Ontario

30 1987 PAY EQUITY ONTARIO

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PAY EQUITY COMMISSION ANNUAL REPORT 2016-2017

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1 COMMISSIONER'S MESSAGE

"I COMMEND THE PAY EQUITY COMMISSION FOR ITS VITAL WORK IN HELPING TO PROMOTE GENDER ECONOMIC EQUALITY AND SUPPORT ONTARIO'S FAMILIES AND ECONOMY."

— Excerpt from the commendation letter to the Pay Equity Office from **Kathleen Wynne**, Premier of Ontario, January 25, 2017.

It is with immense pleasure that I present the Pay Equity Commission's Annual Report for 2016-17. This year marks the 30th anniversary of the *Pay Equity Act* and the Commission – it is an appropriate time to reflect on our history and more importantly, to share our thoughts on ways to contribute to the ongoing discussion around women's economic equality.

THE HISTORY

Thirty years ago, women who worked full-time / full-year were earning 36% less than men working similarly. The existence of this gender wage gap was cause for significant concern. Addressing its causes and effects was the subject of considerable advocacy by a range of stakeholders who worked tirelessly to press for legislative action.

Legislative initiatives around pay equity - as a means of addressing the undervaluation of women's work - commenced with an NDP private members bill in 1979. It would take seven more years and several attempts before success was achieved. Because of a unique set of political circumstances, the most expanded version of many legislative attempts – Bill 154, called the *Pay Equity Act*, 1986 – introduced by the Liberal government as part of the Liberal/NDP Accord, passed with all party support in 1987. This passage was not without controversy and angst amongst its supporters and detractors, and not without some tough exchanges between the lead players of the day within the Ontario Legislature.

Nevertheless, on June 15, 1987, Ontario became the first jurisdiction worldwide to legislate an employer's ongoing obligation to ensure that its compensation practices recognize the value of women's jobs, by setting out the steps to identify gender discrimination and to correct it. The legislation is a recognition of the important contribution of pay equity to advancing women's economic equality.

30 YEARS

On January 25th 2017, the Pay Equity Office launched the first of a series of events to mark the 30th anniversary of the Act and the Pay Equity Commission. On that night, we were so pleased to welcome Her Honour the Honourable Elizabeth Dowdeswell, the Lieutenant Governor of Ontario, and to gather together with the many past and current heroines and heroes who were instrumental in ensuring the birth and continued existence of pay equity in the Province of Ontario.

Much has changed since 1987; and much, quite regrettably, has not. While women now make up close to half of the labour force and have high rates of education at the secondary and tertiary level, the gender wage gap persists and progress in closing it has been slow and uneven. Bias, whether conscious or unconscious, about the roles of men and women at work and at home acts as a significant barrier to the goal of gender economic equality.

THE CURRENT OUTLOOK

The Gender Wage Gap Strategy Steering Committee, which provided its Final Report to the Honourable Kevin Flynn, Ontario's Minister of Labour in 2016-17, made it clear that pay equity alone would not be sufficient to close the gender wage gap. A concerted and co-ordinated effort on many fronts and with all players – government, business, individuals and society – was necessary for strides to be made. In September 2016, Minister Flynn received a renewed mandate to work with the Ministers of Women's Issues; Finance; Economic Development and Growth; Education; and Advanced Education and Skills Development; to develop a strategy for the economic empowerment of women that addresses the needs of women at all economic levels, including a gender wage gap strategy to close the wage gap between women and men. Much is expected.

We will do our part. On the pages that follow, you will read about the efforts of our 25 dedicated staff in addressing how best to ensure the active enforcement of pay equity. I am pleased that our Annual Report makes plain that active enforcement works and is working.

Ontario's *Pay Equity Act* continues to be a model for other jurisdictions looking to enact regulatory legislation, where the enforcement of rights is not dependent upon an employee complaint. The Office's primary focus is on monitoring employers for compliance, and engaging as much as possible in a wider dialogue on pay equity and women and work. We continue to look at creative ways in which we can meet our mandate as effectively and efficiently and successfully as possible. In addition, the Office believes that proactive enforcement leads to better outcomes when workplace parties are knowledgeable about their obligations, and are given the appropriate tools to enable them to comply. To that end, we have had success with partnering for education, outreach and research.

It has been an honour to be leading this long-standing, valuable organization focussed on enforcing equal pay for work of equal value. I look forward to strengthening the Office and supporting its efforts to help build a society where men and women in Ontario are recognized and compensated as equals.

Respectfully Submitted

Emanuela Heyninck

"IT IS IMPORTANT TO RECONNECT AND RE-ENGAGE ON WOMEN'S ECONOMIC EMPOWERMENT, CLOSING THE GENDER WAGE GAP AND STRENGTHENING PAY EQUITY. CLOSING THE GENDER WAGE GAP IS GOOD FOR ALL OF US."

— **Emanuela Heyninck**, Pay Equity Commissioner at the reception to mark the 30th anniversary of the *Pay Equity Act*, January 25, 2017.

2 ONTARIO'S *PAY EQUITY ACT*

The gender wage gap is caused by the persistent existence of discrimination and unconscious bias that affects how women's and men's roles are perceived at work and at home. One of the outcomes of this bias is the undervaluation of women's contribution in the workplace. Ontario's pay equity legislation, enforced by the Pay Equity Office, sets out the mechanism by which undervaluation is identified and corrected. By focusing on job content rather than the individual doing the work, a pay equity process seeks to eliminate gender bias in job evaluation systems. Achievement of pay equity occurs when female job classes receive at least equal compensation as comparable male job classes.

BRIEF HISTORY OF THE *PAY EQUITY ACT*

On July 2, 1985, the government announced it would introduce pay equity in the Ontario Public Service, and followed through with the introduction of Bill 105. Concurrently, the Honourable Ian Scott, Attorney General and Minister Responsible for Women's Issues was tasked to head an Interministerial Task Force, with a mandate to produce a Green Paper setting out options for implementing pay equity in the private and broader public sectors. On November 19, 1985, the Honourable Ian Scott, tabled the Green Paper in the Legislature. The paper was presented as a framework to stimulate public discussions, and was subsequently distributed to various interest groups for review and input.

In early 1986, the government formed a three-member Consultation Panel on Pay Equity and two advisory groups – Premier's Business Advisory Committee on Pay Equity and the Premier's Labour Advisory Committee on Pay Equity.

Consultations began on the Green Paper in early 1986. The government heard from business, labour, women's groups and pay equity advocates. The consultation panel received 385 written and oral presentations. Eight days of discussions generated 2,117 pages of transcript. Stakeholders, unions, scholars, Members of Provincial Parliament, Chambers of Commerce and other social groups provided input during the consultation process.

"WE HAVE BEFORE US THE FIRST TRULY PROACTIVE PAY EQUITY LEGISLATION FOR THE PUBLIC AND PRIVATE SECTORS IN NORTH AMERICA."

— **Ian Scott**, Ontario's Attorney General / Solicitor General (1985-1990) at the Third Reading of the *Pay Equity Act*, June 15, 1987.

On November 24, 1986, Bill 154 "An Act to provide for Pay Equity in the Broader Public Sector and the Private Sector" was tabled in the Legislature for First Reading. On February 3, 1987, it received Second Reading.

On April 1, 1987, Bill 105 was consolidated into Bill 154 through a series of motions. On June 15, 1987, Bill 154 received and passed Third Reading, receiving Royal Assent on June 29, 1987. Bill 154 was proclaimed on January 1, 1988.

PURPOSE AND APPLICATION OF THE ACT

The purpose of the *Pay Equity Act* (the Act) is to redress systemic gender discrimination in the compensation of employees in female job classes. All public sector employers and all private sector employers with ten or more employees are required to have compensation practices that provide for pay equity.

IS PAY EQUITY "WORTH IT"?

Pay equity, along with equal pay for equal work, is a human right. Recognizing and complying with the law should be the norm not the exception, as it represents an acknowledgement of the inherent societal value in correcting workplace gender discrimination. And it is evident that the law is still required. For employees it is certainly worth it. In the past two years alone, employees in female-dominated job classes have received over $10 million in compensation adjustments through the Pay Equity Office's efforts.

Addressing gender equality at work also makes good business sense. The pay equity process helps employers and employees understand the contributions made by all jobs within the organization, and helps identify other areas of potential bias that represent barriers to employee engagement and organizational productivity.

