



Legislative Assembly of Alberta

The 29th Legislature
Fourth Session

Standing Committee
on
Families and Communities

Public Sector Compensation Transparency Act Review

Tuesday, February 5, 2019
1 p.m.

Transcript No. 29-4-13

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The 29th Legislature
Fourth Session**

Standing Committee on Families and Communities

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Standing Committee on Families and Communities

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Corinne Carlson, Barrister and Solicitor, Legislative Reform

Public Service Commission

Lana Lougheed, Deputy Minister

Public Agency Secretariat

Sandra Locke, Assistant Deputy Minister

1 p.m.

Tuesday, February 5, 2019

[Ms Goehring in the chair]

The Chair: Good afternoon. I'd like to call this meeting to order. Welcome to members, staff, and guests in attendance for this meeting of the Standing Committee on Families and Communities.

My name is Nicole Goehring. I am the MLA for Edmonton-Castle Downs and chair of this committee. I'd ask that members and those joining the committee at the table introduce themselves for the record, and then I will call on those joining in via teleconference. We'll start to my right.

Mr. Smith: Mark Smith, Drayton Valley-Devon.

Mr. Yao: Tany Yao, Fort McMurray-Wood Buffalo.

Ms Goodridge: Laila Goodridge, MLA, Fort McMurray-Conklin.

Ms Renaud: Marie Renaud, St. Albert.

Mr. Hinkley: Good afternoon. I'm Bruce Hinkley, MLA, Wetaskiwin-Camrose.

Ms Woollard: Good afternoon. Denise Woollard, MLA, Edmonton-Mill Creek.

Mr. Shepherd: David Shepherd, Edmonton-Centre.

Ms McKittrick: Bon après-midi. Annie McKittrick, Sherwood Park.

Ms LeBlanc: Stephanie LeBlanc, Senior Parliamentary Counsel.

Ms Robert: Good afternoon. Nancy Robert, research officer.

Dr. Massolin: Good afternoon. Philip Massolin, manager of research and committee services.

Ms Rempel: Good afternoon. Jody Rempel, committee clerk.

The Chair: Thank you.

Drever: Deborah Drever, MLA for Calgary-Bow.

Ms Miller: Barb Miller, MLA, Red Deer-South.

Dr. Swann: Good afternoon. David Swann, Calgary-Mountain View.

Ms Luff: Robyn Luff, Calgary-East.

Mr. Fraser: Rick Fraser, Calgary-South East.

The Chair: Thank you.

A few housekeeping items to address before we turn to the business at hand. Please note that the microphones are operated by *Hansard*. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Please set your cellphones and other devices to silent for the duration of this meeting.

A draft agenda for this meeting was distributed. Does anyone wish to propose any amendments? On the phones? Would a member be willing to move a motion to approve the agenda? Mr. Shepherd. Moved by Mr. Shepherd that the agenda for the February 5, 2019, meeting of the Standing Committee on Families and Communities be adopted as circulated. All in favour of this motion, please say aye. On the phones? Any opposed? On the phones? Thank you. This motion is carried.

Mr. Orr: Hi. I should introduce myself. I think I mentioned that the phone connection has been really poor. I can hardly hear half the time. Ron Orr, Lacombe-Ponoka, is in attendance. Welcome.

The Chair: Thank you, Mr. Orr.

We have the minutes from our last meeting. Are there any errors or omissions to note? On the phones? Would a member please move adoption of the minutes? Ms Woollard. Moved by Ms Woollard that the minutes of the December 20, 2018, meeting of the Standing Committee on Families and Communities be adopted as circulated. All in favour of the motion, please say aye. On the phones? Any opposed? On the phones? Thank you. This motion is carried.

Review of the Public Sector Compensation Transparency Act, Ministry of Justice and Solicitor General/Ministry of Treasury Board and Finance, a joint technical briefing. At our previous meeting we agreed to invite technical briefings on the Public Sector Compensation Transparency Act from the Ministry of Justice and Solicitor General and the Ministry of Treasury Board and Finance. I would like to ask our presenters to join us at the table now while I make a few introductory comments.

I will begin by thanking the officials joining us today for their time. After receiving the briefing, I will open the floor to questions from committee members.

One quick reminder before we proceed. The presentation today is a technical briefing, not a stakeholder presentation. The committee will be discussing options for stakeholder input later this afternoon.

Our presenters today are Mr. Philip Bryden, Deputy Minister of Justice and Deputy Solicitor General, and Ms Lana Lougheed, Deputy Minister, Public Service Commission, with the Ministry of Treasury Board and Finance.

Mr. Bryden, I believe you will be starting us off. Please proceed when you're ready.

Mr. Bryden: Thank you, Madam Chair, and thank you for the invitation. I have with me Corinne Carlson, who is a lawyer in our legal services division.

Ms Lougheed: And Sandra Locke, our assistant deputy minister of the Public Agency Secretariat.

Mr. Bryden: We appreciate the opportunity to provide a technical briefing on the Public Sector Compensation Transparency Act, that is under review by this committee. I plan to cover most of the substantive requirements in the legislation and regulations, and Ms Lougheed will discuss how the legislation works in practice as well as address some common questions that have arisen over the past few years.

By way of overview, the Public Sector Compensation Transparency Act requires the government of Alberta and government agencies, called in the legislation public-sector bodies, to publicly disclose compensation paid to employees whose income exceeds a certain threshold. Public-sector bodies are also required to disclose all income that is paid to board members. The disclosure is intended to increase transparency, which will help Alberta taxpayers better see how their money is being spent.

