Ontario

PAY EQUITY OFFICE

BUSINESS PLAN 2016-2017

STRATEGIC PLAN 2017-18 to 2018-19

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Table of Contents

Section ***Page***

INTRODUCTION 3
ABOUT THE PAY EQUITY OFFICE 4
STRATEGIC DIRECTION 5
ACTIVITIES INVOLVING STAKEHOLDER GROUPS 6
OVERVIEW OF CURRENT AND FUTURE STRATEGIC PROGRAMS AND ACTIVITIES 7
ORGANIZATIONAL STRUCTURE 9
ENVIRONMENTAL SCAN 10
RISK IDENTIFICATION, ASSESSMENT AND MITIGATION STRATEGIES 13
HUMAN RESOURCES PLAN 15
INFORMATION TECHNOLOGY/ELECTRONIC SERVICE DELIVERY PLAN 15
COMMUNICATION PLAN 15
APPENDIX A – MULTI-YEAR FINANCIAL RESULTS 16
APPENDIX B – FTE CAP 18
APPENDIX C - PERFORMANCE MEASURE REPORTING 19

INTRODUCTION

On April 15, 2015, the Minister of Labour appointed the Commissioner of the Pay Equity Commission (PEC) as one of four members to a Gender Wage Gap Strategy Steering Committee. The Committee's role is to make recommendations to the Minister on ways to close the gender wage gap to build on a mandate requirement to develop a wage gap strategy "that will close the gap between men and women in the context of the 21st century economy." The Committee is to examine how the gender wage gap affects women at work, how they engage with their families and their community, and how government, business, labour, other organizations, and individual leaders can work together to address the conditions and the systemic barriers that lead to the gap. Recommendations are due in May of 2016. The Pay Equity Office (PEO) was asked by the Minister to dedicate resources to the Committee. The PEO's temporary project team will continue to support the project until then.

The inclusion of the Commissioner and PEO staff for this initiative has provided the agency with unprecedented profile as well as an opportunity to share our expertise with the Steering Committee on research and knowledge that the PEO has acquired. In 2016-17, the agency will monitor the result of these recommendations and how the implementation process will occur, including any immediate impacts on the PEO.

In January 2016, the PEO received the decision of the Pay Equity Hearings Tribunal (PEHT) in PEHT Case No: 3696-10-PE Ontario Nurses' Association, and PEHT 1507-11-PE Service Employees International Union v Participating Nursing Homes. The decision clarifies the interpretation of the proxy provisions of the *Pay Equity Act (the Act)* as it affects Broader Public Sector (BPS) employers. The PEO is reviewing and assessing the impact of this decision on current and future cases both from a legal and operational perspective.

The PEO's Business Plan continues to focuses on the agency mandate of enforcing the *Act* and ensuring that the resources allocated can be used efficiently to meet expectations.

ABOUT THE PAY EQUITY OFFICE

The Pay Equity Commission (PEC) was established by section 27 of the *Pay Equity Act*, 1987, S.O. 1987, c.34 and is continued by subsection 27(1) of the *Pay Equity Act*, R.S.O.1990, c.P.7. (the *Act*) as amended. The Commission consists of two separate, independent parts: the Pay Equity Office (PEO) and the Pay Equity Hearings Tribunal (PEHT). The PEO is responsible for administering and enforcing the *Act*. The Tribunal is responsible for hearing and deciding all questions of fact and law arising under the *Act*. The PEO is classified as a regulatory agency. The PEHT is a quasi-judicial tribunal governed by the *Adjudicative Tribunals Accountability and Governance Act*. This Business Plan relates only to the PEO.

To carry out its enforcement mandate, the PEO investigates pay equity complaints, attempts to resolve disputes and makes such orders as are necessary to effect compliance. The PEO also monitors employers to assess compliance. The PEO provides educational resources and general advice in both official languages to assist employers, employees and bargaining agents in achieving and maintaining pay equity in their workplaces.

The *Act* also specifies that the PEO may conduct research and produce papers concerning any aspect of pay equity and related subjects and make recommendations to the Minister on these matters.

The most recent Memorandum of Understanding (April 2011), re-affirmed September 2014, sets out the PEO's accountability to the Minister of Labour and the Government of Ontario and the parameters of its independence from the Ministry of Labour. Our strategic objectives, as set out in our Business Plan, are aligned to the Ministry's mission and mandate.

PEO Vision

Advance gender economic equality in Ontario.

PEO Mission

The Office promotes the principles of gender economic equality by ensuring compliance with the *Act* through enforcement, effective case and complaint management, understanding gender wage gap through research and promoting awareness of the economic position of Ontario's working women.

