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**Via E-mail**

**Re: Proposed Amendments to the Employment Equity Regulations**

Thank you for this opportunity to provide feedback regarding proposed amendments to the Employment Equity Regulations.

PSAC is the largest federal public sector union in Canada, representing over 180,000 members. It is a diverse union that represents not only federal public service workers but also workers in the private sector and other levels of government.

PSAC supports the adoption of pay transparency for Indigenous peoples, persons with disabilities, and racialized people. While we believe it is only a first step towards achieving more equitable pay outcomes for the designated groups, we welcome these new measures.

However, PSAC does have some concerns and questions regarding the proposed amendments, as well as concerns regarding employment equity legislation, which we will detail below.

**The Employment Equity Act**

Before getting into the Regulations, we feel it is important to put this into the context of the Employment Equity Act (EEA). The EEA was last reviewed in 2002 and few changes were made. Since then, there has been no review, despite section 44, which requires a review every five years.

The Act is out of date and needs improvement now. It should be reviewed and amended substantially. In our view, amending the Regulations without amending the Act is somewhat of a backwards exercise.



One small example, as PSAC and other stakeholders pointed out during the consultations, is the outdated and disrespectful terminology (“Aboriginal” and “visible minority”), which does not reflect current language used in other legislation and in human rights jurisprudence. As well, there are many other changes that need to be made to ensure that the legislation and accompanying regulations are meeting the goal of achieving equitable workplaces.

### **Application of pay transparency**

The proposed regulatory changes introducing pay transparency only apply to the federally regulated private sector. During the consultation, PSAC asked why the public service and other federal public sector employers were not included and we were told that there was consultation being done with Treasury Board. Yet, we have not seen the results of any consultation.

It is PSAC’s position that employees from the designated groups who work in the federal public sector should not be left out in the cold. The EEA covers the federal private and public sectors and therefore all employers covered under the Act should be covered by pay transparency. Changes to the Regulations or the Act (in a thorough review) should have been made to accomplish this.

Similarly, pay transparency does not cover employers under the Federal Contractors Program (FCP). The FCP, which was already weakened under the Harper Conservatives, needs to be strengthened and needs to include pay transparency measures to ensure that contractors are indeed implementing equitable practices in their workplaces.

### **Calculation of salary and wage gaps**

PSAC agrees with the changes to the calculation of salaries, which is more consistent with the way that pay must be calculated and compared in order to determine wage gaps for pay equity purposes.

The Regulations provide for reporting of both mean and median wage gaps. However, there is no indication as to which measure employers should use for addressing wage gaps or what these different types of measures mean about inequity.

Does the employer get to choose which gap measure they will use? So, for example, if the median wage gap is much smaller than the mean, can an employer consider only the median gap as the one that needs addressing?

Neither the Regulations, nor the background information included, provide clarity on this issue.

It is also unclear how the calculation of wage gaps in pay transparency will impact pay equity legislation or pay equity implementation.

### **Effectiveness of pay transparency**

The changes to the Regulations merely require employers to report on wage gaps, with nothing beyond that. There is no requirement in this legislation or any other legislation for an employer to address the wage gaps for Indigenous or racialized employees or those with disabilities.

While the documents indicate that pay transparency will “help raise awareness” and may “prompt employers to take action”, there is insufficient evidence that these measures will actually result in a reduction of wage gaps for the designated groups in a significant way.

PSAC proposes that ESDC closely monitor the results for people with disabilities, Indigenous and racialized people and if wage gaps are identified, then both the EEA and Pay Equity Act and relevant regulations should be amended to include positive measures to address the wage gaps for these equity groups.

### **In summary, PSAC recommends the following:**

- The EEA must be reviewed and revised as soon as possible
- Pay transparency must include all employers covered under the EEA as well as the Federal Contractors Program
- The Regulations and/or the Act must clarify how different gap measurements are to be used by employers
- ESDC should closely monitor and report the data for wage gaps for all the equity groups

### **Conclusion**

While PSAC supports these amendments as significant improvements on the current reporting system, we believe that these changes have only scratched the surface. Much more needs to be done to ensure employment equity and pay equity in our workplaces for all four designated groups.