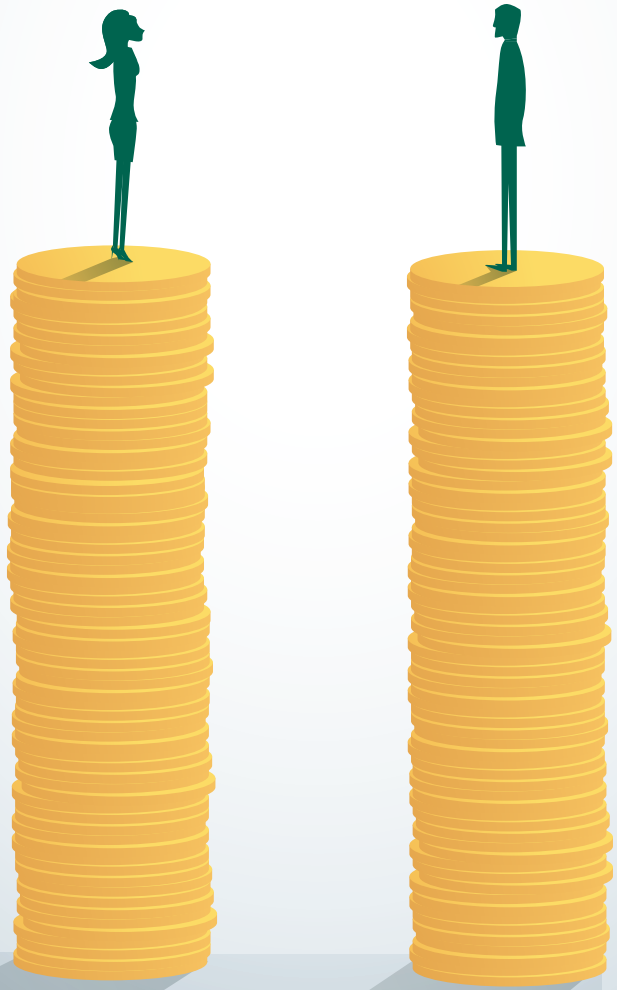
PAY EQUITY COMMISSION ANNUAL REPORT 2017-2018



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1 COMMISSIONER'S MESSAGE

SINCE 1987 AND FOR THE PAST THIRTY YEARS, ONTARIO'S PAY EQUITY OFFICE HAS WORKED TO ADVANCE WOMEN'S EQUALITY THROUGH ITS ENFORCEMENT, EDUCATION AND RESEARCH MANDATE.

Every year, at annual report time, we have an opportunity to reflect on the work that we do and how that work contributes to the public interest. It is with great pleasure that I take this time to share with the public, our contribution to women's economic empowerment.

Women's economic empowerment has become a prominent social and economic policy issue globally because of the growing recognition that tapping into the potential of women will significantly contribute to economic growth. In 2016, several Ontario ministries were mandated to work together to develop a women's economic empowerment strategy that included looking at measures to close the gender wage gap.

As we marked our 30th anniversary throughout 2017-18, we continued to showcase the work of the Office and the important role that pay equity plays in addressing the gender wage gap.

In 2017-18 we took every opportunity to participate and influence this dialogue: through briefings with representatives from each of the provincial political parties; through submissions to the various legislative and other bodies, both provincial and federal, that were studying women's economic issues; and through liaising with stakeholders about our role and our work. The focus of many of our presentations was to emphasize the importance of data collection and reporting in order to improve enforcement and education outcomes.

It is important to note that 30 years ago, the passage of the Act received all party support. This continues to be the case as shown by the encouraging messages in the Legislature made on Equal Pay Day, April 11, 2017.

Over the year, we noted the significant support from a variety of sources – business organizations, unions, leading academics - about the need to enhance and strengthen the Pay Equity Act and the Pay Equity Office. A review of stakeholder submissions made during the legislative committee hearings on the proposed Pay Transparency Act in Spring 2018 made it clear that the Commission was considered the most effective and efficient way to ensure that Ontario, like other leading jurisdictions, benefits from gender equality, equal pay, pay equity and pay transparency.

Looking inward, the Office continues its work in investigating complaints and monitoring employers in various sectors to assess levels of pay equity compliance. Our Review Officers continue to work with workplace parties to assist them in

understanding their obligations and incorporating pay equity into their current pay practices. Over this fiscal period the Office almost doubled the number of cases opened, from 282 to 435 new cases, identifying over $3 million in adjustments benefitting 900 employees in female dominated jobs. The rate of compliance without ordering continues to surpass 90%, indicating that employers are engaging with our Review Officers as they assess their compensation practices for pay equity.

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.

I would say however, that despite our best efforts it remains a significant challenge to reach all of the many thousands of organizations, both public and private, that fall under the jurisdiction of the Act.

The legislation, while important, has not been revisited since 1993. Many changes have occurred in the workplace that make it imperative to modernize and extend the reach of the Act to fully capture all of the potentially discriminatory compensation practices that have emerged and to co-ordinate enforcement efforts with other regulatory agencies who interact with businesses. Productivity would be greatly enhanced if employers reported on their activities on a regular basis through user-friendly technology.

In 1996, Jean Read, who was tasked to review the Act and its mandate, noted:

> *Complaints-based equal pay legislation assumes a few rotten apples. Pro-active legislation assumes there is something wrong with the barrel and requires employers and unions to examine and fix it.*[1]

These words continue to ring true today. They are echoed by the Ontario Chamber of Commerce who has taken a leadership role in highlighting the importance of pay equity. The Chamber's observations about the difficulties employers have in understanding their responsibilities in achieving compliance is one I have signalled previously. We echo their position that to improve the ability of employers to address pay equity, there needs to be sufficient and dedicated resources towards improving awareness and accountability under the Pay Equity Act by enhancing the power and reach of the Pay Equity Office and by making use of technology to assist employers in assessing and reporting on pay equity.

As we move forward our goal will be to continue to build on the widespread support for our Office and the Act and promote more effective ways to meet our legislative mandate. 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.

It has been an honour to lead this long-standing, valuable organization focussed on enforcing equal pay for work of equal value.