STRATEGIC DIRECTION

In keeping with its current strategic direction, in 2016-17 the PEO will continue to:

I. *Foster partnerships to identify initiatives that will advance gender economic equality in Ontario*

Outcome Goal: Strategic initiatives that provide a framework for addressing pay equity issues and support the reduction of the gender wage gap in Ontario.

Working with ministry partners and stakeholders, the PEO will build on the research and recommendations identified by the Gender Wage Gap Steering Committee. Depending on the on-going level of participation as the Strategy emerges, the PEO may identify specific initiatives that the PEO can undertake to complement forthcoming implementation.

II. *Support compliance across Ontario workplaces, with targeted enforcement.*

Outcome Goal: Innovative enforcement and compliance programs influenced by data analytics that identify priority areas.

The PEO will continue to deliver effective compliance and monitoring programs, based on priorities that are determined through data analytics. The PEO will continue to leverage its e-learning platform to ensure that learning resources are available and accessible.

III. *Run a Modern, Accountable and Efficient Organization*

Outcome Goal: Excellent and consistent service through a skilled and diverse workforce and effective operations.

The PEO actively participates in government initiatives that builds and engages its workforce. The Office supports continuous learning for all staff and regular staff meetings ensure that key priorities are communicated. As part of our data analytics, the Office will continue to look for process efficiencies, leveraging technology where possible.

ACTIVITIES INVOLVING STAKEHOLDER GROUPS

External Organizations

The PEO has partnered with key professional associations to ensure that up-to date/relevant information about the *Act* is provided to their members. In 2016-17, the office will continue to work with the Human Resources Professionals Association (HRPA) to provide regional information sessions through their chapters and to the Compensation community through Ontario regional chapters of WorldatWork. Additional partnerships with associations such as the Canadian Payroll Association will be further developed.

Inter-governmental Activities

The PEO maintains contact with representatives from other Canadian and international jurisdictions to track emerging wage gap initiatives and exchange best practices. The PEO is in regular communication with counterparts in Quebec, New Brunswick, Australia, Germany and various states in the USA to exchange information of mutual interest.

Intra-governmental Partnerships

The PEO has sought out Ontario ministries and agencies that share common stakeholders and will continue to explore opportunities for joint education and outreach activities. The PEO will continue to connect with Ministry partners to ensure that existing outreach and education partnerships are maintained (Ministry of Labour, Ministry of Economic Development, Employment and Infrastructure, Ontario Women's Directorate, and Ontario Human Rights Commission).

OVERVIEW OF CURRENT AND FUTURE PROGRAMS AND ACTIVITIES

Review Services

Current enforcement activities comprise of investigating complaints and pro-active monitoring. To maintain performance commitments, the PEO continues to develop internal tools and updated operational policies to support Review Officers in finalizing decisions in a timely manner. Monitoring priorities will be identified through data analytics of case file trends.

In 2016/17 the PEO's monitoring priorities include:

- Continuation of a monitoring program of selected public sector agencies
- Continuation of a monitoring program of employers that had an apparent wage gap from the PEO's Wage Gap Pilot Program.
- Targeted follow-up to selected employers who were part of our 2014/15 outreach and awareness initiative, helping those employers to establish compensation practices that provide for pay equity. This new program is known as the "New Employer Monitoring Program".

Outreach and Awareness

Outreach and awareness serves a role informing employers, employees and unions about their roles, rights and responsibilities under the *Act* and the first step in a compliance continuum.

The PEO continues to evaluate its web-based materials to ensure that they are up-to date. In 2016-17, the PEO website will move to a new platform that will allow ease of update and allow for future interactive resources. As part of Open Government, the PEO will be posting decisions on our website in 2016/17.

In 2016-17, there are four priority areas:

1. Outreach to new businesses – The PEO will repeat its outreach campaign to target new businesses through a letter and brochure on PEA requirements.
2. Supporting Small Businesses – The PEO will partner with MOL's initiatives to provide information and support to small businesses on PEA requirements
3. Information to industry professionals – The PEO will continue to partner with professional associations to provide technical information on the PEA
4. Outreach to employees – The PEO will undertake a campaign to reach employees on understanding the purposes of the *Act* and steps they can take to file a complaint.

Research

Gender Wage Gap Grant Program

The PEO's Wage Gap Grant Program continues to advance understanding of the causes or contributors to Ontario's gender wage gap. In 2016/17, the Program will pursue issues identified in the Gender Wage Gap Strategy consultation process that have a bearing on pay equity and compensation practices.