The government first disclosed employee compensation in January 2014 under the authority of a Treasury Board directive, and that was for compensation paid in 2012 and 2013. In 2015 the Legislature enacted the Public Sector Compensation Transparency Act, and that legislation moved disclosure rules for government employees into the act and expanded disclosure to at that time about 150 government agencies, boards, and commissions. The first disclosure under the act was in June 2016 for compensation that was paid in 2015.

This history is significant because the act combines a pre-existing regime with a new regime for public-sector bodies, and the rules for GOA employees in public-sector bodies are a little bit different. I think the explanation for that is that the Legislature didn't want to change the existing regime for GOA employees, but the new regime for public-sector bodies made it simpler for these new organizations, and I hope to explain why as the presentation gets under way.

The majority of the rules for disclosure are found in the act, and I'll get to them in a moment, but it's also worth while to note that there are two regulations under the act: the public-sector compensation transparency general regulation, which sets out supporting rules for disclosure, including the disclosure of certain contracts, and the public-sector compensation transparency dissolved public-sector bodies regulation, which sets out rules for disclosure when an entity is dissolved or otherwise ceases to exist. Essentially, the disclosure has to be made on the dissolution or by the government on behalf of the entity that no longer exists. As you know, this committee has been tasked with the very first review of the act and its regulations.

So let me begin by which entities are covered. The disclosure rules are in effect for the government of Alberta as well as for public-sector bodies, but as I explained a moment ago, the rules are a little bit different. The public-sector bodies include agencies, boards, and commissions as defined under the Alberta Public Agencies Governance Act, offices of the Legislature, Covenant Health and its subsidiaries, and there's also a power in the regulations to add bodies. To date the regulations have not added any other entities.

The act also authorizes two other types of individuals to have disclosure made in relation to compensation. One is by enacting regulations that require disclosure of compensation paid to health care practitioners, including fee-for-service payments to physicians, and at this point no regulations have been made to authorize that disclosure.

1:10

Secondly, the act authorizes municipalities and school boards to make their own rules with respect to compensation disclosure, but those rules have to follow the scheme that is employed in the act, and again, to the best of my knowledge, no municipality or school board in Alberta to date has created its own compensation disclosure regime.

The disclosure rules for the government of Alberta are as follows. The government is required to disclose by June 30 each year the compensation paid to employees who earned more than a threshold amount of base salary or severance in the prior year. The original threshold amount was \$100,000 for 2012 compensation, and that's been escalated over time so that the 2018 threshold is \$108,784. That escalation takes place on the basis of Alberta CPI on an annual basis.

The threshold is based on base salary, and it doesn't include overtime or benefits. Severance is measured using the same dollar amount, but it's dealt with separately. Once the threshold is exceeded, all compensation is disclosed in the specified categories, and this includes the employer's portion of pension contributions. Just to give you a concrete example, if an individual in 2018 earned \$100,000 in base salary and \$10,000 in overtime, that person would not, in the GOA, be required to disclose because their base salary is below the threshold. If they earned \$110,000 in base salary and \$10,000 in overtime, the full \$120,000 would be disclosed because they'd be over the \$108,000 compensation limit.

Certain types of employment contracts and all severance contracts have to be disclosed for those over the threshold, so the actual contract has to be publicly disclosed. The types of contracts include

deputy minister contracts, contracts of individuals who work in the offices of ministers or individuals who work in the office of the Premier. Certain personal information is redacted from the contracts such as the employee's home address and the signatures. Limited disclosure is required each December for any severance contracts or payments that have been made in the first six months of that year.

The rules for disclosure for public-sector bodies are that full disclosure has to take place by June 30 and severance contract disclosure by December 31, but the threshold is determined by total compensation. That includes both base salary and overtime and any other monetary benefits. In 2015 the threshold was \$125,000, and that's been escalated, once again by CPI, so that the 2018 threshold is \$129,809. For public-sector bodies, this makes administering disclosure a lot easier because they just identify from the employee's T4 slip what their compensation is. If it's over \$125,000, the compensation has to be reported. If it's under \$125,000, it doesn't get reported. Excuse me; \$125,000 as escalated, so for this coming year it would be \$129,809.

The threshold also includes severance, but the severance amount is disclosed separately. The employer's portion of pension contributions and other nontaxable benefits are reported, but they aren't counted for purposes of the disclosure.

The idea is to show total compensation, but for threshold purposes we look at income as defined by the T4, and then additional compensation, such as the employer's portion of pensions, that isn't a taxable form of income but is a benefit, is part of the disclosure.

With respect to contracts, I've already mentioned disclosure of contracts of GOA employees. There's also a disclosure of certain contracts for public-sector bodies, and that includes individuals whose positions are in column 1 of schedule 1 of the reform of agencies, boards, and commissions compensation regulation, typically the CEOs of the larger public agencies – the CEO of Alberta Health Services, the CEO of the Independent System Operator – and individuals listed in column 1 of schedule 1 of the reform of agencies, boards, and commissions (postsecondary institutions) compensation regulation, typically the presidents of the universities and colleges. Once again, contract disclosure is required on June 30 and, if necessary, December 31.

The Minister of Justice and Solicitor General is responsible for the act. The minister determines the manner and form of disclosure, and she does this by way of a technical guide that's published online along with other technical material. The Public Service Commissioner will talk a bit more about those resources.

A public-sector body that has no compensation to disclose must notify the minister, and that's called a nil report. Disclosure has to remain online for at least five years, and public-sector bodies that are being dissolved also have an obligation to disclose.

The act allows for two types of exemptions, entity exemptions and individual safety exemptions. The entities are exempted by regulation by the Lieutenant Governor in Council. Currently the exempt bodies are AIMCo, ATB Financial, the Alberta teachers' retirement fund, and the funds and agencies exemption regulation agencies, which are basically corporations used by AIMCo to hold investments. The rationale for exempting these bodies is that they are commercial agencies that operate in competition with banks and other financial institutions, and compensation information in that industry is regarded as sensitive. It's monitored closely by Treasury Board and Finance.

