

What We Heard

A summary of the feedback received from the consultation process
(March 11 – May 7, 2023) to inform the regulations of the
Pay Equity and Pay Transparency Act

November 2024



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Part 1: Background

The Government of Newfoundland and Labrador passed the **Pay Equity and Pay Transparency Act** (the **Act**) in October 2022. This legislation builds on the Provincial Government's ongoing efforts to support women and gender-diverse people in Newfoundland and Labrador. The **Act** outlines pay equity requirements for the public sector and pay transparency requirements for the public and private sectors.

Pay Equity

- As of April 1, 2023, the **Act**'s pay equity provisions apply to core government departments.
- In the future, at a date to be announced, the **Act**'s pay equity provisions will apply to a wide range of "public bodies" as part of the public sector, including Crown corporations, boards, courts, municipalities, NL Health Services, post-secondary institutions (i.e., Memorial University and College of the North Atlantic), the Royal Newfoundland Constabulary, and any additional body defined in the regulations as a public body.
- Under the **Act**, public bodies will be required to establish and maintain pay equity and prepare reports relating to pay equity and their actions taken, and submit them to the Pay Equity Officer, a new position established under the **Act** with responsibility for ensuring compliance. Public bodies who do not comply are subject to penalties.
- The pay equity provisions do not apply to public bodies that have fewer than 10 employees.
- The **Act** does not currently include pay equity provisions for private sector employers.

Pay Transparency

- The **Act**'s pay transparency provisions will apply to **all** employers in the province.
- In the future, at a date to be announced, the **Act**'s pay transparency provisions will apply to all public and private sector employers of a certain size in Newfoundland and Labrador. According to April 2024 figures from Statistics Canada, it is estimated that there are currently more than 15,000 businesses in Newfoundland and Labrador.
- Under the **Act**, public and private employers will be required to include salary ranges on their job postings and will be prohibited from asking employees or applicants about salary histories or penalizing them for engaging in salary discussions.

- Public and private employers will be also required to complete, submit, and post a pay transparency report. Employers who do not comply would be subject to penalties.

To help inform the drafting of regulations to support the future strategic, structural and day-to-day operationalization of the **Act**, the Office of Women and Gender Equality and the Department of Environment and Climate Change, with the support of Treasury Board Secretariat and the Public Engagement and Planning Division, consulted with cross-sector representatives on the **Pay Equity and Pay Transparency Act**.

Regulations must strictly conform to the limits established by the **Act** that authorizes it.

The engagement process was therefore designed to gather specific information based on the category of respondent. While the engagement process consisted of questions on both pay equity and pay transparency, the pay equity portion targeted public sector employers and employees, while pay transparency feedback was sought from all participants including public sector employers/employees, private sector employers/employees, and the public.

As the **Pay Equity and Pay Transparency Act** outlines pay equity provisions for the public sector and pay transparency provisions for the public and private sectors, the engagement process was designed to seek feedback from groups that would be directly impacted by the current legislation.

1.1 Purpose of Consultation

The objective was to provide an opportunity for key stakeholders, as well as members of the public, to provide input on:

- Preparing of pay equity reports in the public sector.
- Prescribing:
 - the time period in which public sector pay equity reports must be submitted;
 - employers or classes of employers in the public and private sector who must prepare pay transparency reports;
 - what information public and private sector employers should collect for pay transparency reporting purposes;
 - the information public and private sector employers must include in a pay transparency report; and,
 - what capacity employers must report on pay transparency, and how that may inform timelines for reporting.

Part 2: Methodology

Engagement methodology included multiple formats such as online, in-person and alternate formats. A variety of stakeholders were targeted, including community groups, employer organizations, business owners, labour groups, equity seeking and women's organizations, Indigenous Governments and Organizations, as well as the public.

To engage audiences, a landing page and questionnaire were posted on the engageNL website, and in-person and virtual consultation sessions were held with targeted stakeholders. Participants could also provide written submissions by email or regular mail to the Office of Women and Gender Equality. Participants were provided with information regarding pay equity and pay transparency during the engagement process to inform them when considering their responses.

Promotion of the engagement and consultation occurred by sending letters to targeted stakeholders; promotion through social media on Provincial Government accounts; two news releases; and an email notification to engageNL subscribers.

Following the engagement process, feedback was analyzed to identify common themes. Those themes are highlighted in this 'What We Heard' Report and will be used to inform future developments.

