

April 17, 2018

MPP Peter Tabuns
Chair, Standing Committee on Social Policy
Room 165, Main Legislative Building, Queen's Park
Toronto, Ontario
M7A 1A5

RE: Bill 3, Pay Transparency Act, 2018

Dear Mr. Tabuns,

Thank you for providing us with the opportunity to comment on the proposed legislation, Bill 3, *Pay Transparency Act, 2018*. The Ontario Chamber of Commerce (OCC) is committed to building an economy in which every Ontarian has the opportunity to contribute, and to be fairly compensated for that contribution.

While we support efforts to improve pay equity and eliminate the gender wage gap, we have concerns that Bill 3 will not effectively achieve those goals. Ontario is currently a leading jurisdiction with respect to pay equity legislation. The *Pay Equity Act, 1987*, represents a progressive approach to identifying and rectifying pay inequity. Over the past 30 years, Ontario has seen its pay gap shrink from 36 percent to approximately 29 percent.

However, the Act was last amended in 1993 and has not seen serious efforts at regulatory modernization since that time. Given the substantive changes to the labour market Ontario has experienced in the intervening years, it is surprising that the government has chosen to introduce new legislation rather than undertake a review of the *Pay Equity Act*. Many of the goals of Bill 3 could be achieved by improving the existing legislation and its associated regulations, including strengthening the mandate of the Pay Equity Office.

Of particular concern to our members is the potential for Bill 3 to duplicate the efforts of the *Pay Equity Act* in a manner that both increases the administrative burden on employers and fails to achieve our common goal of eliminating the pay gap. Currently, the lack of resources available to employers seeking to comply with the *Pay Equity Act* has resulted in confusion, resistance, and the need to hire expensive outside consultants. Adding further administrative responsibilities under Bill 3 is therefore a step in the wrong direction for employers.

Rather than introduce new legislation, we ask that the government consider revisiting the *Pay Equity Act* with an eye to improving the ability of employers to comply. Currently, the Pay Equity Office lacks the resources to appropriately communicate with and assist employers, resulting in an environment in which

employers are ill-informed of their obligations, do not know how to properly assess their organization, and lack support to rectify inequities. This disconnect between legislation and implementation prevents Ontario from making further headway on pay equity.

In order to improve the ability of employers to address this issue, the Province should focus on improving compliance. We therefore recommend that government:

1. Dedicate resources towards improving awareness and accountability under the *Pay Equity Act*. Empower the Pay Equity Office to make employers aware of the legislation and understand how to comply with its regulations. This should include improved communications, the development of digital tools to help employers assess and report, clear timeframes for meeting obligations, and recognition of best practices from compliant employers.
2. Avoid inflicting duplicative and burdensome reporting obligations on employers. If the government insists on pay equity reporting, it should be harmonized with existing reporting requirements such as those related to accessibility, the WSIB, or the *Corporations Information Act*. Similarly, while data collection has value, reporting alone is not the solution to pay inequity. Proper analysis of compensation data would ensure that we do not merely identify a wage gap, but reveal insights into its causes. From that analysis, policy solutions can be identified and implemented.

Finally, we ask that employers be recognized as willing partners in achieving pay equity in Ontario. Rather than attempt to achieve this goal through legislation alone, government should act as a resource and a steward, seeking partnerships with industry leaders. While we have seen progress over the past 30 years, employers require greater clarity, tools, and guidance to go further.

The Ontario Chamber of Commerce is committed to working cooperatively with government to better educate businesses about their obligations under the *Pay Equity Act*. We look forward to engaging with the government on this critical issue in future.

Regards,



Rocco Rossi
President and CEO
Ontario Chamber of Commerce

CC:

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| Hon. Kevin Flynn, Minister of Labour | MPP Mike Colle |
| MPP Ann Hoggarth | MPP John Yakabuski |
| MPP Monique Taylor | MPP Vic Dhillon |
| MPP Gila Martow | MPP Cindy Forster |
| MPP Lorne Coe | MPP John Fraser |
| MPP Ted McMeekin | |