



The Pay Equity Commission

Annual Report
2008-2009

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Commissioner's Message



This year has been a particularly busy year for the Pay Equity Office and once again, I want to thank our staff for all of their efforts throughout the year.

Our monitoring program in the retail and hotel/motel sector was expanded to the Peel and Durham regions and, for this fiscal year, we doubled the number of businesses contacted and/or monitored. Between April 1, 2008 and March 31, 2009 PEO sent out 1282 monitoring inquiries to employers and closed 1058 of them.

Where possible, we have streamlined our process by dealing with the head offices of franchised locations so that all franchises, whether they are in our targeted location or not, are caught by our monitoring program, ensuring that smaller businesses are treated consistently and effectively.

Our Education Unit has also been very busy. This year, they piloted a Small Business Toolkit that is now being used by Review Officers in the field. This toolkit enables an employer to receive assistance in understanding and adapting the numerous steps required to comply with the Act and facilitates their record-keeping for maintenance purposes. Our two Education Officers continue to hold in-house and teleconferencing seminars, which in this fiscal year reached 482 individuals.

While increasing our monitoring efforts, the Pay Equity Office also celebrated its 20th anniversary by hosting a 1½ day conference on November 4th and 5th, 2008. The conference, entitled “*Women in the Workforce: Opening Doors, Closing the Gap*” successfully brought together representatives from business, labour and advocacy groups to hear expert speakers on a wide range of topics involving pay equity and related issues and to discuss pay equity in the context of three questions that would inform the PEO about possible future directions. A summary of the proceedings and the report arising from the conference, together with our plans of action and timelines for completion, can be accessed on our website at: www.payequity.gov.on.ca. Work commenced almost immediately in developing the frameworks necessary to implement the various projects arising from the conference, including the planning of a Interpretation Guide for the public and the upgrading of our website.

A number of conference participants spoke of the need to re-engage the Advisory Council to provide expert advice and support to the Pay Equity Office in its enforcement and education activities. The plan of action for the restructuring of the Advisory Council into ad hoc groups with specific mandates will enable stakeholders to make more focused and meaningful contributions to the advancement of pay equity.

I want to extend a heartfelt thanks to the members of our Advisory Council, some of whom have served on the Council since the inception of the Pay Equity Office. Their dedication and past contributions have been of invaluable assistance.

Between January and February, considerable media attention was paid to wage gap issues as a result of the American legislative activity around enforcing equal pay for equal work (*The Lilly Ledbetter Act*) and the Canadian government's passage of the *Public Sector Equitable Compensation Act*. We contributed several letters to the editor on both of these topics, some of which were published in local and international outlets. These communications were circulated to our conference participants.

Shortly after the conference, the Pay Equity Office moved from 400 University Avenue where we have been housed for 10 years and re-located to 180 Dundas Street, Suite 300. With the move we have acquired a much larger boardroom and meeting space which will facilitate the delivery of our in-house seminars.

Finally, we were fortunate to add Sandra Tam to our roster. Sandra is a PHD graduate and is filling the position of Program Specialist where she provides much needed policy and program analysis.

Respectfully submitted

Emanuela Heyninck
May 2009

Our Legal Mandate

The Pay Equity Commission 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 as amended (the *Act*). The Commission is classified as an adjudicative agency consisting of two separate and independent parts: the Pay Equity Hearings Tribunal (the Tribunal), and the Pay Equity Office (the PEO).

The Tribunal is the formal adjudicative arm of the Commission and the Pay Equity Office is responsible for the enforcement of the *Act*.

The Minister of Labour is accountable to the government for the PEO and is responsible for representing the PEO in Cabinet and its Committees, in the Legislative Assembly and before Committees of the Legislature. The Minister is accountable to the Legislature for the PEO's fulfillment of its mandate and compliance with government administrative policies. The Minister is also responsible for the review and approval of the PEO's Business Plan and Annual Report, and for submitting them to Management Board of Cabinet.

The head of the PEO, the Commissioner, is the Chief Administrative Officer (the CAO) appointed by the Lieutenant Governor in Council on the advice of the Premier. The CAO is accountable to the Minister for ensuring that the PEO carries out the responsibilities assigned to it under the *Act*.

Pay Equity Act - Purpose

The purpose of the *Pay Equity Act* (the *Act*) is to redress systemic gender discrimination in compensation for work traditionally done by women.