Note to reader: percentages throughout the document may not add to 100 per cent due to rounding.

2.1 Engagement Opportunities

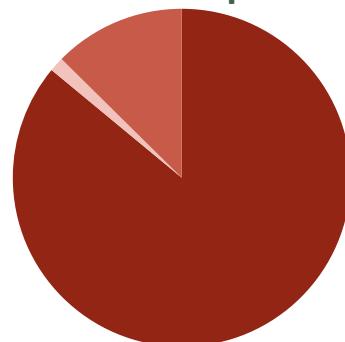
Engagement opportunities included an online questionnaire, sessions (i.e., in-person and virtual); as well as an option to provide a written submission by mail or e-mail. The questionnaire was posted on the engageNL website on March 11, 2023. The questionnaire was originally scheduled to close on April 23, 2023, but the submission date was extended to May 7, 2023. In-person and virtual sessions were held from April 12 - May 7, 2023.

2.2 Participation

In total, there were 510 respondents. Of these:

- 439 (86 per cent) were online respondents;
- Seven were written or emailed submissions (1.4 per cent); and,
- 64 were participants in in-person or virtual sessions (12.6 per cent).

Total Participation



■ Online respondents ■ Submissions ■ Sessions

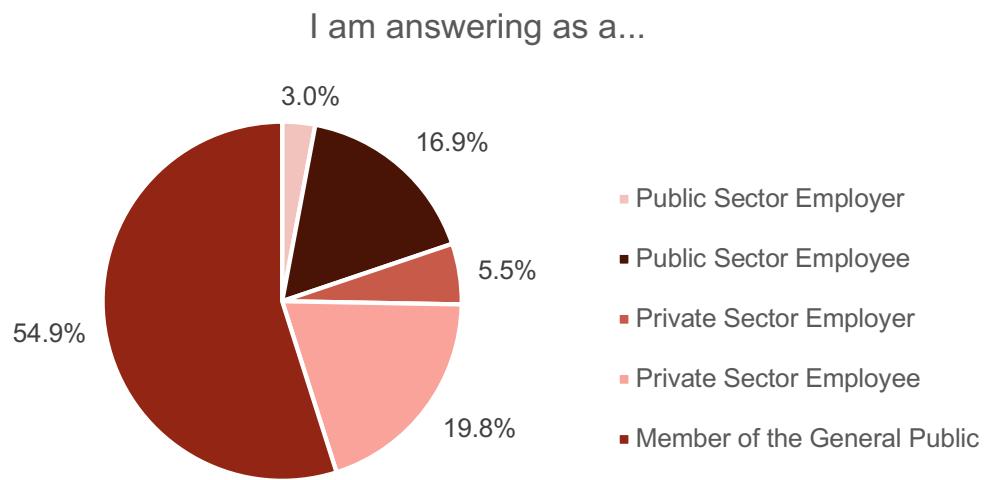
2.2.1 Online Questionnaire

A total of 439 individuals completed the online questionnaire via engageNL.

Most of these individuals (54.9 per cent) were members of the public. The second largest category of respondents was private sector employees (19.8 per cent), followed by public sector employees (16.9 per cent), private sector employers (5.5 per cent) and public sector employers (3 per cent).

About one quarter (25.3 per cent) represented the private sector, 78.4 per cent of those were private sector employees and 21.6 per cent were private sector employers. A smaller proportion (19.8 per cent) were public sector representatives. Of those, 85 per cent were public sector employees and 14.9 per cent were public sector employers.

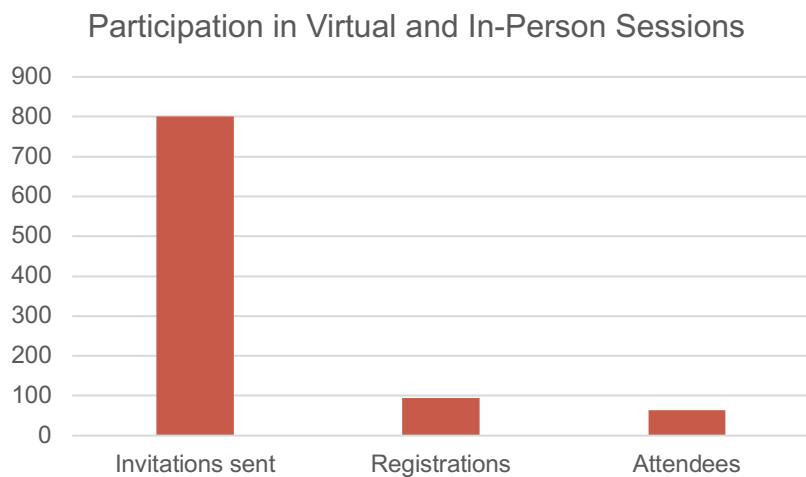
I am answering these questions as:	Responses (#)	Percentage (%)
Member of the public	241	54.9
Private sector employee	87	19.8
Public sector employee	74	16.9
Private sector employer	24	5.5
Public sector employer	13	3
Total	439	100