PEO support to Government's Gender Wage Gap Strategy mandate

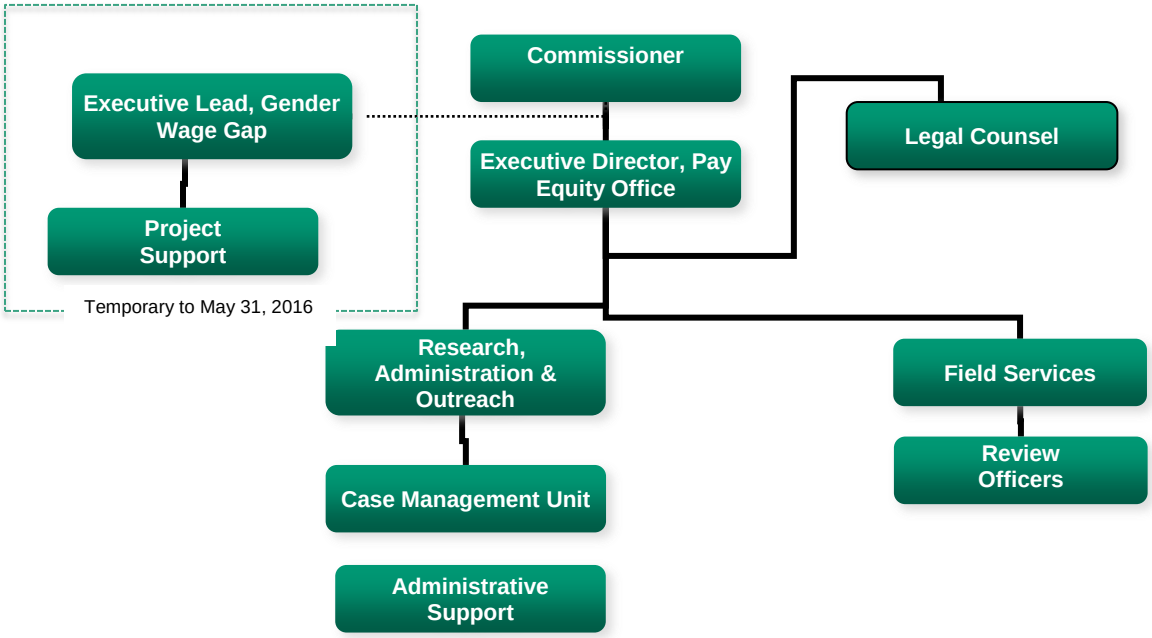
In 2015/16, the PEO contributed three resources to the project team to support the work of the Gender Wage Gap Strategy Steering Committee as requested by the Minister. This support will continue until the conclusion of the Committee's mandate in late spring of 2016. It is expected that the Ministry of Labour will determine its wage gap strategy during the latter part of 2016 and the PEO anticipates that further contributions and engagement will be identified during that process.

The PEO will continue to develop its expertise in pay equity and its impact on closing the gender wage gap and continue to have active dialogue with interested stakeholders.

PEO Technical Committee on Compensation

In 2015/16, planning began for a technical advisory committee on contemporary compensation trends and practices and its impact on pay equity and the gender wage gap. The committee will be composed of industry experts and is intended to be an information sharing vehicle for the PEO. In 2016-17, the PEO will finalize the terms of reference and set up an inaugural meeting.

ORGANIZATIONAL STRUCTURE
Organizational Structure (2016/17)



Total FTE Complement: 25

ENVIRONMENTAL SCAN

External Factors

1. **Government mandate for a wage gap strategy**

   The Pay Equity Commissioner is actively engaged with Ministry of Labour's mandate to make recommendations for the development of a strategy to close Ontario's Gender Wage Gap. This mandate has raised the profile of the agency and drawn attention to the requirements of the *Act* as it currently exists. It is possible that recommendations from this strategy may involve the Commissioner and/or agency resources.

2. **Ministry of Labour's Changing Workplaces Review**

   In addition to the Gender Wage Gap Steering Committee, the Ministry of Labour's Changing Workplaces Review is examining the *Employment Standards Act* and the *Labour Relations Act, 1995*. The PEO continues to monitor this Review as many of the emerging themes on workplace relationships and legislative protections have an indirect bearing on the *Act* and may influence how the *Act* is interpreted.

3. **Provincial Economic Outlook**

   Although Ontario is showing potential economic growth for the near future, the current business environment is challenging. As businesses focus on viability, regulatory requirements become difficult to enforce without widespread outreach. Recent PEHT decisions affecting the proxy sector, coupled with lack of funding for pay equity liability in the proxy sector may require more outreach resources.