The other exemptions are individual exemptions based on concerns about individual safety. The act allows an individual to apply to be exempt from disclosure if disclosure could unduly threaten the safety of the individual. This determination is made by the minister, and she has delegated that responsibility to me. To be

granted an exemption, an individual must set out facts that demonstrate the potential undue threat to the safety of the individual because of the salary disclosure.

1:20

There have been a number of applications over the years. I would say that the majority that have been dismissed have been applications from individuals who object to disclosure as a form of invasion of their personal privacy. People are entitled to that view, but my job in making these determinations is to apply the rules as laid down in the act, and the fact that you're not happy about your salary being disclosed is not a reason that demonstrates an undue concern about safety. There have been about 34 exemptions granted since the legislation has been enacted, and those are typically people that have a specific concern because they have received credible threats in which the amount of their compensation is relevant, people who have been subject to harassment, spousal abuse, stalking, those kinds of situations where the amount of money that they make may be a trigger for the activity. Exemptions are generally valid for five years, and then the individual must reapply.

The minister may determine a method of correcting disclosure, aggregate disclosure, extend time for disclosure, require public-sector body staff to provide information, order or conduct an audit, or publish an agency's failure to comply. To date there haven't been any concerns about agency failure to comply, and I don't believe there have been any audits conducted, largely because the scheme seems to be working quite well.

There are some special rules for officers of the Legislature. In particular, the minister doesn't have audit powers – those powers are conferred on the Auditor General – because we don't want a minister having the government oversee an independent officer of the Legislature. So we have an independent officer of the Legislature conducting any audits that might be necessary.

In closing, I think that I've covered the major provisions of the legislation. Ms Loughheed will now provide additional information, and we'll be happy to take questions afterwards.

Ms Loughheed: Thank you very much. With respect to the administration of the Public Sector Compensation Transparency Act my office has the honour and privilege of working very closely with the Department of Justice and Solicitor General, which is responsible, as Deputy Minister Bryden identified, for the legislation, and with the Department of Service Alberta, which runs the payroll system for the core public service.

In administering the Public Sector Compensation Transparency Act, my office is responsible for ensuring that the disclosure of the salaries of the core Alberta public service employees and political staff in the Premier's office and ministers' offices is made in time with the legislative requirements each year.

We're also responsible for ensuring that all of the public-sector bodies that are subject to this act understand their responsibilities to comply with the legislation and assist them in doing that by providing them with guidelines and technical, step-by-step procedures for completing the calculations and validating the information. Our responsibilities include providing advance notice to the deputy ministers of each department and the public-sector bodies, including the legislative officers, about the act's requirements and the disclosure process and timelines far enough in advance that they can complete the paperwork required to post the disclosures; working very closely with Justice and Solicitor General to ensure that any employees are informed of the exemption process and to ensure that all employees who've been granted exemptions do not have their salaries disclosed; and, as I mentioned, collaborating

with Service Alberta to validate the disclosure information and ensure that it is publicly posted.

With respect to the process for the core public service we provide detailed implementation instructions to our HR staff for all of the departments to ensure that the employee data in the payroll system is carefully reviewed and confirmed. We work very closely with all of the departments to ensure that a consistent approach is taken to the interpretation of the legislation and to following the disclosure processes outlined in an administrative guideline that is provided. I believe a copy was shared with the committee as part of our package in advance. The guidelines provide specific information to the departments on the disclosure threshold and the reporting period, the disclosure requirements and mandatory schedule; information on validating and confirming employee disclosure data and ensuring that approved exemptions are removed; and instructions on what can be redacted from contracts and how to upload the information on the public-facing websites so that it's available for public viewing. Once the disclosure information has been validated, we ensure that the redacted contracts are also available for public posting.

When a government employee's salary or severance exceeds the annual threshold that Deputy Minister Bryden spoke of, this screen, although I see it's a bit small for reading, provides you with an overview of what is posted on the website, and the link to the website is there so that you can go on and review everything that is posted there. What it includes is the ministry, the individual's name, the position that they hold in the public service, and the classification of that position as well as all of the remuneration. What the screen includes for the remuneration is that it's broken down by base salary, cash benefits, which would include payments such as overtime and vacation payout and any allowances or lump-sum payments that an employee might have received, as well as noncash benefits, which include the employer's share of all of the employee benefit contributions, including pension and disability plans, and, of course, a separate listing for severance, any remuneration that's either paid to or payable to an employee in lieu of or supplementary to the notice of termination of employment.

Government employees who exceed the disclosure threshold are also subject to the requirements to have their employment contracts disclosed. Most employees in the core public service are not on an employment contract; they're simply employed under the Public Service Act. Examples of employees who would be on contract include deputy ministers and senior officials, who are appointed to their office through an order in council; pathologists and other medical specialists; and political staff. Severance contracts for all government employees who exceed the disclosure threshold must also be disclosed. In addition to the Public Sector Compensation Transparency Act disclosure, this government has also enabled an additional disclosure process for the contracts of all political staff. There is an additional website that is available for the contracts of all political staff, whether they exceed a threshold or not.

In terms of the public-sector bodies process, I also provide information about the disclosure process and the requirements for all of the public-sector bodies that are required to disclose to my deputy minister colleagues, who are responsible, in turn, for supporting the public bodies that are associated with their ministry to comply with the act. The resources and tools that my staff provide to departments in this regard include a technical guide, which identifies the what and how of the public-sector body disclosure requirements, and an executive summary, if you will, of that guide, that we refer to as a step-by-step guide, which is particularly useful to some of the larger, more sophisticated public bodies that are already very familiar with the process. We also share with all of the public-sector bodies a list of the common questions

and answers that they might receive to help them be able to comply with the legislative requirements and to respond effectively to their employees. With respect to legislative offices I also communicate the disclosure process to the key contacts in those offices and provide the technical guideline to their offices as well.