The *Act* requires employers, and bargaining agents where employees are represented by a union, to identify systemic discrimination by comparing female job classes to male job classes in terms of the value of the work and the pay received. Where a female job class is paid less than a direct male comparator, or an indirect group of male jobs, the employer is required to adjust the rate of the female job class so that it is at least equal to the male comparator, or similar to the pattern of pay for male jobs.

The most recent Statistics Canada report reveals that the 2006 gender wage gap in Ontario for full-time, full-year employment is 23%. Studies show that as much as a quarter or a third of this gap in salaries between men and women can be attributed to discrimination in the workplace.

The Pay Equity Commission

Vision of the Pay Equity Office:

Safe, fair, healthy, productive, and high performing workplaces, free of systemic discrimination in the value and compensation of work performed primarily by women, that result in widespread social and economic benefits for all.

Mission of the Pay Equity Office:

To contribute to the social justice and economic prosperity of Ontario by advancing fair compensation practices for work performed primarily by women, which foster more productive relationships in the workplace and in the broader community.

The Pay Equity Office

The Pay Equity Office (PEO) is responsible for enforcing the *Pay Equity Act* through the investigation, resolution of complaints through alternative dispute resolution and, if necessary, the issuing of orders for compliance. The PEO also provides the following programs and services to support its mandate:

- Conducts educational programs and provides information to the public and to the workplace parties;
- Initiates monitoring of compliance of employers with the provisions of the *Act*;
- Refers orders made by Review Officers to the Pay Equity Hearings Tribunal (PEHT) for enforcement, when required;
- Produces reports and makes recommendations to the Minister, if required.

The Pay Equity Hearings Tribunal

The Pay Equity Hearings Tribunal is the adjudicative arm of the Commission. It has the exclusive authority under the *Act* to determine all questions of law or facts that arise. The actions and decisions of the Hearings Tribunal are “final and conclusive for all purposes” and create jurisprudence that informs the administration of the *Act* by the Pay Equity Office.

How Pay Equity Is Achieved

There are three methods to achieve pay equity under the *Act*. The job-to-job and proportional value comparison methods are used in all organizations where there are female and male jobs of comparable value. Public sector organizations in existence as of 1993 which are unable to achieve pay equity through job-to-job or proportional value methods because there are too few or no male jobs are required to use the proxy method of comparison.

The proxy method of comparison, repealed in 1996, was restored by court order in 1997; however, the proxy provisions have, to date, not been reinserted into the legislation.

2008-2009 Annual Financial Report

2008-2009 Annual Financial Report - All figures in \$000.00 thousand.

