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September 10, 2007

Hon. Dalton McGuinty
Liberal Party of Ontario
10 St. Mary Street, Suite
Toronto, ON M4Y 1P6

Dear Mr. McGuinty:

Re: Election Call For Action Campaign - Bring Pay Equity to all Ontario Women

Support Pay Equity - Ontarians Will Thank You

Ontario's 2007 election campaign takes place as Ontario moves towards the 20th Anniversary of the *Pay Equity Act* on January 1, 2008. When the Ontario Government committed to legislate a pay equity law in 1985, it stated that "the achievement of equal opportunity and social justice for all Ontarians is a fundamental and unalterable commitment of the Ontario government". (Green Paper, 1985)

The Equal Pay Coalition is writing to the party leaders to obtain your overall election commitment to strengthen, revitalize and fully fund the effective enforcement of non-discriminatory pay for all Ontario women. In particular, our Election Call for Action asks for your commitment as leader and your party's commitment to:

- a. Increase the minimum wage to \$10 per hour effective January 1, 2008 as a pay equity downpayment for vulnerable women workers.
- b. Fully fund the pay equity adjustments owing to women providing important public services to Ontarians.
- c. Fully fund the Pay Equity Commission and Pay Equity Hearings Tribunal so that the *Pay Equity Act* can be vigilantly enforced.

Women, their families and their communities all benefit when pay discrimination is ended.

Widespread Pay Equity Non-Compliance

As 2008 draws near, most Ontario women, regardless of their occupation, age or education continue to be paid less than men because they do women's work. Women on average still earn only 71% of what men earn – leaving a 29% pay gap. This is the best evidence that pay equity in Ontario is far from being achieved nor has it been maintained as the *Act* requires.

Most Ontario employers are ignoring their obligation to pay women fairly, the Government is failing to fully fund the pay equity adjustments owing to women in the public and broader public sector and the Pay Equity Commission and Pay Equity Hearings Tribunal which enforce the *Act* are seriously underfunded. The Pay Equity Commissioner at a 2006 public seminar held by the Ontario Federation of Labour stated that: 1) the private sector is substantially pay equity non-compliant; 2) there are many outstanding enforcement issues in the public sector, particularly with respect to maintenance of pay equity; and 3) the Commission is working with very limited resources given these enforcement challenges.

The Coalition shares the Commission's view that there are serious enforcement issues to address. As a result, women, their families and society as a whole are suffering. As well, businesses and communities are missing out on the positive economic and social impacts – such as increased productivity, reduced turnover and less poverty – which come when workers are paid equitably. Pay equity is good for business and society. Pay inequity is not.

Pay Equity – A Fundamental Human Right

Pay equity is equal pay for work of equal value, a fundamental human right guaranteed by International Labour Organization Convention 100 (ratified by Canada in 1972). It means that women workers must be paid free of the gender-based pay discrimination which values and pays women's work less than men's work of comparable value. The *Pay Equity Act* recognizes such discrimination is systemic and exists throughout Ontario's workplaces. The *Act* is a legal remedy for ending such discrimination which requires that men's and women's jobs are evaluated in a non-discriminatory way by accurately identifying and valuing the skill, effort, responsibility and working conditions of those jobs and raising women's pay to that of comparably valued men's jobs.

Election Call for Action - Pay Equity Must be Achieved and Maintained

It is once again necessary to take action to ensure the Government's promise of pay equity is kept. Ontario parties and their leaders must recommit to end pay discrimination which is illegal in Ontario. The Coalition's call for urgent action on this issue is backed by its broad-based membership of trade unions, community and social justice organizations, and business and professional women's organizations who represent over one million Ontarians. (See list of members attached and visit our website at www.equalpaycoalition.org). The Coalition bring to this call its expertise and experience in leading the campaign which brought the *Act* to Ontario's workplaces and lobbying for its 1992 expansion to predominantly female workplaces. It also supported the 1996 and 2001 *Charter* challenges brought by public sector unions which were successful in striking down the Progressive Conservative Government's 1996 repeal of the pay equity rights of over 100,000 women in predominantly female public sector workplaces. This

also led to the restoring of limited public funding for the adjustments to close their pay gaps.