Respectfully Submitted

Emanuela Heyninck

"WITHOUT A DOUBT, ACTIVE ENFORCEMENT OF THE PAY EQUITY ACT WILL LEAD TO A NARROWING OF THE GAP AND WILL BUILD A MORE PROSPEROUS AND FAIR ONTARIO FOR EVERYBODY IN THIS PROVINCE, REGARDLESS OF GENDER."

– **Kevin Flynn**, Ontario's Minister of Labour, on Equal Pay Day, April 11, 2017.

1 Read, J. M. (July 5, 1996). *Review of the Pay Equity Act*. Toronto: Government of Ontario. At p. 12.

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 April 1, 1987, Bill 105 was consolidated into Bill 154 "An Act to provide for Pay Equity in the Broader Public Sector and the Private Sector" through a series of motions. On June 15, 1987, Bill 154 received and passed Third Reading, receiving Royal Assent on June 29, 1987, and was proclaimed into law 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. It represents an acknowledgement of the inherent societal value in correcting workplace gender discrimination. And it is evident that the law is still required. In the past three years alone, employees in female-dominated job

"EVERY EMPLOYER WITH MORE THAN 10 EMPLOYEES HAS A LEGAL OBLIGATION TO COMPLY WITH *THE ACT*..."

– **Peggy Sattler**, NDP Critic for Women's Issues, on Equal Pay Day April 11, 2017

"OUR PARTY IS CONCERNED ABOUT GENDER PAY EQUITY... [WE WILL] TAKE A LONG LOOK AT THIS PARTICULAR PIECE OF LEGISLATION TO SEE WHETHER WE COULD NOT FIND A BETTER WAY TO ACHIEVE THE GOALS THIS LEGISLATION PURPORTS TO ADDRESS."

- **Michael Harris**, MPP for Nipissing at the Third Reading of the *Pay Equity Act*, June 15, 1987.

classes have received over $15 million in compensation adjustments through the Pay Equity Office's efforts. For employees it is certainly worth it.

Addressing gender equity 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 equity 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.

Attracting, retaining and motivating women workers and improving their economic outcomes is important for businesses' competitiveness, as women are a critical human resource for filling existing and future workforce. For employers it is certainly worth it.

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. For Ontario, it is certainly worth it.

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 identifying 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, 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. Her current appointment expires November 30, 2018. 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 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

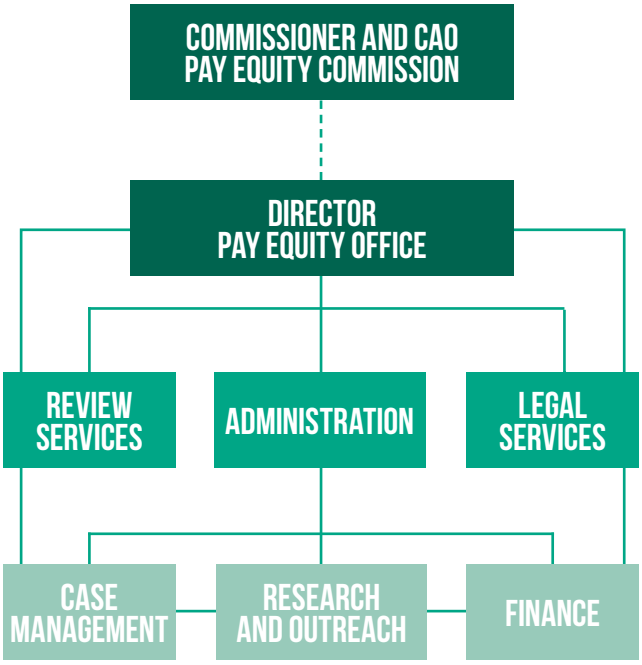
The Office is committed to ensuring all members of the public have equal access to its services, and are treated with dignity and respect, including accommodation required under the Accessibility Act for Ontarians with Disabilities Act, 2005 (AODA). In keeping with requirements under the AODA, the Pay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

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

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

STAFFING

Over the past two fiscal years, the Office has on-boarded 11 new Review Officers. Ongoing training and peer reviews have been provided. 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 or issuing orders for compliance;
- Monitoring establishments for compliance with the provisions of the Act;
- Referring Orders to the Pay Equity Hearings Tribunal for enforcement;
- Providing key information and educational resources to employers and employees about pay equity and pay equity processes;
- Delivering research about pay equity and the gender wage gaps to employers, employees, bargaining agents and the general public;
- Responding to requests from the Minister to prepare 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 over 30 years, the work of the Pay Equity Office continues to deliver 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 routinely.

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 programmes, monitoring files are regularly opened following the resolution of a complaint investigation, where there is information that the establishment has not achieved or maintained pay equity for all female job classes.

The 2017-18 monitoring activities included: completion of the investigations of classified government agencies; and a sample of new employers who had been in business for a minimum of three years; In addition, new monitoring activities included:

1 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 UN 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. 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.

2 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 Ontario Pay Equity Act.

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

3 New Employer Monitoring Program focused on employers who have been in business for three years, have 10 or more employees, and are located in specified municipalities within Western Ontario, Eastern Ontario and Northern Ontario.

The key benefit to contacting new employers was to raise awareness and compliance of pay equity while a company is new. Early compliance minimizes the risk of large adjustments being paid out should it be deemed that Employers are not in compliance.

In 2017-2018, 901 employees received more than $3.3 million in identified adjustments as a result of Pay Equity Office workplace investigations. **(See Section 11 for our Caseload Statistics)**.

COMPLAINT APPLICATIONS RECEIVED AND CLOSED

PEO received 56 complaints, of which 42 per cent were from unions and/or their members and 58 per cent from unrepresented parties. Sixty-five complaint cases were closed during the fiscal year. Ninety-four per cent of cases achieved compliance without requiring the Review Officer to issue an Order.

MONITORING CASES OPENED AND CLOSED

In 2017-18, 373 new monitoring cases were opened and 249 monitoring cases were closed. Twelve cases required an Order to achieve compliance.