4. **Age of the legislation**

   The *Act* continues to be known as a model however, there have been no amendments since 1993 to accommodate the many changes to jobs and employment structures, making maintenance in both the private and public sectors difficult. This is further complicated by the fact that the *Act* does not set out time limits for initiating complaints, and there is no cap on retroactivity of adjustments when employers have not met the *Act's* requirements. These issues present significant and ongoing barriers to timely enforcement, making stakeholder engagement and compliance difficult.

Internal Factors

1. Fiscal Responsibility

The PEO continues to focus on work within its fiscal envelope. The release of the Gender Wage Gap Strategy recommendations to the Minister may result in more interest on the agency's service delivery.

2. Pay Equity Hearings Tribunal (PEHT) decisions

Decisions from the PEHT that provide clarification around the *Act's* interpretation can have a significant impact on PEO operations, both from a process and training perspective. In 2015 and early 2016, the PEHT issued several decisions regarding pay equity plans adopted by the nursing home sector, and noted issues of delay in bringing forward complaints by employees/unions and delay in the PEO's investigation/decision-making process.

The most recent PEHT decision (referred to in the introduction) considered the application of the proxy provisions of the *Act* and particularly the meaning of maintenance for those organizations that used the proxy method of comparison in the nursing home sector. The PEHT held that maintaining pay equity for proxy plans does not require continual comparisons between organizations and their proxy establishments and that this interpretation of the *Act* did not contravene section 15 of the Charter.

The PEHT confirmed that maintenance was required under the proxy method of comparison. The 27 affected nursing homes and their unions were given nine months to negotiate an amendment to their pay equity plan to provide for a gender neutral comparison system (GNCS) for maintenance purposes.

Given the deficiencies found in the plans in use in the nursing home sector and given the clarification of maintenance requirements for the BPS, the PEO anticipates that there may be an increase in applications for non-compliance from other proxy sectors.

3. Turnover of PEO Staff and Knowledge Transfer

Staff turnover at the PEO continues at a higher rate than the OPS average. Recruitment of experienced and expert individuals to fill the senior review officer position is underway to ensure adequate capacity to deal with complex files. The PEO has developed a robust training plan and continuous training for newer hires has been maintained. As vacancies occur, the PEO recruits according to its human resources plan.

4. Rate of Applications

The number of complaint applications has fluctuated in the last few years, making projections of caseload inventory difficult. Complaints can be precipitated by union interaction, follow-on from PEHT decisions, or by awareness-raising campaigns launched by the PEO.

In 2016-17, the Office will continue to reach out to new employers through its Monitoring Program and in the delivery of information sessions across the Province. It is anticipated that the delivery of the Gender Wage Gap Strategy Recommendations may also trigger interest and outreach about the services provided by the agency.

RISK IDENTIFICATION, ASSESSMENT AND MITIGATION STRATEGIES

Identified Risk	Agency Mandate/ Objective	Likelihood/ Impact	Overall Impact	Mitigating Strategies	Mitigation Lead	Target Date
1. Impact of pending PEHT and future Judicial decisions Decisions impacting how a Review Officer conducts investigations and the information required Category: Operational	Effective enforcement	Medium likelihood High impact	Medium risk	• Recent PEHT decision has been released; office review of operational impact underway	Exec Director / Counsel	On-going
2. Loss of expert knowledge due to staff turnover Category: Operational	Effective enforcement	Medium likelihood High impact	Medium risk	• Recruitment of new Senior Review Officers • On-going knowledge transfer of Senior Review Officers to Initial Review Officers, as part of the Human Capital Plan	Executive Director	As required

Identified Risk	Agency Mandate/ Objective	Likelihood/ Impact	Overall Impact	Mitigating Strategies	Mitigation Lead	Target Date
3. Lack of awareness that *Pay Equity Act* still exists and maintenance obligations Category: Operational	Effective enforcement Education & Communications	High likelihood Medium impact	Medium risk	• Provide in-depth experiential information sessions by Senior Review Officers to HR community and academic organizations whose membership is composed of those who implement pay equity • 2015/16 outreach program to new employers plus follow up monitoring to ensure employers who have recently reached 10+ employees have adapted their compensation practices to provide for pay equity	Executive Director & Manager, Administration	Launched Spring, 2015
4. Lack of data analysis on case files to identify impacts and trends Category: Operational	Effective enforcement	Low likelihood Low impact	Low risk	• In Dec 2015, a temporary role for case file analysis was established	Exec Director/ Manager Administration	underway

HUMAN RESOURCES PLAN

The PEO will continue to develop and manage its human resources by assessing and developing an organizational structure that efficiently delivers effective programs within mandate. Ongoing training is provided to staff to ensure competence, a strong skills base in enforcement and timely decision-making. A comprehensive training program for new Review Officers continues to be administered and new Officers are mentored by Senior Officers in order to build the appropriate competencies and skill sets.