Therefore, the majority of respondents (91.6 per cent) were employees or members of the public. There was limited public and private sector employer engagement.

2.2.2 In-person and Virtual Sessions

In addition to the online questionnaire, the Government of Newfoundland and Labrador's Public Engagement and Planning Division facilitated six virtual (via Zoom platform) sessions, five in-person sessions and one telephone session with targeted stakeholders.



Invites were sent to over 800 stakeholders. Ninety-four people registered for the sessions and 64 attended. In total, there were 12 sessions completed from April 12 - May 7, 2023. There were also five sessions cancelled due to low registration. Individuals registered for the cancelled sessions were given an opportunity to attend other virtual sessions. The following table includes a summary of the stakeholder sessions.

Date	Location	Type of Session	Focus	Participation
March 30	Stephenville	Stakeholder	Pay Transparency	Cancelled
March 30	Corner Brook	Stakeholder	Pay Transparency	Cancelled
April 3	Virtual	Stakeholder	Pay Transparency	Cancelled
April 4	Grand Falls – Windsor	Stakeholder	Pay Transparency	Cancelled
April 5	Gander	Stakeholder	Pay Transparency	Cancelled
April 12	Telephone	Stakeholder	Pay Transparency	1
April 17	St. John's	Stakeholder	Pay Transparency	4
April 18	St. John's	Stakeholder	Pay Transparency	8
April 18	St. John's	Stakeholder	Pay Transparency	8
April 20	Happy Valley-Goose Bay	Stakeholder	Pay Transparency	4
April 21	Labrador City (changed - virtual)	Stakeholder	Pay Transparency	2
April 26	Virtual	Board of Trade	Pay Transparency	10
April 26	Virtual	Stakeholder	Pay Transparency	1
April 27	Virtual	Core Government and Agencies, Boards and Commissions	Pay Equity & Transparency	8
April 28	Virtual	Core Government and Agencies, Boards and Commissions	Pay Equity & Pay Transparency	10
May 1	Virtual	Unions	Pay Equity & Pay Transparency	6
May 7	St. John's	Stakeholder	Pay Equity & Pay Transparency	2
Total				64

2.2.3 Written Submissions

Seven written or emailed submissions were received from the following stakeholders:

1. Decent Work and Health Network
2. Workers' Action Network of Newfoundland and Labrador
3. Provincial Action Network on the Status of Women
4. Newfoundland and Labrador Federation of Labour
5. Newfoundland and Labrador Human Rights Commission
6. St. John's Status of Women Council
7. Canadian Association of Petroleum Producers

Part 3: Results

Throughout the consultation process, respondents were asked to provide input on two topics: pay equity and pay transparency. Respondents representing the public sector (i.e., either employee or employer) were asked to provide feedback on both areas (i.e., pay equity and pay transparency). The remaining respondents were asked to provide feedback on pay transparency only.

3.1 Limitations

While there were 510 respondents in total, individual categories of respondents varied in size and composition. With that in mind, the results of the questionnaire cannot be extrapolated to the broader population.

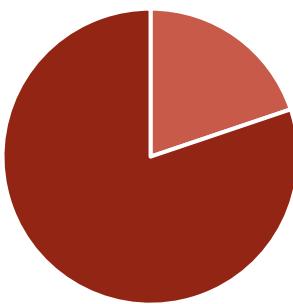
For example, the total number of questionnaire respondents that identified as employers was 37 (8.4 per cent). This includes both private sector employers (5.5 per cent) and public sector employers (3 per cent).