TIME TO CLOSE FILES

Review Officers continue to focus on narrowing the time to resolve cases.

PEO INVESTIGATIONS (COMPLAINTS) RESOLVED WITHIN 24 MONTHS
(% within 24 Months) (2014-15 to 2017-18)

	14-15	15-16	16-17	17-18
% complaint cases resolved within 24 months	55%	80%	81%	68%

PEO INVESTIGATIONS (COMPLAINTS AND MONITORING)
Average Time To Resolution (# of months) (2014-15 to 2017-18)

	14-15	15-16	16-17	17-18
Average Time To Resolution (# of months)	12.4	18.8	12.4	12.3

"IN A COMPLETELY FREE-MARKET SYSTEM, WOMEN WOULD BE PAID THEIR PROPER WORTH BASED ON WORK PERFORMED, AND NOT LESS BECAUSE THEY ARE WOMEN. PAY EQUITY IS ABOUT MONEY AND THAT MAKES IT VERY PRACTICAL. IT'S ABOUT DOLLARS AND CENTS."

– **Brigid O'Reilly,** former Pay Equity Commissioner

WHAT'S NEW E-NEWSLETTER

The Office delivers information and updates via its "What's New" e-newsletter. The newsletter is circulated bi-monthly to approximately 2,000 persons. In addition, staff are responsible for delivering general information to the public through our telephone lines and email inbox, responding to over 1000 individual pay equity related enquires.

RESEARCH & OUTREACH: ADVANCING GENDER ECONOMIC EQUALITY

Communicating the purpose and obligations of the Pay Equity Act is embedded in the mandate and work of the Pay Equity Office. The Office utilized various channels of communication to inform employers, bargaining agents, employees and interested parties about the implementation and maintenance of pay equity.

In 2017-18, the Office started contacting employers and unions with expiring collective agreements, through the use of a questionnaire. The purpose of the PEO questionnaire was to:

1. raise awareness of the Act with employers and unions during the PEO's 30th anniversary year;
2. highlight the information resources and staff supports provided by PEO;
3. gauge the way the parties engage on pay equity issues; and
4. estimate the extent to which parties are using resources or tools provided by PEO and their satisfaction with these resources.

WEBSITE

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. An analysis of the website was completed in 2017-18 to determine how to improve it. 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 visited approximately 5,470 times a month in the last fiscal year. The number of users of the website was 44,973.

INFORMATION SESSIONS & CONFERENCES

Ontario's leadership in pay equity is one of Ontario's competitive advantages. All staff, including the Commissioner, engage in activities that bring awareness of pay equity and its supporting business case to the public, to stakeholders and to workplace parties in a variety of forums. Some of the information sessions and conferences where the Pay Equity Office was engaged included:

In April 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 equity and on-line reporting systems used by businesses in various competitor jurisdictions could be used in Ontario.

In September 2017, the Pay Equity Office attended the launch of the Equal Pay International Coalition (EPIC) during the 72nd Session of the UN General Assembly. EPIC includes senior Government (elected and non-elected) and UN officials, senior officials from other International Organizations, top business executives and leaders of trade unions and employers' organizations, civil society and individuals that have been instrumental in promoting and implementing equal pay policies. Consensus among meeting participants was that equal pay for work of equal value was central to realizing equality, women's economic

"...QUEBEC HAS HAD ONLINE PUBLIC REPORTS ON PAY EQUITY COMPLIANCE SINCE 2011... IT APPLIES TO ALL BUSINESSES WITH AN AVERAGE OF 10 EMPLOYEES OR MORE."

– **Lorne Coe**, PC MPP, Second Reading of Bill 3.

empowerment, reducing poverty and beneficial to the economy and no single actor alone would be able to solve the complexities of equal pay for work of equal value.

In January 2018, the Office delivered a presentation to the 2nd Annual Canadian Women in Management Conference at the Rotman School of Management on how to best assist small/medium-sized enterprises with a gender analytical tool so businesses can more readily achieve pay equity compliance and attract, retain and motivate talented female employees.

In February 2018, the Office answered hundreds of individual inquiries at the Human Resources Professionals' Association (HRPA) 2017 Conference in Toronto from conference-goers. Staff offered information on the requirements of the Act and the services provided by the Office.

CONTRIBUTING TO GOVERNMENT PRIORITIES

A. Pay Transparency

In March 2018 the Minister of Labour introduced Bill 3, The Pay Transparency Act to help address biases in hiring and pay setting, and promote fairer compensation practices in the private and the public sectors. Throughout the legislative process (debates in the Ontario Legislature and submissions to the Standing Committee on Social Policy), pay equity was central to the discussion of pay transparency.

"Accountability can be achieved through the requirement to be transparent both to an organization's employees and to our Office as the Province of Ontario's regulator by requiring the filing of regular pay equity reports that detail the workforce and compensation structure of the organization to show how it has met its legislative obligations... Pay transparency is an enforcement tool to enhance employee rights and support pay equity goals."

– **Emanuela Heyninck**, Commissioner, Submission to the Standing Committee on Social Policy, Consideration of Bill 3.

B. Bill 148 and Changing Workplaces

In 2016-17, the Commissioner made a Submission to the Special Advisors of the Changing Workplaces Review to recommend the transfer of the gendered "equal pay for equal work" provisions in the Employment Standards Act to the Pay Equity Act. In 2017-18 with the introduction and passage of Bill 148 "An Act to amend the Employment Standards Act, 2000 others, the Office offered advice at the request of the Ministry on how to conduct compensation analyses for job comparison purposes. Many of the emerging complications on workplace relationships and new 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 fourth grant cycle in 2017-18. The grant program is a cost-effective engagement with leading innovative researchers across Ontario on better understanding the gender wage gap and how the earning potential of Ontario's working women can be maximized. Current research is part of the Office's wider mandate.

Since 2014, this program has funded eight projects.

2017-18 GRANT RECIPIENTS WERE:

- Principal **Dr. Joanne Leck** and co-lead **Dr. Peruvemba Jaya** from the University of Ottawa. Titled: Closing the wage gap by negotiating better starting salaries, the research objective was to demonstrate that women who are mentored on salary negotiations will have higher salary expectations and hence will negotiate higher initial salaries.

