



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

43rd PARLIAMENT, 2nd SESSION

---

# Standing Committee on the Status of Women

EVIDENCE

**NUMBER 009**

**PUBLIC PART ONLY - PARTIE PUBLIQUE SEULEMENT**

Tuesday, December 8, 2020

---

Chair: Ms. Marilyn Gladu





## Standing Committee on the Status of Women

Tuesday, December 8, 2020

• (1200)

[English]

**The Chair (Ms. Marilyn Gladu (Sarnia—Lambton, CPC)):** It looks like we're good to go.

I want to welcome everybody to the eighth meeting of the Standing Committee on the Status of Women. Today we're looking forward to hearing an update on pay equity.

Welcome to our witnesses today: Parliamentary Budget Officer Yves Giroux; and from the Office of the Parliamentary Budget Officer, Robert Behrend, analyst, and Salma Mohamed Ahmed, research assistant.

Before speaking, please wait until I recognize you by name. When you want to speak, you can click on your microphone to activate it. All comments should be addressed through the chair. You can choose interpretation very much like you can at all meetings. At the bottom, select floor or either English or French. Please speak slowly and clearly for the benefit of our interpreters.

With that, Mr. Giroux, you have five minutes for your opening comments.

[Translation]

**Mr. Yves Giroux (Parliamentary Budget Officer, Office of the Parliamentary Budget Officer):** Good afternoon, Madam Chair and members of the committee.

Thank you for inviting me to appear here today. I will be speaking to you about the report called "Fiscal Analysis of Federal Pay Equity", prepared by my office and published on November 4, 2020. I'm accompanied today by the analysts who prepared the report, Robert Behrend and Salma Mohamed Ahmed.

The Parliamentary Budget Officer supports Parliament by providing independent and non-partisan analysis to Parliament. As the legislation states, we do so for the purpose of raising the quality of parliamentary debate and promoting greater budget transparency and accountability.

In keeping with our office's mandate, we have prepared an independent analysis of the federal pay equity system. The report provides an overview of the spending measures associated with the Government of Canada's proactive pay equity regime within the federal public and private sectors.

[English]

Madam Chair, I would be pleased to respond to any questions you may have regarding our federal pay equity analysis or other PBO work.

Thank you.

In December 2018 the Pay Equity Act received royal assent, establishing a proactive pay equity regime within the federally regulated public and private sectors. Approximately 1.3 million employees fall under the aegis of the act—about 390,000 in the public sector and 900,000 in the private sector.

While budget 2018 and the 2018 fall economic statement identified new money to establish the government's new administrative framework for the act, no details were provided regarding the anticipated fiscal impact arising from consequential changes to remuneration.

Based on information provided to the Office of the Parliamentary Budget Officer by the Government of Canada, we estimate that the ongoing cost for regulatory oversight in federally regulated sectors of the economy is \$5 million. The ongoing administration of pay equity within the federal public service is estimated to be \$9 million.

The PBO requested the government's fiscal analysis of how much more money is expected to be spent to comply with the legislation. However, the government refused to share this data, citing confidence of the Queen's Privy Council for Canada. Nevertheless, we used alternative sources in our analysis of employee compensation for the core federal public service. These data suggest that once the act is fully implemented, the federal wage bill could rise by \$621 million starting in 2023-24.

The core federal public service represents approximately 30% of the federally regulated workforce. It does not include Crown corporations, the Prime Minister's and ministers' offices, parliamentary institutions, or the private sector. Therefore, the impact on all federally regulated workplaces will likely be substantially greater.

Given the depth of expertise required and the possession of employee-level administrative data, the federal government itself is best placed to report on the cost implications to employee compensation. Parliamentarians may therefore wish to encourage the federal government to provide estimates of expected increases to federal public service employee salaries, along with analysis of the potential impacts on pensions and other future benefits.

• (1205)

**The Chair:** Thank you very much. Several of our committee members sat through the pay equity special committee years ago, so you'll see lots of interest.

We'll go to our first round of questions. When people get close to the end, I will flash the one-minute card. When they get within 20 seconds, they'll get the lucky dollar.

With that, Ms. Sahota, I believe you have the first six minutes.

**Ms. Jag Sahota (Calgary Skyview, CPC):** Thank you, Madam Chair.

Thank you for being here today to discuss your recent report on pay equity and the Pay Equity Act.