This screen is a shot of what is posted publicly for public-sector bodies. It's very similar to the core public service. It includes the name of the public-sector body, the employee's name or the board member's name, their position, and all remuneration. In this case, the remuneration amount includes their base salary, any overtime, bonuses, honoraria paid to board members, and taxable benefits. As Deputy Minister Bryden noted, that reflects the total income amount on the individual's T4 slip.

1:30

Over the years that we've been doing this, we have collected the most common questions that have been asked each time the disclosure is made. The questions on this slide constitute the top five or six questions. The first is always about how the disclosure threshold is calculated, and Deputy Minister Bryden identified that earlier. It is escalated each year based on the consumer price index and is provided by Treasury Board and Finance.

The question about why the threshold is higher for public-sector bodies than it is for GOA employees Deputy Minister Bryden also covered, and that is because this legislation includes a mix of adopting a previous regime while attempting to make the process straightforward for over 150 public-sector bodies that range in size from very small entities like Travel Alberta to very sophisticated entities like Alberta Health Services.

In terms of how many GOA employees are exempt from having their information disclosed, again, as Deputy Minister Bryden mentioned, there have been approximately 34 exemptions approved over the years.

Which department has the most disclosures? Typically it is Alberta Justice and Solicitor General because that department has the largest number of employees of all departments in the public service and, as a highly professional organization with a number of legal officer positions, has many individuals that are over the threshold.

Are there any public-sector bodies that are exempt from disclosing and, if so, why? Again, Deputy Minister Bryden has covered that information with regard to AIMCo, ATB Financial, and the Alberta teachers' retirement pension fund, which are highly complex organizations competing in a global market for talent, and the salaries of individuals in those entities are considered extremely competitive and sensitive.

Since the implementation of the legislation we've been able to work collaboratively with our departmental and public-sector body contacts to streamline the processes. It is a fairly labour-intensive process, as you can imagine, to post the salaries and detailed disclosure information. We work every year to continuously enhance the efficiency around this because we need to balance that labour intensity with ensuring that there is full public disclosure for Albertans to understand how taxpayer dollars are being used in terms of salaries, and we continue to solicit feedback from stakeholders to ensure that we can focus on continuous improvement year after year.

That concludes my presentation. Thank you for the opportunity to provide the committee with this information. My colleagues and I would be very happy to take any questions that you might have.

The Chair: Thank you, both, for your presentations.

Before I open the floor to members for questions, I just have heard some coughing on the phone, so if everybody that's on the phone could please mute, that would be greatly appreciated.

Now I will start a list and open the floor to anybody who has questions.

Ms Woollard: Thank you very much for your presentation this afternoon. That was very thorough. It educated me a great deal.

There's obviously a joint effort between the Justice department and the Public Service Commission in enacting this act. Could you please elaborate a little bit more on how exactly the collaboration works?

Mr. Bryden: Our ministry has been responsible for bringing forward the legislative proposals to cabinet for approval and bringing the regulatory proposals forward for approval. To date I've been responsible for administering the exemptions, but beyond that, the Public Service Commission does a lot, I would say, of the day-to-day administration, making sure that people understand the rules, making sure that the disclosure actually takes place on a timely basis.

I don't know if you want to add anything, Lana.

Ms Lougheed: I guess one way to look at it would be that the Department of Justice has really been responsible for the strategy, and our department is responsible for the operationalization of that strategy.

Ms Woollard: Okay. Great. Thank you. That clarifies a lot.

Can I ask one more?

The Chair: Go ahead.

Ms Woollard: All right. You mentioned during your presentation that the act allows other entities to be identified but that none has been identified yet. Could you give examples of the type of entities that could be covered and who under the act has the authority to identify these entities? I hope that's understandable.

Mr. Bryden: Corinne?

Ms Carlson: Yes. Thank you. The act does have a definition of a public agency, which refers to the Alberta Public Agencies Governance Act, and then it has a definition of public-sector body, which includes a section that says, "any part or all of a person, an organization or a body, whether incorporated or not, that is identified in the regulations as a public sector body." So it's very broad, but I think it would be public-sector body type entities that are obviously publicly funded.

Mr. Bryden: For example, if a new agency were created that wasn't an APAGA agency, this would authorize extending disclosure to that new agency.

Ms Woollard: Okay. All right. Thank you very much.

The Chair: Thank you.

Any members on the phone wishing to ask a question?

Dr. Swann: Thanks. Thank you for the presentation. I'm a bit puzzled about medical practitioners, why they are at this point not disclosing. We've had a debate in the Legislature, and I thought it was clear with the act. Perhaps you can enlighten us about the status now of medical practitioners.

Mr. Bryden: The act authorizes the enactment of regulations to mandate medical practitioner disclosure. I think it's fair to say that as we got into more of the detail on medical practitioner disclosure, it was evident that having a fair compensation disclosure regime was quite complicated.

At this point there are three provinces that have medical practitioner disclosure regimes. Two of them, British Columbia and Manitoba, disclose payments that are made under their medical service plans to physicians on an individual basis, and they acknowledge that those aren't comprehensive. They also acknowledge that they include not only what for most people would be salaries but also the overheads that the physicians have to pay out of their compensation. New Brunswick fairly recently adopted a regime where they identified bands of payments that were made to physicians under their program.