Gender-Based Pay Discrimination – The Gender Pay Gap

Pay discrimination affects Ontario women of all ages, races and education levels, regardless of family decisions. Ontario women receive less for their work regardless of where they work in the economy, the size of their workplace or the precariousness of their work. The most vulnerable women – aboriginal woman, women of colour, racialized or immigrant women, and non-unionized women workers – face an even greater gap than the wage gap between white men and women.

While the overall pay gap in 2006 is 29% according to Statistics Canada, racial minority women earn 36% less than men and Aboriginal women earn 54% less. Women with disabilities earn significantly less than women and men without disabilities. Women outnumber men in nine of the ten lowest-paying occupations in Canada.

Women's discriminatory pay affects them throughout their lives from their first jobs continuing into retirement. Young women graduating from high school earn 27% less than male high school graduates. Young women graduating from university earn 16% less than male graduates but this pay gap widens as their careers progress. The median income of retired women is almost half that of older men. Gender-based pay inequities also contribute to higher poverty levels with women and their children much more likely to be living in poverty than men.

The work of Ontario women is critical to the economic success of Ontario's public and private sectors. Yet public and private sector employers including the Government are refusing to pay women fairly for that work.

Fulfilling the Promise of Pay Equity: Achievements and Lessons Learned

While there remains much to do, it is important to recognize and build on the achievements to date. Ontario's proactive pay equity law with specialized enforcement machinery through the Commission and Tribunal, along with proactive responsibilities for employers and trade unions serves as an international model for the enforcement of ILO Convention 100. The *Pay Equity Act* helped to reduce Ontario's gender pay gap which stood at 36% when the *Act* was introduced. Pay equity plans implemented in the early to mid-1990's did address much of the pay gap which existed in 1988 for mostly unionized workers. But the task of bringing pay equity to Ontario's women is far from finished.

- a. Many non-unionized women never received *Pay Equity Act* adjustments because their employers ignored their obligations and they did not have a union to fight for them.
- b. Many new employers since 1988 opened their doors but did not do so with equitable wages as required under the *Act*.
- c. Women's jobs have changed dramatically since 1988 but pay equity plans and employers' compensation practices have not been changed to reflect this and to

ensure that pay equity is maintained.

- d. Pay equity adjustments remain owing to hundreds of thousands of women doing publicly funded public service jobs who have either not yet achieved pay equity in the first place or, having initially achieved pay equity, have since seen the pay gap wide again between them and comparable men's work.
- e. Many public sector women's jobs have been privatized, with women having to leave behind their pay equity adjusted wages. With downsizing, those public sector women's jobs that remained were given increasing responsibilities but without the appropriate pay equity adjustment required by the original plan.
- f. As well, private sector employers now employ increasingly fewer "employees" as they seek to transform their employees into independent contractors to avoid legislative employee entitlements, such as pay equity.

In this Election Call for Action, the Coalition is asking you as leader and your party to commit to strengthening and revitalizing pay equity enforcement by addressing the following three issues:

1. Public Sector Funding

We ask you and your party to commit to fully funding the pay equity adjustments that are owed to women providing the "women's work" that is essential to delivering public services to Ontarians.

More than 100,000 women work in smaller broader public sector workplaces like child care, battered women's shelters and other key community service agencies, which because they are traditionally female jobs have some of the largest pay gaps in Ontario and had to use the proxy comparison method to identify their pay gaps. The Government has already identified the discriminatory pay gaps in these publicly funded jobs and in the settlement of the above-noted 2003 *Charter* challenge provided funding covering much of the monies owing then from 1999-2005 to close those gaps. But with the end of the Charter settlement payments in 2005, the Liberal Government has failed to continue dedicated funding for pay equity adjustments that remain owing to close the identified gaps which on average will need to be paid up to 2011, based on annual payments of 1% of payroll. These women are far from "achieving" pay equity, and at the same time are seeing themselves fall far behind their comparators in the public sector. Based on a Government chart, produced in the 1996 *Charter* litigation, as of this year, the Government has failed to deliver approximately \$78.1 million owing to these hard working women for their 2006-2007 adjustments. A further \$467.9 million is owed from 2008-2011. The Government is now open to a further Charter challenge as result of this failure to fund.

As well, as noted above, many other women working in larger public sector workplaces, such as hospitals, school boards and universities have seen their pay gaps widen as a result of pay equity not being maintained. Government funding is necessary for these maintenance pay equity adjustments as well.

