



Legislative Assembly of Alberta

The 31st Legislature
First Session

Standing Committee
on
Families and Communities

Public Sector Compensation Transparency Act Review

Monday, April 15, 2024
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Standing Committee on Families and Communities

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Gochring, Nicole, Edmonton-Castle Downs (NDP), Deputy Chair

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Standing Committee on Families and Communities

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Alberta Securities Commission
Samir Sabharwal, Executive Director

Canadian Taxpayers Federation
Kristine Sims, Director

Parkland Institute
Jason Foster, Director

9 a.m. Monday, April 15, 2024

[Ms Lovely in the chair]

The Chair: All right. Well, good morning, everyone. I'd like to welcome members, staff, and guests to this meeting of the Standing Committee on Families and Communities.

My name is Jackie Lovely, and I'm the MLA for the Camrose constituency and chair of the committee. I'd ask that members and those joining the committee at the table introduce themselves for the record, and then we'll go to those online. We'll start to my right, please.

Mrs. Petrovic: Chelsae Petrovic, MLA for Livingstone-Macleod.

Mr. Lundy: Good morning, everyone. Brandon Lundy, Leduc-Beaumont.

Mr. Singh: Good morning, everyone. Peter Singh, MLA, Calgary-East.

Ms Steenbergen: Good morning. Christina Steenbergen, LAO communications.

Ms Sorensen: Good morning. Rhonda Sorensen, LAO communications.

Dr. Metz: Good morning. Luanne Metz, MLA, Calgary-Varsity.

Member Batten: Good morning. Diana Batten, MLA, Calgary-Acadia.

Member Tejada: Good morning. Lizette Tejada, MLA, Calgary-Klein.

Ms Goehring: Good morning. Nicole Goehring, MLA for Edmonton-Castle Downs and the deputy chair of this committee.

Ms Govindarajan: Good morning. Vani Govindarajan, Parliamentary Counsel.

Mr. Bhurgri: Good morning. Abdul Aziz Bhurgri, research officer.

Ms Robert: Good morning. Nancy Robert, clerk of *Journals* and committees.

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

The Chair: Let's see. We've got a few people online who have joined us from our committee here. Martin Long, let's hear from you first.

Mr. Long: Martin Long, the MLA for West Yellowhead.

The Chair: And Andrew Boitchenko. Andrew?

Mr. Boitchenko: Yes. This is Andrew Boitchenko, Drayton Valley-Devon constituency.

The Chair: Fantastic. Thank you so much. We do not have any substitutions.

A few housekeeping items before we turn to the business at hand. Please note that the microphones are operated by *Hansard*, so members do not need to turn the microphones on and off. Committee proceedings are being live streamed on the Internet and broadcast on Alberta Assembly TV. Members participating remotely should ensure they are prepared to speak or vote when called upon, and videoconferencing participants are encouraged to have their cameras on, if possible, when speaking. Please set your cellphones and other devices to silent for the duration of the meeting.

Now, has everyone received the draft meeting agenda? I'm seeing nods. Would anyone like to propose any amendments, or is there a member ready to move a motion to approve the agenda? All right. Please go ahead, Ms Goehring.

Ms Goehring: I'd like to move the agenda as outlined.

The Chair: All right. We don't need a seconder. All in favour? All right. The motion is carried.

Would you guys on the phone please put your hands up to vote rather than the voice. Could we do it that way? Thank you.

Mr. Boitchenko, would you . . .

Mr. Boitchenko: Yes. I'm here.

The Chair: Oh, you're here now. How did you get here so fast? I'm impressed. Okay. I was looking for you there. Okay. Even better to have you with us in person.

Would anyone like to propose any amendments to the draft minutes, or would someone like to move a motion to approve the minutes?

Mr. Singh: I would like to move.

The Chair: Moved by Peter Singh. All those in favour? That's carried.

The subcommittee on committee business report. One quick information item before we ask our presenters to join us at the table. Committee members will recall that this committee has a subcommittee on committee business, which consists of Ms Goehring, Mr. Lundy, and myself. As part of its review of the Public Sector Compensation Transparency Act the committee tasked the subcommittee with reviewing lists of potential presenters provided by the government and opposition caucuses and then selecting two presenters from each list. The subcommittee met on March 1 and identified the following four presenters: the Alberta Securities Commission, Parkland Institute, Public Interest Alberta, and the Canadian Taxpayers Federation.