- **Dr. Phillipa Kah-Yee Chong** from McMaster University. Focused on pay equity in the Innovation-driven sector of creative-economy entrepreneurialism, the study focused on how the cultural construction of skill and competency, embodied in the ideal worker image, affect women and racial minorities differently in terms of economic rewards.

5 PAY EQUITY IMPACT

IN 2017-18, MORE THAN $3.3 MILLION PAY EQUITY ADJUSTMENTS WERE IDENTIFIED AS A RESULT OF PAY EQUITY INVESTIGATIONS.

Since 2011, the Pay Equity Office has investigated over 775 complaints and conducted 1,362 monitoring cases. The total adjustments identified over the last seven years is approximately $30.7 million. More than 9300 employees in female job classes have received adjustments.

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	TOTAL
COMPLAINT CASES RESOLVED	170	171	99	100	89	93	53	775
MONITORING CASES RESOLVED	275	177	120	128	208	205	249	1,362
ADJUSTMENTS (MILLIONS OF DOLLARS)	$2.6	$3.4	$4.2	$5.0	$6.8	$5.4	$3.3	$30.7
EMPLOYEES RECEIVING ADJUSTMENTS	N/A	1,247	1,944	2,076	1,899	1,237	901	9,304

6 PERFORMANCE MEASURES

In 2017-18, the Pay Equity Office served the public interest by helping individuals, businesses and unions learn about pay equity compliance. 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.

Timely results are essential for working women, inclusive growth, Ontario's economic competitiveness, and sustaining diverse and productive workplaces. The Pay Equity Office reports on quality of outcomes and efficiency:

% OF PEO CASES RESOLVED WITHOUT REQUIREMENT FOR AN ORDER

Ontario businesses show leadership when they self-manage pay equity assessment. PEO's outreach and pay equity information services help foster proactive compliance.

% PEO CASES RESOLVED WITHIN 24 MONTHS

Modern and innovative approaches to achieve pay equity compliance are essential to ensure that pay equity adjustments are paid to those entitled.

PROGRAM: PAY EQUITY	MEASURE	2016-17 ACHIEVED	2017-18 TARGET	2017-18 ACHIEVED
Employers, unions and employees work collaboratively to address emerging pay equity issues	Percentage of cases where compliance achieved without order, no contraventions, settled	91%	85%	93%
Employers take corrective action to become pay equity compliant	Number of pay equity cases resolved	302	340	314
Program services are delivered in a timely professional, knowledgeable and cost-effective manner	Time spent to resolve cases (complaint and monitoring)	93% OF CASES < 3 YEARS	90% OF CASES < 3 YEARS	93% OF CASES < 3 YEARS
	Percentage of complaint cases resolved within 24 months	81%	80%	68%

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

7 FISCAL PERFORMANCE 2017-18

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. As of April 1, 2017, the Commissioner's salary was $180,877. 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 2017-18 (IN THOUSANDS OF DOLLARS)

ACCOUNT	2017-18 YEAR-END BUDGET	2017-18 YEAR-END ACTUALS	VARIANCE	% VARIANCE
Salaries & Wages	2,407.3	2,240.1	167.2	6.9%
Benefits	275.9	310.8	(34.9)	-12.6%
ODOE:				
Transportation & Communication	50.0	45.8	4.2	8.4%
Services	364.5	453.5	(89.0)	-24.4%
Supplies & Equipment	20.0	20.1	(0.1)	-0.6%
TOTAL ODOE	434.5	519.5	(85.0)	-19.6%
GENDER WAGE GAP TRANSFER PAYMENT PROGRAM	50.0	41.5	8.5	17.0%
GRAND TOTAL	3,167.7	3,111.9	55.8	1.8%

8 ACCOUNTABILITY STATEMENT

This Annual Report for the fiscal year ending March 31, 2018 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 STRATEGIC OBJECTIVES

1 SUPPORT COMPLIANCE ACROSS ONTARIO WORKPLACES, WITH TARGETED ENFORCEMENT.

In 2018-19, the PEO will complete monitoring programs commenced in the last fiscal period, being:

1. monitoring of select Ontario companies participating in Ontario's Vendor of Record procurement programs to ensure that they can provide evidence of compliance with the provincial pay equity legislation;

2. monitoring of Ontario-based companies that are part of the federal government contractors' list to ensure that they can provide evidence of compliance with the provincial pay equity legislation.

In addition, the PEO will initiate new monitoring programs as follows:

T-Monitoring

Given recent awareness of some workplace conditions for women in the Live Theatre Production industry, PEO will review a sample of Live Theatre Production organizations including theatre companies, dance companies, studios and community venues. Live Theatre Production is a part of the significant contribution the culture sector makes to the tourism industry in Ontario, supporting job creation and encouraging infrastructure development. In 2010, cultural tourism generated $3.7 billion in GDP and resulted in 67,700 jobs for Ontarians.

I-Monitoring
PEO will select a representative sample of employers in Ontario's innovation sectors, including Ontario-based employers that are part of the TSX, in 2018-19. Initial areas of focus include the bio-economy and clean technologies, advanced health technologies, pharmaceutical research and manufacturing, and digital media and information and communications technologies. Research suggests that women in these growing fields are being left behind in terms of participation and salary.

E-Monitoring
PEO will monitor pay equity compliance in a representative sample of employers recognized publicly through various awards programs such as "best employers" or "employers of choice" that excel in areas of human resource management, while meeting corporate objectives. These could include companies with a hundred employees to companies employing several thousand, and represent different industries including health care, financial services, pharmaceuticals, construction and engineering, hotels, retailers, restaurants and oil and gas.

2 FOSTER PARTNERSHIPS TO ADVANCE GENDER ECONOMIC EQUALITY IN ONTARIO.

There continues to be considerable attention paid to women's equality globally, nationally and provincially. The Office has on-going relationships with its counterparts across Canada, and continued its pay equity-related information exchanges with similar sub-national jurisdictions internationally. The Pay Equity Office was engaged by the Equal Pay International Coalition (EPIC) to highlight the business case for pay equity given Ontario's thirty years of positive results and outcomes. The Coalition, developed by the International Labour Organization, UN Women and the OECD, is focused on increasing support for UN Sustainable Development Goal 8.5: "to achieve… equal pay for work of equal value."