Given that yesterday was the 50th anniversary of the Royal Commission on the Status of Women, and the topic of pay equity was one of the issues that the report highlighted, I believe it is fitting that today we study what the government has or hasn't done for women. It's unfortunate that the Liberals couldn't give this file the attention it deserves in ensuring that the minister responsible for pay equity, the Honourable Filomena Tassi, could make an appearance here today. I look forward to her coming in January and answering our questions. Canadians can be assured that Conservatives will always stand up for women and equality.

In your report and your presentation just a few minutes ago, you referred several times to your request to the government for the documents to help you assess what the cost would be to bring about pay equity. The government cited cabinet confidence on those documents. What specific documents were you requesting? In your experience, has it become common practice for the government to withhold information from you? Has this hindered your process at all?

**Mr. Yves Giroux:** Thank you for the question.

Madam Chair, the documents that we requested contained specific information on the number of employees by classification group and the composition, whether it's female-dominated or male-dominated. That's the type of information we were looking for in the public service. The government indicated that it could not provide the information because it was a cabinet confidence, presumably because that type of information was provided to ministers when the government considered the pay equity legislation at cabinet and cabinet committees.

In my opinion, it's difficult to determine whether it is indeed information that is a cabinet confidence because my office or I didn't even get to see it. Because something is included in a memorandum to cabinet or is discussed at cabinet itself doesn't mean that the information could not be provided if it were to be provided separately from the memorandum to cabinet. I often give a simple example. If you attach a Globe and Mail article to a memorandum to cabinet, of course it's a confidence of the Queen's Privy Council, a cabinet confidence. It doesn't mean that you have to take back all of the issues within that Globe and Mail or newspaper because somebody discussed a Globe and Mail article at cabinet. I think in that instance, it may well be a case that the government considered the items or information that we needed to be a part of the cabinet's deliberations, but I'm not sure if it had provided that information to

my office, it would indeed have been damaging to the secrecy of cabinet deliberations.

The other question of the member was, does that constitute normal behaviour, or has that been repeated? Fortunately, there have been only very few instances where the office has been denied access to information. Generally speaking, I've had good collaboration on the part of the government. The main exception to that, aside from the pay equity information, has been tax information. Whenever my office or I seek tax information, the government is very circumspect in providing that information to us, even if we ask for a certain level of aggregation when it comes to data.

These are the two general exceptions, tax and pay equity being specific examples of where the office was not provided information that it needed to fulfill its legislative mandate.

• (1210)

**Ms. Jag Sahota:** You said the government said that it couldn't provide that information because of cabinet confidence. Now that the legislation has been tabled, is it possible to get that information?

**Mr. Yves Giroux:** The answer to that question is still no, because it remains a cabinet confidence even after the legislation has been tabled. As Madam Sahota pointed out, now that that legislation has been tabled and passed, in my opinion, that's probably a factor that favours the information being provided to us. That being said, we made the request after the legislation was tabled. The argument that we made, that the legislation had been tabled and therefore that the PBO should get access to it, didn't seem to change the government's perspective on providing information.

**Ms. Jag Sahota:** Thank you.

As a result of the lack of transparency by this government, you had to use alternative sources to discover the cost. You stated the cost would start at \$477 million, and with the additional employee benefit, the cost would rise to \$621 million. Given that the government has deliberately withheld information from you, could you reasonably believe that this cost could be much higher than what you have said in your report?

**Mr. Yves Giroux:** We used information that was publicly available, but of reasonably good quality, so it's quite possible that the real cost will be higher, but I don't know how much higher without having access to the information the government holds. I'm not sure it would be significantly higher. Only the government would be in a good position to determine that with the information it holds.

**Ms. Jag Sahota:** Thank you.

**The Chair:** Very good.

Now we'll go to Ms. Zahid for six minutes.

**Mrs. Salma Zahid (Scarborough Centre, Lib.):** Thank you, Chair. Thanks to our witnesses for appearing before the committee today.

My first question is for Mr. Yves Giroux.

Thank you for being here to speak with us about the Pay Equity Act and Canada's first proactive pay system. It has been a long time coming. We are really looking forward to its implementation next year in 2021. I had a look at the regulations the government has put forward in Canada Gazette part 1 for consultations.

Within those regulations the department provided estimates on the cost for both the federal public service and the private sector.

Do you agree that these estimates provide important and necessary information?

**Mr. Yves Giroux:** Madam Chair, the regulations provided information on the cost for a 10-year period. This is indeed an important element in determining the potential cost of the pay equity regime. It's also important information in determining the impact of the pay gap for work of equal value across the country over the 10-year period that's covered by the regulation—at least the cost. So, yes, it is important information.