A report on the subcommittee's work was posted for the information of committee members shortly after it met. This report also noted that the subcommittee supported using a presentation format similar to the one used during the previous review of the act. This format allotted each presenter up to five minutes for their remarks, followed by around 20 minutes for questions from committee members. This timing was further noted in an e-mail to committee members.

Before I invite our first presenter to join us, does anyone have any questions or concerns that they would like to express? Going once. Going twice. Okay.

Is everyone comfortable proceeding as I've outlined? I see nods all around. Okay.

Moving on to our main item of business today, we have presentations from the four organizations identified by the subcommittee. We'll have a mix of in-person and videoconference presentations. In-person participants will be invited to join us at the table at the appropriate time and are otherwise welcome to observe the meeting from the gallery. Similarly, presenters participating remotely have been asked to join us via Teams at the appropriate time and are otherwise welcome to observe the remainder of the meeting on television or online.

Our first presenter is Mr. Sabharwal from the Alberta Securities Commission, who will be joining us remotely. Mr. Sabharwal, when you are ready, please introduce yourself for the record and then proceed with your presentation.

Mr. Sabharwal: Thank you very much. My name is Samir Sabharwal. I'm the executive director at the Alberta Securities Commission. I'd like to thank you for the opportunity to address the committee this morning. Due to the time constraints I'll only be able to address key themes during my presentation. But I would urge all committee members to review the letter that was provided by the Alberta Securities Commission, signed by me on its behalf, in January of this year.

The ASC is responsible for administering and enforcing Alberta's securities laws, and our mission is to foster a fair and efficient capital market in Alberta and to protect investors. At the end of 2022 the ASC had primary oversight responsibility for public companies, that represented \$742 billion in market value, and in that year alone \$14 billion was raised by these public companies.

The ASC is not taxpayer funded. The industry pays the ASC for its regulatory services. That industry strongly desires an independent Alberta securities regulator that understands the complex issues that are faced by public companies, appreciates the uniqueness of the Alberta capital market, can advocate for the Alberta public interest within Canada, and has the expertise and experience to be a best-in-class securities regulator that delivers a regulatory regime that allows for the efficient flow of capital from investors to businesses. In our view, the current disclosure regime is a barrier to the achievement of these goals, and it should be significantly revised.

I'd first like to speak to the harm that we believe is caused by the current disclosure regime. In the ordinary course, disclosure of our employees' respective salaries would violate the Freedom of Information and Protection of Privacy Act. That is a very telling fact. In addition, the act imposes the following harm to the ASC and Albertans.

One, employee morale is negatively affected. The disclosure cannot provide context such as differences in responsibilities from job to job, performance, expertise, seniority, unique education or qualifications, competitive market pressures, leadership skills, and relative value to the organization, all of which are key to compensation levels. The disclosure creates animosity amongst colleagues, adversely impacts working relationships, creates unhealthy work environments, increases employee dissatisfaction, and ultimately can lead to negatively affecting the ASC's ability to serve the public interest.

Two, retention is adversely impacted. Our professional staff include lawyers, accountants, engineers, and geologists, each of whom are critical to the policy compliance and enforcement work we do to protect Alberta investors and companies. The disclosure of salaries paid to our professional staff harms our retention efforts. The government is essentially giving our employment competitors in the private sector the means to extract our best employees.

Three, administrative costs and burden. The preparation of the required disclosure is time- and resource-consuming. Human resources, finance, information technology, our general counsel, and our communications department are all required to attend to these tasks to ensure they're done in accordance with the legislation.

I think that leads us to ask ourselves: is it necessary to have this disclosure regime? From our perspective, reported commentary over the years provides evidence that only executive-level compensation for the highest earners across all agencies, boards, and commissions appears to be of interest. The GOA is currently engaged in developing a new compensation framework. That, coupled with the oversight already provided by a public agency's government-appointed directors, should provide a robust

governance model for compensation that is superior, quite frankly, to the salary disclosure dump that is mandated by the act.

What should be done going forward? Well, we feel we are somewhat uniquely placed to offer a view here at the ASC. The ASC, in conjunction with our fellow capital market regulators across the country, sets the requirements for disclosure by all public companies in Canada. That is, we know a thing or two about requiring disclosure that empowers good decision-making and oversight by shareholders, and I would suggest that shareholders of public companies are no less concerned than the public about compensation practices.