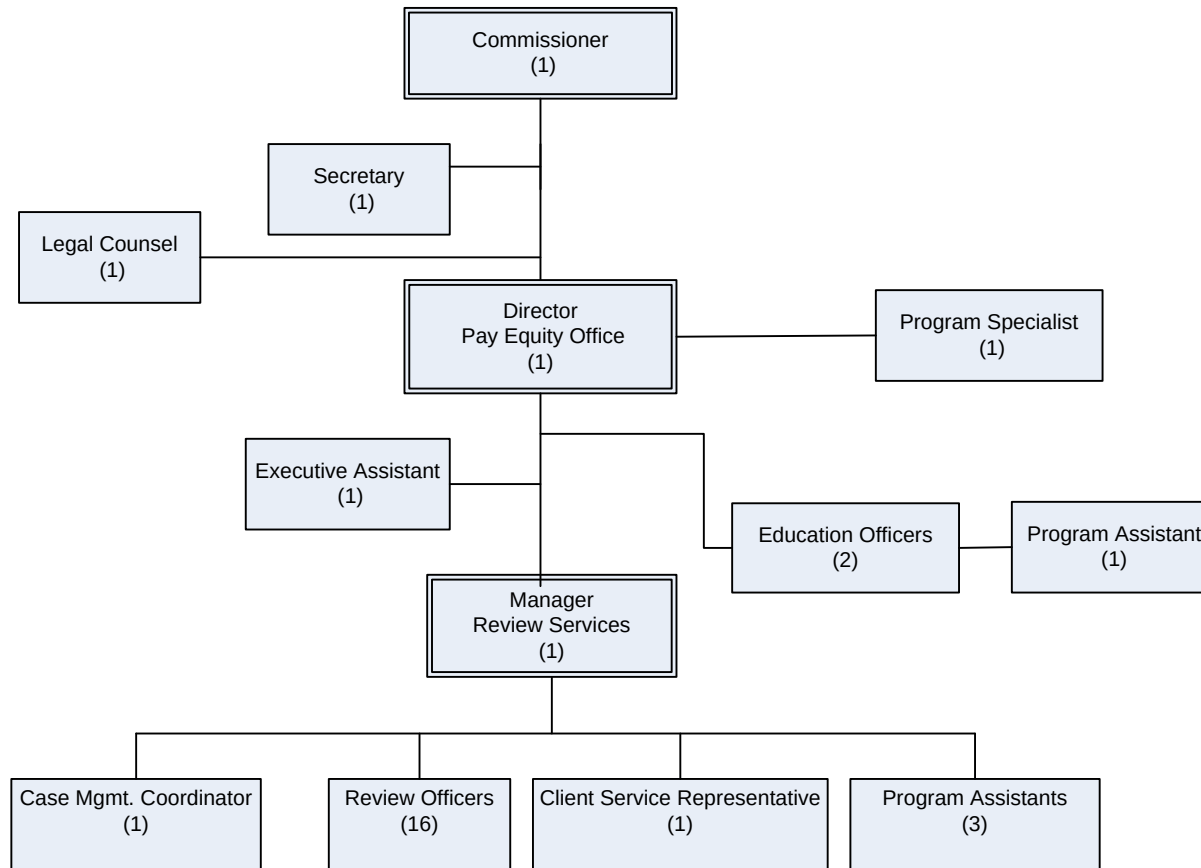
Expenditures Category	Final Budget	Actual Expenditures	Variance	Explanation of Variance
Salary & Wages	2,310.30	2,300.20	10.10	projected expenditures before year-end did not materialize.
Benefits	274.20	240.80	33.40	projected expenditures before year-end did not materialize.
Operating Expenses				
Transportation and Communication	164.70	123.43	41.27	
Services (including lease)	445.60	474.18	(28.58)	Pressure due to unexpected chargeback related to move and was offset by surplus (Transportation & Communication)
Supplies and Equipment	17.80	19.80	(2.00)	"
Total	3,212.60	3,158.41	84.77	
Recoveries	<i>Nil</i>	<i>Nil</i>	<i>Nil</i>	
Revenues Generated from:	<i>Nil</i>			

PEO Funded FTE = 31

NOTE for lease:

Lease budget	263,300
Lease actual expenditures	<u>262,314</u>
Lease variance:	986

Organizational Chart – 2008-2009



Total FTEs: 31

The Pay Equity Office

Commissioner's Office

The Commissioner's Office includes the Commissioner, Legal Counsel and Secretary. The Commissioner is the Chief Administrative Officer and is responsible for setting the strategic direction of the office. She liaises with the government agency community through participation on the Circle of Chairs. Her responsibilities include chairing the Executive Committee, liaising with key stakeholders and other senior government officials, and representing the Commission at public gatherings. The Commissioner is also the Commission's chief media spokesperson and speaks frequently on pay equity issues in public meetings. Legal Counsel provides ongoing legal advice to the staff of PEO on pay equity and related matters, and represents the PEO before the Tribunal and other adjudicative bodies. Legal Counsel also speaks to groups about the *Pay Equity Act* and jurisprudence, serves as the Freedom of Information Coordinator and provides legal advice on policy development.

Director's Office

The Director's Office includes the Director of the Pay Equity Office, the Program Specialist, and administrative and support staff. The Director provides leadership in implementing the PEO Business Plan, the Annual Report and oversees the operations of the Office including program delivery and administration. The Director also manages the Education Department, comprised of two Education Officers and Program Assistant. The Program Specialist monitors policy and program development within the Pay Equity Office, responds to policy questions that are directed to the PEO, and maintains contact with other jurisdictions in Canada and abroad to exchange pay equity research and expertise.

Manager, Review Services

The Manager is responsible for the operation of the Review Services Unit, and reports to the Director.

Pay Equity Programs

Education and Communication

Reporting to the Director, the PEO's Education Officers provide employers, employees, bargaining agents and the general public with information about their obligations and rights under the *Pay Equity Act* as well as examples of how best to implement and maintain pay equity. They deliver free seminars throughout Ontario and produce all educational and support materials for the Commission.

All publications are available in both paper copy and in CD format, and can be provided electronically. This provides the public with extensive, easily transported information that does not require a large amount of physical storage space. The publications encourage workplace self-reliance, in keeping with the self-managed system envisioned by the Act, and include manuals, pamphlets, fact sheets and guidelines designed to assist the workplace parties in all aspects of achieving and maintaining pay equity.