With the number of promises being made by the leaders about their proposed public expenditures and a \$2.3 billion Government surplus this year, it is clear that there are substantial monies available to pursue important public policy objectives. As well, the current surplus was created in part by not paying women delivering public services the money they were owed to close discriminatory pay gaps. This money must be factored into government budgets and paid out.

2. Increasing the Minimum Wage

Minimum wage laws are a key pay equity measure. Women account for two-thirds of the minimum wage earners. (Statscan, 2000). Aboriginal women, immigrant and refugee women, women with disabilities and racialized women are even more likely to be working at the minimum wage. Without the benefit of a union and lacking a properly funded *Pay Equity Act* enforcement machinery to help them, their employers have ignored their obligations to make sure their women's work is paid equal to men's work of comparable value. Many do not know their rights and are afraid to complain. Low minimum wage policies ensure that women and their children remain poor. It is estimated that a single person working full-time needs an hourly wage of \$10.00 per hour just in order to reach the poverty line.

Increasing the minimum wage will have a significant impact on closing the gender pay gap and reducing women's poverty. The Coalition asks you and your party to support increasing the minimum wage to \$10 per hour effective 1 January 2008 as a pay equity downpayment and as an expeditious and effective anti-discrimination measure.

3. Restoration of Commission and Tribunal Funding

The Commission and the Tribunal have had their funding and staff substantially stripped and have been unable to effectively carry out their difficult and extensive enforcement mandate. In 1992-3, under the New Democratic Party Government, the Pay Equity Commission and Tribunal employed and appointed 86 people and relied upon 28 review officers for enforcement, with a budget of only \$6.8 million dollars. However, even this limited budget was cut by over 46 per cent by the Progressive Conservative Government when it came to power in 1995. These cutbacks also eliminated funding for the Pay Equity Legal Clinic which assisted non-unionized women to enforce their pay equity rights. The cutbacks continued when the Liberal Government came to power in 2003, with the Commission and Tribunal budgets being reduced a further 20 per cent since that time. By 2006, their combined budgets had fallen to just \$3.4 million – one half of the 1992-93 budget. Now, there are only 32 employees, 16 Review officers to cover the entire province, no regional offices, no research officer, and no library. The Coalition is calling for the Commission and the Tribunal to be restored to at least the 1992-93 funding level of \$6.8 million and whatever further funding is necessary to ensure vigorous *Act* enforcement and the closing of Ontario's gender pay gap.

Questionnaire for Leaders

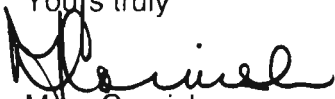
We have attached a Questionnaire for you to complete and return to the Coalition by Monday September 17, 2007 indicating your commitment to pay equity. The Coalition will also be circulating to election candidates a similar questionnaire asking for their position and

commitment. On Wednesday September 19, 2007, the Coalition will be releasing the leaders' responses to this questionnaire to the media. These responses will be posted on the Coalition's website and circulated widely. We will also be asking for this issue to be raised in the leaders' election debate on Thursday September 20, 2007. As well, the Coalition and its member organizations will be working to see that this issue is raised at all candidates and other election meetings across the province.

Without constant proactive vigilance and enforcement of Ontario's *Pay Equity Act* and the development of new measures which recognize and adapt to changing patterns of underpayment, any pay equity gains that were made in the early 1990's will be eroded. Those who never achieved pay equity will be consigned to ongoing discriminatory pay conditions. The onus is on public and private sector employers, including the Government, to show what steps they have taken and will take to ensure that women's pay is cleansed of discrimination and remains discrimination-free.

We look forward to your support and commitment to pay equity. When women are paid fairly, everyone benefits. Support pay equity – Ontarians will thank you.

Yours truly

A handwritten signature in black ink, appearing to read 'Mary Cornish', written in a cursive style.