According to April 2024 figures from Statistics Canada, it is estimated that there are more than 15,000 businesses in Newfoundland and Labrador. Similarly, September 2024 Statistics Canada figures estimate 71,600 public sector and 152,700 private sector employees in the province. As 37 is a very small proportion of overall employers in Newfoundland and Labrador (less than one per cent), caution must be applied when interpreting these results.

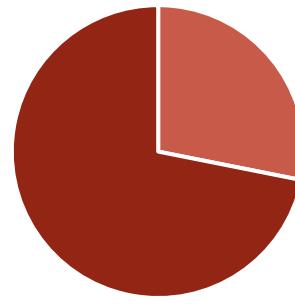
3.2 Pay Equity

As noted earlier, only respondents representing the public sector were asked for feedback on pay equity. Public sector employees and employers represented 19.8 per cent of respondents of the online questionnaire and 28.1 per cent of discussion participants

Online Questionnaire Respondents



Discussion Participants

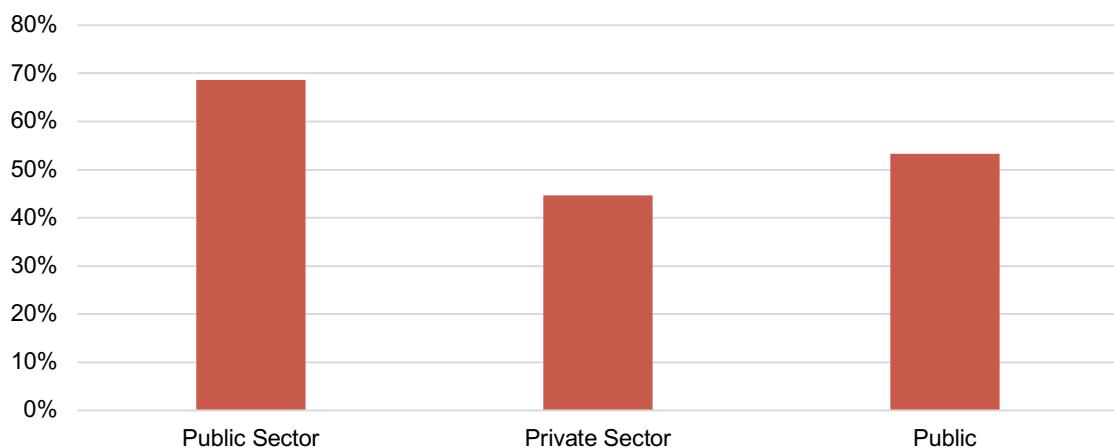


Of the public sector employees and employers that responded to the questionnaire, 13 were employers and 74 were employees (3 per cent and 17 per cent of total questionnaire respondents, respectively). Therefore, of the total public sector questionnaire respondents, 14.9 per cent identified themselves as employers while 85.1 per cent identified as employees.

3.2.1. Online Questionnaire

Most public sector questionnaire respondents (68.6 per cent) were aware that the Government of Newfoundland and Labrador had passed the **Pay Equity and Pay Transparency Act** in October 2022. This was higher than private sector and public respondents, of which only 44.6 per cent and 53.3 per cent, respectively, were aware of the passing of the **Act**.

Aware of the Passing of the **Pay Equity and Pay Transparency Act** in October 2022



Regarding the current state of compliance of pay equity and the **Human Rights Act, 2010**, just over half of public sector respondents indicated they believe their organization is pay equity compliant based on the **Act's** definition, while 25.6 per cent disagreed and 15.1 per cent responded that they did not know.

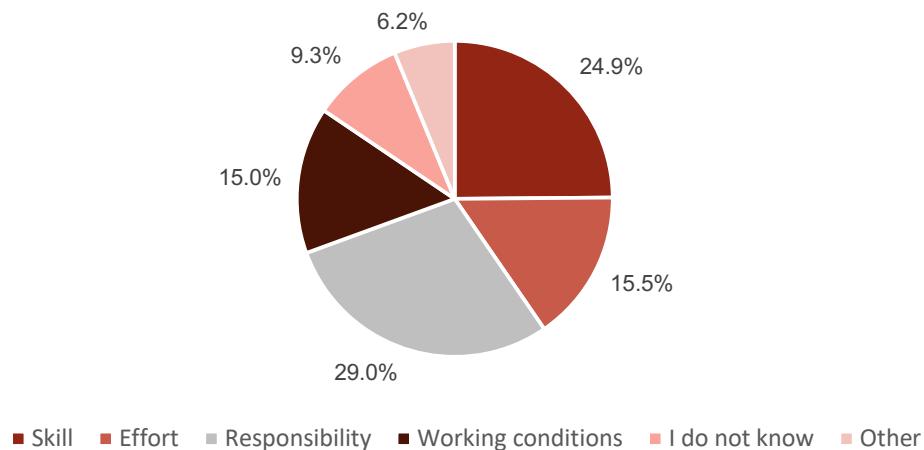
A higher proportion (68.6 per cent) believed their organization currently uses a compensation practice that is based on the relative value of the work performed, regardless of the gender of employees. The same number of respondents (68.6 per cent) indicated they believe their organization's compensation practice is compliant with the **Human Rights Act, 2010**.