3 RUN A MODERN, ACCOUNTABLE AND EFFICIENT ORGANIZATION.

The Office is committed to ongoing review of its service delivery for effectiveness and efficiency. Its approved resource allocations have presented challenges. The Office, like every provincial agency, is reviewed every six years, under the Agencies and Appointments Directive. The agency's mandate review occurred in 2017 and addressed:

1. Whether, and the extent to which, the agency's mandate continues to be relevant to the goals and priorities of the Government of Ontario.
2. Whether the agency carries out the activities and operations as required in its mandate.
3. 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.

It will be necessary to modernize the Office's existing self-assessment tools, administrative procedures and compliance processes for achieving gender pay fairness as efficiently and as effectively as possible. In 2017-18 the Office explored options to strengthen existing information technology products to create a more user-friendly tool for businesses to improve pay equity outcomes. Initial feedback received from consultants, employers, and especially small businesses, suggests a need for improving ways for pay equity self-assessment through innovation. The Office continues to refine its strategy to assist employers to meet and maintain their Pay Equity Act requirements. It is likely that in 2018-19, there will be opportunities to discuss the Act, and the functioning of the Office. The Office will be ready to support dialogue, to ensure that the role of pay
equity and the role of Ontario's independent Commission are best aligned to deliver results for employers and employees.

THE HIGHER ECONOMIC PRODUCTIVITY AND GROWTH PROMISED BY EMERGING TECHNOLOGY COULD BE COMPLEMENTED BY PAY EQUITY LEGISLATION WHICH IS MONITORED AND ENFORCED BY THE GOVERNMENT. WE CALL ON THE G7 TO: ENSURE EQUAL PAY FOR EQUAL WORK, AND THE CREATION OF DECENT WORK WITH DIGNIFIED AND SAFE CONDITIONS…"

— **Make Gender Inequality History** — Recommendations from the Gender Equality Advisory Council for Canada's G7 Presidency

"IN ORDER TO IMPROVE THE ABILITY OF EMPLOYERS TO ADDRESS THIS ISSUE [GENDER EQUITY], THE PROVINCE SHOULD FOCUS ON IMPROVING COMPLIANCE. WE THEREFORE RECOMMEND THAT GOVERNMENT: DEDICATE RESOURCES TOWARDS IMPROVING AWARENESS AND ACCOUNTABILITY UNDER THE *PAY EQUITY ACT*. EMPOWER THE PAY EQUITY OFFICE TO MAKE EMPLOYERS AWARE OF THE LEGISLATION AND UNDERSTAND HOW TO COMPLY WITH ITS REGULATIONS."

— **Ontario Chamber of Commerce**, Submission to the Standing Committee on Social Policy Hearings on *Bill 3, The Pay Transparency Act*, 2018

10 LETTER TO THE FUTURE

AUGUST 3, 2017

DEAR FUTURE:

RE: ONTARIO PAY EQUITY OFFICE'S LETTER TO THE FUTURE: ACHIEVING GENDER EQUALITY AND EMPOWER ALL WOMEN AND GIRLS.

Since 1987 and for the past thirty years, Ontario's Pay Equity Office has worked to advance women's equality through its enforcement, education and research mandate. Over these three decades, because of the Ontario Pay Equity Act (unique in Canada and in the world), many thousands of employees in female-dominated job classes have seen their wages increased in both the private and public sectors. Yet….the work of the Office is still very much needed and it will be up to future generations to recognize that that the struggle for women's economic equality is not yet over and to take up the challenge of ending it.

We know what needs to be done. These goals are set out in the United Nations Sustainable Development Goals. SDG #5 – gender equality – sets out a number of solutions to be adopted over the next fifteen years.

- To adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.
- To enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women.

In Ontario, while awareness of and respect for women's economic equality has grown, tolerance for gender workplace discrimination still exists; such bias is rooted in stereotypes and social behaviours that are difficult to shake. "Women's work" continues to be undervalued in every sector and women continue to be underpaid despite significant advances in education and labour force participation.

Gender economic equality can be achieved in Ontario. It can be achieved in the next fifteen years if equal pay for equal work and equal pay for work of equal value is embedded in all employers' compensation practices.

The individuals, who together are the Pay Equity Office, are committed to enforcing the Act and doing what is needed to provide a better understanding of the importance of achieving women's economic equality. One of the keys to a better future for Ontario women, their families and communities is educating young people, newcomers, business owners, political leaders on the importance of recognizing the systemic bias that exists in workplace practices and the means to eliminate it.

Thirty years after the innovative Pay Equity Act, 1987, we at the Pay Equity Office believe strongly that the way forward is to take advantage of new digital analysis tools to provide the means for identifying, analysing and correcting the gender bias in compensation practices that the Act aims to eliminate.

Technology, effort, boldness and goodwill are needed to increase the reach of the Act, lessen any perceived administrative or financial burden on employers and ensure a greater impact on closing the gender wage gap. Technology and the means to apply it will lead to workable solutions that will address inequalities in the compensation cycle before they become insurmountable.

The future vision we have for Ontario is a labour market that recognizes the value of all of its participants regardless of gender. We see an Ontario that values everyone's skill, effort, responsibility and working conditions in a fair and consistent manner and pays them using objective and gender neutral criteria. We see fairness and equality and security and prosperity for the future if we take the right actions today.

Best regards,

Emanuela Heyninck
Commissioner
Pay Equity Commission

THE FUTURE VISION WE HAVE FOR ONTARIO IS A LABOUR MARKET THAT RECOGNIZES THE VALUE OF ALL OF ITS PARTICIPANTS REGARDLESS OF GENDER.

— **Emanuela Heyninck**,
Pay Equity Commissioner

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 435.

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
2017-18	435	373	56	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 applications has ranged between 56 and 105.

