respond to local, national, and global challenges.

…8

The granting councils encourage and support post-secondary institutions to identify and address inequities and barriers to participation for members of underrepresented groups at their institutions. Generally, granting council funds cannot be used to support the salaries of researchers who have faculty positions at post-secondary institutions. However, the Tri-Agency Canada Research Chairs (CRC) program, Canada Excellence Research Chairs (CERC) program, and Canada 150 Research Chairs program are programs designed to help institutions recruit world-class researchers, and grant funds from these programs can be used by institutions to pay chairholders' salaries. In the case of the CERC program, a salary may be paid to a new faculty recruit until their first operating grant is obtained, at which point the institution is required to provide a salary to the individual.

Whether funding from the above programs is used for a salary is at the discretion of each institution, as is the level of compensation provided. The programs do not place restrictions on the level of compensation, nor do they set requirements with regard to salaries or pay equity. Institutions are encouraged to ensure the equitable distribution of resources provided to chairholders, including but not limited to faculty compensation levels.

The CRC program requires all institutions to establish equity targets to ensure that individuals who often face systemic barriers in employment—women and gender minorities, persons with disabilities, Indigenous peoples, and racialized minorities—participate in the program. The program monitors the institutions' progress toward meeting their established targets. Further, institutions with five or more CRC chair allocations have been required to develop and implement an institutional EDI action plan, and a similar requirement for institutions with fewer than five chairs is forthcoming. This plan must guide institutional efforts in identifying and addressing systemic barriers to sustain the participation of individuals from the four designated groups as well as address the underrepresentation of individuals based on the institution's equity target gaps. Plans must meet specific program requirements, including conducting an employment systems review, an environmental scan, and a comparative review of the institutional support being provided to chairholders using an intersectional lens. In undertaking this exercise, many institutions have identified inequities, including pay gaps, that institutions have addressed as part of their EDI action plans.

The guide *Creating an Equitable, Diverse and Inclusive Research Environment: A Best Practices Guide for Recruitment, Hiring and Retention* is provided by the Tri-Agency Institutional Programs Secretariat as a tool for individuals and institutions as they determine how best to address areas for improvement identified when assessing their recruitment practices and work environment. The guide includes recommendations for institutions undertaking CRC nominations to

…9

"review the level of support being provided to individuals from underrepresented groups, to confirm they are not being disadvantaged compared to other chairholders," while noting that, "[I]t is the institution's responsibility to make sure that there is no pay gap." The *Best Practices in Equity, Diversity and Inclusion in Research Practice and Design* guide helps support New Frontiers in Research Fund applicants and reviewers, in addition to applicants to other federal research funding programs, in achieving greater EDI in their research practice and design. Applicants must explain what actions they will take to remove barriers to the recruitment and full participation of individuals from underrepresented groups.

The federal granting councils, along with ISED, Health Canada, the CFI, and the National Research Council have sponsored a Council of Canadian Academies' study on EDI Practices in the Post-Secondary Research System, which is currently underway.

<u>Recommendation 4</u>: That the Government of Canada amend the Federal Contractor's Program to require participation for all colleges and universities that receive federal research funding, expand the four designated groups of the *Employment Equity Act* and Federal Contractors Program to include the 2SLGBTQI+ community, and require the submission of disaggregated racial data, as possible given privacy requirements.

The Government acknowledges Recommendation 4 and will take the Committee's advice on the Federal Contractor's Program (FCP) under advisement as it considers similar recommendations from the *Employment Equity Act* Review Task Force. The Government has publicly committed to modernize the Act by adding 2SLGBTQI+ people as a designated group.

The Government is committed to the modernization of the *Employment Equity Act*. Since the Act was introduced in 1986, significant progress has been made to correct conditions of disadvantage in employment experienced by four designated groups: persons with disabilities, women, Indigenous peoples, and members of visible minorities. However, some workers continue to face barriers to equity. On July 14, 2021, the Government launched a Task Force, composed of 12 members from various backgrounds and fields of expertise, including the Chairperson, Professor Adelle Blackett, to conduct an independent review and provide recommendations on how to modernize the *Employment Equity Act*.