“68.6 per cent of public sector respondents believed their organization currently uses a compensation practice that is based on the relative value of the work performed, regardless of the gender of employees.”

A majority (70.7 per cent) of respondents in the public sector category indicated their organization could submit its first pay equity report to the Pay Equity Officer within 12 months, but 14.6 per cent felt it would take 24 months or more and 14.6 per cent selected “Other”. A smaller number (52.4 per cent) of public sector respondents felt the organization could continue to submit a report every 12 months. Just over 30 per cent felt that their organization could continue to create and submit a pay equity report in 24 or more months (18.3 per cent indicating 24 months and 12.2 per cent selecting 36 months).

When asked, “Does your organization’s compensation practice evaluate the value of work based on any of the following criteria?”, public sector employees and employers selected several criteria. The most frequently selected criteria were responsibility (29 per cent), followed by skill (24.9 per cent), effort (15.5 per cent) and working conditions (15 per cent). A smaller proportion indicated they did not know (9.3 per cent) or other (6.2 per cent).

Compensation Practice Evaluation Criteria, According to Public Sector Respondents



The chart above indicates how compensation practice evaluates the value of work, according to public sector respondents.

3.2.2. Virtual Sessions Observations

Public sector stakeholders were provided two opportunities to provide feedback on pay equity in virtual sessions (April 27 and 28, 2023) with a total of 18 participants over the two days.

During discussion, participants focused on current practices to evaluate compensation, including the Korn Ferry Hay Guide Chart – Profile Method (HAY) and Job Evaluation System (JES). It was noted by some respondents that compensation practices are currently largely determined through the HAY and JES. Participants noted that these systems, particular JES, help to compare compensation in women-dominated job classifications (such as in healthcare).

There were also suggestions about how to implement pay transparency. Participants suggested that there is significant information already publicly available due to relevant collective agreements and that this availability could simplify the data collection process. It was also suggested that having guidance and templates available would be beneficial.

Some specific challenges that were identified with respect to gathering data or reporting included:

- Lack of human resources: respondents noted that assistance for report guidance, general information, and timelines would be helpful.
- Trying to build in necessary technology: a consistent approach with efficient technology is required.
- An overall need for guidance and resources on how to tackle pay equity compliance as an entire organization, and, within a sector.

3.3 Pay Transparency

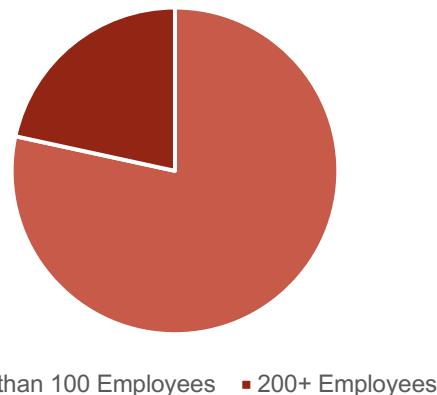
Feedback on pay transparency was gathered through all engagement methods. Below results are summarized based on method. Comparative analysis is based on respondent category and highlights differences in perspectives between categories.