9:10

As a means of balancing privacy interests, transparency, and administrative burdens, we require only senior executive compensation to be disclosed by public companies. Indeed, in order to set the right tone for the market and provide transparency, the ASC has been disclosing the compensation for its chair and CEO, its executive director, and its two vice-chairs for many years, including well before the act was put in place. We think that is an appropriate and balanced outcome and strongly urge the committee to recommend changes to the act to achieve that outcome; that is, remove the disclosure requirement for all staff over the threshold and only apply it to senior executive level positions.

I'd be happy to take any questions that anyone in the committee might have at this time.

The Chair: Thank you so much for the presentation.

Now I'll turn it back over to the committee for any questions. Go ahead, please.

Dr. Metz: I'm Luanne Metz, MLA for Calgary-Varsity. I'm wondering if you can give a little bit more information about why the Alberta Securities Commission would be different than other public bodies in terms of the additional disclosures. Like, what is really unique that aren't the same issues faced by other public bodies?

Mr. Sabharwal: I certainly don't want to speak on behalf of other public bodies, and some of them may be in the same situation as us; others may not.

I'll start, first, with the fact that we are not taxpayer funded. The industry specifically identified a need for highly qualified professionals to oversee the Alberta capital market. In fact, as I've set out in my letter, Alberta works with the other securities regulators across the country to create a highly harmonized capital market in Canada. Often that means we come to consensus. Often that means we don't come to consensus without very hard work. We need to have the expertise in-house in order to deal with other large provinces who may see things somewhat differently than us.

We need to be able to advocate for the Alberta interest at the Canadian table when sometimes there are different views. That requires highly qualified lawyers, accountants, engineers, and geologists who understand the peculiarities of the Alberta capital market and the industries that are very important to Alberta. We have found that in order to compete, we need to be able to compete with, and not on a dollar-for-dollar basis, some of the law firms and other private-sector employers who we compete with for talent. Whether or not that's true for every agency is really not for me to say, but I can certainly say that it's true for our agency.

It's incredibly difficult to get people who understand some of the complex issues that are faced by the ASC. I'll give you just an example. ESG disclosure, for one, is an issue that is challenging to deal with within the Canadian marketplace. Increasing pressures from international standard setters require our staff to understand the international standards that are being presented from outside

this country: blockchain technology, crypto assets. Currently securities regulators are the only agencies that are addressing crypto assets in this country. That requires our staff to understand blockchain technology, crypto assets, custody issues when it comes to digital assets. These are things that are on the cutting edge, so to speak. That requires staff who understand those cutting-edge issues.

The increasing rise of international standard setting in the accounting world is another area where we have to spend significant time making sure that we are up to speed. The broad issues that arise in the financial technology innovation and disruption, again, require our staff to be on the cutting edge. The number of issues and the breadth of issues that fall on the desks of our staff is staggering, if I may put it that way, and it requires us to be able to retain staff that have that expertise.

Quite frankly, the salary freeze, which appears to be on its way out, hopefully permanently, has certainly been a challenge for the ASC in terms of retention and recruitment. The disclosure requirements have also been a significant barrier for the reasons that I've outlined in the letter. I'll highlight them quickly here. Not everyone is comfortable coming from the private sector into an environment where their salary will be publicly disclosed. Folks have often left some money on the table to be able to join us because they believe in the public interest and engendering a strong Alberta capital market but are not prepared to have their colleagues and friends see what kind of a salary reduction they've had to take in order to join the ASC.

It creates difficulties in order to explain to people why certain folks come in at a certain salary or certain folks are paid a certain salary, because that means we have to have conversations with all of them about how they're performing vis-à-vis someone else, and they don't always see it that way even though, from a performance management perspective, our HR groups and our managers and directors are doing an excellent job of trying to differentiate based on all the factors I've laid out: performance, value to the organization, how much they're contributing to the achievement of the strategic initiatives, seniority, whether they've got a PhD or a master's degree, whether they've got special qualifications other than that. Those are all areas that we manage, but because of the disclosure requirements now we have to have those conversations with everyone across the organization.

It creates a very tense environment, where people are competing against each other rather than acting as teammates. We have a very highly collaborative environment here. Accountants, geologists, lawyers, engineers all have to work together to put in place rules and financial disclosures that relate to some of our largest reporting issuers here who are in the oil and gas industry, and when you create tension amongst those people, it's very hard to get the work done in a collaborative fashion.