The Education Officers maintain the PEO web site, which houses information about the workings of the Office, the pay equity process and supporting publications. Regular updates are made to the site to ensure the currency of the information provided and the effectiveness of any links to other sites and materials. The pay equity learning process is now also supported on the web with interactive 'How to' case studies. Employers and employees can also make use of an interactive Regression Analysis Program when doing a proportional value job comparison. Interactive Job Evaluation worksheets, quizzes, and an e-mail subscription service add to the user's support network. The website is an important teaching and communication tool and continues to be well used by stakeholders and other interested parties.

Review Services

Reporting to the Manager, Review Officers investigate complaints alleging contraventions of the *Pay Equity Act* and assist the workplace parties in attempting to settle the issues which can arise during the implementation and achievement of pay equity. This approach is consistent with the intent of the *Act* that the pay equity process be "self-managed" by employers, in consultation with unions where the workplace is unionized.

In those cases where Review Officers are unable to effect a settlement between the workplace parties, they provide first level adjudication by issuing Orders. Any party affected by an Order may request a hearing before the Pay Equity Hearings Tribunal. 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.

In addition to responding to applications received from workplace parties, the Review Services unit is actively engaged in proactive monitoring of workplaces in order to gauge the level of compliance with the Act and, where necessary, to enforce its provisions. The proactive monitoring program enables the Pay Equity Office to assist sectors where pay equity compliance is weak and is consistent with the Ministry of Labour's strategy to target certain enforcement activities with a view to assisting the most vulnerable workers. The introduction and development of the proactive monitoring program has enabled the Pay Equity Office to expand its enforcement operations from a complaint-driven model to include targeted, strategic investigations.

Staff

There were 31.00 FTEs at the end of 2008-2009. The Commissioner, Emanuela Heyninck, is the only Order in Council appointee.

Key Achievements

2008-2009 Fiscal Year

Education:

The e-learning program, launched in January 2007, continues to be a useful and popular tool for the small business sector. The program takes the user through a series of modules, which explain the requirements of the *Pay Equity Act* through the use of voiceovers, demonstrations, media clips, notes and re-usable templates. Once all of the modules have been completed, the user will have developed a system for pay equity tailored to their particular enterprise.

The Education Unit continued to provide regularly scheduled training seminars for employees, employers, unions and the general public over the 2008-2009 fiscal year. Unfortunately, the number of participants at in-house training sessions had to be restricted because renovations at the PEO's head office location limited access to larger training rooms. With the PEO's move to its new premises in May 2009 and unlimited access to a large, fully-equipped boardroom, the number of participants at training sessions is expected to increase in 2009-2010.

The Education Unit sees an ongoing and growing interest in targeted live seminars. In 2008-2009, targeted sessions were provided to the Ontario Nurses Association, Community Living Associations, Day Care Centres, as well as other public, broader public, and private sector organizations. The feedback from the participants at the dedicated training sessions is universally positive. The Education Unit continues to explore other opportunities for collaborative education ventures with other employer and employee organizations.

The Education Unit continues to provide pay equity and job evaluation workshops for adult learners enrolled in bookkeeping and accounting evening courses at Conestoga College in Kitchener, Ontario. This 10-year business relationship has been so successful that pay equity was added to Conestoga's new fall 2008 Payroll Administration Certificate Program, which runs in partnership with Second Careers.

Teleconferencing continues to be promoted by the Education Unit as an alternative to live seminars. Teleconferences allow for the delivery of targeted training sessions addressing needs specific to particular sectors or workplaces. The teleconferences are popular with some stakeholders as they can be scheduled at convenient dates and times, do not require travel or other expenditures, and can accommodate any number of participants.

The Education Unit, with assistance from other staff, continues to develop tools for employers, unions and committees to facilitate implementation and maintenance, as well as enhance voluntary compliance with the *Pay Equity Act* in worksites across Ontario. The prototype of a small business tool developed in 2007-2008 was further refined in 2008-2009. The PEO made a commitment under the government's Open for Business initiative to promote the effective use of the tool to achieve greater pay equity compliance on the part of small to mid-size employers and initiated steps to better utilize the tool in 2008-2009. To that end, Education Officers are working closely with Review Officers to ensure that the tool is made available to as many employers as

possible. The tool continues to be well-received by stakeholders. The Unit continues to explore other innovative ways of providing information to stakeholders, including podcasts.