Workplaces that establish gender equality are more likely to have a competitive advantage in attracting highly skilled workers and reducing the cost of employee turnover. From a societal and consumer perspective, it makes good economic sense.

In 2010, TD Economics found that retaining women workers and improving their economic outcomes is important for businesses' competitiveness, as women are a critical human resource for filling future labour shortages. Raising women's participation in paid work by just one per cent could add 115,000 workers to Canada's workforce.

According to Deloitte's 2016 analysis, the gender wage gap represents $18 billion of foregone income per year, representing about 2.5% of Ontario's Gross Domestic Product – the same contribution made by the motor vehicle and parts industries combined.

Making full use of the skills and experiences of the whole population is crucial to every economy's success. It will take commitment and action from everyone to meet the challenges before us in reducing and eliminating the gap.

ACHIEVING PAY EQUITY

The Act sets out the criteria to be applied by employers to identify systemic gender discrimination in compensation and the means by which to correct it. All employers covered by the Act must do the following at each of its establishments:

1. Determine job classes, including the gender of the job class and job rate.
2. Determine the value of job classes based on factors of skill, effort, responsibility and working conditions.
3. Conduct comparisons for all female job classes using the job-to-job, proportional value or proxy method of comparison* (proxy is for public sector only and of limited application).
4. Adjust the wages of underpaid female job classes, so that they are paid at least as much or equal to a comparable male job class or classes within the establishment.
5. Maintain pay equity for female job classes to ensure that new pay equity gaps are not created or re-emerge.

Note:* The proxy method of comparison contained in Part II of the Act was repealed in 1996 and restored by court order in 1997. The Pay Equity Office continues to enforce the proxy provisions.

3 ABOUT THE PAY EQUITY OFFICE

LEGAL MANDATE

The Pay Equity Commission was established by Section 27 of the *Pay Equity Act*, 1987, S.O. 1987.c.34 (the Act) and is continued by Subsection 27(1) of the Act, R.S.O, 1990, c.P.7 as amended (the Act). Its purpose is to redress gender discrimination in the compensation of employees employed in female job classes in Ontario.

The Commission consists of two separate and independent parts: the Pay Equity Office (PEO or the Office) and the Pay Equity Hearings Tribunal (PEHT or the Tribunal).

The Commissioner is the head of the Pay Equity Office and the Chief Administrative Officer of the Commission, appointed by the Lieutenant Governor in Council on the recommendation of the Minister of Labour. Her current appointment expires November 30, 2017. The Chair of the Pay Equity Hearings Tribunal is responsible for the Tribunal's administration.

The Minister of Labour represents the Pay Equity Office and the Pay Equity Hearings Tribunal in Cabinet and its Committees, in the Legislative Assembly and before Committees of the Legislature. The Minister is accountable to the Legislature for the Pay Equity Office's and Pay Equity Hearings Tribunal's fulfillment of their mandates and compliance with government administrative policies. The Minister is also responsible for the review and approval of their Business Plans and Annual Reports, and for submitting them to Management Board of Cabinet.

PAY EQUITY OFFICE STAFF ARE DEDICATED TO ENFORCING EQUAL PAY FOR WORK OF EQUAL VALUE.

WE ARE COMMITTED TO:

FAIRNESS
We demonstrate integrity by providing equitable and impartial enforcement actions.

ACCOUNTABILITY
We accept responsibility for our activities and disclose the results in a transparent manner.

SERVICE EXCELLENCE
We strive to provide outstanding and responsive service.

IMPACT
We influence, educate, and enforce to achieve and maintain pay equity in Ontario workplaces.

CONNECT
We connect and advance pay equity by building effective partnerships with diverse stakeholders and communities.

CORPORATE COMMITMENTS

The Office is committed to ensuring an inclusive and accessible environment in which all members of the public have equal access to its services, and are treated with dignity and respect, including accommodation required under the *Accessibility for Ontarians with Disabilities Act*, 2005 (AODA). In keeping with requirements under the AODA, the Pay Equity Office created an accessibility policy and a multi-year accessibility plan which are available on the website.

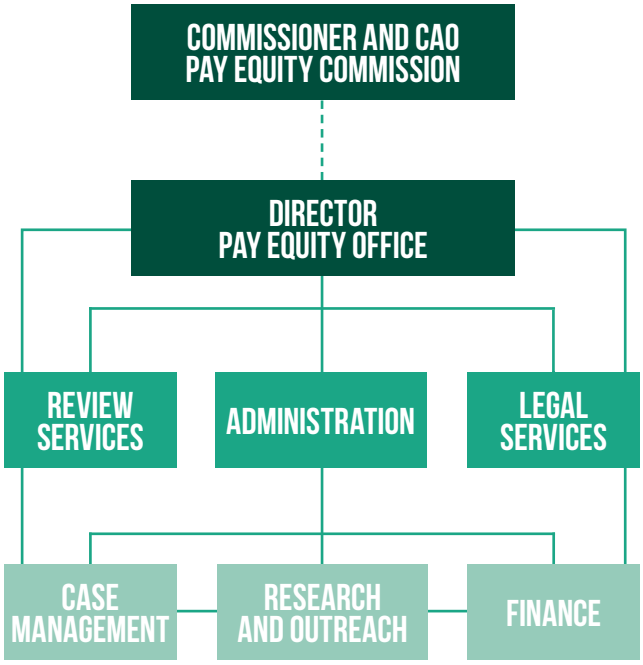
The Office participates in the Ministry's Diversity and Inclusion Strategy by assessing all of its existing policies, programs, guidelines and practices, to ensure they are in keeping with the principles of diversity and inclusion.

As a designated agency of the Ministry of Labour, the Office offers French-language services.

STAFFING

The process of change is ongoing as the Office undergoes retirements of senior staff and the recruitment of new staff. Since May 2016, with our new Director, we have on-boarded 10 new Review Officers. We continue to ensure that knowledge management transfer occurs through mentoring, shadowing and comprehensive training in all aspects of pay equity implementation and enforcement.

The Pay Equity Office consists of 25 Full Time Equivalents (FTEs) organized into core operational units. The Commissioner is the sole Order-in-Council appointee.



UNIT DESCRIPTIONS

COMMISSIONER'S OFFICE

The Commissioner is appointed by Order-in-Council by the Legislature to act as the head of the Pay Equity Office and the Chief Administrative Officer of the Commission, as required by the *Pay Equity Act*. Reporting to the Minister of Labour, the Commissioner is responsible for setting the strategic direction of the Pay Equity Office and, with the assistance of Legal Counsel, ensures that the Office operates within its legislative mandate and in compliance with general administrative law principles.

DIRECTOR'S OFFICE

The Director's Office provides strategic, financial and operational leadership. The Director is accountable for establishing the financial, human resources and procurement policies and practices, and ensuring the agency operates according to Ontario Public Service standards. The Director is responsible for developing and sustaining organizational capacity and ensuring the Office delivers on its program commitments set through approved strategic and operational plans. The Director is the Ethics Executive for the organization.

REVIEW SERVICES

The Review Services Unit is responsible for the enforcement of the Act. The Unit is comprised of 14 Review Officers who are responsible for the investigation and resolution of objections to pay equity plans and complaints of contraventions. The Review Officers engage in settlement negotiations where appropriate, and may make such orders as are necessary to ensure compliance. The Unit engages in proactive monitoring of employers, providing expertise and assisting workplace parties with their pay equity processes.

ADMINISTRATION, RESEARCH AND OUTREACH

This Unit supports the strategic and operational planning necessary to advance gender equality in practical and measureable ways. It provides stakeholder relations and outreach services, including website management and production of statistical reports. This work informs monitoring programs, stakeholder engagement, outreach and education/awareness initiatives.

It also delivers case management system services and case file administration. Its case processing services are critical to the Pay Equity Office's facilitation of transparent, relevant and efficient reporting of case statistics.

LEGAL SERVICES

The Pay Equity Office is required to maintain its own legal services as set out in the Memorandum of Understanding signed by the Commissioner and the Minister of Labour. The Office has one full time lawyer on staff and makes use of external legal services when necessary.