Apologies for the long-winded answer, but I feel quite strongly about this view. I think it's not been calibrated correctly. The disclosure requirements: we're certainly not against transparency, but we think it should be calibrated correctly. As I said, we've been disclosing in our annual report the senior executive level compensation for many years.

The Chair: Thank you so much.

Now, I understand Mr. Singh has a question. Go ahead, please.

Mr. Singh: Thank you, Madam Chair. Thank you for coming before the committee. You had an excellent presentation as well. Thank you for answering the previous question at great length here.

As you mentioned, your submission mentions various privacy concerns raised by ASC employees. About how many employees

do you have right now, and how many appear on the sunshine list? Thank you.

Mr. Sabharwal: Right now we have approximately 253, and I'm pretty sure that number is not bang on because there's always a bit of a vacancy rate, but that would be a rough estimation of the current complement of the ASC staff. I'm afraid I don't have the precise number of people who are on the sunshine list, so to speak, but I can tell you that I would suspect the majority of our professionals would be close to the threshold or over the threshold. My apologies. That's the best I can do on short-moment notice.

Mr. Singh: Thanks for the answer.

The Chair: Are there any other questions? Please proceed.

Member Batten: Thank you so much. Diana Batten, MLA, Calgary-Acadia. Thank you so much for being here today. A wonderful presentation thus far.

My question is about – so you're proposing that we only disclose, in particular for you guys, just the top number of employees, so just the senior ones. I understand the competition part, that, you know, the disclosure of salaries could cause some complications. Would you be open to modifying it where if it wasn't specific names or if it was ranges instead of specific salaries? Would that be something that would make it a little bit more, I guess, tenable for you?

Mr. Sabharwal: I don't think there's any doubt that it would be less challenging on its face, but it would, I think, present some new challenges. Often what happens is that people comb through the list and start to guess at who is making what. So while you may not have as specific of a gunfight, if I can use that colloquialism; nonetheless there will still be this perception: "Well, I know that's my title and that's what this title is paid here, and I know that's my salary. Now, let me look at everyone else who's got the same title," and then start looking at the same title in other organizations. It's a real challenge.

If I may digress for a moment, let me use an analogy. Since you're all seated in Edmonton and they seem to be doing very well this year, the Oilers in particular, let me use an analogy for the Oilers. Imagine if you looked at a list of centres for the Edmonton Oilers. We all know there's a very high-performing centre on the Edmonton Oilers who is paid exceptionally well. There are some other centres, integral to the team, not paid nearly as well because the value they deliver to the team is not as high. Now, imagine you brought someone in who knew nothing about hockey and just looked at a list of centres and said: "Well, wait a second. That doesn't make any sense. They're all centres. They're all playing for the same team. Shouldn't they be making the same amount of money?" But, of course, we know that isn't true. There are very good reasons for that differentiation.

9:20

The challenge is, for someone who doesn't know the organization, which is, quite frankly, most people who read the disclosure, that they don't really know how to value and judge who is or is not paid appropriately. What this creates is an environment where people are guessing with very little information, and it causes a lot of consternation. Ultimately, I think it doesn't really serve a very valuable purpose and creates quite a bit of harm and challenges for organizations.

I think all the agencies – I can tell you certainly that at the ASC people really enjoy coming here to work. They really value being able to put work in that serves the public interest, and we want them to want that. We don't want to create an environment where folks

are challenged to get along with each other or second-guessing whether or not they are paid correctly based on a sliver of information.

I think the better calibration of the disclosure is really to highlight the top. I'm the executive director at the ASC. I know I'm putting myself in that pool, and I'm happy to do it because it's fair. It's fair for folks to know how the most senior executives in an organization are paid. I don't shy away from that, but I'm concerned about bringing that down to staff below us because I've seen first-hand some of the challenges it creates.

The Chair: Are there any other questions?

All right. Well, thank you, sir. We appreciate your time and your expertise. Thank you for joining us today.

Mr. Sabharwal: Thank you very much. Enjoy the rest of your day.

The Chair: All right. Do we have Dr. Foster here? Next I'd like to invite Dr. Foster from the Parkland Institute to join us at the table. Thank you for joining us this morning, sir. I'll give you a second to get settled. When you're ready, please introduce yourself for the record and then begin your presentation.