Our act authorizes a more comprehensive approach to compensation disclosure, so it includes payments that are made to physicians not only through Alberta Health Services but payments that are made to physicians through the AMA for a whole variety of different kinds of benefit regimes. We entered into some discussions with the AMA, realized that it was quite complicated, and to date at least we haven't settled on what the right approach ought to be for physician disclosure.

Dr. Swann: Just a quick follow-up if I may.

The Chair: Go ahead.

Dr. Swann: In the House we discussed the possibility of establishing a reporting regime on each of the specialties to give the public some sense of what the average and the median salaries or incomes were, including the alternate reimbursement plans that some physicians are on. Has that been considered?

Mr. Bryden: There is a reporting regime, and I think this is by the Ministry of Health.

Corinne, is that correct?

Ms Carlson: Yes.

1:40

Mr. Bryden: The Ministry of Health does report on average payments on a range of specialties on an annual basis. I've seen figures from 2013 through 2017, and I'm assuming that that's continuing.

I don't know if you want to elaborate, Corinne.

Ms Carlson: This information is available online. It's in the statistical supplement, which is a very lengthy document. It has averages by physician specialty. It has information on patient demographics and how many physicians are in each specialty. It also has information on the other health care practitioners that are included, but it doesn't have any names published.

The Chair: Thank you.

Dr. Swann: Is that in the Department of Health?

Ms Carlson: I believe so. Yes.

Dr. Swann: Thank you very much.

The Chair: Any other members wanting to ask any questions? Ms McKittrick.

Ms McKittrick: Yes. Thank you. I find it interesting. I didn't realize how fast the accrual was between 2012 and 2019. It was interesting.

I was wondering. Originally, when the threshold was set as \$100,000, what was the rationale? I know that Manitoba and Saskatchewan have thresholds of \$35,000 and \$50,000 respectively, and I was wondering if it had anything to do with Alberta.

Mr. Bryden: I wasn't here at the time, but Ontario's threshold was \$100,000. The problem with the Ontario threshold is that it has been \$100,000 since the 1990s, and it doesn't have an escalator in it, so the number of people who get reported in Ontario just keeps growing. I think the important feature of our regime is that it's got an escalator in there, so you're trying to capture roughly the same group of employees. The individuals will change, but the group of employees that you're trying to capture is roughly the same whereas there's been scope creep, if you will, in Ontario.

Ms McKittrick: But Manitoba and Saskatchewan have a lower threshold.

Mr. Bryden: That's right, and I don't think there's any particular magic with why different jurisdictions pick a number.

Has Manitoba recently increased its threshold? I believe that's correct.

Ms Carlson: Yes. I believe that Manitoba increased their threshold from \$50,000 to \$75,000, starting in 2019.

Ms McKittrick: I really like the way that basically it's the same pool of employees as you're increasing. Thank you. I appreciate your answer.

The Chair: Do you have a second question?

Ms McKittrick: No. I think I'll leave it at that. Thank you.

The Chair: Thank you.

Anyone on the phones? Ms Goodridge.

Ms Goodridge: Thank you. As I've been looking through this, I was just curious. Is the oil sands advisory group included in the public disclosure under this act?

Ms Lougheed: I don't believe so. I don't believe that it is an agency listed in the Alberta Public Agencies Governance Act, but I can confirm that and get back to you.

Ms Goodridge: Wonderful. Thank you. I appreciate that.

Ms Lougheed: You're welcome.

The Chair: A second question?

Ms Goodridge: Would there be other organizations such as this that would fall into a gap and not be covered under this piece of legislation?

Ms Lougheed: All of the entities that are covered under the legislation are listed under the Alberta Public Agencies Governance Act and in the two regulations under the Reform of Agencies, Boards and Commissions Compensation Act. A listing of those entities was included in the package for the committee. I can't think of any entities that would be considered a gap based on the direction of the Legislature, which was to specifically cover those entities that fell into that particular definition.

Ms Goodridge: Wonderful. Thank you.

Ms Lougheed: You're welcome.

The Chair: Ms Woollard.

Ms Woollard: Okay. Thank you. Would it be possible to hear from you about how compliant each of the entities currently identified under the act is at declaring all concerned employee compensations

that are caught on the threshold as specified by the act? What is the compliance? Pretty good?

Ms Lougheed: Excellent, in fact, for the core public service. Because of our payroll system, we're able to ensure full compliance, and we track every year the number of employees whose salaries are disclosed. For the public-sector bodies Sandra Locke, our assistant deputy minister of the Public Agency Secretariat, and her team are responsible for following up with every department to ensure that all of the public-sector bodies have disclosed or filed a nil report, and we do that routinely every year.

Ms Woollard: Excellent. Thank you.

I was going to ask just a follow-up question about: had there been any audits thus far regarding noncompliance? But it sounds like that's all been taken care of very well.

Thank you.

The Chair: Thank you.

Any questions on the phone?

Mr. Orr: Yeah.

The Chair: Go ahead.

Mr. Orr: Thank you. I'm just wondering. You explained the history of how we ended up with two regimes, the government of Alberta versus the ABCs. Is there any sense or thought to somehow harmonizing those two regimes, somehow picking one or the other or whatever and ending up with one instead of two sets of rules?

Thank you.

Mr. Bryden: I think that might well be something that the committee might want to consider in its deliberations. I think that at the time, the government was concerned about not being seen to be changing the public service regime, but I think that from an administration standpoint the public-sector body regime is easier to administer because you're not trying to distinguish base salary and overtime. You're just saying: how much is a person compensated? You look at the box on the T4; you plug that in. That's the simpler of the two regimes. But that's a kind of policy question that the committee might want to take under advisement.

The Chair: Mr. Orr, any follow-up?