4 MEETING THE MANDATE

THE PAY EQUITY OFFICE ACHIEVES ITS MANDATE BY:

- **Investigating and resolving complaints through alternative dispute resolution methods, or issuing orders for compliance;**
- **Referring orders to the Pay Equity Hearings Tribunal for enforcement;**
- **Monitoring establishments for compliance with the provisions of the Act;**
- **Providing information and educational resources to employers and employees about pay equity and pay equity processes;**
- **Conducting information sessions at a variety of venues;**
- **Researching and disseminating information about pay equity and gender wage gaps to the public and workplace parties;**
- **Responding to requests from the Minister and preparing reports and recommendations to the Minister about pay equity and related matters such as the gender wage gap.**

ENFORCEMENT: TIMELY AND PROACTIVE INVESTIGATIONS FOR PAY EQUITY COMPLIANCE

For 30 years, our proactive and responsive core work delivers helpful results for employers, employees and unions. Review Officers investigate complaints alleging contraventions of the Act, and assist workplace parties in attempting to settle issues that can arise during the implementation, achievement and maintenance of pay equity.

In cases where Review Officers discover non-compliance and employers are uncooperative, Review Officers will issue orders. To ensure that employees are aware of our involvement, all decisions of Review Officers must be posted in a visible location in the workplace.

Any party affected by a Review Officer's decision may request a hearing before the Pay Equity Hearings Tribunal. The Office is not a party to those hearings, except in very limited circumstances. Review Officers may also refer an order to the Tribunal for enforcement, where a party fails to comply with the provisions of the order within the prescribed timeframes.

The Review Services Unit receives and investigates complaints on a daily basis. Complaints are filed by union and unrepresented workers mainly from the broader public sector.

The Pay Equity Office also engages in extensive monitoring of employers. The focus of the various monitoring programs is to encourage employers to assess their current compensation practices to provide for pay equity. In addition to our monitoring programs, monitoring files are regularly opened following the resolution of a complaint investigation, where there is information that the

"PAY EQUITY IS ABOUT MONEY AND THAT MAKES IT VERY PRACTICAL. IT'S ABOUT DOLLARS AND CENTS."

— **Brigid O'Reilly**,
Former Pay Equity Commissioner.

establishment has not achieved or maintained pay equity for all female job classes.

The 2016-17 monitoring activities included: completion of the investigations of classified government agencies; new employers who had been in business for a minimum of three years; and continued investigation of employers who had been identified to have potential wage gaps from the Gender Wage Gap Pilot Project.

In 2016-17, 1,237 employees received more than $5.4 million in adjustments as a result of Pay Equity Office workplace investigations.

See Section 11 for our Caseload Statistics.

COMPLAINT APPLICATIONS RECEIVED AND CLOSED

The Pay Equity Office received 63 complaints, of which 41 per cent were from unions and/or their members and 56 per cent from unrepresented parties.

Ninety-three complaint cases were closed, impacting 60 workplaces. Eighty-eight per cent of cases achieved compliance without requiring the Review Officer to issue an Order. Seventy-six per cent of the complaints were filed against organizations in the government-funded sector (or 71 cases).

Forty-four per cent (or $2.4 million) of the total adjustments resulted from investigations of complaint against two broader public sector organizations and orders to comply were required for six other broader public sector organizations.

MONITORING CASES OPENED AND CLOSED

In 2016-17, 213 new monitoring cases were opened and 205 monitoring cases were closed. Approximately $2.1 million adjustments were identified, impacting more than 450 employees. Seven cases required an order to achieve compliance.

TIME TO CLOSE FILES

Review Officers continue to focus on narrowing the time to resolve cases; this year 92 per cent of cases were closed within 36 months; the median time required to resolve a complaint case was nine months, and 65 per cent of complaint cases were resolved in less than 12 months. The median time required to resolve a monitoring case was seven months, and 60 per cent of monitoring cases were resolved in less than 12 months. The Office prioritized the closing of aging cases within 24 months.

Time to investigate and close case files has steadily improved since 2013-14 and continues to be a priority. In 2013-14, over 1/3 (36%) of open complaint files were older than 24 months. In 2016-17, less than ¼ (22%) were older than 24 months.

As of March 31, 2017, only nine monitoring cases (five per cent) were older than three years, an improvement from 13 per cent from 2015-16.

RESEARCH & OUTREACH: ADVANCING GENDER ECONOMIC EQUALITY

Communicating the purpose and obligations of the *Pay Equity Act* is embedded in the everyday activities of the Pay Equity Office. Over its history, the Office has utilized various channels of communication to inform employers, bargaining agents, employees and interested parties about the implementation and maintenance of pay equity.

WEBSITE

Our website is an important communications' channel. The Pay Equity Office website has guides, tools and 24/7 e-learning modules to provide site visitors with information about the Act, to enable them to become compliant. The website was visited approximately 3,469 times a month in the last fiscal year, with the number of hits reaching a total of 181,549. The number of users was 25,568.

The Office continues to evaluate its web resources to ensure that information remains relevant. The most frequently accessed information on the website are the Gender Wage Gap topics and resources such as the Mini-Kit and the *Guide to Ontario's Pay Equity Act*. The website was updated in 2016 and will be offering new resources to the public in 2017-18.

INFORMATION SESSIONS & CONFERENCES

All staff, including the Commissioner, engage in activities that bring awareness of pay equity to the public, to stakeholders and to workplace parties in a variety of forums.

In February 2017, the Office once again had a strong presence at the Human Resources Professionals' Association (HRPA) 2017 Conference in Toronto. Review Officers provided conference-goers with information on the requirements of the Act and the services provided by the Office. The Office exhibit booth was well-attended with over 600 conference-goers meeting with staff and management. The Office also provided a one-hour presentation on creating fair workplaces through pay equity.

In March 2017, the Review Services Unit participated in the Southwestern Ontario HRPA Conference held in Chatham. This conference brought together HRPA members from the Chatham-Kent, Windsor, Sarnia and London area.

On March 31, 2017, the Pay Equity Office and Ryerson's Centre for Labour Management Relations partnered to hold a conference, entitled "Ontario's Next Steps Towards Women's Economic Empowerment." The Conference brought together experts from various jurisdictions and fields to explore how pay transparency and reporting could be used in Ontario.

OUTREACH QUESTIONNAIRE

In March 2017, as part of its outreach and education efforts, the Office contacted unions and employers whose collective agreements are expiring in 2017 with a questionnaire to:

- Raise awareness with employers and unions of the *Pay Equity Act* in recognition of the Office's 30th anniversary year.
- Highlight the information resources and staff supports provided by the Office.
- Gauge the way the parties engage on pay equity issues.
- Estimate the extent to which parties are using resources or tools provided by the Office and their satisfaction with these resources.

"BUILDING ON THE PROGRESS WE'VE ALREADY MADE, WE ARE TAKING FURTHER STEPS TOWARD BREAKING DOWN BARRIERS THAT PREVENT FULL PARTICIPATION BY WOMEN IN THE WORKFORCE".

— **Kevin Flynn**, Ontario's Minister of Labour, November 24, 2016.

OUTREACH AND STAKEHOLDER ENGAGEMENT

The Commissioner has engaged domestically and internationally to promote awareness of the Office's innovative proactive approach to pay equity enforcement, and the role of pay equity in the wider gender wage gap discussion. Over the last year, the Commissioner participated on a number of panel discussions on pay equity and has made submissions to national and international bodies on these topics, including the United Nations Secretary-General's High Level Panel on Women's Economic Empowerment; Ontario's Changing Workplace Review; United Nations' Working Group on Discrimination against Women in Law and in Practice; and the House of Commons' Special Committee on Pay Equity.

In November 2016, the Commissioner attended a 20th anniversary event in Quebec City hosted by Quebec's Pay Equity Commission. The invitation to attend was acknowledgement of the close relationship that has evolved between these two organizations.

On March 8, 2017, the Commissioner delivered the keynote speech at the Toronto Public Service Women's Network International Women's Day Celebration, and received the Mayor of Toronto's proclamation recognizing International Women's Day in Toronto.

To conclude the fiscal year, the Commissioner joined the Honourable Indira Naidoo-Harris, Ontario's first-ever Minister for the Status for Women, as part of the Canadian delegation to the 61st session of the UN Commission on the Status of Women, held in New York from March 13-24, 2017. This year's theme, "Women's Economic Empowerment in the Changing World of Work" was of particular interest to Ontario, and enabled the Office to connect with other jurisdictions that are actively pursuing this agenda.

WHAT'S NEW E-NEWSLETTER

The Office delivers information and updates via its "What's New" e-newsletter. The e-newsletter is circulated bi-monthly to over 1,570 individuals. In addition, staff are responsible for delivering general information to the public through our telephone lines and email box, responding to 700 enquiries.

