

Standing Committee on
Government Operations



Report on the Review of the 2023-2024 Annual Report of the Northwest Territories Equal Pay Commissioner

20th Northwest Territories Legislative Assembly

Chair: Mr. Julian Morse

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NORTHWEST TERRITORIES
LEGISLATIVE ASSEMBLY
TERRITOIRES DU NORD-OUEST
ASSEMBLÉE LÉGISLATIVE

SPEAKER OF THE LEGISLATIVE ASSEMBLY

Mr. Speaker:

Your Standing Committee on Government Operations is pleased to provide its *Report on the Review of the 2023-2024 Annual Report of the Northwest Territories Equal Pay Commissioner* and commends it to the House.

Mr. Julian Morse
Chair, Standing Committee on Government Operations

**STANDING COMMITTEE ON
GOVERNMENT OPERATION**

**REPORT ON THE REVIEW OF THE 2023-2024 ANNUAL REPORT OF THE
NORTHWEST TERRITORIES
EQUAL PAY COMMISSIONER**

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STANDING COMMITTEE ON GOVERNMENT OPERATIONS

REPORT ON THE REVIEW OF THE 2023-2024 ANNUAL REPORT OF THE NORTHWEST TERRITORIES EQUAL PAY COMMISSIONER

INTRODUCTION

The Standing Committee on Government Operations (Committee) has reviewed the *2023-2024 Annual Report of the Northwest Territories Equal Pay Commissioner* (Annual Report).¹ The Committee thanks Ms. Renée Caron, recently appointed Equal Pay Commissioner, for her appearance before Committee on August 29, 2024.²

In the Northwest Territories (NWT), the right to equal pay for work of equal value is established by Section 40 of the *Public Service Act* and applies to public service employees.³ The Act requires the Equal Pay Commissioner to prepare an annual report. The 2023-24 Annual Report highlights the context for the Commissioner's work and her activities over the year.

Committee wishes to express our heartfelt sympathy to the family and friends of Bronwyn Watters, the former Equal Pay Commissioner, who passed away unexpectedly in the summer of 2023.

ABOUT THE NWT EQUAL PAY COMMISSIONER

Section 40 of the *Public Service Act* 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, three separate establishments exist: the government, the NWT Power Corporation, and teachers.

The Equal Pay Commissioner (Commissioner) is responsible for:

- Investigating complaints from employees who believe that their right to equal pay for work of equal value has been violated.
- Promoting awareness and understanding of equal pay for work of equal value.

OBSERVATIONS

The Northwest Territories stands as a leader in minimizing pay inequity. According to the most recent Statistics Canada census (2021), in the Northwest Territories:

- The median wage for tax filers identifying as male was \$65,300.
- The median wage for tax filers identifying as female was \$59,610 (91.3%)⁴

These wages represent one of the smallest gender pay gaps in Canada (average 74%), behind only Nunavut (93.5%). However, Committee urges the government to avoid complacency.

Diversity, equity, and inclusion (DEI) discussions often focus on traditionally marginalized groups in isolation. For example, the GNWT has policies that promote mentorship opportunities for Indigenous peoples and training to improve 2SLGBTQQIA+ workplace awareness. These efforts are important; however, Committee argues they are overly simplistic.

An intersectional approach to pay equity

Intersectionality is critical to understanding pay equity because it allows us to delve deeper into the multiple factors or demographics that impact compensation rather than focusing on individual factors in isolation. By design, focusing on the average wages across all women may mask disparities that exist when individual experiences or demographics are not incorporated.

The United States Equal Employment Opportunity Commission noted that “pay inequity is not solely an issue of sex discrimination, but an intersectional issue that cuts across race, colour, national origin, and other protected classes.”⁵ An intersectional approach to pay equity necessarily goes beyond comparing the average earnings of men and women.

A Statistics Canada study, *Intersectional perspective on the Canadian gender wage gap*,⁶ found that in 2022, compared to the average hourly wage for Canadian-born men:

- Women who immigrated to Canada as children earn 10.5% less.
- Women who immigrated to Canada as adults earned 20.9% less.