3.3.1. Questionnaire

Employer Perspectives

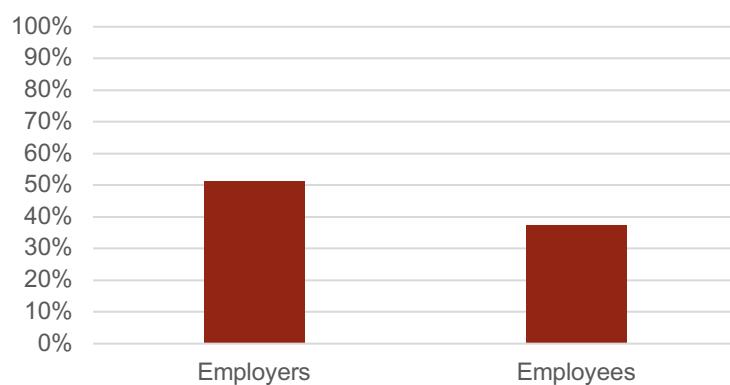
There was a total of 37 employer respondents to the questionnaire. Of those, 64.9 per cent identified themselves as private sector employers and 35.1 per cent as public sector employers. In terms of size, 78.4 per cent of employer respondent indicated that their organizations typically had less than 100 employees and 21.6 per cent indicated they had more than 200 employees (no respondents indicated between 101 and 200 employees).

Employer Size



Slightly more than half (51.4 per cent) of employer respondents would describe their organization as a very safe place for employees to discuss wages, pay rates, and pay ranges with their co-workers. Comparatively, a much smaller proportion (37.3 per cent) of employees indicated they believe it is very safe to discuss wages, pay rates, and pay ranges with their co-workers at their current place of employment.

Organization a "Very Safe" Place to Discuss Wages, Pay Rates, and Pay Ranges



A little over half of employers (51.4 per cent) felt that it would take their organization within 12 months to prepare an initial pay transparency report that included data on wages and various demographics (e.g., sex, gender, age, race, marital status). This indicates that nearly an equal number did not agree that their organization could prepare an initial report within 12 months. A comparative number of respondents (56.8 per cent versus 51.4 per cent) indicated they could continue to prepare and publish pay transparency reports yearly.

“51.4 per cent of employers indicated they felt that it would take their organization within 12 months to prepare an initial pay transparency report and nearly an equal number did not.”

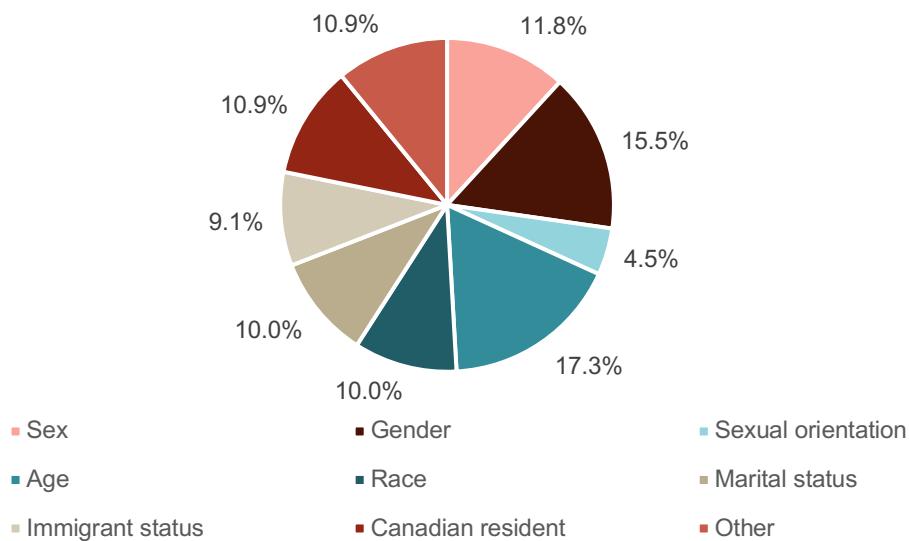
However, while most employer respondents (64.9 per cent) indicated their organization could “easily gather” the necessary information for pay transparency reports, the results of the questionnaire indicate that employers generally do not have the reporting structures currently in place to support the development of a pay transparency report. Most employers who participated (62.2 per cent) indicated they currently do not collect any employee data related to demographics (e.g., sex, gender, age, race, marital status, sexual orientation) and wages.

In fact, of the employer respondents, there were no more than five respondents per category when asked which categories they collect wage data on. The highest responses were in gender and age, of which five employers per category indicated they collect wage data.