**Mrs. Salma Zahid:** We all know that pay equity legislation is necessary. I am really pleased that our government introduced and passed it in our last mandate. This is a transformational system and will finally enforce equal pay for work of equal value within the federal jurisdiction.

Can you please speak to how this system will create benefits for Canadian women and the work of advancing gender equality?

• (1215)

**Mr. Yves Giroux:** My understanding, Madam Chair, is that the pay equity legislation will require employers to set up pay equity committees and also to look at male-dominated and female-dominated employment groups. It will ensure that the female-dominated groups have pay or remuneration equivalent to those of male-dominated employee groups for work of equal value, including skills, work effort and so on.

The legislation sets out a series of criteria, which I won't go over because that would require much more than five or six minutes. It will be an important step in ensuring that work of equal value is recognized at the same level of pay across various groups. It goes beyond work that is identical or similar, but it provides a value to the work that is performed by various groups.

Yes, in that sense it's an important step forward in gender equality and providing for work of equal value as opposed to just the comparison between identical work.

**Mrs. Salma Zahid:** So you agree that this legislation will be beneficial to Canadian women and help in advancing gender equality? You agree with that?

**Mr. Yves Giroux:** It would be very hard to be against that. Given that the stated goal of the pay equity regime is to provide equal pay for work of equal value, I think one of the benefits will be obviously to provide enhanced pay for groups that have been disadvantaged. It's true that it will benefit some women, but it could also benefit some male-dominated groups, although no example comes to mind. But it will certainly further enhance or advance gender equality.

**Mrs. Salma Zahid:** Chair, how much time do I have left?

**The Chair:** One and a half minutes.

**Mrs. Salma Zahid:** Okay.

Could you speak to the benefits this system will bring to our economy?

I know our government estimates that pay equity will create a net benefit of \$28 million in the next 10 years without even considering the spinoff benefits that will come with a system like this.

Could you speak to the benefits this system will bring to the economy in the coming years?

**Mr. Yves Giroux:** I'm not sure, Madam Chair, that I can speak very well to the overall benefits. The purpose of the report was to look at the cost for the federally regulated sector, and in this specific case that we considered, to look at the cost to the federal public service. From that perspective, it will increase compensation for mostly female-dominated groups by about \$600 million annually starting in 2023-24. That's probably one of the benefits I can speak to that's part of my mandate.

**The Chair:** That's very good.

We'll go to Madame Larouche.

[*Translation*]

You have six minutes.

**Ms. Andréanne Larouche (Shefford, BQ):** Mr. Giroux, it's a pleasure to welcome you here today. As my colleague just mentioned, given that yesterday was the 50th anniversary of the tabling of the Report of the Royal Commission on the Status of Women in Canada, we can agree that we've come a long way in 50 years. However, in my statement yesterday, I spoke about a number of things that still require action, including the much talked about Pay Equity Act.

In fact, I truly believe that we need to use COVID-19 to rethink our economy. We also need to examine precisely how women were penalized more severely during the pandemic and whether we now need to introduce feminist measures in this economy. Pay equity is one such measure, I believe. Quebec's, Pay Equity Act has been in force since 1996. Although Canada's Pay Equity Act was adopted in 2018 here in Ottawa, it has still not come into force. We know that the federal government decided to wait until businesses within its purview got used to the idea and began to think about how to go about implementing the new act.

What, in your opinion, are the impediments within the federal government causing the implementation of this act to drag on?

At the end of the line, do you think it's women who will pay the price, and if so, to what degree?

• (1220)

**Mr. Yves Giroux:** Madam Chair, I can't speculate on why the federal pay equity system has taken 22 years longer than it did in Quebec to see the light of day. It's a legislative measure and it was probably dependent on the will of the legislators over time.

The benefits for women include, as the report mentions, the fact that pay for disadvantaged groups will likely increase by approximately \$620 million per year as of 2023-24, based on our estimates. This money will very likely end up in the pockets of women because they are often in these disadvantaged groups. This means that they are not being paid as much as men for work of equal value.

The regulations tabled by the government for the implementation of the act indicate that additional pay of approximately \$2 billion at net present value will be paid in the private sector over a period of 10 years.

**Ms. Andr anne Larouche:** I would like to speak about some of the other impacts of pay equity and to hear your point of view. I have in front of me a study by the Commission des normes, de l' quit , de la sant  et de la s curit  du travail du Qu bec, or the CNESST, conducted with private businesses, which yields benefits other than strictly financial ones.

