



Ms. Anita Vandenberg
Chair
Special Committee on Pay Equity
House of Commons
Ottawa, Ontario
K1A 0A6

Dear Ms. Vandenberg:

Pursuant to House of Commons Standing Order 109, on behalf of the Government of Canada, we are pleased to enclose the Government Response to the recommendations of the report of the Special Committee on Pay Equity: *It's Time to Act*.

The Government of Canada is committed to gender equality, and reaffirms equal pay for work of equal value to be a human right. We appreciate the thoughtful assessment of the Committee and those who appeared before it, and took note of the report's view of the need to move forward on this important issue.

We believe that the *Canadian Human Rights Act* broke new ground for addressing gender-based discrimination in its day. However, the Committee's report raises a number of concerns as to both the current pay equity framework in place under the *Canadian Human Rights Act* as well as reforms introduced by the previous Government in the *Public Sector Equitable Compensation Act*. The Government considers it important to move beyond these approaches to pay equity, and we will introduce legislative reform for proactive pay equity in both the federal public service and the federally regulated private sector. Throughout this process, we will carefully consider the Committee's report as well as the findings of the 2004 Pay Equity Task Force.

The Government believes that, as the Committee has heard, strong oversight would be key to successfully implementing any new pay equity regime and we agree that any new system would need robust and independent oversight.

The Committee report made recommendations as to the roles and responsibilities of workplace parties under a new pay equity system. The Government believes that, in any pay equity system, employers and employees or their representatives have meaningful roles to play in both implementing pay equity, as well as maintaining it through ongoing processes that ensure pay equity plans remain current in evolving workplaces. Additionally, collective agreements must not conflict with pay equity plans, therefore pay equity systems should ensure that pay equity achievements are protected in subsequent rounds of collective bargaining.

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The Government is committed to openness and transparency. We agree that the goals of any pay equity system are best served when employees have the information needed to understand and take part in the pay equity process in a meaningful way.

The Government will explore how a new pay equity system could provide reasonable and time-limited flexibility to address difficult circumstances, such as shortages of skilled labour or financial hardship, and make exemptions for pay differences that are unrelated to gender. As the Committee has heard, pay equity reform requires significant technical expertise. The Government recognizes the complexity of the issues and the importance of a pay equity system being robust and responsive to the needs of the diverse types of workplaces found in the federal jurisdiction, ranging from the public service to small businesses.

The Committee's report recommends that the Government seek the views of stakeholders and learn from provincial experiences in developing new legislation. We agree with this recommendation. The Government intends to draw upon provincial lessons learned and conduct targeted stakeholder consultations on design issues such as pay equity methodologies, wage comparisons and reporting requirements, in moving forward on pay equity reform.

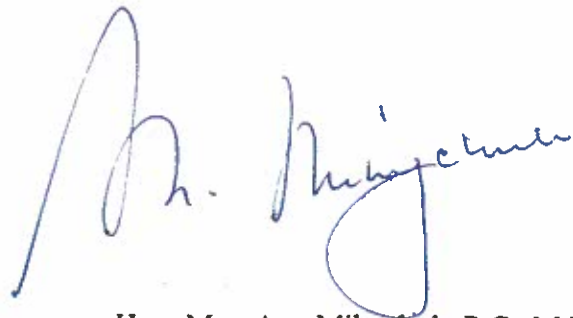
The complexity of pay equity reform cannot be a barrier to progress. The Government will introduce proactive pay equity legislation during this current mandate with a target of late 2018. The Government recognizes the importance of moving forward to reform the system in a timely manner, while being mindful of the need to ensure that the Government develops a comprehensive response to this issue.

We would like to take this opportunity to thank you and the members of the Special Committee for your work on this very important issue. We would like to reiterate the Government of Canada's commitment to the principle of equal pay for work of equal value, and to work towards meaningful, responsible and effective pay equity reform.

Sincerely,



Hon. Scott Brison, P.C., M.P.
President of the Treasury Board



Hon. MaryAnn Mihychuk, P.C., M.P.
Minister of Employment, Workforce
Development and Labour