The Task Force heard from hundreds of stakeholder and partner organizations from public, private and non-profit sectors, including employers, unions, professional associations, and members of designated groups and other communities, such as women, 2SLGBTQI+ Canadians, Indigenous peoples, Black and racialized Canadians, persons with disabilities and other under-represented groups, including faith-based networks. Overall, the

…10

Task Force held over 100 meetings that involved more than 300 participants representing over 175 organizations. The Task Force also received over 400 written submissions covering the full scope of the *Employment Equity Act* review, and an additional 350 expressions of views shared via electronic correspondence.

On December 11, 2023, the Government released the Task Force's report, entitled *A Transformative Framework to Achieve and Sustain Employment Equity*. The report is comprehensive and includes 187 recommendations covering both the human rights principles to guide the proposed changes and specific actions for implementing those changes. The report includes recommendations related to the FCP, the addition of a new designated group for 2SLGBTQI+ people as well as to support the collection and use of disaggregated data. The Government is taking these independent recommendations into consideration.

In response, the Government announced its initial commitments to modernize the *Employment Equity Act*, including creating two new designated groups: Black people and 2SLGBTQI+ people. The term 'Aboriginal Peoples' will be replaced with 'Indigenous Peoples' and the definition will be updated to include First Nations, Métis and Inuit, as well as to ensure it is consistent with the *United Nations Declaration on the Rights of Indigenous Peoples Act*. The term 'members of visible minorities' will be replaced with 'racialized people' and the corresponding definition will be updated. Finally, the definition of 'persons with disabilities' will be aligned with the *Accessible Canada Act* to make it more inclusive.

Budget 2024 confirmed the Government's intention to propose legislative amendments to modernize the Act, including by expanding designated equity groups. The Government has launched targeted consultations with affected communities and organizations on how best to effectively implement these changes and other Task Force recommendations.

Modernizing the Act will also provide opportunities to explore possible ways to apply the FCP to federal funding to post-secondary institutions. The FCP seeks to achieve employment equity objectives through federal government procurement contracts with provincially regulated employers. The FCP applies to provincially regulated employers who have 100 or more permanent employees and have received a goods and services contract valued at $1 million or more from the federal government. As of April 2024, 27 universities and colleges are subject to the FCP. The *Employment Equity Act* Review Task Force recommended that colleges and universities should be required to agree to participate in the FCP to be eligible to apply for federal research grants and other

…11

federal research funding (Recommendation 7.14) and to undertake an analysis of grants and contributions funding that could appropriately be subject to the Act (Recommendation 7.16).

To move forward with previously announced changes to the Act, including adding 2SLGBTQI+ people as a designated group, the Government has launched targeted consultations with affected communities and organizations. These targeted consultations will also include other Task Force recommendations that remain under consideration, including extending the FCP to all post-secondary institutions receiving federal research funding. The Committee Report's advice will be a valuable contribution to these conversations and will be taken under advisement as the Government assesses the Task Force's recommendations on the FCP within the context of a larger modernization of the *Employment Equity Act*.

Conclusion

Equity, diversity, and inclusion are essential to building a robust science and research ecosystem in Canada. Greater access to pay equity helps ensure the academic and research profession remains a viable career path and is open to all people seeking to advance knowledge and train the next generation of leaders and innovators.

The Government acknowledges the Committee's recommendations within the scope of federal jurisdiction, the statutory mandates of the granting councils, and the Canadian legal context for pay and employment equity. The Government will take the Report's recommendations into consideration as initiatives move forward to enhance data collection and modernize employment equity legislation. The federal government can help to support efforts related to pay equity through measures such as data collection, encouraging and supporting postsecondary institutions in their efforts to advance EDI, and requirements for federal contractors. Fostering greater access to pay equity is a complex undertaking and will require collaboration from provincial and territorial governments, as well as post-secondary boards, administration, and labour associations.

In closing, the Government thanks the Committee for releasing the *Pay Gaps among Faculty at Canadian Universities* report, the latest in an ongoing effort to provide thoughtful advice on science and research policy in Canada. The Government looks forward to engaging with the Committee, the research community, and all Canadians on ways to leverage science and research to foster a prosperous and inclusive economy and society. By urging us to continue an important dialogue on pay equity in our post-secondary institutions, the Committee's Report will help the academic and research profession to lead the way as we strive to build a society that is fair, just, and equitable for all people.

…12

Please accept my best wishes.

Sincerely,

The Honourable François-Philippe Champagne, P.C., M.P.