CONTRIBUTING TO GOVERNMENT PRIORITIES

A. Equal Pay Day

Equal Pay Day in Ontario was marked on April 19, 2016. As our contribution towards this day, the Office commissioned the development of educational materials for teachers, librarians, camp counsellors, and other leaders of children and youth groups. The lesson plans are designed for various age groups, to help children and youth frame discussions on gender, fairness, equal pay, pay equity, and related concepts and ideas.

B. Changing Workplaces Review

The Ministry of Labour's Changing Workplaces Review examined the *Employment Standards Act*, 2000 and the *Labour Relations Act*, 1995. In October 2016, the Commissioner made a Submission to the Special Advisors of the Changing Workplaces Review in response to Consultations on the *Employment Standards Act*, to recommend the transfer of the gendered "equal pay for equal work" provisions in the *Employment Standard Act* to the *Pay Equity Act*. The Office continues to monitor this Review as many of the emerging themes on workplace relationships and legislative protections have an indirect bearing on the *Pay Equity Act*, and may influence how the Act is interpreted.

GENDER WAGE GAP GRANT PROGRAM

The Gender Wage Gap Grant Program (GWGGP) entered its third grant cycle in 2016-17. The grant program adds to our understanding of the gender wage gap and how the earning potential of Ontario's working women can be maximized. This benefits working families, the labour force in general and overall economic productivity.

The 2016-17 Call for Proposals identified one specific priority area:

- Actions/research exploring compensation issues and gender inequality in Ontario's emerging workplace conditions.

After a competitive process, two proposals were funded:

1. Dr. Tammy Schirle from Wilfrid Laurier University and co-leads Dr. Ana Ferrer and Andres Arcila from the University of Waterloo. Their project measured the extent to which gender wage gaps across occupation categories within an industrial sector reflect differences in the skills that individuals use in their job.

2. Julie Maher and Christina Lessels from the Ontario Women's Health Network. They consulted with immigrant women to learn about intersecting determinants that shape their experiences with the wage gap. They researched barriers to equitable employment, impacts on immigrant women's lives and highlighted any community specific findings.

5 PAY EQUITY IMPACT

IN 2016-17, MORE THAN $5.4 MILLION PAY EQUITY ADJUSTMENTS WERE IDENTIFIED AS A RESULT OF PAY EQUITY INVESTIGATIONS.

Since 2011, the Pay Equity Office has investigated over 722 complaints and conducted 1,113 monitoring cases. The total adjustments identified over the last six years is approximately $27.4 million. More than 8,400 employees in female job classes have received adjustments.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	TOTAL
COMPLAINT CASES RESOLVED	170	171	99	100	89	93	722
MONITORING CASES RESOLVED	275	177	120	128	208	205	1,113
ADJUSTMENTS (MILLIONS OF DOLLARS)	$2.6	$3.4	$4.3	$5.1	$6.8	$5.4	$27.4*
EMPLOYEES RECEIVING ADJUSTMENTS	N/A	1,247	1,944	2,076	1,899	1,237	8,403

*Note: Difference due to rounding.

6 PERFORMANCE MEASURES

In 2016-17, the Pay Equity Office continued to proudly serve the public interest by helping individuals, businesses and unions learn about pay equity compliance. It has set up processes for identifying and implementing service improvements to achieve its key performance measures. Management, in consultation with staff, continue to identify areas of improvement in order to achieve key performance measures. In 2016-17, the Office had significant staff turnover. Despite change, the Office met almost all of its performance targets.

PROGRAM: PAY EQUITY	MEASURE	2015-16 ACHIEVED	2016-17 TARGET*	2016-17 ACHIEVED
Employers, unions and employees work collaboratively to address emerging pay equity issues	**Percentage of cases where compliance achieved without order, no contraventions, settled**	84%	85%	91%
Employers take corrective action to become pay equity compliant	**Number of pay equity cases resolved**	302	340	302
Program services are delivered in a timely professional, knowledgeable and cost-effective manner	**Time spent to resolve cases (complaint and monitoring)**	88% OF CASES < 3 YEARS	90% OF CASES < 3 YEARS	93% OF CASES < 3 YEARS
	Percentage of complaint cases resolved within 24 months	55%	80%	81%

*Targets were established prior to several in-year changes to staff complement in the Review Services Unit.

The Office understands that public expectations are high and include: easy access to pay equity services; services delivered, questions and concerns resolved in a timely manner; clear, accurate and reliable information offered; fair treatment and courteous service from knowledgeable staff; opportunities to provide feedback on the service experience, and to receive responses where appropriate; and, the protection of privacy and personal information.

THE OFFICE DELIVERS SERVICE WITH PROFESSIONALISM, INTEGRITY AND TRANSPARENCY THROUGH THE ACHIEVEMENT OF ITS PERFORMANCE MEASURES.

7 FISCAL PERFORMANCE 2016-17

THE OFFICE MAINTAINED PROGRAM QUALITY ASSURANCE IN RESPECT OF FINANCIAL AND ADMINISTRATIVE DECISIONS AND TRANSACTIONS.

The Pay Equity Office's annual operating budget is part of the Ministry of Labour's estimates and allocation process, and the agency is required to report regularly on its expenditures and planned commitments.

The Deputy Minister of Labour has delegated authority for specific financial and administrative transactions to the Commissioner, the Director and Managers.

The Office is subject to audit review and expenditure constraints, and its managers are accountable for following established management practices and using public resources for authorized purposes.

Management Board of Cabinet advises, through Section 3.5.1 Disclosure of Remuneration in the Agencies and Appointment Directive dated October 2015, that remuneration for appointees be included in the annual report. The Commissioner's annual salary was $167,650. In addition, the Commissioner's expenses have been posted quarterly on the Pay Equity Office website commencing April 1, 2015, as per the Public Posting of Expense Information Guideline (March 17, 2015) by Treasury Board Secretariat.

FISCAL YEAR 2016-17 (IN THOUSANDS OF DOLLARS)

ACCOUNT	YEAR-END BUDGET INCLUDING LEASE	YEAR-END (ACTUALS)	VARIANCE	% VARIANCE
SALARIES & WAGES	2,241.1	2,030.9	216.2	9.6%
BENEFITS	266.1	264.4	1.7	0.6%
ODOE:				
TRANSPORTATION & COMMUNICATION	50.0	46.9	3.1	6.2%
SERVICES	365.8	515.0	(149.2)	-40.8%
SUPPLIES & EQUIPMENT	20.0	28.8	(8.8)	-44.0%
TOTAL ODOE	**435.8**	**590.7**	**(154.9)**	**-35.5%**
GENDER WAGE GAP TRANSFER PAYMENT PROGRAM	**50.0**	**45.8**	**4.2**	**8.4%**
GRAND TOTAL	**2,999.0**	**2,931.8**	**67.2**	**2.2%**

8 ACCOUNTABILITY STATEMENT

This Annual Report for the fiscal year ending March 31, 2017 has been prepared for submission to the Minister of Labour in accordance with the Guide To Developing Annual Reports For Provincial Agencies (June 2016) as issued by Management Board of Cabinet.

As an agency of the Ministry of Labour, the Pay Equity Office's Annual Report is subject to the reporting requirements established by Government in accordance with *1.9.9 Annual Reports for Adjudicative Tribunals and Regulatory Agencies and Other Provincial Agencies without Governing Boards of the Agencies and Appointments Directive (April 2017)*, including:

- **Financial statements that have been audited or subject to the appropriate level of external assurance.**
- **Analysis of operational performance.**
- **Analysis of financial performance.**
- **Names of appointees and appointment.**
- **Performance measures, targets achieved/not achieved and action to be taken.**

An adjudicative tribunal or regulatory agency without a governing board must submit an annual report to the Minister within 90 days after the end of the fiscal year. Ministers must approve and, where required by statute, table an agency's annual report in the Legislative Assembly within 60 days of the ministry's receipt of the report from the agency. In addition, annual reports must be posted on a provincial agency or government website within 30 days of Minister's approval or tabling in the Legislative Assembly where tabling is required.