Mary Cornish,
Chair, Equal Pay Coalition

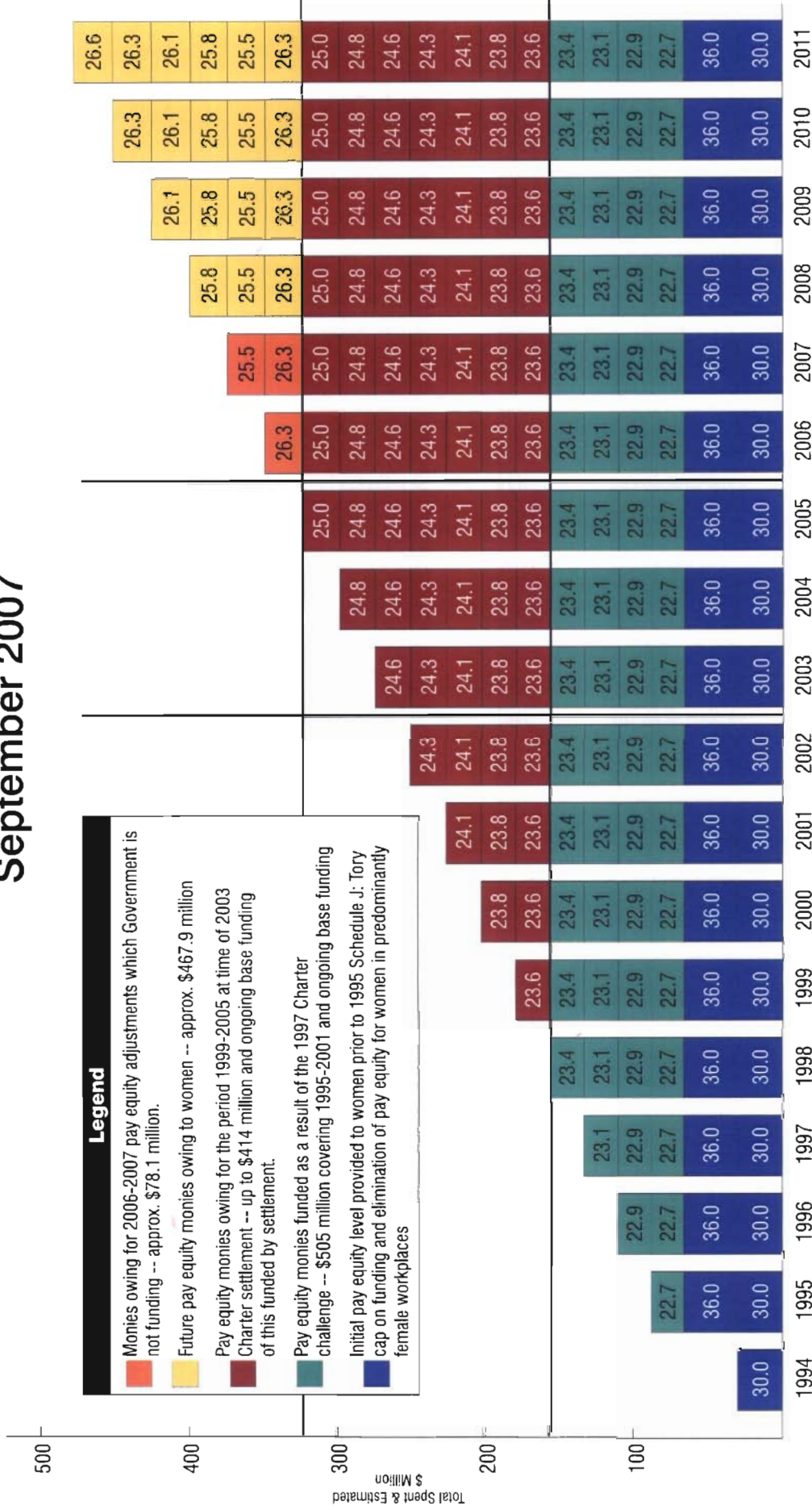
THE EQUAL PAY COALITION

The Equal Pay Coalition was formed in 1976 as a coalition of organizations to seek the implementation of equal pay for work of equal value both through legislation and collective bargaining. The Coalition has over 39 constituent and partner groups which represent Ontario women and men who support equal pay for work of equal value. Some of our member groups include:

The Ontario Federation of Labour, <http://www.ofl.ca/>
The YWCA of Metropolitan Toronto, <https://www.ywcatoronto.org/>
The Ontario Public Service Employees Union, <http://www.opseu.org/>
The Canadian Union of Public Employees, <http://cupe.ca/>
The Business & Professional Women's Clubs of Ontario, <http://www.bpwontario.org/>
The Business And Professional Women of Ontario (Sudbury), <http://www.bpwsudbury.com/>
Service Employees International Union, <http://www.seiu.ca/>
Service Employees International Union, Local 1, www.seiulocal1.org
Ontario Coalition For Better Child Care, <http://www.childcareontario.org/>
Times Change, <http://www.timeschange.org/>
Ontario Coalition for Social Justice, <http://www.ocsj.ca>
International Association Of Machinists And Aerospace Workers, <http://www.iamaw.ca/>
Public Service Alliance Of Canada, <http://www.psac.com/home-e.shtml>
United Food And Commercial Workers International Union, <http://www.ufcw.ca/>
United Steelworkers of America, District 6,
http://steelworkers-metallos.ca/program/content/overview_sub.php?modules_ID=386&modules2_ID=384
United Steelworkers of America, Local 1998 , <http://www.uswa1998.ca/>
National Automobile, Aerospace, Transportation and General Workers of Canada (CAW-Canada) <http://www.caw.ca/>
Ontario English Catholic Teachers Association, <http://www.oecta.on.ca/>
York University Staff Association, <http://www.yusapuy.org/>
Elementary Teachers Federation of Ontario, <http://www.etfo.ca/Pages/default.aspx>
Ontario Secondary School Teachers' Federation, <http://www.osstf.on.ca/>
Communications, Energy & Paperworkers of Canada (CEP), http://www.cep.ca/index_e.html
CEP Local 87-M, Southern Ontario Newspaper Guild, <http://www.song.on.ca/>
Ontario Council of the Canadian Federation of University Women, <http://www.cfuwontcouncil.ca/>
Community Social Planning Council of Toronto, <http://www.socialplanningtoronto.org/Index3.htm>
Chinese Canadian National Council (Toronto chapter), <http://www.ccnctoronto.ca/>
Union of Needletrades Industrial & Textile Employees, <http://www.unitehere.ca/>
Office & Professional Employees International Union, <http://copesepb.ca/e/>
United Food and Commercial Workers, Local 1000A, <http://www.ufcw1000a.org/index.asp?pid=38>
International Alliance Theatrical Stage Employees (IATSE), <http://www.iatse-intl.org/home.html>
Income Security Advocacy Centre, www.incomesecurity.org
Ontario Association of Interval and Transition Houses (OAITH), <http://www.oaith.ca>
Ontario Municipal Employees' Committee, Library Workers' Committee
http://cupe.on.ca/doc.php?subject_id=23=en
Confederation of Ontario University Staff Associations & Unions, <http://www.cousa.on.ca/>

Pay Equity Denied by Ontario Government*

September 2007



Legend

- Monies owing for 2006-2007 pay equity adjustments which Government is not funding -- approx. \$78.1 million.
- Future pay equity monies owing to women -- approx. \$467.9 million
- Pay equity monies owing for the period 1999-2005 at time of 2003 Charter settlement -- up to \$414 million and ongoing base funding of this funded by settlement.
- Pay equity monies funded as a result of the 1997 Charter challenge -- \$505 million covering 1995-2001 and ongoing base funding
- Initial pay equity level provided to women prior to 1995 Schedule J. Tory cap on funding and elimination of pay equity for women in predominantly female workplaces

1994 Start date for pay equity in predominantly female workplaces.

1995 Tories pass Schedule J capping pay equity funding and eliminating further pay equity for women in predominantly female workplaces.

1997 SEIU Local 204 v. AG (ONT) Decision (O'Leary J.) Court rules Schedule J unconstitutional.

1998 Following Charter Challenge, Government again capped funding and refuses to fund ongoing pay equity wages.

2001 CUPE, ONA, OPSEU, SEIU, USWA launch second Charter Challenge requesting court order to Government to fully fund pay equity.

2003 Government agrees to settlement with public sector unions which will pay out up to \$414 million and ongoing base funding covering period from 1999-2005 for MHLTC/MCSS funded agencies.

2006-2007 Settlement ends and approx. \$78.1 million of pay equity monies owing to women for 2006-2007 adjustments not funded by Government.

2008-2011 A further \$467.9 million of pay equity monies for these years remains to be funded by Government.

2011 Pay equity monies owing on average to this sector to achieve pay equity must be fully paid.

* Predominantly female workplaces in the broader public sector provide important services eg. nursing homes, child care centres and community service agencies. The 100,000 women who work in this sector receive discriminatory wages because they do "women's work." They have neither achieved nor maintained pay equity. Women in the rest of the public sector mostly achieved pay equity in 1998 but have not been able to maintain it.

Figures are based on Chart produced by Government in 1997 SEIU litigation and are approximations.