The study showed that 43% of businesses that implemented their pay equity measures noticed positive impacts on their organization. The most frequently mentioned positive impacts for employers were an improved climate, better working relations and higher productivity (44%); greater equity within the company (40%); enhanced job knowledge (29%), and the introduction or updating of a pay policy (20%).

What benefits other than financial ones might this new act have in your opinion?

**Mr. Yves Giroux:** When a business or an employer takes a greater interest in staff or conducts an in-depth study of jobs, their value and the efforts required for each type of task or responsibility, employees appreciate it. Indeed, employees often feel undervalued when they are underpaid. In my opinion, greater recognition of employees is definitely one of the benefits that will come about as a result of implementing the Pay Equity Act.

Not only that, but the act will probably make certain types of jobs more attractive and increase the employee retention rate, another important benefit of implementation. If one category of jobs is filled mainly by women and the pay for this category is raised slightly, it should be easier for employers to attract, and in particular retain, people to fill these jobs and perform the tasks.

**Ms. Andr anne Larouche:** There's been a lot of discussion of the impact of COVID-19 on women.

How could the application of the Pay Equity Act have helped women get through this crisis without so many negative effects?

**Mr. Yves Giroux:** That's a much more difficult question to answer, because the pandemic is an overwhelming and unprecedented event. It's therefore hard to imagine what the Pay Equity Act might have changed for women had it been fully in force.

Because many different groups were hit hard by the pandemic, I don't know how much of an impact the Pay Equity Act would have had on the employment market for women. It's unfortunately difficult to answer this question.

• (1225)

**Ms. Andr anne Larouche:** Okay.

You're saying that...

[English]

**The Chair:** Excuse me.

Now we'll go to Ms. Mathysen for six minutes.

**Ms. Lindsay Mathysen (London—Fanshawe, NDP):** Thank you, and thank you to the witnesses for appearing today.

I would have to say that I certainly agree with many of my colleagues that we're talking about something that was brought forward in a report to government 50 years ago. The fact that we still haven't seen the implementation of that legislation—which you commented on, bringing forward the problem—certainly delays women's being seen as having the same rights as men.

Ultimately it's important to stipulate that these are human rights and that the government, as an organization that brings in legislation and laws to change these things, is also an employer. It thus plays a dual role in the violation of these human rights.

You mentioned that when you did the study, the government withheld the information you had requested, and that this was somewhat unusual, considering that you were asking for statistical information, as far as I can understand. You weren't asking for confidential names or specifics about people. Could it be, then, that they were hiding the numbers a bit?

As a result, you were only able to capture 30% of the federally regulated workforce, is that correct?

**Mr. Yves Giroux:** Yes, that's correct. We captured only 30% of the federally regulated workforce, and that was the public service.

**Ms. Lindsay Mathysen:** Right, and that 30% is the \$621 million, then. You stated that what women are being short-changed currently would actually be closer to the \$2 billion mark, given the fact that the legislation hasn't yet been implemented.

**Mr. Yves Giroux:** The \$2 billion I talked about was something the government released itself as part of its regulations. It's over a 10-year period, and it is the net present value. It is the value in current dollars, applying the pay equity regime to the private sector.

Salma and Robert can correct me, if I'm wrong about the \$2 billion.

I seem to be correct.

**Ms. Lindsay Mathysen:** You are right, actually. That's great.

You also mentioned in the report that in some instances there was a short-changing of about \$3 an hour. If, however, you were to take that over the course of someone's entire work lifetime, it would significantly impact a senior's pension and what they would have to live on in their senior years. Would that also be correct?

**Mr. Yves Giroux:** That is totally accurate. If somebody is earning \$3 an hour less than they otherwise would have earned, it has an impact of about \$6,000 per year, and over the span of their career it can easily get into the tens of thousands of dollars.

It also has an implication for the retirement pension of that individual through either the QPP or CPP or an employer-based pension plan, because those are nearly always based on career earnings. The lower your earnings, the lower your CPP/QPP benefits are when you retire, and the lower your pension is as well.

**Ms. Lindsay Mathysen:** Of course, that legislation wouldn't be retroactive. We wouldn't actually be able to compensate all the women I think of who have worked in the public sector, even if it's the 30% referenced here, for that pay lost and that time lost.