The Education Unit maintains and upgrades the Pay Equity website and also monitors the womensinfo.ca website for functionality and integrity of content. The PEO made a commitment under the government's Open for Business initiative to review and update its website to ensure that it was readily accessible, user-friendly, and compliant with the *Accessibility for Ontarians with Disabilities Act (AODA)*. Preliminary work on the review of the website initiated in 2008-2009 is expected to continue in 2009-10.

Outreach:

This year, the Commissioner's focus was on reaching out to young women. She accepted invitations to speak on pay equity and related wage gap issues at Brescia College of the University of Western Ontario, Seneca College, Conestoga College, York University and Ryerson University. In addition, she is a member of the Program Advisory Council at Conestoga College and works to ensure that pay equity and pay equity principles are taught in a variety of courses leading to a diploma in Human Resources.

The Commissioner continues to liaise with stakeholders, including the Business and Professional Women's Clubs, Zonta Clubs, and the Human Resource Professional Association of Ontario in addition to establishing ongoing links with the PEO conference participants.

Finally, we received delegations from Australia and Germany and met with representatives from New Brunswick, Quebec and the United Kingdom, who were in Ontario to speak at our conference.

Review Services

The Pay Equity Office continued to focus on enforcement and strategic proactive monitoring during 2008 and 2009 with a view to improving rates of compliance with the *Pay Equity Act* in Ontario's workplaces. Some of the positive outcomes from the focus on enforcement and compliance include:

- Increased numbers of Orders and Notices of Decision issued by the PEO in the 2008-2009 fiscal year (37 Orders and 33 Notices of Decision). These Orders and Notices of Decision reflect the emphasis on enforcement activity and the work done by the Office as we seek to ascertain and, where necessary, compel improvements to the level of compliance.
- The sector-based employer monitoring and enforcement program is continuing with the ongoing review to enhance the program and increase the number of employers monitored; and
- The simplified training package is being used by small employers to assist in implementing Pay Equity; and
- Under the Open for Business initiative, the Pay Equity Office undertook to apply a consolidated approach to the investigation of pay equity compliance in franchise and multi-location employers. This will streamline the process for such employers and will

ensure consistency in results. The PEO first implemented this strategy in 2008-2009 and will continue to do so in 2009-2010.

Service Delivery Improvements

In 2008-2009, the Pay Equity Office undertook the following initiatives to improve service delivery:

