

**Statement by the
Canadian Labour Congress**

**to the
House of Commons
Standing Committee on Finance Hearing on
Bill C-10 Regarding the *Public Sector
Equitable Compensation Act* Provisions
of the 2009 Budget**

February 23, 2009



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Congrès du travail du Canada

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Introduction

On behalf of the 3.2 million members of the Canadian Labour Congress (CLC), we want to thank you for affording us the opportunity to present our views. The CLC brings together Canada's national and international unions along with the provincial and territorial federations of labour and 137 district labour councils whose members work in virtually all sectors of the Canadian economy, in all occupations, in all parts of Canada.

Pay Equity

The *Public Sector Equitable Compensation Act* was introduced by the Conservative minority government on February 6, 2009 as part of Bill C-10, the *Budget Implementation Bill*. We see a number of very serious problems with this legislation.

Market-based value:

The legislation redefines the terms under which "value" of work is assessed. The Act maintains the traditional criteria which looks at "the composite of the skill, effort and responsibility required in the performance of the work and the conditions under which the work is performed." This new legislation, however, introduces the notion that the women's work in the public sector should be valued to prevailing market conditions in the private sector.

Real pay equity legislation aims at eliminating systemic discrimination in wages resulting from unchecked market forces. By introducing market forces as a comparator, no redress will ever be possible.

We are in favour of public policy that leads to upward harmonization of wages and working conditions. This legislation, however, appears designed to push federal public sector wages downwards to meet the lower standards of the private sector.

Joint Liability:

The new legislation makes management and the union jointly responsible to identify and rectify wage inequalities in the federal public sector, or face fines. The problem with this approach is that it asserts a false equivalence between management and the union by making the union bear responsibility for the results, without restricting management rights to hire, control information, determine job classifications, or issue pay cheques.

Unions do not have the right to access pay equity relevant information that resides with management. What is a “reasonable time period” for the resolution of issues. How exactly would unions be expected to negotiate “equitable compensation” at the bargaining table during a period of federally imposed wage controls?

The new regime promises to be unworkable, contentious, lengthy, and costly.

Barriers to Complaints—No Human Rights Appeals

This legislation requires unions to “refrain from engaging in any conduct that may encourage or assist any employee in filing or proceeding with a complaint under the Act” or face a fine of

\$50,000. Employers are similarly bound, but the provision is clearly directed at the rights that workers have to be represented by their union. We see this as no less than a direct attack on the right to association.

An employer may fire a worker who files a complaint and pays a fine of \$10,000, while a union that endeavours to represent that worker in the making of the complaint will pay \$50,000.

Individual, group, and policy grievances are prohibited.

It is alarming that workers will lose the right to challenge gender-based wage gaps under Human Rights law. It is unlikely that this provision will survive a Charter challenge.

Dismissing the Pay Equity Task Force Report

This legislation disregards the recommendations of the Federal Pay Equity Task Force Report that called for proactive, inclusive, and timely legislation, which would ensure union involvement, and be supported by a new pay equity agency.

It is internationally accepted that pay equity is a fundamental human right that is non-negotiable.

We urge the Committee to recommend that the *Public Sector Equitable Compensation Act* be removed from the *Budget Implementation* legislation. We call on opposition members, including those who once committed to table a Pay Equity Bill in the House no later than Spring 2006, to oppose this undemocratic manoeuvre by the government. Pay Equity is a human rights issue, and relevant legislation should be subject to extensive examination by the Departments of Justice and the Status of Women Committee before any vote is taken.

We fear we are witnessing an incremental plan by this government to reduce to zero, the “union advantage” for all workers—borne first, on the backs of women workers in the federal public sector.

This document is respectfully submitted on behalf of the Canadian Labour Congress:

Kenneth V. Georgetti,
President.

KVG:TH:cope 225 • February 19, 2009
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