The Public Accounts of Ontario are annual financial statements that are prepared in compliance with the requirements of Section 13 of the *Ministry of Treasury and Economics Act*. The Public Accounts consist of the financial report of the Government of Ontario and the financial reports of each ministry. In accordance with the Ministry of Labour's *Delegation of Financial Authority Framework*, financial authority is delegated to the agency. Each year, the Pay Equity Office verifies that all its transactions are reflected accurately and completely in the Public Accounts through the attestation of a Certificate of Assurance.

The Program Review, Renewal and Transformation Plan of the Ministry of Labour, released in the fall of each year, contains the ministry's mission and accountability statements, the consolidated financial/allocation statements of the ministry and an annual comparison of actual performance results to desired results are set out in the ministry business plan.

9 KEY MILESTONES

1985

■ On **July 2, 1985**, the government announces it would introduce pay equity in the Ontario Public Service. At the same time, an interministerial task force commences work on the development of options for the implementation of pay equity in the private and broader public sectors. On **November 19, 1985**, the Honourable Ian Scott, Attorney General / Solicitor General (1985-1990), tables the Green Paper on Pay Equity in the Legislature.

1986

■ On **February 11, 1986**, the Honourable William Wyre, Minister of Labour tables Bill 105, intended to provide pay equity for employees in predominantly female jobs in the public sector. Concurrently, the government appoints a three-member Consultation Panel on Pay Equity and two advisory groups - Premier's Business Advisory Committee on Pay Equity and the Premier's Labour Advisory Committee on Pay Equity. Business, labour, women's groups and pay equity advocates participate and make submissions during the public consultations on the Green Paper. On **November 24, 1986**, Bill 154 "An Act to provide for Pay Equity in the Broader Public Sector and the Private Sector" is tabled in the Legislature for First Reading.

1987

■ On February 3, 1987, Bill 154 receives Second Reading.
On April 1, 1987, the government successfully moves to incorporate Bill 105 into Bill 154.
On June 15, 1987, Bill 154 receives and passes Third Reading unanimously.
On June 29, 1987, Bill 154 receives Royal Assent and was renamed.

1988

■ Bill 154 is proclaimed on **January 1, 1988**, and comes into effect on that date, as the *Pay Equity Act*, 1987. George Podrebarac, then Deputy Minister of Education, is appointed to structure the standalone Pay Equity Commission into two independent parts: the Pay Equity Office responsible for administering and enforcing the Act; and the Pay Equity Hearings Tribunal responsible for adjudicating disputes arising from its enforcement.

1989

■ Brigid O'Reilly is appointed to lead the Pay Equity Office as Commissioner and Beth Symes is appointed Chair of the Pay Equity Hearings Tribunal.

■ In **June 1989**, twenty-one representatives from nine jurisdiction across Canada meet with members of the Pay Equity Office and the Pay Equity Hearings Tribunal, to participate in the First Intergovernmental Conference on Pay Equity.

1990

■ The Act set **January 1, 1990** as the mandatory posting date of pay equity plans for all public sector employers and private sector employers with 500 or more Ontario employees.

1991

■ The Act set **January 1, 1991** as the mandatory posting date of pay equity for all private sector employers with 100 to 499 employees in 1987.

■ During **1991**, consultations are held to explore indirect methods of comparison of female and male job classes to complement the job-to-job comparison method in the Act. The Office provides expertise, research and advice during this process.

A DRAMATIC CHANGE IN THINKING AND ACTION IS REQUIRED WITH GOVERNMENT, BUSINESS AND CIVIL SOCIETY LEADERS WORKING TOGETHER TO REACH THE GOAL OF AN ONTARIO ECONOMY WHERE MEN AND WOMEN ARE EQUAL.

— Excerpt from a report by Equal Pay Coalition and Canadian Centre for Policy Alternatives, April 2014.

■ In **December 1991**, the government introduces Bill 168, an Act to amend the *Pay Equity Act*. Bill 168 establishes two additional methods – proportional value and proxy comparison, however this Bill does not proceed to Second Reading.

■ The Pay Equity Advocacy and Legal Services Clinic is established.

1992

■ The Act set **January 1, 1992** as the mandatory posting date of pay equity for all private sector employers with 50 to 99 employees in 1987 who chose to post a pay equity plan.

■ A second attempt to introduce proportional value and proxy methods of comparison is made, with the introduction of Bill 102; this Bill receives both First and Second Reading.

1993

■ The Act set **January 1, 1993** as the mandatory posting date of pay equity for all private sector employers with 10 to 49 employees in 1987 who chose to post a pay equity plan.

■ In **January 1993**, the Office appears before the Standing Committee on Administration of Justice to comment on Bill 102. On **July 1, 1993**, Bill 102, the *Pay Equity Act*, 1993 is proclaimed. With the three methods of comparison, an additional 420,000 employees in female dominated job classes in the private and broader public sectors receive the benefit of pay equity.

■ Phyllis Gordon is appointed Chair of the Pay Equity Hearings Tribunal, replacing Acting Chair Ralph Polombo.

1994

■ During 1994, the Office monitors the progress of a minor amendment to the Act, allowing public sector agencies, established between January 1, 1988 and July 1, 1993, to use the proportional value and proxy methods of comparison. The amendment is contained in the "omnibus bill", the *Statute Law Amendment Act* (Government Management and Services) 1994, which receives Royal Assent on **December 9, 1994**.

1995

■ Throughout **1995**, the Office continues to develop educational and training materials to assist businesses in understanding the Act's requirements, with particular attention to maintenance issues and the use of the proxy method by eligible broader public sector employers.

■ The Office introduces its first proactive monitoring program, examining the compensation practices of 500 private sector employers for compliance.

■ Funding for the Pay Equity Advocacy and Legal Services Clinic is discontinued.

1996

■ On **January 31, 1996**, Ann Peers, is appointed to replace Brigid O'Reilly as Pay Equity Commissioner.

■ The *Savings and Restructuring Act*, 1996 is passed. Schedule J amends the *Pay Equity Act*, by repealing the proxy method of comparison effective January 1, 1997. Public sector employers, who had received proxy orders, are required to make necessary adjustments by **September 30, 1996**, using a minimum 3% of 1993 payroll, or the amount to achieve pay equity, whichever was less. Government funding of pay equity liabilities for the broader public sector is capped by the government at $500 million.

■ The government appoints Jean Read to conduct a review of the *Pay Equity Act* as required by the Act. The Office is consulted and provides advice during this process. On **July 5, 1996**, Ms. Jean Read releases her report, making 21 recommendations in three areas primarily related to ongoing pay equity requirements and responsibilities, administration and adjudication.

■ Several unions mount a Charter Challenge in Divisional Court, alleging that Schedule J is unconstitutional.

1997

■ In early **1997**, a major restructuring takes place at the Pay Equity Office, resulting in a significant reduction in staffing and resources.

■ Three branches of the Office – Operations, Review Services and Education & Communication are consolidated under the leadership of one Director.

■ The Divisional Court rules in SEIU Local 204 v. Attorney General (Ont.), finding Schedule J violates Section 15 of the Canadian Charter of Rights and Freedoms. While the government does not appeal the decision, the funding cap is left in place.

1998

■ The Office focuses on assisting broader public sector employers in re-instating pay equity using the proxy method.

■ In **October 1998**, the Pay Equity Office and the Pay Equity Hearings Tribunal co-host the 10th anniversary of the Act, bringing together stakeholders, past and current staff and management.

ONTARIO IS ONE OF ONLY TWO JURISDICTIONS IN CANADA THAT HAVE A WELL-DEFINED, STAND-ALONE PAY EQUITY LAW WITH AN INDEPENDENT ENFORCEMENT AGENCY THAT APPLIES TO PUBLIC AND PRIVATE EMPLOYERS.

ONTARIO'S *PAY EQUITY ACT* WAS PERHAPS THE MOST PROGRESSIVE PAY EQUITY STATUTE OF ITS TIME.

— Excerpt from the Government of Canada's Pay Equity Task Force Final Report 2004 (*Pay Equity: A New Approach to a Fundamental Right*).

1999-2001

■ In **1999**, the government pays retroactive pay equity adjustments owing up to January 1, 1998, for those broader public sector employers that had implemented pay equity through the proxy method. Future funding is terminated.

■ In **2000**, the Pay Equity Hearings Tribunal rules in Kensington Village Nursing Home v. SEIU Local 220 that lack of government funding is not a defence to an employer's failure to pay required adjustments. A Charter Challenge regarding lack of pay equity funding is brought by several unions.