- The comparison of average earnings at the intersection of gender and Indigenous status shows that Indigenous women and men earn less than non- Indigenous men and women.
- Women who identify with a racialized group earn significantly less than the average male.
- Persons with disabilities have lower wages and are more likely to work part-time, leading to lower average weekly earnings.
- Neurodivergent individuals are more likely to be underemployed, with lower potential earnings versus their neurotypical peers.

Committee believes that the GNWT's current one-dimension approach, based on just gender, misses the full picture. Intersectionality is key to achieving pay equity because it recognizes that individuals experience discrimination and inequality based on the intersection of multiple identities and demographic markers, such as race, gender, and age.

During the life of this Assembly, the Government of the Northwest Territories plans to bring forward amendments to the *Public Service Act*, making now an ideal time for the government to consider intersectionality issues surrounding pay equity and propose changes to the legislation. Therefore:

Recommendation 1: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories, in collaboration with the Pay Equity Commissioner, review the pay equity provisions of the *Public Service Act* and bring forward amendments to address how intersectionality impacts pay equity.

Proactive pay equity

Collective bargaining and job evaluation systems support pay equity. The GNWT uses the Hay Method of job evaluation as a gender-neutral evaluation system that assesses jobs based on skill, effort, responsibility, and working conditions. However, Committee learned that collective bargaining and job evaluation can not be the sole mechanisms to ensure pay equity. The 2023-2024 Annual Report points out that “equal pay for work of equal value must be *demonstrably* established and maintained over time... Maintenance requires a systemic review every few years.”

In August 2021, the federal government brought the federal *Pay Equity Act* into

force.⁷ The federal Act establishes a proactive pay equity regime for federally regulated workplaces with ten or more employees. Under this regime, employers must proactively examine their compensation practices.

The central feature of proactive pay equity is that it requires employers to establish and periodically update a pay equity plan rather than relying on reactive complaints to address and resolve issues.

Recommendation 2: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories, in collaboration with the Pay Equity Commissioner, review the pay equity provisions of the *Public Service Act* and bring forward amendments to require regular maintenance reviews or proactive pay equity plans.

CONCLUSION

This concludes the Standing Committee on Government Operations *Report on the Review of the 2023-2024 Annual Report of the Northwest Territories Equal Pay Commissioner*.

Recommendation 3: The Standing Committee on Government Operations recommends that the Government of the Northwest Territories provide a response to the recommendations contained in this report within 120 days.

ENDNOTES

¹ Northwest Territories Equal Pay Commissioner's 2023-2024 Annual Report. Available at: <https://www.ntlegislativeassembly.ca/file/epc-ar-23-24enpdf>

² Public Briefing on the 2023-2024 NWT Equal Pay Commissioner. Available beginning at timestamp 25:15:00: <https://www.youtube.com/watch?v=Cwy2Omf8XNE&t=278s>.

³ Section 40 of the *Public Service Act* is available at: <https://www.justice.gov.nt.ca/en/files/legislation/public-service/public-service.a.pdf#page=23>.⁴

Yukon Bureau of Statistics, Annual Wages, Salaries, and Commissions, 2023. Available at: https://yukon.ca/sites/yukon.ca/files/ybs/fin-wages-salaries-and-commissions-2021_0.pdf#page=2.

⁵ U.S. Equal Employment Opportunity Commission (2021, November). In pursuit of pay equity: Examining barriers to equal pay, intersectional discrimination theory, and recent pay equity initiatives. Available at: <https://www.eeoc.gov/pursuit-pay-equity-examining-barriers-equal-pay-intersectional-discrimination-theory-and-recent-pay>.

⁶ Drolet, M., & Amini, M. M. (2023, September 21). *Intersectional perspective on the Canadian gender wage gap*. Studies on Gender and Intersecting Identities. <https://www150.statcan.gc.ca/n1/pub/45-20-0002/452000022023002-eng.htm>.

⁷ Employment and Social Development Canada, Overview of the *Pay Equity Act*. Available at: <https://www.canada.ca/en/services/jobs/workplace/human-rights/overview-pay-equity-act.html>