



Northwest Territories
EQUAL PAY
Commissioner

Annual Report 2023 - 2024



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It is a pleasure to present my first Annual Report as Equal Pay Commissioner, for the year 2023-2024. As in previous years, this report consists of two parts. The first part provides the context for the work of the Equal Pay Commissioner (the Commissioner). It summarizes the right to equal pay for work of equal value in the Northwest Territories (NWT) and outlines the role of the Commissioner in relation to this right. The second part summarizes my activities as Commissioner during the year.

I. The Right to Equal Pay in the Northwest Territories

In the NWT, the right to equal pay for work of equal value is established by section 40 of the *Public Service Act* (“the *Act*”) and applies to specified parts of the public service in the GNWT. It requires that there be no difference in the rate of pay between male and female employees who perform work of equal value in the same establishment. Under the *Act*, there are three separate establishments: the Government, the NWT Power Corporation and teachers covered by the *Public Service Act*.

The *Act* is concerned with work that is equal in “value”. To facilitate comparison of dissimilar work, the value of work is measured by the skill, effort and responsibility required to do the work, and the working conditions under which it is performed.

When men and women working in the same establishment perform work that is equal in value, the *Act* requires that they receive the same rate of pay. “Pay” means not only salary or wages, but includes all compensation received for performing the job, including all benefits, bonuses, housing, clothing (or clothing allowances), and so on.

The *Act* does allow for differences in pay which are attributable to specific programs or systems, such as a seniority system, a merit system, or cost of living compensation system. It also allows for differences arising from commission-based earnings, the existence of a labour shortage in a field, a temporary rehabilitation or training program or a downgrading, reclassification or demotion process. Finally, the *Act* was amended in 2014 to allow for a certain type of transition allowance¹ to be considered as a justified difference in the rate of pay for work of equal value. Of note, in all the above cases, pay differences are only considered justified if the program or system is gender neutral in its design and application.

The *Act* establishes the office of the Commissioner. The Commissioner is responsible for receiving complaints from employees who believe that their right to equal pay for work of equal value has been violated. Upon receipt of a complaint, the Commissioner must conduct an investigation and may assist the parties to resolve the matter informally. If this is not successful, the Commissioner must investigate and prepare a report containing recommendations to the parties regarding how to resolve the complaint. If the parties are still unable to agree on a resolution, any party may refer the dispute to an arbitrator for a binding decision.

In addition to receiving and investigating complaints, the Commissioner is mandated to promote awareness and understanding of the right to equal pay for work of equal value.

II. **Activities of the Commissioner During 2023-24**

I began my term, initially as acting Equal Pay Commissioner, on October 30, 2023, following the unexpected passing of my predecessor, Bronwyn Watters, earlier in the year. I was appointed Equal Pay Commissioner on March 26, 2024.

¹ Specifically, the Act refers to transition allowances provided under the Northwest Territories Lands and Resources Devolution Agreement of January 25, 2013.

Maintaining the trend from previous years, no formal complaints were received during the year. One confidential inquiry was received from a former employee of the GNWT but the individual did not pursue the matter. The only formal complaint ever sent to the Equal Pay Commissioner was filed in 2019. The then-Commissioner, Ms. Joy Noonan, investigated and determined the matter to be an issue of possible misclassification rather than equal pay as defined in legislation. Consequently, the matter was resolved informally.

During the past year, I was successful in securing funding to develop a pay equity website for the NWT. The site was built in the spring, modelled on the sites of other statutory officers of the Legislative Assembly, and went live in April 2024. Social media was also used to promote the launching of the new site. The site can be found at the following link: www.equalpaynwt.ca.

During the past year, I reached out to many stakeholders in the NWT and had the opportunity to meet virtually with all direct stakeholders (meaning employer representatives and bargaining agent representatives), as well as one member of civil society. All made clear their support for the importance of equal pay for work of equal value and expressed an interest in better understanding how existing compensation and job evaluation systems interact with this right.

Collective bargaining and job evaluation systems do tend to help in supporting pay equity. However, these systems are typically more restricted in their scope (for example, collective bargaining is for terms and conditions in a bargaining unit, and a single job evaluation system usually does not extend to an entire establishment). This is why they cannot be relied on for pay equity; pay equity systems are there to ensure that equal pay for work of equal value is *demonstrably* established and maintained over time, across an entire establishment.

Maintenance requires a systematic review every few years. For example, the federal *Pay Equity Act* and the Québec's *Pay Equity Act* both establish a five-year time frame for regular maintenance reviews.

The reason why systematic reviews are important is that pay inequities can make their way back into compensation systems over time, despite the best of intentions. The only way to be sure that this has not happened is by doing a pay equity review that demonstrates equal pay is being paid for work of equal value. If it has happened, then the exercise allows the pay inequity to be identified and corrected.

Although the NWT's pay equity legislation does not impose a requirement for proactive pay equity development or pay equity maintenance, this does not prevent employers and bargaining agents from undertaking a voluntary pay equity exercise. I take up the mantle of my predecessors and encourage stakeholders to work together to undertake such a voluntary review in each establishment, in the near future.

During the coming year I plan to continue promoting education and awareness of equal pay for work of equal value, to help ensure this basic human right is recognized and upheld across the GNWT public service. I will continue to emphasize the benefits of voluntary compliance with the principles, and the importance of narrowing the gender wage gap through pay equity.

I would like to close by thanking the Speaker and the Members of the Legislative Assembly for entrusting me with the responsibility of being your Equal Pay Commissioner. I look forward to continuing to serve the Legislative Assembly in the coming years.

Respectfully submitted this 23rd day of July 2024,

Renée Caron
Equal Pay Commissioner of the NWT