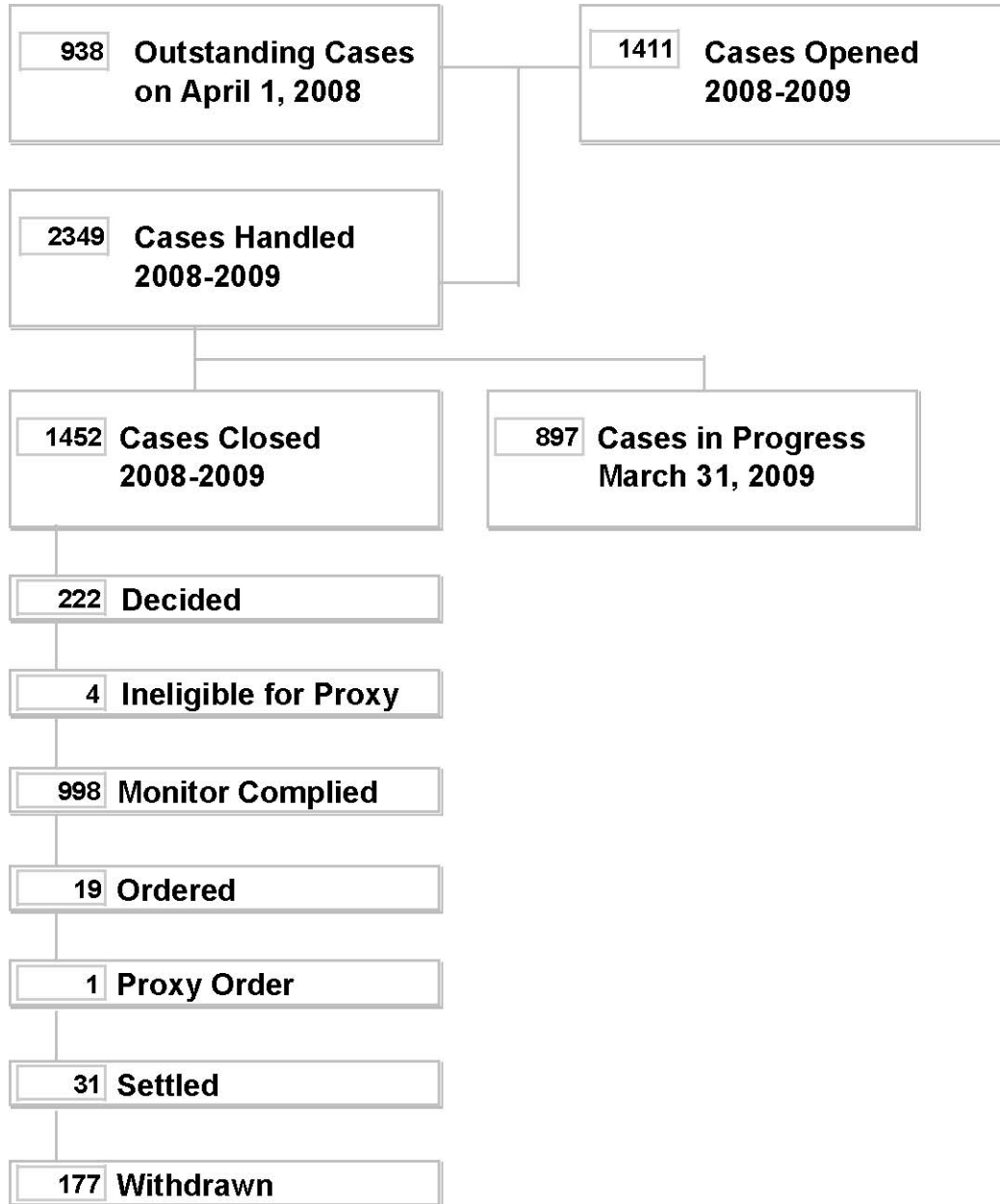
- Continued to enhance the case management system to improve efficiency and to collect more accurate statistical data;
- Continued to ensure that all complaints are dealt with in a more timely fashion and all employers are audited for overall compliance before files are closed; and
- Increased the number of businesses monitored for compliance with *Pay Equity Act*;
- Implemented a consolidated approach to monitor franchise and multi location employers.

PEO: Core Business Report 2008-2009

PAY EQUITY OFFICE: CORE BUSINESS REPORT 2008-2009				
Measure	Standard / Target	2007/2008 Achievement	2008/2009 Commitments	2008/2009 YTD Achievements
Elapsed time for first contact.	80% of first contact with parties to be made within 2 weeks of assignment to Review Officer; 20% within 4 weeks.	100% of first contact with parties made within 2 weeks of file assignment to Review Officer.	80% of first contact with parties to be made within 2 weeks of assignment to Review Officer; 20% within 4 weeks.	100% of first contact with parties made within 2 weeks of file assignment to Review Officer.
Number of cases under investigation for more than 36 months.	No cases under investigation for more than 36 months.	78% cases closed within 36 months. Remaining 22% have Orders and compliance plans in place. Some before the PEHT for final adjudication.	No cases under investigation for more than 36 months.	90% cases closed within 36 months. Remaining 10% have Orders and compliance plans in place. Some before the PEHT for final adjudication.
Compliance ¹	85% of files closed result in compliance.	93% of files closed result in compliance. Of the remaining 7% some result in Orders that are referred to the Tribunal, while others have compliance plans in place or are designated pending/suspended and are being monitored to ensure compliance is achieved as agreed.	85% of files closed result in compliance.	86% of files closed result in compliance. Of the remaining 14% some result in Orders that are referred to the Tribunal, while others have compliance plans in place or are designated pending/suspended and are being monitored to ensure compliance is achieved as agreed.