Dr. Foster: Well, thank you very much, Madam Chair and to the committee, for this opportunity to present on this important issue. My name is Jason Foster. I am the director of Parkland Institute at the University of Alberta, and I'm also associate professor of human resources and labour relations at Athabasca University.

Parkland Institute is a nonpartisan public interest research institute, which for over 25 years has conducted rigorous, peer-reviewed research into a wide range of public policy issues and concerns. With that lens of public interest, Parkland considers the Public Sector Compensation Transparency Act an important part of ensuring appropriate accountability to Albertans. It is important to remember that this act was first enacted in part as a response to public outcry over revelations of excess salaries and perks afforded to some senior public-sector officials. We believe that the act continues to have an important role today, but we also believe it could be improved with some small amendments. I have three straightforward recommendations for you today regarding amendments to the act.

First, I would like to propose that a preamble be added to the beginning of the act that clearly articulates the purpose and intent of the act, and that intent would be to ensure the appropriate transparency to Albertans of the remuneration of the public sector's senior leaders while respecting the privacy of public-sector workers in general. I think it's important to clarify that the purpose of this legislation is to not reveal the wages of every public-sector employee but instead to focus accountability on those individuals who are in senior leadership positions and who are responsible for making decisions that affect millions of Albertans. Currently the intent of the legislation is not made clear, and even though the act is not even 10 years old yet, many have forgotten the series of events that led to its enactment. A preamble would make that purpose clear.

My second recommendation is to alter the scope of who is covered by public disclosure. I propose that, while we do maintain the existing financial threshold, we add a provision that states that disclosure only applies to employees whose remuneration is determined by an individual contract of employment. Employees whose compensation is determined by a collective agreement should be exempt from this disclosure. My rationale is fairly straightforward. Employees covered by collective agreements cannot negotiate their own compensation. This act was a measure to address concerns about secret deals with high-level officials providing gold-plated severances, inappropriate perks, and the like.

This amendment would have the provisions of the act more closely aligned with its original intent by ensuring only those employees who have latitude in negotiating their compensation are covered.

A scan of the sunshine lists finds a number of registered nurses, paramedics, other nonleadership positions scattered in amongst this list of deputy ministers, CEOs, and senior executives. We fail to sort of see a public interest argument in knowing the name and pay of a registered nurse. All that really tells us is that they worked a whole bunch of overtime that year. The concerns about revealing their identity in a public document outweigh the benefits of including them in the list. I also add that the collective agreements are already public documents as they are filed with the Labour Relations Board; therefore, a member of the public can learn wage levels at an aggregate level without the need of the sunshine list.

My third recommendation is, admittedly, less precise. I believe that the act as written is missing an opportunity to use the public disclosure that it offers to further our understanding about pay equity in the public service. Many Albertans might be interested, for example, to see if female senior officials are paid more or less than their male counterparts. The information disclosed currently is insufficient to be able to perform a pay equity analysis. As the sunshine list only covers the highest income earners, it's an imperfect tool for such an analysis, but it could be seen as an interesting starting place. I'm cautious about this recommendation as I am also alert to the privacy concerns that releasing additional information may cause. Maybe, then, the solution would be that the disclosure of demographic information could be voluntary or be done in some fashion that only minimally impacts employee privacy. I point this out just as a possible policy usage of this legislation that is currently not being taken advantage of. It would need to be crafted appropriately.

In summary, we at the Parkland Institute believe that the Public Sector Compensation Transparency Act serves the public interest in making public the compensation of senior government officials. With the small tweaks I've discussed, it could continue to serve that role with greater clarity and greater certainty. I thank you once again for the opportunity to present to you.

The Chair: Thank you so much for the presentation.

Now we'll turn it over to questions. Does anyone have any questions at all?

Well, that was a great presentation; there are no questions. Thank you so much for your time today, sir.

Dr. Foster: Thank you very much.

The Chair: All right. I will share that we had the Public Interest Alberta group scheduled to present today, but they've cancelled, so we will move on to the next presenter, which is the Canadian Taxpayers Federation. Ms Sims from the Canadian Taxpayers Federation will be joining us remotely. When you're ready, please introduce yourself for the record and begin your presentation.

Ms Sims: Hello. It's Kristine Sims here. I was told that I was up at 10 o'clock. I'm just having a little bit of a struggle with my laptop at the moment, but I should be able to join you within the next two minutes. I'm just on my phone right now.