It's interesting, too, that the postmasters union was actually successful in winning their pay equity court case, but they are now dealing with tens of thousands of claims because, for them, it was a 27-year battle to get some of that compensation. There's quite a lot going forward in terms of the actual implementation of that case and that win for them in terms of dealing with CRA, and they were actually able to get that retroactive pay.

In terms of a timeline, I think they quoted 42,000 claims that are problematic. For a much larger federal public sector, what would that look like for the federal government going forward, and would that significantly delay the benefits of the pay equity legislation, if it actually will be implemented in a reasonable amount of time?

• (1230)

**Mr. Yves Giroux:** Madam Chair, I'll probably ask Robert or Salma to jump in on the implementation timelines for the pay equity regime, keeping in mind that they have less than one minute to answer.

**Mr. Robert Behrend (Advisor-Analyst, Office of the Parliamentary Budget Officer):** Thank you for the question.

As soon as the act comes into force, which is expected in early 2021, the employers have three years to implement their pay equity regime. An employer may request a lengthening of the period, due to some difficulties or their size, but it would be for the pay equity commissioner to make that determination.

**Ms. Lindsay Mathysen:** As a result of that delay, it could mean that we're looking at potentially another 10 years that women could be shortchanged that money, and there would be violations by the federal government, as an employer, of those human rights.

**The Chair:** That's your time.

Now we're going to the second round of questioning, with five minutes for Ms. Sahota.

**Ms. Jag Sahota:** Thank you, Madam Chair.

Recently, you've been giving reports on the status of our finances and the COVID spending. Given that this government has spent more than any other G7 nation and gotten the least in return, do you believe it will be able to fulfill its promises of pay equity in the next fiscal year, or will women continue to suffer from pay inequity under this Liberal government?

**Mr. Yves Giroux:** Madam Chair, this is legislation, so I would hope that the government will not go against its own legislation and

will indeed abide by the legislation that has been voted for by parliamentarians such as you. I have no reason to believe the government will go against its own legislation and regulations and will not implement pay equity in a timely manner, now that it is legislation, a law of the land, and at least some of the regulations have passed.

**Ms. Jag Sahota:** My colleague asked about the framework and why it was quicker in Quebec than Canada. You said it has to do with the willingness of the legislators.

Legislation passed in 2018. It is now the end of 2020, and there are still no regulations.

Can you elaborate on that? Could this have been done any faster? Why do you think it has taken so long?

**Mr. Yves Giroux:** Madam Chair, while I am no expert on pay equity and the implementation of the pay equity regime, I know a thing or two about government workings and regulation-making. It was the government's own legislation, so they knew this was coming. I'm convinced they could have drafted and implemented regulations more quickly and had an earlier coming into force.

Why that was not the case, I don't know. I think that's a question that only the minister and her officials could provide you with the real answers on. One can only speculate, but I cannot answer with any level of certainty as to the reasons for the time lag between legislation and implementation.

**Ms. Jag Sahota:** You mentioned that the government still hasn't published regulations in the Gazette. What should be in those regulations, and when do you believe they should be published? Could that increase the cost, and if so, by how much?

**Mr. Yves Giroux:** Madam Chair, it's clear that regulations can increase the cost of legislation because, as we often say, the devil is in the details, and details are usually found in regulations.

I will ask Rob and Salma to jump in on the amount or the aspects of regulations that have not yet been published and what these should cover.

**Mr. Robert Behrend:** Madam Chair, these regulations were detailing some of the aspects of the methods that employers would be using to assess the value of employment for those job classes that are predominantly female against those that are predominantly male. Other aspects included in these costs were the enforcement and the maintenance of the programs. Employers will have to set aside resources to maintain pay equity on an ongoing basis once the regimes are set into place.

As for additional costs, the regulations do indicate that for the most part the federal government will be able to use the act. The framework is set out in the act for the federal government to implement it within the public service. It's again those extra details for the private sector—those with 10 or more employees that would have to implement this act.

• (1235)

**Ms. Jag Sahota:** Thank you.

[Translation]

**The Chair:** Ms. Larouche, You now have the floor for two and a half minutes.

**Ms. Andr anne Larouche:** Excuse me, Madam Chair, but I think it's the Liberals turn for their five-minute round.

**The Chair:** Yes, you're right.

[English]

It's Ms. Hutchings for five minutes.

**Ms. Gudie Hutchings (Long Range Mountains, Lib.):** I would like to thank my colleague across the way and the witnesses for being here today. It's wonderful to hear the Conservatives finally on-side with pay equity, because they did vote against this in the budget implementation act. It's great that my colleagues are on-side with this very important act.