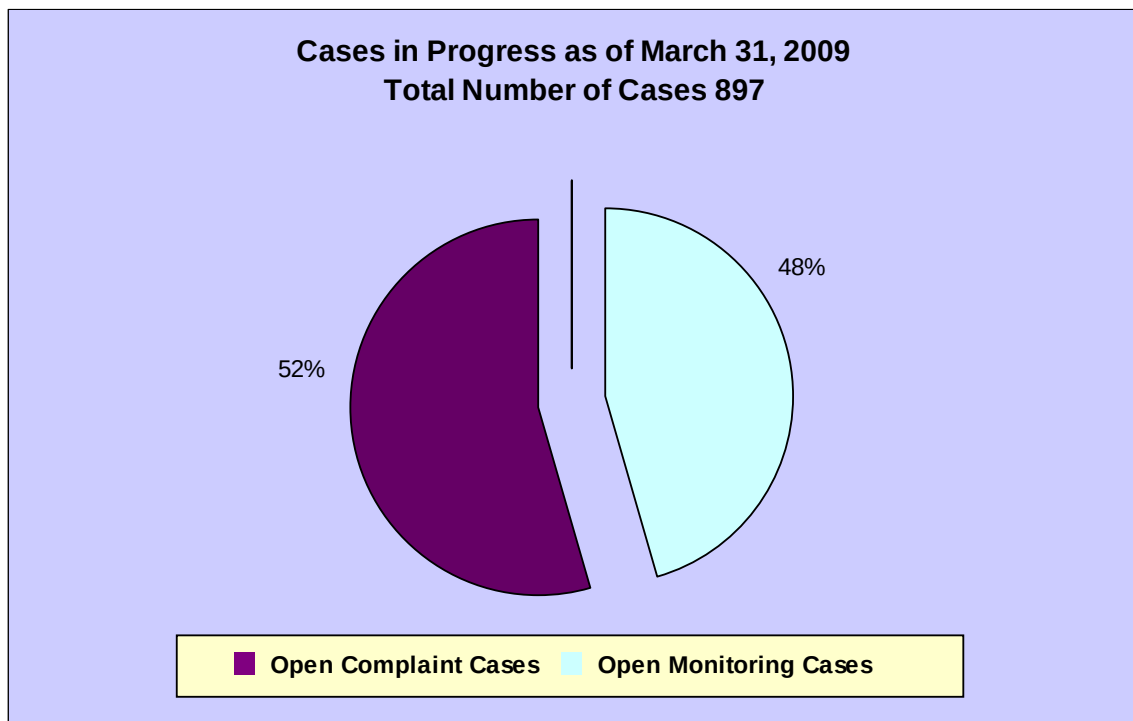
¹ Compliance totals represent files closed by agreement of the parties, by compliance with Orders, and by referrals to Pay Equity Hearings Tribunal for enforcement of orders.

PEO – Core Activity Report 2008-2009



Note: Please note that the number of Orders referenced in the above diagram does not refer to the total number of Orders issued in the 2008-2009 fiscal year but to the number of cases closed in 2008-2009 in which Orders had been issued. It is important to note that the issuance of an Order does not necessarily result in the closure of a file.

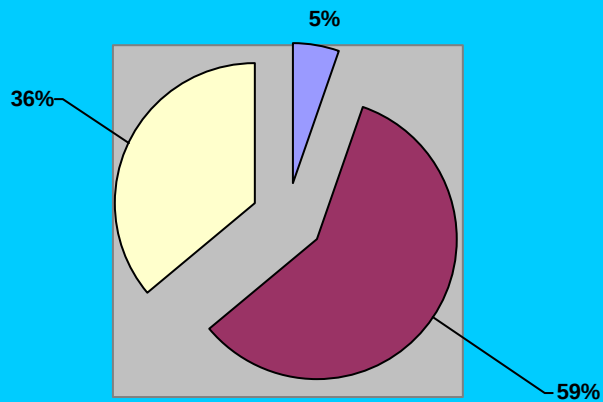
Breakdown of Cases in Progress



*Complaint Files include 2% of cases which are currently suspended/pending i.e. cases awaiting disposition by Pay Equity Hearings Tribunal (PEHT) and are inactive at the Pay Equity Office (PEO).

Educational Activities

Educational Activities as of March 2009
Total Seminars 56

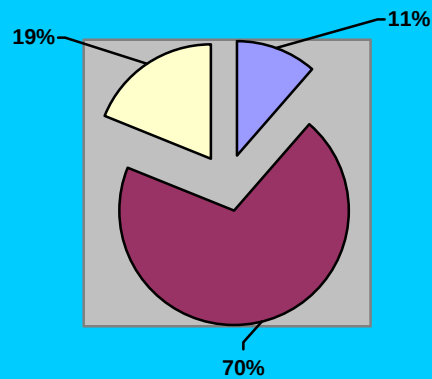


Special Presentation

Live Seminar

Teleconference

Educational Activities as of March 2009
Total Participants 482



Special Presentation

Live Seminars

Teleconferencing