The Chair: You know, why don't we just take a two-minute break, then – or a five-minute. We'll take a five-minute break to give you ample time to get prepared, and then we'll resume if that's okay.

Ms Sims: That's perfect. Thanks so much.

The Chair: Great. Okay.

[The committee adjourned from 9:28 a.m. to 9:33 a.m.]

The Chair: We're at five minutes. All right, everyone. We're going to resume the meeting now. Thank you so much, everyone.

Ms Sims, please proceed with your presentation.

Ms Sims: Wonderful. Can everybody see and hear me?

The Chair: Yes.

Ms Sims: Excellent.

Thank you very much for allowing the Canadian Taxpayers Federation to present today in regard to what is often referred to as the sunshine list here in Alberta. I apologize that I was not able to join you in person, but I just got back in from our conference in Ottawa late last night. Thank you very much for the accommodation via video.

A little bit about the Canadian Taxpayers Federation for members who are not aware. We were founded in 1990. We are a nonpartisan, grassroots, supporter-funded organization. Our main goal is to ensure lower taxes, less waste, and more accountable government. Those three things often combine together, and that is why the sunshine list, as it's colloquially referred to, is such an important tool.

Generally speaking, we will use the sunshine list, for example, when a government of any stripe is, for example, in contract negotiations with government employees, and that way we can get a general sense of how many folks are paid what amount of money above the threshold. For example, right now the threshold is, of course, around \$125,000. We believe that's fair. It's keeping up with the pace of inflation even though not everybody's wages are. We think that is a fair amount. What the Taxpayers Federation will do, for example: again, if a government is trying to renegotiate a contract or create a new contract with government employees which incurs costs to taxpayers, then we will often use the tool to get a general sense of how government employees are being paid.

To one of your previous presenter's notes, if taxpayers are not the ones paying for these bills, if they are not the ones paying for the salaries, paying for the compensation, we don't really see the purpose, necessarily, in disclosing their names and the amount of the money that they're paid. I was actually surprised to hear that there are folks who aren't paid using taxpayer funds who are still on this list; I was a little bit confused by that.

But other than that and also to your previous presenter's point, we see what he's saying about: what's the use of knowing what a registered nurse is being paid? There's no purpose in, you know, ferreting out an individual, just for some random reason, to find out how much they're being paid. However, it was very indicative what he said there. It turns out that they're paid a lot of overtime. When you're getting into things like contract negotiations that are between the government and taxpayers' money, it is sometimes important to know if all of a sudden a registered nurse is being paid an explosive amount of overtime pay, because, again, that is taxpayers' funds.

Generally speaking, we believe that this tool within the province of Alberta is working well. A preamble explaining a little bit more of why it's up there on the website, how often it is updated, its purposeful tool, how often journalists use it, how often advocacy organizations use it could perhaps be helpful. But, generally speaking, we're pretty happy with how the tool is functioning right now, and it's mostly used on an as-needed basis.

I'm happy to take any questions about the Canadian Taxpayers Federation and when it comes to things like sunshine lists and transparency for government.

The Chair: Fantastic. Okay.

Well, we'll turn it over for questions. Please proceed.

Dr. Metz: Hello. Thank you for presenting. I'm Luanne Metz, the MLA for Calgary-Varsity. With regard to overtime pay to an individual do you see any value in having the person's name?

Ms Sims: Not necessarily. You know, this is something – when this came up, I found this very interesting in the previous presentation. I would need to fly that up the flagpole to really ask what the older members of my organization feel. I've been in Alberta now for about a year and a half. If there's some essential reason why folks need all of the names in there, I don't want to misspeak and say: oh, that's no problem; get rid of it. Generally speaking, no. Usually we want to know the amounts, and we want to know the positions. But we also need to know that these are individuals, that they're not just being lumped together in a group, that they're not being suddenly tabulated.

It looks like my video has stopped working. Can everybody still hear me?

The Chair: Please proceed. Yes.

Ms Sims: I apologize. Sorry about that.

The Chair: No worries.

Ms Sims: We don't want to see them grouped together so that they are less transparent, but as far as the higher level managers, higher level executive directors, things like that, yes, we do want to know their names, because quite often, if something comes up in the news, for example, if there is a very generous severance package, things like that, we need to be able to trace back and get receipts, as it's said. But, generally speaking, for a rank-and-file nurse, maybe not. I just don't want to go directly saying, "No problem; get rid of all the names" at this point.