Which of the following categories do you collect wage data on? Select all that apply.	#
Sex	4
Gender	5
Sexual orientation	1
Age	5
Race	2
Marital status	2
Immigrant status	0
Canadian resident	1
Other	0
Total	20

However, when asked what demographics should be collected in pay transparency reports, the employers selected a variety of demographics (see chart below). Therefore, while it was indicated that a wide variety of demographics be included, more employer respondents were not currently

What demographics should be collected in pay transparency reports? (Select all that apply)



collecting these demographics. This indicates a low level of current readiness amongst the employer respondents to begin to report on pay transparency data, despite optimism that this information could be gathered.

Employee Perspectives

Overall, employees were less likely to report positive perspectives on their employment environment regarding current practices across a number of measures. For example, lower numbers of employees (50.9 per cent) agreed that their current employer publishes pay rates and/or ranges for jobs in their job postings, so applicants know what pay to expect. In comparison, 63.9 per cent of employers agreed to this question.

This difference in perspective also applies to employment environments.

As noted earlier in the report, employers are more likely (51.4 per cent) than employees (37.3 per cent) to indicate that it is very safe to “discuss wages, pay rates, and pay ranges with your co-workers at your current place of employment”. Close to half (43.5 per cent) of all employees indicate they feel low levels of safety with 17.4 per cent indicating they are “not at all safe” and 26.1 per cent indicating they are “somewhat safe”.

Similar safety levels are anticipated by employees when asked, "Would you feel safe requesting your employer comply with the new pay transparency rules once they come into effect?"

Again, nearly 40 per cent indicated they would feel not at all safe or somewhat safe. Over a third (37.3 per cent) of employees said they would feel very safe requesting their employer comply with the new pay transparency rules once they come into effect, and approximately a quarter (24.9 per cent) would expect to feel moderately safe.

Regarding how developments in pay transparency might assist with safety, over half of employees agreed (32.3 per cent agree, and 24.2 per cent somewhat agreed) that the new pay transparency rules will make it safer and easier for them and their co-workers to discuss, request, and access information about wages, pay rates, and pay ranges within their workplace.

"Over half of employees (56.5 per cent) agreed to some extent that the new pay transparency rules will make it safer and easier to discuss, request, and access information about wages, pay rates, and pay ranges within their workplace."

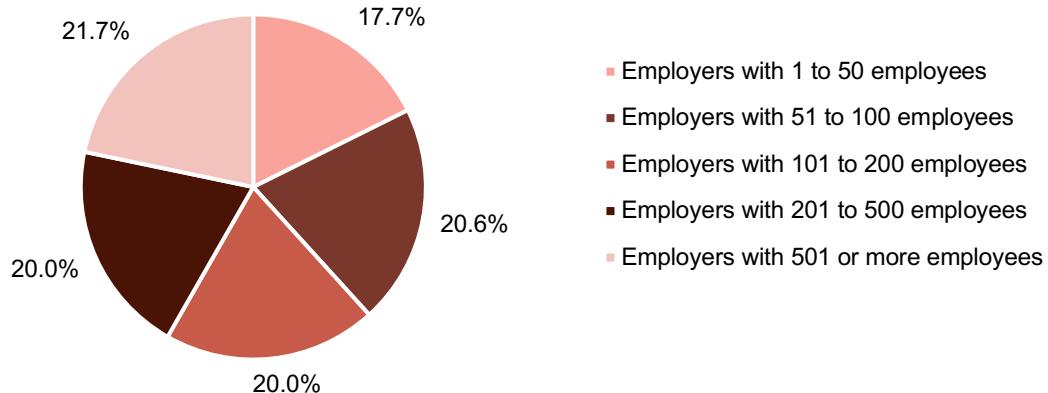
However, a substantial proportion of respondents neither agreed nor disagreed (26.7 per cent) or disagreed to some extent (15.5 per cent).

General Public Perspectives

Comparatively, most public respondents (84.7 per cent) either agreed or somewhat agreed that the new pay transparency rules will make it safer and easier for employees to discuss, request, and access information about wages, pay rates, and pay ranges within the workplace, with 51.5 per cent agreeing and 33.2 per cent somewhat agreeing.

A comparative proportion of the general public identified that each category of employer should prepare pay transparency reports, regardless of size of organization. This ranged from 17.7 per cent for the smallest organizations (employers with 1-50 employees) to 21.7 per cent for largest organizations (employers with more than 500 employees).