FISCAL YEAR	TOTAL APPLICANTIONS	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
2017-18	56	22	30	4

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

WORKPLACE COOPERATION AND COMPLIANCE

In 2017-18, 93 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 2016-17, 91 per cent of cases were similarly concluded.

Of the total cases resolved in 2017-18, 1.5 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.

SINCE 2011-12, A TOTAL OF $30.7 MILLION IN ADJUSTMENTS WAS IDENTIFIED BY THE PAY EQUITY OFFICE.

PAY EQUITY OFFICE YEAR-END SUMMARY 2017-18

Orders Required	**17**
Pay equity adjustments identified	**$3.3 million**
Number of employees receiving adjustments	**901**

CASES OPEN

Complaint applications	**56**
Monitoring	**373**
· Complaint (C)	**5**
· Federal Contractors (FC)	**146**
· New Employers (N)	**4**
· Ontario Federation of Indigenous Friendship Centres (O)	**23**
· Public Agencies (P)	**0**
· Restaurant (R)	**23**
· Vendor of Record (V)	**171**
· Wage Gap (W)	**1**
Cases returned from PEHT	**5**
Notice of Inability to Achieve Pay Equity	**1**

CASES CLOSED

Complaint applications	**53**
Monitoring	**249**
· Complaint (C)	**9**
· Federal Contractors (FC)	**34**
· New Employers (N)	**106**
· OFIFC (O)	**3**
· Public Agencies (P)	**1**
· Restaurant (R)	**4**
· Vendor of Record (V)	**79**
· Wage Gap (W)	**13**
Cases returned from PEHT	**4**
Notice of Inability to Achieve Pay Equity	**0**

CASE DISPOSITIONS

Compliance without Order	**73**
Compliance with Order	**12**
Complaint applications decided	**159**
Withdraws	**23**
Administrative Closures	**39**
Ordered	**2**
Ordered and Referral Cases to PEHT	**4**
Parties Referral Cases to PEHT	**1**
Parties Settlement	**1**

PAY EQUITY HEARINGS TRIBUNAL

ANNUAL REPORT

2017-2018

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PAY EQUITY HEARINGS TRIBUNAL ANNUAL REPORT

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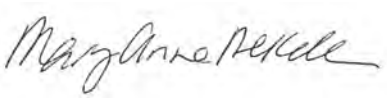
1 MESSAGE FROM THE PRESIDING OFFICER

I am pleased to present the 2017-18 Annual Report for the Pay Equity Hearings Tribunal.

The Tribunal has made significant improvements to the services it provides to the people of Ontario in two different ways in 2017-18. The first is through the cross-appointment of a number of part-time members who were already appointed to the Ontario Labour Relations Board, providing the Tribunal with some much needed flexibility in the scheduling of the hearings. I am very pleased to welcome William Cook, Heino Neilsen, and Lori Bolton to the Tribunal. The second is the introduction of electronic filing, which was accompanied by modified Rules of Practice and more streamlined forms, with the aim of improving access.

The Tribunal received seven new applications in the fiscal year 2017-18 and disposed of four of them (or 57%) on or before March 31, 2018. There were of course cases that remained pending at the commencement of the fiscal year, and including those in the calculation, the Tribunal disposed of 43.4% of all active cases in 2017-18.

The historical data summarizing the Tribunal's annual caseload over the last several years shows a perplexing situation. The number of applications this year was the fewest we have seen for a decade. Because the Tribunal is a second-level decision maker, and does not have originating jurisdiction to deal with issues of compliance with the Act, a variety of factors can affect its caseload in any given year. Parties in collective bargaining relationships may seek to address some of them outside of the enforcement processes contemplated in the Act, for example through bargaining or interest or rights arbitrations. A fluctuation in the caseload of the Pay Equity Office, or an increase/decrease in cases settled or in compliance with orders may impact it. Whatever the cause, the dramatic swings in the numbers of applications filed from one year to the next makes planning for the future extremely difficult, but also highlights the wisdom of the continuing shared services and cross-appointment arrangements between the Tribunal and the Ontario Labour Relations Board, which permits us to maintain the same level of service within the same financial parameters on an ongoing basis.



Mary Anne McKellar
Presiding Officer,
Pay Equity Hearings Tribunal

2 MANDATE

The Pay Equity Commission (the "Commission") was established by section 27 of the Pay Equity Act, 1987, c.34 and is continued by subsection 27(1) of the *Pay Equity Act*, R.S.O. 1990, c.P.7 as amended (the "*PEA*"). The Commission consists of two separate, independent parts: the Pay Equity Hearings Tribunal (the "Tribunal") and the Pay Equity Office. The Tribunal is an adjudicative agency of the Government of Ontario responsible for adjudicating disputes that arise under the *PEA*. Pursuant to section 28(1) of the *PEA*, the Tribunal is a tripartite board, composed of the Presiding Officer, Alternate Presiding Officer, a number of Deputy Presiding Officers and Members, representative of employers and employees.

The Tribunal deals exclusively with issues arising under the Pay Equity Act. The Tribunal has exclusive jurisdiction to determine all questions of fact or law that arise in any matter before it. The decision of the Tribunal is final and conclusive for all purposes. Decisions of the Tribunal cannot be appealed but may be judicially reviewed.

3 MISSION STATEMENT

The purpose of the Pay Equity Act is to redress systemic gender discrimination in compensation for work performed by employees in female job classes. Its implementation contributes to a fairer and more productive workplace. The goals of the Pay Equity Act can best be achieved through the co-operation of employers, bargaining agents and employees. The tribunal is committed to encouraging settlement between the parties. The tribunal is also committed to a hearing process that balances the need to be fair, accessible, economical and efficient.

4 ORGANIZATIONAL STRUCTURE

The Ontario Labour Relations Board (the "OLRB") provides administrative and institutional support to the Tribunal. The Tribunal benefits from the OLRB's sophisticated administrative and legal support, as well as information technology and the potential to take advantage of the expertise of its mediators. While the Tribunal has its own complement of Deputy Presiding Officers and Members, the Tribunal Presiding Officer, Alternate Presiding Officer, all of the Deputy Presiding Officers and four of the current Members are cross-appointed to other tribunals ensuring that the Tribunal is staffed with experienced decision-makers at a cost that is shared with other tribunals.