Mr. Orr: No. That's helpful. Thank you. It is something the committee may want to cover later in our agenda. Yeah. Thank you for now.

The Chair: Any other members with questions?

Ms Luff: Yeah. Hi.

The Chair: Go ahead.

Ms Luff: Yeah. I assume that individual boards of charter schools – like, the charter schools association is one of those bodies that has the authority to make the decision to disclose but doesn't have to disclose. So charter school boards would fall under that category. Is that correct?

Mr. Bryden: I believe that's correct.

Corinne, do you want to . . .

Ms Carlson: Yes. Under the optional disclosure, that they can opt into, it includes the operator of a charter school established under the School Act.

Ms Luff: Okay. Thanks.

Just a separate question sort of altogether: do you have an approximate idea of sort of how much you think it costs to administer this act?

Ms Lougheed: No. We have not calculated the amount that it would cost to administer it. It would all involve the salaries of existing core public servants in the Alberta public service as well as those in the public-sector bodies that this applies to, so it would be personnel time.

Mr. Bryden: For the smaller bodies, probably not very much at all. For large organizations – Alberta Health Services, University of Alberta, University of Calgary – I'm sure that there's a certain amount of staff time, but it might be quite difficult for them to identify just how much staff time is associated with compliance.

Ms Luff: Okay. So you would say that it's largely based on: you know, there were staff who were there already, and this became part of their jobs, to do this. Is that correct?

Mr. Bryden: That's correct.

Ms Luff: Thank you.

The Chair: Thank you.

Any other members with questions? Ms Woollard.

Ms Woollard: Okay. I might as well squeeze in one more here. Thank you. This is interesting to me. What is the overall impact of the act? Has overall severance decreased? What has the impact been of the salary freeze – this is kind of a sideways question – on non-unionized management and political staff? So some of the impact of this act.

1:50

Ms Lougheed: In terms of the salary freeze, which has been in place since 2015 for non-unionized members, there's been no increase in salary for those individuals, so it would have remained more constant. Without the salary freeze there likely would have been additional individuals who would have received increments that may then have had to disclose the salary. In the core public service there are about 8,000 people that are not unionized. The vast majority of our workforce is union.

Ms Woollard: Would you say that the overall impact of the act has just been to increase transparency?

Ms Lougheed: Absolutely. That's right.

Mr. Bryden: That was the objective. It lets members of the public know what individuals are being paid, and that may have some impact on how members of the public, you know, make representations to their political representatives about whether people are paid enough, whether they're paid too much, those kinds of things. By itself the act is sort of an indirect vehicle for providing more information that informs that kind of public debate.

Ms Woollard: Thank you.

The Chair: Thank you.

Mr. Smith.

Mr. Smith: Thank you, Madam Chair. I notice in here that it says that for education and municipal authorities "an education body may," "a municipal authority may." There was an earlier question

about, you know, charter schools being outside of this piece of legislation if I understood it correctly.

Mr. Bryden: No. The charter schools could do the same thing that the school boards could do. But if you're going to have a compensation regime, it has to be one that mirrors the type of regime that mandates disclosure for the same types of thresholds that we use in the public-sector bodies.

Mr. Smith: I guess the question that I've got then is: could you enlighten us a little bit as to the breadth and the range of educational bodies and municipal authorities that have actually followed through with the transparency act, or are we seeing that we have a transparency act where, really, these bodies are choosing not to follow through?

Mr. Bryden: To the best of my knowledge – and I acknowledge that there may be some school boards or municipalities that have created their own compensation transparency regimes, but I'm not aware of them. I think the thinking behind the act is that school boards and municipal councils are elected. The elected representatives can decide whether they want to pursue this opportunity or not, and that was the choice that the Legislature gave them. But the Legislature said: well, if you're going to do this, do it in a manner that's similar to how the public bodies are reporting and how the GOA is reporting.

Mr. Smith: Thank you very much.

The Chair: Any other members wanting to ask any questions, either in the room or on the phone?

Seeing and hearing none, I would like to thank our presenters for answering our questions.

During reviews of this nature other committees have found it useful to request that the experts on a subject matter attend committee meetings to provide technical assistance when requested. Is this a request this committee would like to make? I'd like to open the floor.

Mr. Hinkley: You're open to a motion requesting the experts provide technical expertise.

The Chair: Yes.

Mr. Hinkley: I would like to make a motion to that effect.

The Chair: Go ahead.

Mr. Hinkley: Okay. I move that the Standing Committee on Families and Communities request that officials from the Ministry of Justice and Solicitor General and the Ministry of Treasury Board and Finance work in conjunction with Legislative Assembly staff as required to support the committee during the review of the Public Sector Compensation Transparency Act and that officials attend committee meetings and participate when requested in order to provide technical expertise.

The Chair: Thank you.

Any discussion on this proposed motion? On the phones? Thank you. Moved by Mr. Hinkley that

the Standing Committee on Families and Communities request that officials from the Ministry of Justice and Solicitor General and the Ministry of Treasury Board and Finance work in conjunction with Legislative Assembly staff as requested to support the committee during the review of the Public Sector Compensation Transparency Act and that officials attend committee meetings and participate when requested in order to provide technical expertise.

All in favour of this motion, please say aye. On the phones? Any opposed? On the phones? Thank you.

Motion carried.

At this point I would like to advise the presenters that you're welcome to stay at the table. However, if you would like to leave the table, you're more than welcome to do so.

As members are aware, it's common practice for committees to use stakeholder lists to invite stakeholders to provide submissions as part of the review process. At our last meeting we asked research services to put together a draft stakeholder list for our review of the Public Sector Compensation Transparency Act and agreed that committee members could provide the information regarding any specific contacts they wish to see included on that list. The committee has had a month to review the draft stakeholder list and provide additions.