■ In **2000**, the Education and Dispute Resolution programs are consolidated under a Manager of Programs.

■ Mary Ellen Cummings is appointed Chair of the Pay Equity Hearings Tribunal.

■ Agency reform initiatives with new accountability measures are undertaken. The Ministry of Labour undertakes a review of 10 workplace agencies, including the Office, which explores a possible merger of the Office with the ministry as a specialized branch.

■ Throughout 1999, 2000, and 2001, the Office works to assist employers, employees, and bargaining agents in achieving and maintaining pay equity by developing and disseminating key educational resources.

2002

■ The Office participates in the Government of Canada's Task Force on Pay Equity, which is holding public consultations on the implementation of pay equity at the federal level. The Office is invited to meet with the Task Force on several occasions and also provides a written submission. Educational materials are made available electronically, making outreach easier and more extensive.

2003

■ There is heightened awareness and increased activity around pay equity during **2003**, due to the release of key decisions of the Canadian Human Rights Tribunal -- a negotiated pay equity agreement between the Federal Government and a public sector union, and the appointment in British Columbia of a task force to explore pay equity strategies. In Ontario, a second Charter Challenge regarding lack of government funding for pay equity is settled out of court. Settlement includes a $414 million payout over six years to transfer payment agencies in certain sectors.

■ The Office reviews and assists in the development of materials for ministry and transfer agencies, to assist in implementation of the settlement terms in compliance with the Act. The Office also coordinates efforts with relevant ministries to ensure timely communication, identification and resolution of issues relative to implementation and settlement protocols.

2004

■ In **2004**, the Government of Canada's Task Force issues its 550 page report titled "Pay Equity: A New Approach to a Fundamental Right" with 113 recommendations for a proactive model, building on the Ontario legislation and experience.

■ Anne Peers retires as Commissioner in early **2004** and Emanuela Heyninck is appointed to succeed her in late November.

2005

■ After an internal audit process and consultations with staff and external advisors, the Office identifies the need to re-align its priorities, so that its limited resources focus on areas which would have the biggest impact in meeting its mandate, with a focus on reaching private sector employers who were found to be largely non-compliant through a lack of knowledge and resources. An electronic file management system is introduced and changes are made to streamline the intake of files through a pilot project.

2006-2007

■ Over the course of **2006** and **2007**, the Office commits to significantly increasing and regularizing its proactive monitoring of employers for compliance. Its first such monitoring program is targeted to the hotel, motel and retail sector, with a view to covering the province in segmented geographic areas, in order to level the playing field for competing businesses. Monitoring of businesses in the Hamilton-Wentworth area commence in 2007.

■ In **January 2007**, the Office launches its e-learning platform, aimed at assisting

businesses to self-manage its pay equity process. The platform garners two Ministry of Labour GEM awards in the Innovation category.

2008-2009

■ Monitoring of the hotel, motel and retail sectors is expanded to the Peel/Durham regions.

■ On **November 4th and 5th, 2008**, the Pay Equity Office celebrates its 20th anniversary by hosting a one and a half-day conference "Women in the Workforce: Opening Doors, Closing the Gap" bringing together representatives from business, labour and advocacy groups, to hear expert speakers on a wide range of topics involving pay equity and related issues. Submissions are made to the Government's Standing Committee on Social Policy that is examining the *Poverty Reduction Act*, 2009. The Office recommends the inclusion of women and gender analysis in all aspects of framework development for the poverty reduction initiative.

2010

■ In **2010-11**, the Pay Equity Office completes its survey of those broader public sector organizations that utilize the proxy provisions of the *Pay Equity Act* to achieve pay equity. Surveys are sent to 3,700 organizations that had been issued a Proxy Order by the Pay Equity Office. A report on the findings is circulated to the ministries responsible for funding of those organizations.

2011

■ In **January 2011**, the Pay Equity Office launches a Gender Wage Gap Pilot Project intended to solicit information about the existence of gender wage gaps in non-unionized private sector Ontario organizations. Employers having 500+ employees are contacted and requested to submit basic compensation and workforce data. The goal of the project is to raise awareness of the gender wage gap and to provide a more reliable source of information to strategically base future education and enforcement efforts.

2012

■ The Office concludes its monitoring of employers in the hotel, motel and retail sectors. Under this program, over 4,000 establishments were contacted to gauge the level of compliance with the Act and, where necessary, to enforce its provisions.

■ The Gender Wage Gap Pilot Project is expanded to include employers with 250 to 500 employees.

2013

■ Monitoring of those employers who were found to have gender wage gaps during the first phase of the Gender Wage Gap Pilot Project as well as non-responders commences in 2013.

■ In **2013**, the Office produces the *Guide to Interpreting Ontario's Pay Equity Act*. The Guide replaces all previous interpretive publications, consolidating the jurisprudence from the Pay Equity Hearings Tribunal, the Courts and the decisions of the Office. The Guide is widely distributed and made available electronically.

2014

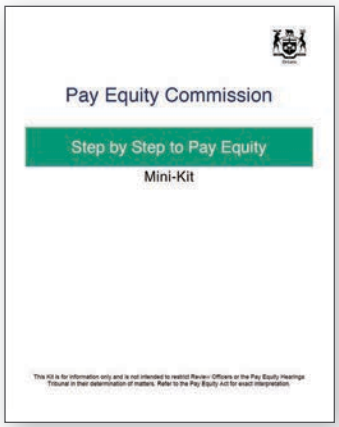
■ Monitoring of Ontario classified agencies begins in **2014**. Monitoring results from the previous two programs are analyzed and reports produced. The Office commences reporting on adjustments found to be owing as a result of its activities. The Office also commences an outreach program reaching over 14,000 businesses with pay equity compliance information.

■ In **2013-2014**, the Pay Equity Office revamps its learning materials for small to medium sized businesses, making a Mini-Kit available for public use.

■ Submissions are made to the Ontario Securities Commission's consultations on the representation of women on boards and in senior management, with consideration being given to implementing disclosure requirements for reporting issuers. A submission is made to the Ministry of Labour in the consultations on Ontario's minimum wage.

■ On **April 16, 2014**, Ontario's Equal Pay Day, the Office is asked to conduct a roundtable discussion with key stakeholders to commence a dialogue about the gender wage gap. The event brings together a wide range of people representing business, labour, advocacy groups and government. A summary of the dialogue is provided to participants, and to the Minister of Labour and the Minister Responsible for Women's Issues.

■ In **2014**, the Office launches its first Gender Wage Gap Grant Program. The Call for Proposals supports the government's priority of economic growth by adding to the understanding of the gender wage gap, and how the earning potential of Ontario's working women can be maximized. After a competitive process, three proposals are funded: Ontario Undergraduate Student Alliance, Dr. Miana Plesca at the University of Guelph, and Dr. Tammy Schirle at Wilfrid Laurier University.



TO CALL ATTENTION TO THE ISSUE OF THE GENDER WAGE GAP, THE GOVERNMENT ACKNOWLEDGES ONTARIO'S FIRST EQUAL PAY DAY ON APRIL 16, 2014.

"WE HAVE MADE AN IMPORTANT AND SIGNIFICANT START. WE HAVE UNDERTAKEN A SIGNIFICANT SOCIAL CHANGE. WE ARE DOING SOMETHING THAT IS RIGHT AND JUST AND IMPORTANT FOR WOMEN, AND I BELIEVE WE ARE DOING IT IN A WAY THAT WILL PERMIT ONTARIO'S ECONOMY TO THRIVE AND PROSPER AND CREATE JOBS."

— **Ian Scott**, Ontario's Attorney General / Solicitor General (1985-1990) at the Third Reading of the *Pay Equity Act*, June 15, 1987.

2015

- The Gender Wage Gap Grant Program enters its second cycle. After a competitive process, three proposals are funded: Dr. Kendra Coulter from Brock University together with co-leads; Andrés Arcila-Vásquez, Dr. Ana Ferrer and Dr. Tammy Schirle from Wilfrid Laurier University; and Dr. Paul Millar and co-lead Dr. Jane Barker from Nipissing University.

- In **April 2015**, Minister Flynn appoints the Commissioner as one of the four members to the Gender Wage Gap Steering Committee. The Office provides administrative and research support for the Gender Wage Gap Strategy, as directed in the Terms of Reference for the Gender Wage Gap Steering Committee.