The Tribunal also participates in a broader, shared-services arrangement with the OLRB and the Workplace Safety and Insurance Appeals Tribunal. These adjudicative agencies share printing and production, and common library services.

5 APPOINTEES AND TERMS OF APPOINTMENTS

NAME	CROSS-APPOINTED	POSITION	FIRST APPOINTED	TERM EXPIRES
MCKELLAR, MARY ANNE	OLRB+	Presiding Officer	August 7, 2013	August 12, 2019
KELLY, PATRICK MICHAEL	OLRB+	Alternate Presiding Officer	July 22, 2015	May 16, 2018
KELLY, PATRICK MICHAEL	OLRB+	Deputy Presiding Officer	May 17, 2008	May 16, 2018
ROWAN, CAROLINE	OLRB+ & HRTO*	Deputy Presiding Officer	June 2, 2010	September 16, 2019
MCGILVERY, ROSLYN	OLRB+	Deputy Presiding Officer	August 25, 2015	August 24, 2020
BOLTON, LORI	OLRB+	Part-Time Member (Employer)	September 13, 2017	September 12, 2019
BURKE, ANN		Part-Time Member (Employer)	April 4, 2012	April 3, 2022
COOK, WILLIAM S.	OLRB+	Part-Time Member (Employer)	September 13, 2017	September 12, 2019
HARRIS, IRENE		Part-Time Member (Employee)	December 21, 2012	December 20, 2022
NIELSEN, HEINO	OLRB+	Part-Time Member (Employee)	September 13, 2017	September 12, 2019
ZABEK, CARLA		Part-Time Member (Employer)	April 4, 2012	April 3, 2022
PHILLIPS, CAROL	OLRB+	Part-Time Member (Employee)	August 15, 2012	September 16, 2022
MCMANUS, SHANNON R.B.		Part-Time Member (Employee)	September 11, 2013	September 10, 2018

+ Ontario Labour Relations Board * Human Rights Tribunal of Ontario

6 OPERATIONAL PERFORMANCE

Upon receipt of an application, the Tribunal sends a Confirmation of Filing out to the parties confirming that the application has been filed, providing the Tribunal file number and advising the parties of the date by which a response must be filed. In March 2018, the Tribunal launched new and updated forms which can be filed electronically with the Tribunal, together with updated Rules of Practice.

The total caseload for the 2017-18 fiscal year amounted to 44 applications, which was a combination of 37 pending applications carried over from the previous year plus 7 new applications.

During the 2017-18 fiscal year, the Tribunal disposed of 13 applications. Four applications were granted, two were dismissed, two were terminated and five settled. Four of the seven applications (57%) filed in the 2017-18 fiscal year were disposed of in that year.

Thirty-one applications remained pending on March 31, 2018. Twenty-two of them relate to a single Order of the Pay Equity Office – eleven applications by the Pay Equity Office to enforce an Order, all of which have been held in abeyance pursuant to the Act because a further 11 applications objecting to the same Order were subsequently filed. These should properly be counted as a single case, bringing the pending number as of March 31, 2018 down to 10. The pending number also includes applications adjourned *sine die* often as a result of a settlement or to facilitate settlement discussions, which are not included in the number of cases disposed of until the adjourn sine die period has expired, even though historically no further adjudicative action has been required in respect of them. There were two such applications shown as pending on March 31, 2018. Thus, the number of actual disputes pending before the Tribunal on March 31, 2018 is significantly lower than suggested by the number of applications that remain open. The final disposition rate in was 29.5%, if all applications (including all 22 related ones) are included, but 43.4% if those 22 are counted as constituting a single matter.

The Tribunal has made a practice in its Annual Report of providing caseload data of the kind set out in the preceding paragraphs and in the Caseload Statistics table. These numbers alone do not always provide a meaningful picture of the demand that those cases place on adjudicative resources, principally because that demand varies significantly from one application to another. A more nuanced understanding emerges from statistics relating to the number of pre-hearing conference dates scheduled (5) and held (3), case management hearings scheduled and held (1), hearings scheduled (35) and held (21), and number of written decisions issued this year (44), in respect of the active files (44). Even then, of course, there is considerable variation in the complexity of the decisions and the amount of time required to generate the reasons.

With respect to the adjudication of disputes, the Tribunal continues to encourage the parties to resolve their disputes without the need for adjudication. Many cases which involve more than a single party are scheduled for a Pre-Hearing Conference with the Presiding Officer, Alternate Presiding Officer or Deputy Presiding Officer where one of the objectives is to explore with the parties opportunities to settle all or a part of the dispute.

In order to increase its efficiency and reduce the parties' costs, the Tribunal continues its efforts to reduce the number of days it takes to adjudicate a matter. The Tribunal proactively identifies preliminary issues and directs the parties to address them, and encourages the parties to raise any issues they may identify well in advance of the hearing with a view to determining these matters on the basis of written submissions. The Tribunal continues to use Pre-Hearing Conferences and/or case management meetings to organize and streamline the issues in dispute so that a matter can be adjudicated as efficiently as possible. In addition, parties are routinely asked to exchange detailed submissions and documents well in advance of a hearing in order to make better use of available hearing time. It has been the Tribunal's experience that requiring the exchange of detailed submissions and documents in advance of the hearing not only serves to reduce hearing time but also facilitates the parties' ability to resolve some or all of the dispute.

In the past, the parties frequently agreed to extend the time limits for the filing of submissions and/or agreed to adjourn set hearing dates. This practice led to applications remaining outstanding for unacceptable periods of time. The Tribunal now discourages adjournments except where compelling circumstances arise and requires parties to offer substitute dates within 72 hours.

7 COURT ACTIVITY

During the 2017-2018 fiscal year, there was one new application for judicial review of a Tribunal decision filed with the Divisional Court.

On April 1, 2017, there were two matters pending before the Courts, both at the Divisional Court level. One of the matters, Corporation of the City of Windsor v. Moor was heard in Divisional Court on March 29, 2018. That Application was dismissed on April 25, 2018.