Ms Robert, could you please give us a brief overview of this document?

Ms Robert: Thank you, Madam Chair. Certainly. The draft list of prospective stakeholders was posted on the internal committee website, I think, about a month ago. I'll just quickly go over what entities we are suggesting as stakeholders. First and foremost would be the entities that are required to provide compensation disclosure information under the act, the first, of course, being the core public service, the government of Alberta. Our suggestion to the committee might be that a stakeholder letter be written to each deputy minister of the government of Alberta, with a request that the stakeholder letter requesting input be passed on to all of those employees who are affected by the act.

Second, we are suggesting that we should include public-sector bodies. Of course, Mr. Bryden and Ms Lougheed went over who they are, but basically there are approximately 120 public agencies under the Alberta Public Agencies Governance Act. We're proposing that stakeholder letters go to the heads of each of those organizations. We're also proposing as stakeholders the Legislative Assembly Office and the various legislative officers. Also, another public-sector body that's been identified in the act is Covenant Health and its subsidiaries, so our suggestion would be that they would be a stakeholder as well.

Carrying on from there, sections 3 and 4 of the proposed stakeholder list include education bodies and municipal authorities. Now, as Mr. Bryden and Ms Lougheed indicated, K to 12 education bodies, school boards are authorized but not required to follow the disclosure rules under the act, so our suggestion might be that the committee might wish to seek input from the Alberta School Boards Association, the Association of Independent Schools and Colleges, and the Association of Alberta Public Charter Schools. Similarly, with municipal authorities, which are also authorized but not required to disclose under the act, our suggestion might be that the committee contact the AUMA and the Rural Municipalities of Alberta.

Following that, we have some proposed stakeholders from the labour union or labour association area. These are all labour unions or associations that represent public-sector employees. We thought that perhaps they might be possible stakeholders.

2:00

And then, to finish up, there's a section with a couple of entities that we classified as privacy advocates and also, then, just a general Other category, which includes the Canadian Taxpayers Federation, the Fraser Institute, the School of Public Policy at the U of C, and various other organizations like that.

That's basically it, but if anybody has any other ideas or any questions they might like to ask, I'd be happy to try to answer. Thanks.

The Chair: Thank you.

Any questions or comments?

Dr. Swann: Yeah. David Swann in Calgary.

The Chair: Go ahead.

Dr. Swann: I noticed that the ATB, Alberta Treasury Branches, is one of the excluded bodies. I wondered if we could get an explanation or if indeed they could be considered for the list.

The Chair: Go ahead.

Ms Robert: Thank you. It's the committee's list. It's up to the committee entirely who they would like to invite submissions from.

The Chair: Dr. Swann, are you asking for them to be included on the stakeholders list?

Dr. Swann: I failed to ask that question earlier, as I should have, to the folks that were at the table. Perhaps if there is a good explanation why they're not included, then that's all I need. If the previous speakers could address the ATB, I would then be in a position to say whether they should or could even make a presentation.

The Chair: Okay. We're trying to come up with a response. Go ahead.

Ms Robert: Thank you, Madam Chair. I think that if I recall what Mr. Bryden said, the reason why agencies like ATB and AIMCo and the teachers' pension plan's board of trustees are exempt in the regulations to the act is that they are in competition with banks. That type of information is quite sensitive, and that is why they are exempt. I believe he also indicated that because they're exempt, they're very closely monitored by Treasury Board and Finance, I think.

The Chair: Provide an introduction and go ahead.

Ms Locke: Yes. Good afternoon. Sandra Locke, assistant deputy minister responsible for the Public Agency Secretariat. Yes, you're correct. ATB is a bank, and they are competing against corporations that aren't under disclosure requirements. The search for talent in these organizations is very competitive, and in order to maintain their competitiveness, they are excluded from the salary disclosure requirements.

The Chair: Thank you.

Dr. Swann: Thank you very much.

The Chair: Dr. Swann, are you wanting to add them onto the list, or at this point are you okay with them being off the list?

Dr. Swann: No. That's fine. They can remain off the list. Thank you.

The Chair: Thank you. Any other members with questions or comments?

Mr. Orr: I have one more here.

The Chair: Go ahead.

Mr. Orr: Of course, I'm on the phone, so I'm assuming our technical advisers are still in the room there. I just wonder if there are any organizations or groups or anybody that they would be aware of that

we should add to this list, from their point of view, that we have overlooked.

Thank you.

The Chair: Thank you, Mr. Orr. I've just been advised that they don't have access to the list. It's at the committee's discretion to add to the list that we've been provided.

Mr. Orr: Thank you.

The Chair: Any other questions or comments? Are there any committee members that are wanting to add additional names to this list, or are we okay with the list as is?

Okay. I would ask that a member move a motion to accept the list as circulated. Ms Renaud?

Ms Renaud: Sure. I would move that the Standing Committee on Families and Communities approve the draft stakeholder list to be used to invite written submissions from stakeholders as part of the review of the Public Sector Compensation Transparency Act as circulated.

The Chair: Thank you.

Any discussion? On the phones?

So moved by Ms Renaud that the Standing Committee on Families and Communities approve the draft stakeholder list to be used to invite written submissions from stakeholders as part of the review of the Public Sector Compensation Transparency Act as circulated. All in favour, please say aye. Any opposed? Thank you.

That motion is carried.

Next steps. Having approved a stakeholder list to invite written submissions on the Public Sector Compensation Transparency Act, we should consider setting a due date for the submissions. When considering our options, committee members may wish to consider the timeline for this process. As we know, an election is due to be called by May 2, and once this happens, this committee and its work comes to an end. I suggest that committee members keep this in mind as we discuss next steps.