Mr. Giroux, before our government passed the Pay Equity Act, women who felt they were being underpaid compared to their male counterparts were required to make a complaint under the Canadian Human Rights Act, and despite this system many women continued to be underpaid. In 2019 for every dollar a man earned in Canada, we know that women only earned 89¢, as measured in hourly wages for full-time workers. Could you speak to the differences between the previous complaint-based system and the new proactive pay equity system that our government will bring into force in 2021?

**Mr. Yves Giroux:** Madam Chair, unfortunately I cannot speak to the differences between the two regimes, not being very well versed in the pay equity regime myself.

Maybe my colleagues Rob and Salma could expand a bit on that.

**Mr. Robert Behrend:** Madam Chair, the pay equity regime codifies a set of steps, a set of processes. Employers will need to implement the regime within their workplace, and that would be, of course, a benefit to the employees. Codifying this takes away some of the burden of employees make a complaint to the Human Rights Commission, as it would be a process. There's an office now set up, an office of the pay equity commissioner, that can really focus on the work or the complaints associated with this.

Secondly, now in the federally regulated workforce there's a level of transparency. All employers would have this pay equity regime, so all employees would know that equal pay for work of equal value would be a characteristic of the federally regulated workforce.

**Ms. Gudie Hutchings:** In your report, you estimate that the increase in public sector employee compensation in 2021-23 would be \$477 million, with an additional \$144 million in pensions and benefits. That's \$621 million that women had been underpaid. That certainly had other spinoff economic impacts.

Why were these costs never adjusted under the system that was previously in place, the complaint-based system of pay equity?

**Mr. Yves Giroux:** Madam Chair, I can only speculate, given that Madam Hutchings asked an earlier question about the previous regime, that it was probably way too cumbersome for individual employees, mostly female, to complain and have recourse. That's probably why the pay was not adjusted previously. It was because of the difficulty in getting the points heard, and maybe also the lack of awareness of what it means to have work of equal value as opposed to identical work. It's a very complex concept. It's also very

complex, when you don't know the intricacies of pay equity, to complain and to get your point across.

I can speculate that these are the reasons. I don't think my speculation would be far off from the truth.

• (1240)

**Ms. Gudie Hutchings:** Great. It's interesting, because Mr. Harper said pay equity was a "rip-off". I'm glad we're addressing it now.

One of the next studies this committee will be working on is the impact that rural women face versus other sectors or other areas of our country. Do you have any comments on that? In your work on the act, did you focus anywhere on the differences? Did you lump everything together in wages and benefits or did you carve out and look at the impacts this would have specifically for rural areas?

**Mr. Yves Giroux:** I don't think we did carve out rural versus urban.

Salma, you can correct me if I'm wrong.

**Ms. Salma Mohamed Ahmed (Research Assistant, Office of the Parliamentary Budget Officer):** No, that is correct. Our population of interest was only women who were working in the core federal public service.

**Ms. Gudie Hutchings:** How much time do I have left, Madam Chair?

**The Chair:** You have 20 seconds.

**Ms. Gudie Hutchings:** Oh. Well, thank you.

Merry Christmas and Happy Holidays.

[Translation]

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

We'll now move on to the Bloc Qu b cois.

Ms. Larouche, You now have two and a half minutes.

**Ms. Andr anne Larouche:** Thank you very much, Madam Chair.

Mr. Giroux, you answered a question earlier about pay equity. We had said that the Pay Equity Act does not yet do anything to address the consequences for older women. As women often live longer than men, they find themselves on their own and have not built up savings to the extent that men have.

In your brief, you said that parliamentarians may wish to encourage the federal government to provide estimates of expected increases to federal public service employee salaries, along with analysis of potential impacts on pensions and other future benefits, including for women.

Why is it important for parliamentarians to have access to these data?

If a cost analysis were carried out, what impact might it have on our work as parliamentarians?

**Mr. Yves Giroux:** Thank you.

This kind of analysis could have major repercussions on the information you have. As I mentioned a little earlier, we were not given access to information held by the government because it was identified as being part of confidential Cabinet deliberations.

Our estimate is therefore based on public data, but the government has much more detailed data. Consequently, the government estimates, if they've been done well, would probably be more accurate and allow for an assessment of how the application of the Pay Equity Act would affect prospective increases for those employees who would benefit. It's a prospective act that would have no retroactive impact.