- Ontario marks Equal Pay Day on **April 20, 2015.** In support the Pay Equity Office partnered with the Ontario Human Rights Commission to hold an event that examined the gender wage gap and its impacts on various communities of women. A summary of this event was shared with the Minister of Labour, the Minister Responsible for Women's Issues and all participants.

- On **May 26, 2015**, the Office commences monitoring of approx. 350 new employers in operation for less than five years.

- In **September 2015**, the Office partners with Ryerson's Centre for Labour Management Relations to explore pay equity modernization.

- In **November**, the Commissioner is invited to meet with government and advocacy groups in Germany, to share the Office's experiences in pay equity implementation.

- In **October 2015**, the Steering Committee releases a Background Paper and two Consultation Papers – one for individuals and one for organizations. Public consultations are held in 14 regions through town halls and key stakeholder meetings.

2016

- In **March 2016**, the Commissioner is part of the Canadian delegation to the 60th Session of the United Nations Commission on the Status of Women.

- On **April 19, 2016**, Ontario recognizes the third Equal Pay Day on April 19, 2016. To mark the day, the Office launches educational materials for teachers, librarian and camp counselors aimed at elementary and intermediate grade levels.

- On **May 4, 2016**, the Commissioner appears before the House of Commons' Special Committee on Pay Equity in Ottawa. The Commissioner gives a statement to the Committee and submits a brief containing recommendations for the implementation of pay equity.

- In **August 2016**, the government releases the Gender Wage Gap Strategy Steering Committee's Final Report, containing 20 recommendations. The report highlights the significant role played by pay equity in the broader framework of women's economic empowerment and the gender wage gap. The government appoints a Gender Wage Gap Working Group to continue examining some of the Committee's recommendations in detail, including possible legislative reform of the *Pay Equity Act*.

- On **October 5, 2016**, the Federal Government responds to the House of Commons' Special Committee on Pay Equity, and commits to introduce a Federal Pay Equity Act in 2018.

- In **November 2016**, the Quebec Pay Equity Commission marks its 20th anniversary.

The Honourable Elizabeth Dowdeswell, Lieutenant Governor of Ontario (left) and Pay Equity Commissioner Emanuela Heyninck (right).

2017 - 30TH ANNIVERSARY YEAR OF THE *PAY EQUITY ACT*

On **January 25, 2017**, the Pay Equity Office launches a series of events to mark the 30th anniversary year of the passage of Ontario's *Pay Equity Act*, 1987.

30TH ANNIVERSARY RECEPTION

A reception at the Ontario Heritage Trust Centre in Toronto recognizes the tremendous effort of the many individuals and organizations who worked, and continue to work tirelessly, to make pay equity a reality in Ontario.
The Honourable Elizabeth Dowdeswell, Lieutenant Governor of Ontario and the Honourable Kevin Flynn, Minister of Labour attend.
The evening brings together numerous individuals involved in pushing for legislative change to make the *Pay Equity Act*, 1987 a reality.

Guests include:

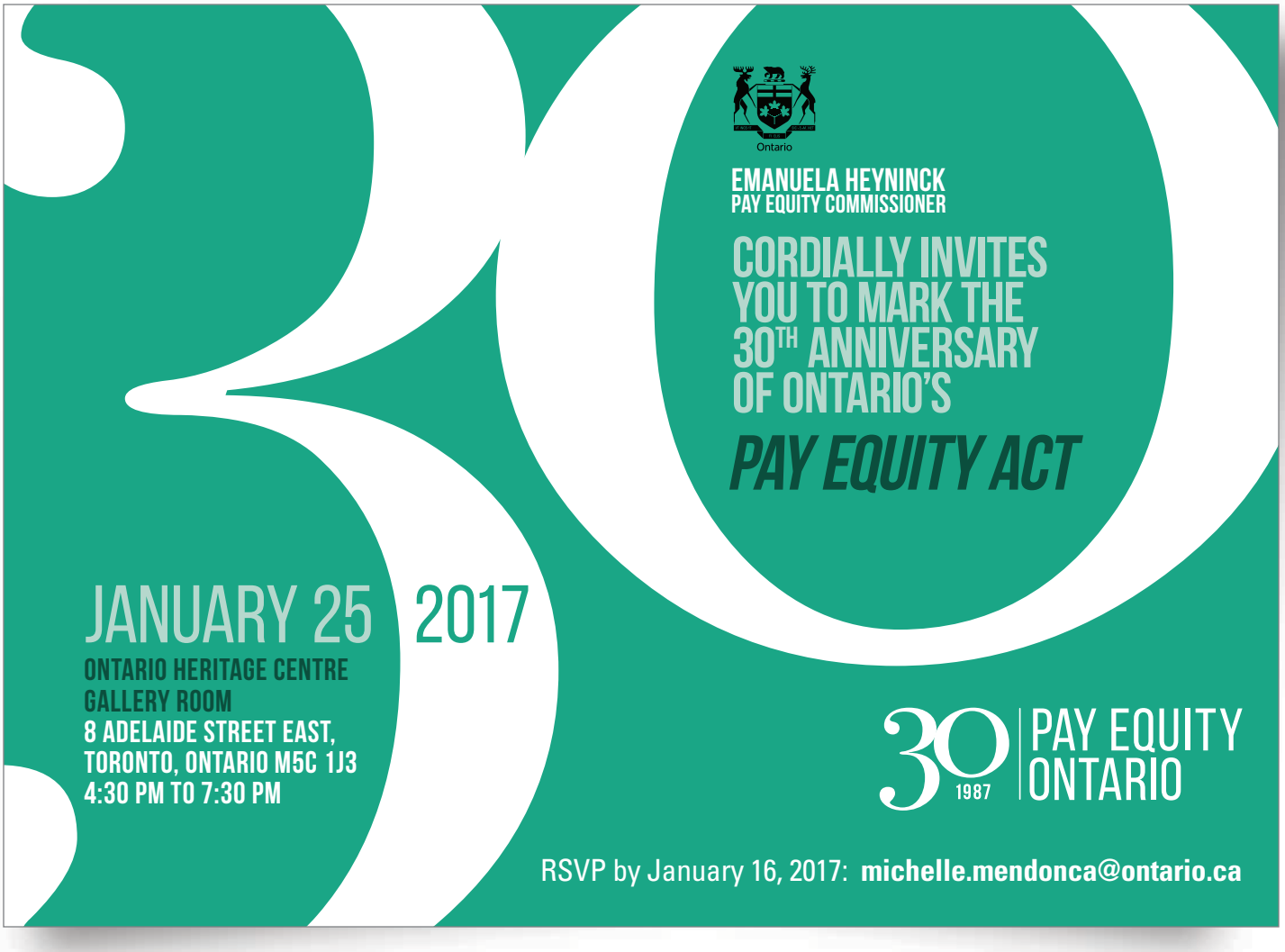
- Members from the Ontario Committee on the Status of Women (1971-85).
- Former members from the Consultation Panel on Pay Equity.
- Former Ministers of Labour, former MPPs (1985-90) and current MPPs.
- Former senior staff of the Pay Equity Commission.
- Past and present Chairs and members from the Pay Equity Hearings Tribunal.
- Past and current Chairs from the Equal Pay Coalition.
- Members from the Ontario Federation of Labour, United Steelworkers Local 1998, Ontario Federation of University Women Ontario Council, Business and Professional Women's Clubs of Ontario, and the Association of Toronto Midwives.
- Representatives from academia (Director of Rotman's Institute for Gender and the Economy; members from Ryerson's Centre for Labour Management Relations), Pay Equity Office Grant Recipients (Nipissing University, Ontario Women's Health Network, Brock University), as well as members of the Gender Wage Gap Strategy Steering Committee 2015/16.
- Members from key organizations involved in women's equality are also present—UN HeForShe Campaign (University of Waterloo), Catalyst, Women's Legal Education and Action Fund, Women's Executive Network, Lean In Canada, Feminist Alliance for International Action (FAFIA) and Deloitte.
- Deputy Minister of Labour, Deputy Minister of Education, Assistant Deputy Minister of Labour and members of the Ministry of Labour's Gender Wage Gap Working Group.