Does anyone have any questions or thoughts at this point? On the phones?

Ms Luff: Can I just clarify the process?

The Chair: Go ahead.

Ms Luff: We've begun the process, so I assume that if an election were to be called in the middle of this process, any work that we had done would just sort of go on the record, and then whoever is on the subsequent version of the Families and Communities Committee would pick it up after the election is over.

The Chair: Go ahead.

Ms LeBlanc: On dissolution the committee, like the Assembly, would be dissolved, and a new committee would have to be constituted in the new Legislature to commence the review again. Now, it would be a decision for that committee in terms of what materials they would want to take into account or whether they would want to start fresh.

The Chair: Thank you.

Ms Luff, any follow-up?

Ms Luff: No. I think that clears it up. Thank you.

The Chair: Thank you.

Any other members? Mr. Shepherd.

Mr. Shepherd: Thank you, Chair. Well, having been through a few of these reviews and, I guess, having had the opportunity to get a sense of the timelines that are required, I think it's important, and we want to get this right. We want to make sure we give people an opportunity to be heard and give people time to put together what may be substantive submissions in some cases. I'm thinking that maybe about a month's time might be reasonable to allow folks to put their thoughts together and get those in to us. I propose that perhaps we look at moving a motion, then, to accept submissions up to or about March 5.

The Chair: Any discussion? On the phones?
Go ahead, Mr. Smith.

Mr. Smith: Thank you very much. I notice that in the act it says that a committee must submit a final report to the Legislative Assembly within 6 months after beginning a review under subsection (1). We've had a suggestion that we have a month for people to put their reports together and then come back to us. I guess I'm just asking the question. If I remember correctly, in other committees that we've had and other acts that we've looked at, there are usually one or two additional meetings as we have bodies come and present to us. Then there has to be some debate by the committee as to which of the recommendations that have been brought before us we would like to incorporate into the act. Then we have to, you know, pass the motions that would allow us to put together a report.

I guess I'm looking at this and I'm going: is this going to be able to be done? What happens if we meet on the 5th, then we go into session on the 18th, and on the 19th the government in its wisdom decides to call an election? What happens to this if we do not get back to this before the next six months occur? You know, the timeline is six months.

The Chair: Thank you.

Ms LeBlanc: The new committee, with the new Legislature, would commence the review again.

Mr. Smith: Okay. So the review would commence. It would be like going back to square one again and starting all over.

2:10

Ms LeBlanc: Yeah. Now, as I said before, depending on what materials have been made publicly available in the course of this review, a new committee may choose to take some of those into account if the bulk of the work has already been completed.

Mr. Smith: Okay. It was a question. It was not that I had any concerns. I just wondered how that worked. Thank you very much.

The Chair: Thank you.

Any other questions or comments about the proposed motion? I'll read it. Moved by Mr. Shepherd that

the Standing Committee on Families and Communities set March 5, 2019, as the due date to receive written submissions as part of the review of the Public Sector Compensation Transparency Act.

Any other questions or comments? On the phones?

All in favour of this motion, please say aye. Any opposed? On the phones? Thank you.

This motion is carried.

In addition to providing a notification to the identified stakeholders, it would be common practice at this point in the review process for the committee website to include information about the opportunity to provide written submissions on the act. We could supplement this approach with a news release and social media posts. If the committee thinks it's appropriate, we could also

explore paid advertising initiatives. Does anyone have any thoughts on this? On the phones?

Mr. Orr: Yeah.

The Chair: Go ahead, Mr. Orr.

Mr. Orr: You know, because this really impacts a very select group of individuals who are covered by the requirement for disclosure, I don't think I see the reason for a lot of public advertising. It's not the same kind of need for public advertising as we've had in some of the other committees we've done. I guess I don't see the need for a lot of public advertising, but I do think a proper notification to all the agencies and groups that are required to disclose is utterly appropriate, and some social media is fine. I'll leave it at that. That's my comment.

The Chair: Thank you, Mr. Orr.

Does anyone else have any questions or comments?

Ms McKittrick: I don't hear a lot of other comments from members of the committee, so I'd like to propose a motion if that's okay.

The Chair: Go ahead.

Ms McKittrick: I appreciated the comment from my colleague Ron Orr around the fact that this applies to a select group of Albertans, those who work for the public service bodies or for the government. I'd like to propose that the Standing Committee on Families and Communities direct communications services to draft social media posts and a news release regarding the review of the Public Sector Compensation Transparency Act, including the opportunity to provide written submissions, for approval by the chair and/or deputy chair.

The Chair: And/or or and?

Ms McKittrick: And deputy chair. Sorry. I didn't want to forget Mr. Smith.

The Chair: Thank you.

Any comments? On the phone? Thank you. Moved by Ms McKittrick that

the Standing Committee on Families and Communities direct communications services to draft social media posts and a news release regarding the review of the Public Sector Compensation Transparency Act, including the opportunity to provide written submissions, for approval by the chair and deputy chair.

All in favour of this motion, please say aye. On the phones? Any opposed? Thank you, everyone.

This motion is carried.

Moving on to other business, I would note for the record that the committee has received correspondence from the Centre for Family Literacy and a letter regarding the Keheewin building housing choices plan. These letters have been posted for the information of all committee members.

Are there any other issues for discussion before we conclude our meeting? On the phone? Thank you.

The date of the next meeting will be at the call of the chair.

I would now like to call for a motion to adjourn.

Mr. Yao: Right here.

The Chair: Moved by Mr. Yao that the meeting be adjourned. All in favour of the motion, please say aye. On the phones? Any opposed? Thank you. This motion is carried.

[The committee adjourned at 2:16 p.m.]