Based on the demographic profile of those who would benefit from the act, the government could also identify the impact on future income and the income of these employees, by which I mean employees of the federal public service, most of whom are covered by a pension plan. The additional pay would also have an impact on the pension benefits of these employees.

**Ms. Andr anne Larouche:** Thank you very much, Mr. Giroux.

Earlier, I referred to a Quebec study that reported on other impacts on private sector businesses. Of these 1.3 million employees to whom the act might apply...

[English]

**The Chair:** I'm sorry. That's your time.

Now we're going to Ms. Mathysen, for two and a half minutes.

**Ms. Lindsay Mathysen:** Thank you.

In your report, you also talked a little bit about the pay equity commissioner. You stated that she was brought on board in late 2019-20. Now you state in your report that "We assume that the Pay Equity Division will likely be fully staffed by 2020-21." Is that in line with the speed of bringing that on board? Did that seem in line with the slower progress compared to the regulations and so on brought forward by this government?

• (1245)

**Mr. Yves Giroux:** Salma, can you speak on the assumptions regarding the onboarding of the pay equity commissioner?

**Ms. Salma Mohamed Ahmed:** I believe that maybe Robert has more information on that than I do.

**Mr. Robert Behrend:** With the passage of the act in December 2018 as part of the budget implementation bill, the pay equity commissioner was first appointed in September 2019—so roughly nine or ten months later. I understand that she was re-appointed for a second term this past September. The office is continuing to ramp up its capabilities with respect to tools for employers. However, the office is still waiting for the act to come into force before it can really fully get itself involved—

**Ms. Lindsay Mathysen:** So they too have been delayed by the regulations.

Based on that study, do you believe that the pay equity commissioner will have the appropriate resources to take on the role that has been set forward by this legislation?

**Mr. Yves Giroux:** I believe that the amount will probably need to be readjusted depending on how rigorously and how quickly federal organizations do indeed implement a pay equity committee, and how fast they are in enacting and really implementing the pay equity regimes they are supposed to enact. It could well be that the pay equity commissioner will need more resources, depending on how fast and rigorous employers are.

**The Chair:** Now we will go to Ms. Wong, for five minutes.

**Hon. Alice Wong (Richmond Centre, CPC):** Thank you, Madam Chair, and thank you very much, witnesses. This is indeed a very important issue.

Following what my colleague said, the pay equity commissioner has only been in office for nine months. That means that before that, nothing on the government side has been done to make things happen.

How about those who are challenged? For example, as part of your role, you are responsible for assisting persons to understand their rights and obligations under the PEA. My concern is about those who are very vulnerable and who may not have the ability to understand. How about those of different ethnicities, people with disabilities and people who do not work full-time because of unpaid family care responsibilities? How would your office be able to help and educate these people, or is the job of the government to make sure that those employees will be educated?

**Mr. Yves Giroux:** Thank you for the question.

Madam Chair, the responsibility of my office is to provide non-partisan, unbiased information to parliamentarians such as yourselves. The role of educating Canadians about government programs and employer obligations is not really under my mandate as per legislation. I believe this responsibility would be that of the government as well as employers to educate and inform their own employees as to their obligations under the pay equity legislation. The government, also being an employer, as one member of the committee pointed out, has the double obligation of informing its own employees about their responsibilities and their rights under the pay equity legislation.

**Hon. Alice Wong:** Thank you.

My next question looks at the fact that many employees will be affected because of their pensions. I'm also looking at seniors who will probably be impacted by the lack of action by the government, because it's been five years. If you accumulate it over the years, it will mean a lot to them.

Can any one of you comment on that, please?

• (1250)

**Mr. Yves Giroux:** Madam Chair, the impact on seniors will mostly be on future seniors—those who are not yet retired.

As Madam Wong pointed out, however, all of the current seniors who have not benefited from the Pay Equity Act will suffer from not having had higher remuneration throughout their careers and therefore now having a lower pension in retirement than they would have had if the legislation had been in place, for example, since 1996, had it been implemented at the same time as in provinces such as Quebec.

Future seniors, then, will benefit from increased remuneration or pay, but current seniors don't benefit from legislation that is implemented only in 2020-21. In that sense, then, yes.

**Hon. Alice Wong:** How about part-time workers? Obviously, benefits for part-time workers will be much less. Women, for various reasons, may not be working full time because of family caregiving responsibilities.

How would you evaluate that? What would the impact be on those people?

**Mr. Yves Giroux:** Madam Chair, I'll ask Salma or Rob whether they can speak very briefly about the impact upon part-time workers.