Classes of Employers that Should Prepare Pay Transparency Reports, According to Employers



In comparison, employers were less likely (15.5 per cent) to indicate smaller employers (1-50 employees) should have to prepare pay transparency reports and more likely (23.7 per cent) to report larger organizations (more than 500 employees). Whereas employees were more likely (19.8 per cent) to think smaller employers should have to and about equally as likely (21.8 per cent) as employers to agree that large employers do so.

3.3.2. In-person and Virtual Session Discussion on Pay Transparency

Participants were also asked their perspectives on pay transparency during the discussion sessions (both virtual and in-person). Some differences emerged in the discussion, depending on participant category.

When asked which information should be collected in pay transparency reports, public sector employers and employees discussed the classification of employee (i.e., nurse practitioner, surgeon, etc.). Some suggested that collected information should have common denominators to ensure consistent compensation data across sectors. It was also recommended that annual reporting be implemented on an hourly basis so that data is not skewed by annual salaries of different hours worked per year.

Private sector respondents suggested that it is important to be clear on the intent of the information being collected. A consistent method of recording information would be ideal. Participants also mentioned that individuals may not complete information if employee compliance is voluntary. However, it may be a burden on employers to collect all the data. Therefore, there is a need to look at how fulsome and accurate data collection can be achieved. Finally, it was noted that employees and employers may be nervous with reporting

information. Self-disclosure should also include education and conversation as to why employers are collecting the information.

The private sector discussion participants also highlighted the impact the size of the organization may have on frequency of reporting due to different capacities and structures. As such, a phased approach was suggested. Participants indicated that the Provincial Government could provide resources for employers to help with this additional burden. A tiered approach, dependent on the size of the organization (i.e., smaller company may have less to report on), was also recommended by some participants.

Additional comments from private sector participants focused on process. Discussion highlighted the potential benefits of anonymity. By allowing employees to submit information anonymously, employees may feel more engaged and develop more trust. This may also address employee safety concerns. A final suggestion that was introduced addressed process. It was suggested that submitting pay transparency reports with other reports that are being submitted (e.g., workplace health and safety reporting) could be beneficial.

3.4 Written Submissions

Written or emailed submissions were received from the following stakeholders:

1. Decent Work and Health Network
2. Workers' Action Network of Newfoundland and Labrador
3. Provincial Action Network on the Status of Women
4. Newfoundland and Labrador Federation of Labour
5. Newfoundland and Labrador Human Rights Commission
6. St. John's Status of Women Council
7. Canadian Association of Petroleum Producers

Submissions contemplated both pay equity and pay transparency and considered the importance of human rights, inclusion, accessibility, and providing supports.

Recommendations included:

- Apply a human rights lens to the consultation and legislative drafting process.
- Enshrine pay equity and pay transparency as human rights in the legislation.
- Listen and work collaboratively with stakeholders across the province to strengthen the drafting of legislation and regulations.
- Ensure pay equity and pay transparency includes both the public and private sectors.
- Ensure the legislation is written in plain language and adheres to clear accessibility guidelines.
- Include contractual employees and students in women-dominated programs under the definition of an employee.
- Amend the definitions of pay equity and pay transparency to include women-dominated workplaces.
- Ensure there are appropriate supports in place for enforcement of pay equity and pay transparency provisions, such as an independent oversight agency.

Part 4: Next Steps

Pay equity and pay transparency are complex subjects.

Pay equity and pay transparency are not simply about same pay for same work. The Government of Newfoundland and Labrador already guarantees the right to same pay for same work in the provincial **Human Rights Act, 2010**. The pay equity and pay transparency legislation seeks to ensure equal pay for work of equal value. It is an additional tool that will contribute to narrowing the gender wage gap and advancing equity among all people.

The Government of Newfoundland and Labrador is taking concrete steps to promote equitable pay practices and has made large strides to advance these efforts. The passing of the **Pay Equity and Pay Transparency Act** in 2022 and launch of the consultation process to inform the drafting of the regulations of the **Act** were both important steps in this process.

Information gathered from these consultations is being used to help inform and shape the Provincial Government's ongoing work and planning considerations regarding the required day-to-day needs to support this framework, both strategically and structurally. Additional operationalization and administration of the **Act** will require significant planning and collaboration across government departments, offices, and agencies, as well as across the public and private sectors.

The Government of Newfoundland and Labrador has been, and continues to be, focused on ensuring that pay equity and pay transparency are operationalized in a sustainable and meaningful manner for the generations to come.