Dr. Ursula Franklin

URSULA FRANKLIN PAY EQUITY READING ROOM

On **March 8, 2017**, the Pay Equity Office officially opens the Ursula Franklin Pay Equity Reading Room. Dr. Ursula Franklin was a scientist, the first female professor in the University of Toronto's Faculty of Engineering and a recipient of the Order of Canada. She was also a pay equity champion. Following her retirement in 1989, Dr. Franklin spearheaded a class action lawsuit against the University of Toronto, claiming systemic discrimination in the compensation of its female faculty. The lawsuit was resolved when the University acknowledged the wrong. As a result, about 60 retired female faculty members received a settlement to compensate them for the lower salaries and pensions they had received. Dr. Franklin passed away on July 22, 2016 at the age of 94.

There are approximately 1,000 records in the present collection, including historic and current materials related to pay equity, compensation, the gender wage gap, and other related topics around women and work.



"WE ALL KNOW THERE IS STILL LOTS OF WORK TO BE DONE. THERE HAS BEEN RECENT PRESS ABOUT THE CONTINUED INEQUALITY BETWEEN MEN AND WOMEN, PARTICULARLY IN WORKPLACES - THE WAGE GAP (WHICH THEN EFFECTS BENEFITS AND PENSIONS) AND JOB SECURITY. PAY EQUITY LEGISLATION (AND THE EXTENSION AND ENFORCEMENT OF THAT LEGISLATION) CONTINUES TO BE MUCH NEEDED."

— **Monica Franklin**, daughter of the late **Dr. Ursula Franklin** at the opening of the Ursula Franklin Pay Equity Reading Room on March 8, 2017.

10 AHEAD WITH RENEWED PURPOSE

As we look forward, the Pay Equity Office is committed to meeting its three key goals.

1 SUPPORT COMPLIANCE ACROSS ONTARIO WORKPLACES, WITH TARGETED ENFORCEMENT.

In 2017-18, the Office's compliance priorities include:

- Delivery of a monitoring program of Ontario companies participating in Ontario's Vendor of Record procurement programs, to ensure that they can provide evidence of compliance with the provincial legislation. The 2016 Report of the United Nations Secretary-General's High-Level Panel on Women's Economic Empowerment entitled *Leave No One Behind: A Call to Action For Gender Equality and Women's Economic Empowerment* highlighted the importance of government procurement programs in driving change towards women's equality. It noted that the public sector can lead by implementing policies to promote inclusive growth and women's economic empowerment, and by improving public sector practices in employment and procurement. Monitoring the businesses within Ontario's Vendor of Record procurement programs can assist by changing business culture and practices, and hold procurement decision makers accountable. This was also a recommendation of the Gender Wage Gap Strategy Steering Committee.

- Delivery of a monitoring program of Ontario-based companies who are part of the Federal Government contractors list, to ensure that they can provide evidence of compliance with the provincial legislation. In June 2016, the House of Commons' Special Committee on Pay Equity recommended that the Government of Canada draft proactive gender pay equity legislation, such that it applies to the federal public service, Crown corporations, all federally regulated companies with 15 employees or more, and companies participating in the Federal Contractors' Program. It further recommended that companies within the Federal Contractors' Program that already report to provincial jurisdictions with pay equity legislation, that could provide evidence

"ONTARIO HAS A TREMENDOUS OPPORTUNITY TO ONCE AGAIN TAKE THE LEAD ON WOMEN'S ECONOMIC ISSUES – A LEAD EVIDENCED 30 YEARS AGO WITH THE INTRODUCTION OF THE *PAY EQUITY ACT* IN 1987."

— Emanuela Heyninck, Pay Equity Commissioner at the reception to mark the 30th anniversary of the *Pay Equity Act*, January 25, 2017.

of compliance with the provincial legislation, should be exempted from federal pay equity plan, monitoring and reporting obligations.

2 FOSTER PARTNERSHIPS TO IDENTIFY INITIATIVES THAT WILL ADVANCE GENDER ECONOMIC EQUALITY IN ONTARIO.

In the upcoming year, there will be considerable attention paid to women's economic empowerment globally, nationally and provincially. The Office will leverage its relationships with its counterparts in Canada and the provinces, and continue its information exchanges with Australia, Germany, Iceland, Great Britain and the United States, to promote the importance of pay equity in this dialogue.

Working with ministry partners and stakeholders, the Office will build on the research and recommendations identified by the Gender Wage Gap Strategy Steering Committee. The Pay Equity Office has identified specific initiatives to complement forthcoming implementation that include research and outreach partnerships with Ryerson University's Center for Labour Management Relations and the University of Toronto's new Gender and the Economy Institute affiliated with the Rotman Business School. The Office has also identified new relationships with the United Nations' Global Compact Network on Sustainable Development Goal #5 – Women's Equality; Toronto Public Service Women's Network; Catalyst Canada and the International Labour Organization.

3 RUN A MODERN, ACCOUNTABLE AND EFFICIENT ORGANIZATION

The Office is committed to ongoing review of its service delivery for effectiveness and efficiency. The Office, like every provincial agency, is thoroughly reviewed once every six years, under the Agencies and Appointments Directive. The agency's mandate review commenced in early 2017 and will address:

- Whether, and the extent to which, the agency's mandate continues to be relevant to the goals and priorities of the Government of Ontario.
- Whether the agency is carrying out the activities and operations as required in its mandate.
- Whether all or part of the functions of the agency are best performed by the agency, or whether they might be better performed by a ministry, another agency or entity.

While that process continues, the Office will work to assist employers by modernizing its existing self-assessment tools, administrative procedures and compliance processes for achieving gender pay fairness. The Office will explore options to strengthen existing information technology products and make plans to create a new user-friendly tool for businesses to improve pay equity outcomes. Feedback received from employers, especially small businesses, suggests a need for improving ways for pay equity self-assessment through innovation. The Office will explore how employers' *Pay Equity Act* requirements can be better facilitated through new interactive applications.

It is likely that in 2017-18, there will be opportunities to discuss the Act, and the functioning of the Office, as the Ministry of Labour moves to implement the recommendations of the Gender Wage Gap Strategy Steering Committee. The Office will engage in this dialogue, to ensure that the role of pay equity and the role of an independent Commission is recognized in the context of women's economic empowerment.

11 CASELOAD STATISTICS

NEW CASES OPENED

Since 2014, the number of investigation cases (compliant applications and monitoring cases) opened at the Pay Equity Office has ranged between 255 and 282.

FISCAL YEAR	TOTAL	MONITORING	COMPLAINT APPLICATIONS	OTHER*
2014-15	272	177	95	0
2015-16	255	150	96	9
2016-17	282	213	63	6

*Pay Equity Hearings Tribunal (PEHT) cases include those cases returned from the PEHT for further investigation and applications for Notice of Inability to Achieve Pay Equity.

APPLICANT PROFILE

Since 2014, the number of complaint applications resolved ranged from 93 to 105.

FISCAL YEAR	TOTAL APPLICANTS	APPLICANT REPRESENTED AND/OR UNION	APPLICANT UNREPRESENTED EMPLOYEE	APPLICANT STATUS OTHER*
2014-15	95	50	45	0
2015-16	105	30	64	11
2016-17	93	31	61	1

*Includes employer applications, Notice of Inability to Achieve Pay Equity, plus new cases resulting from PEHT decisions.

SINCE 2011-12, A TOTAL OF $27.4 MILLION IN ADJUSTMENTS WAS IDENTIFIED BY THE PAY EQUITY OFFICE.

WORKPLACE COOPERATION AND COMPLIANCE

In 2016-17, 91 per cent of cases concluded without an order, or were found to have no contraventions of the Act, were abandoned, or were successfully settled. In 2015-16, 84 per cent of cases were similarly concluded.

Of the total cases resolved in 2016-17, four per cent of cases proceeded to the Pay Equity Hearings Tribunal. They were either referred by the Pay Equity Office or taken by the parties disputing a Review Officer's decision.

PAY EQUITY OFFICE YEAR-END SUMMARY 2016-17

Orders Required	**28**
Pay equity adjustments identified	**$5.4 million**
Number of employees receiving adjustments	**1,237**

CASES OPEN

Complaint applications	**63**
Monitoring	**213**
Cases returned from PEHT	**5**
Notice of Inability to Achieve Pay Equity	**1**

CASE CLOSURES

Complaint applications	**93**
Monitoring	**205**
Cases returned from PEHT	**4**
Notice of Inability to Achieve Pay Equity	**0**

CASE DISPOSITIONS

Compliance without order	**151**
Complaint applications decided	**86**
Withdraws	**30**
PEO referral Cases to PEHT	**2**
Parties disputing Review Officers' decision	**10**