8 CASELOAD STATISTICS

	Caseload			Disposed of					
FISCAL YEAR	TOTAL	PENDING APRIL 1	RECEIVED FISCAL YEAR	TOTAL DISPOSED	GRANTED	DISMISSED	TERMINATED	SETTLED	PENDING MARCH 31
2017-18	44	37	7	13	4	2	2	5	31
2016-17	46	25	21	13	3	0	2	8	37
2015-16	45	13	32	21	5	3	1	12	25
2014-15	30	18	12	17	3	2	2	10	13
2013-14	31	20	11	14	5	2	4	3	18
2012-13	35	21	14	11	0	4	4	3	23
2011-12	39	21	18	21	3	4	3	11	21
2010-11	35	13	22	16	4	3	5	4	21
2009-10	50	28	22	37	8	4	1	24	13
2008-09	48	25	23	20	0	4	0	16	28
2007-08	34	12	22	9	2	1	0	6	25
2006-07	25	10	15	13	3	4	0	6	12
2005-06	16	5	11	6	3	2	0	1	10
2004-05	5	0	5	0	0	0	0	0	5

DEFINITION OF TERMS:

- **GRANTED** means that the application was, in whole or in large part, successful.
- **DISMISSED** means that the application was, in whole or in large part, not successful.
- **TERMINATED** means that the application was not granted, dismissed or settled but was terminated at the parties' request or abandoned.
- **SETTLED** includes all cases where the parties, either with or without the assistance of the Tribunal, settled the dispute, as well as cases that were adjourned.

9 FINANCIAL PERFORMANCE

In accordance with the Ministry of Labour's Delegation of Financial Authority Framework, financial authority is delegated to the Presiding Officer (Chair) of the Tribunal. The Presiding Officer is required to ensure that public funds are used with integrity and honesty. The Tribunal's operating budget is included in the Ministry of Labour's estimates and allocation process, and the Tribunal is required to report to the Ministry each quarter with respect to its expenditures and planned future financial commitments. The total annual remuneration paid by the Tribunal for OIC appointees was $208,600. A cost-sharing of salaries with the Ontario Labour Relations Board is in place.

Each year, the Tribunal verifies through a Certificate of Assurance, that all of its transactions are reflected accurately and completely in the Public Accounts of Ontario, which are the annual financial statements.

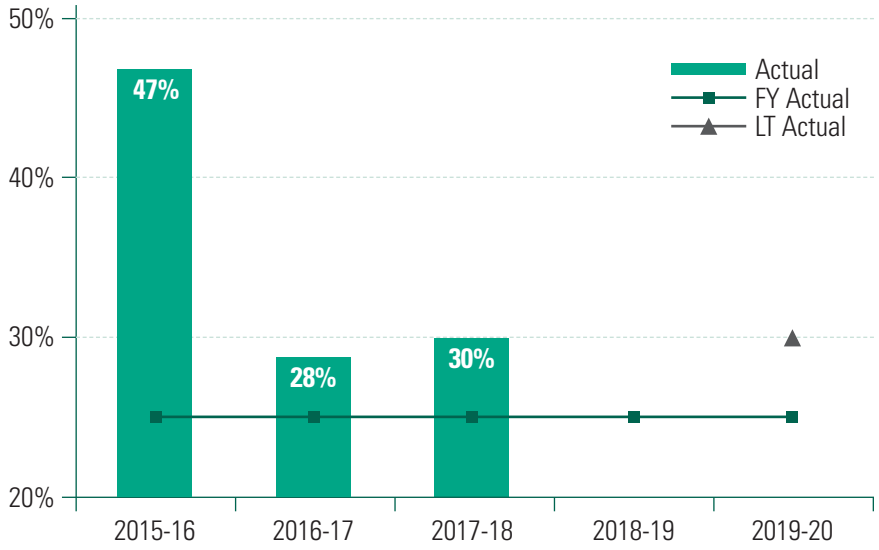
ALL FIGURES IN $000.0 THOUSANDS

ACCOUNT	2017-18 YEAR-END BUDGET	2017-18 YEAR-END ACTUALS	VARIANCE	% VARIANCE
Salaries & Wages	215.1	208.6	6.5	3.0%
Benefits	29.7	16.0	13.7	46.0%
ODOE:				
Transportation & Communication	15.0	6.3	8.7	58.2%
Service (including Lease)	137.5	125.3	12.2	8.8%
Supplies & Equipment	1.0	0.4	0.6	61.8%
TOTAL ODOE	153.5	132.0	21.5	14.0%
GRAND TOTAL	398.3	356.7	41.6	10.5%

*Final Allocation = Printed Estimates +/- TBO, re-alignment of funds by standard account.
** Year-end Actual Expenditures including office lease cost

10 PERFORMANCE MEASURES

The Tribunal's case load each year is made up of two parts: the cases carried over into the year from the previous year and the cases filed during the current year. The graph measures how much of the Tribunal's total case load is disposed of during the year.



2017-18 COMMITMENTS

- **25%** of cases disposed of during the year.
- Actual disposal rate **29.5%**

11 LONG-TERM TARGET

30% OF CASES DISPOSED OF DURING THE YEAR.

Note: The lower settlement rate and time to conclude cases recognizes the complex nature of pay equity disputes which results in few negotiated settlements. As a result, almost all cases are decided only after lengthy hearings. In general, the same counsel represent the parties in pay equity cases and the scheduling of hearings is further extended by the availability of counsel as well as presiding officers and members who are cross-appointed to other Tribunals. In addition, a number of cases may arise out of the same Order or be otherwise related which will also impact on the disposal rate.

FOR MORE INFORMATION

Local: 416-326-7500 ■ **Toll-Free:** 1-877-339-3335 ■ **Hearing Impaired (TTY):** 416-212-7036 ■ **Fax:** 416-326-7531

Hours of Operation: 8:30am – 5:00pm ■ **Website:** www.peht.gov.on.ca

505 University Avenue, 2nd Floor, Toronto, Ontario, M5G 2P1