INFORMATION TECHNOLOGY/ELECTRONIC SERVICE DELIVERY PLAN

Information Technology

The PEO uses a customized version of FileMaker Pro for its case management. Upgrades allowing for greater functionality were made in 2015/16 and ongoing training continues to ensure that all staff utilize the new features.

The agency continues to leverage social media through its Twitter account and build a focussed mailing list for our “What’s New” newsletter (also posted on website).

Electronic Service Delivery

The agency’s website will migrate to a SharePoint site by the end of the fiscal year 2015/16, enabling our Office to update information on our website regularly and allow for more interactivity. The agency has met its *Accessibility for Ontarians with Disabilities Act* (AODA) requirements and continues to monitor the Accessibility Plan (posted).

COMMUNICATIONS PLAN

A communications plan will be developed for key initiatives identifying audience, approach and messaging. For 2016-17, key initiatives with a communications impact are as follows:

1. Gender Wage Gap Grant Proposal (broad outreach to targeted audience and stakeholders)
2. Equal Pay Day 2016
3. Outreach initiatives regarding the *Act* to targeted audiences

Appendix A - Multi-Year Preliminary Planning Base

Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Service	Supplies & Equipt.	Total ODOE	Transfer Payment	Sub-Total	TOTAL
Pay Equity Office	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Program Sub-total	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Lease					234.3		234.3		234.3	234.3
Grand Total	***25.0***	**2,347.1**	**266.1**	**50.0**	**366.5**	**20.0**	**436.5**	**50.0**	**3,099.7**	**3,099.7**

Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Services	Supplies & Equipt.	Total ODOE	Transfer Payment	Sub-Total	TOTAL
Pay Equity Office	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Program Sub-total	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Lease					234.3		234.3		234.3	234.3
Grand Total	***25.0***	**2,347.1**	**266.1**	**50.0**	**366.5**	**20.0**	**436.5**	**50.0**	**3,099.7**	**3,099.7**

Program/Region	*FTE*	Salaries & Wages	Benefits	Transp. & Comm.	Services	Supplies & Equipt.	Total ODOE	Transfer Payment	Sub-Total	TOTAL
Pay Equity Office	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Program Sub-total	*25.0*	2,347.1	266.1	50.0	132.2	20.0	202.2	50.0	2,865.4	2,865.4
Lease					234.3		234.3		234.3	234.3
Grand Total	***25.0***	**2,347.1**	**266.1**	**50.0**	**366.5**	**20.0**	**436.5**	**50.0**	**3,099.7**	**3,099.7**

APPENDIX B – FTE CAP

Compensation Group	2016-17	2017-18	2018-19
	Regular FTE	Regular FTE	Regular FTE
SMG/ITX	2.0	2.0	2.0
MCP & Excluded	15.0	15.0	15.0
OPSEU	3.0	3.0	3.0
AMAPCEO	3.0	3.0	3.0
ALOC	1.0	1.0	1.0
OIC	1.0	1.0	1.0
TOTAL	**25.0**	**25.0**	**25.0**

APPENDIX C - PERFORMANCE MEASURES REPORTING

Outcome	Measure	2014-2015 Achieved	2015-2016Target	2015-2016 *Status as of February 26, 2016*	2016-2017 2017-2018 2018-2019 Annual Targets*
Employers, unions and employees work collaboratively to address emerging pay equity issues	Percentage of cases where compliance achieved without Order, no contraventions, settled.	94%	85%	89.4%	Target 85%
	New: Percentage of closed Wage Gap Monitoring files where employer proactively implemented pay equity		10%	TBD	10%
Employers take corrective action to become pay equity compliant	Number of pay equity cases resolved.	228	340	*248*	340
Program services are delivered in a timely professional, knowledgeable and cost effective manner	1. Time spent to resolve all files: % files resolved <3 years	Target 90% Achieved 72%	90%	*91.2%*	90%
	% of complaint cases resolved within 24 months	Target 80% Achieved 77%	80%	*88.4%*	80%
	2. % of cases where Review Officer decisions were not changed by Pay Equity Hearing Tribunal	Target 90% Achieved 94%	90%	66%	90%