**Mr. Robert Behrend:** Madam Chair, in pay equity, the evaluation was made based on an analysis of hourly earnings, so it would have captured all full-time and part-time workers. An assessment by certain groups was not done in this analysis to disaggregate the full amount.

**The Chair:** Very good.

Now, Ms. Hutchings, take us home. You have the last five minutes of questions.

**Ms. Gudie Hutchings:** I'm going to give my time to Mr. Serré.

[Translation]

**Mr. Marc Serré:** Thank you very much, Madam Chair. I will share my speaking time with Ms. Sidhu.

I'd like to thank you, Mr. Giroux, for the work being done by you and your team.

You mentioned that the government was not being transparent with some of the numbers, but the cost estimates and the regulations were published in Part I of the *Canada Gazette* on November 14.

So, can you explain why you believe the government was not transparent about the costs and the regulations?

**Mr. Yves Giroux:** Madam Chair, when I speak about a lack of transparency, what I'm referring to is mainly information supplied to my office. I'm not questioning the fact that the government was transparent in terms of publishing the legislative measure and the regulation. Publishing regulations and summaries of regulatory impact studies is a legislative requirement.

My criticisms were mainly about the fact that the government did not provide us with the information we needed to estimate the costs of public service compensation. It used legal provisions that allowed it not to disclose information stemming from Cabinet deliberations, which meant that my office did not have access to disaggregated and sufficiently detailed data on the percentage of men and women in certain groups of public servants, or about their pay.

We did not have access to these data because the government said they were part of cabinet deliberations. That's why I made my comment about the lack of transparency. It's about the disclosure of information my office needs to estimate the costs associated with this act, and not the publication of regulations.

**Mr. Marc Serré:** Okay, so we were transparent about the publication of the documents and so on. Thank you for having clarified your comment.

You also mentioned costs. I find it interesting that our Conservative colleagues here don't talk about the costs, particularly with respect to COVID-19. Canada is one of the best among the G-7 countries in terms of what it did on behalf of individuals and companies. There appears to be confusion among the Conservatives. They say that we spent too much money in response to COVID-19 and that we don't have the money to spend on pay equity.

Were talking about \$629 million and \$2 billion. It's always important to look at the costs, but pay equity is important. We need to move forward whatever the costs may be, do we not?

● (1255)

**Mr. Yves Giroux:** Madam Chair, I don't think this question is intended for me, but rather as a comment by Mr. Serré. I would simply add that federal government costs are also beneficial to others, including those who would receive the additional pay. My mandate is to estimate the costs and the financial impacts of certain measures. That's what we did in the report.

**Mr. Marc Serré:** Thank you.

Ms. Sidhu, As we are sharing our speaking time, I would like to point out that there is a minute and 20 seconds remaining.

[English]

**Ms. Sonia Sidhu (Brampton South, Lib.):** Marc, thank you for sharing the time.

Thank you to all of the witnesses for being here to speak with us about the Pay Equity Act, Canada's first proactive pay system. I was proud to vote for this alongside the members of the Liberal caucus, despite the nay vote by the Conservative Party for the budget implementation act.

Approximately 1.3 million employees are covered by the Pay Equity Act, about 390,000 in the public sector and 900,000 federally regulated employees in the private sector.

What plans, if any, does the PBO have to do a cost estimate of the implementation of the pay-equity regime in the private sector? What are the challenges in conducting such a cost estimate?

**Mr. Yves Giroux:** Madam Chair, I saw you wave a yellow card, so I know time is running out.

The challenge in estimating the costs or the benefits for private sector employees is the collection of information from hundreds, if not thousands, of different employers that are in the federally regulated system. That would be a big challenge.

Do we have plans to estimate the costs or the benefits for employees? We do not yet, but we try to be very responsive to the needs of parliamentarians, so should a committee such as yours request that we do such a study, we would certainly consider estimating the costs or benefits for employees in the federally regulated private sector.

**The Chair:** That's excellent.

That's our time for today. I really thank our Parliamentary Budget Officer and his colleagues from his office for answering so well.

To our committee, I'm looking forward to seeing you on Thursday.

With that, the meeting is adjourned.

---





Published under the authority of the Speaker of  
the House of Commons

---

### SPEAKER'S PERMISSION

---

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

---

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité  
du Président de la Chambre des communes

---

### PERMISSION DU PRÉSIDENT

---

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

---

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :  
<https://www.noscommunes.ca>