Also, as long as they are, then, of course, accessible through an FOI request – say that something does come up and there is an individual instance and we do need to know names, then as long as it's still available through FOI or a searchable database that isn't quite so public, we would definitely need to have that information available. But as far as proactively saying, "Absolutely every single person's name," I would need to run that back up through my management team.

The Chair: Thank you so much.

Over to Mr. Lundy.

Mr. Lundy: All right. Thank you, Madam Chair, and thank you for the presentation. I caught most of your comments and just wanted to I guess reconfirm your position. Your group would not be supportive of exempting all negotiated or union positions from this legislation. Is that a fair assessment?

9:40

Ms Sims: That is a fair assessment. To be very clear, we want all of these salaries to be on the record, whether or not they are from unions or collective agreements. As we know, this is taxpayers' money. So if taxpayers' money is paying an individual person who so happens to be hired by the province or if taxpayers' money is paying all of the nurses in Alberta, yes, they both need to be on record.

The Chair: Are there any other questions? Please proceed.

Dr. Metz: I have another question, unrelated to the first. If the taxpayers' money is being used to contract out a service, how do you feel about that? Should the salaries for that company, that might be only providing that service, be included as well?

Ms Sims: Are you concerned about the person's privacy, then, who is within that company that is not directly paid by the government? Is that what you're asking?

Dr. Metz: No. I'm saying that if our tax dollars are going to a contract and that contract is very specific to provide a certain service and there are people within that company that may well be taking most of that money, for example, shouldn't we know that as well?

Ms Sims: Yes. It should all be on the record. If it's taxpayers' money, it should all be on the record, for sure.

The Chair: Are there any other questions? Please proceed.

Member Batten: Thank you so much. It's Diana Batten, MLA, Calgary-Acadia. Just going back to the inclusion or exclusion of collective agreement folks, because the collective agreement is already public information, would it be amenable to you, then, if it were just the disclosure of the overtime and to take off the individual's name? I understand the concern of piling it all together. But, at the end of the day, this is, like, an AHS issue, right? The number of hours someone works in overtime to achieve whatever number: that is not reflective, necessarily, of that individual other than that they worked their butt off; that is reflective of poor staffing inside the organization where they're working.

Again, if we look at the preamble, would you be amenable if basically the information in a collective agreement is removed, but the only thing that is disclosed, then, or additionally disclosed since the collective agreement information is already publicly disclosed, could it simply be those portions that would put them above the collective agreement, i.e. overtime?

Ms Sims: I think that we would be worried, then, that we would be losing track of the number of full-time employees and then also how and how much those employees are paid, right? As soon as we start removing data from this, we remove elements of transparency, and that starts getting our supporters concerned, because, again, this is taxpayers' money.

It's a very valuable profession, absolutely. People love nurses. I was raised by nurses. My sisters are doctors. We value health care. However, if you start taking out little planks of transparency and accountability here, then you start muddying the waters, and people won't be able to know how much, say, AHS employees are being paid compared to, say, those in British Columbia or those in Saskatchewan, how many full-time employees we have.

Also, there could be a very good reason why a nurse may be making an awful lot of overtime. It's a simple question, and it's something that could be asked. It's just not something that automatically makes a headline. We don't see the purpose in removing data from this. We think that it's functioning relatively well as it is right now.

The Chair: Are there any other questions? Please proceed.

Member Tejada: My question is around appointments. Last week a former UCP board president was appointed to the head of the Alberta Foundation for the Arts. Do you think that this legislation should be amended to include appointments that appear to be rooted

in patronage or sort of political appointments, and what would those amendments look like?

Ms Sims: That's a great question. It cuts both ways. As soon as you start getting into value judgments, how someone was or was not appointed, then you start getting into opinion and differences of opinion. You know, how much were they friendly with a party or a previous government? It doesn't matter if it's UCP, NDP, or whatever party it is. That's why as of right now it's very cold and clear data, right? There's the person. There's the individual's title. It's how much they're paid. It's whether or not they got severance and how much. There's not a lot of colour in there to describe it. It's a lot of numbers and a lot of data.

Personally, I would prefer it that way because otherwise we might wind up getting into arguments such as: how do you describe patronage, and how long is the cooling-off period between when somebody leaves a position and then gets appointed to another one? Then you start really getting into some great editorials and some great op-eds and maybe some good fodder for radio shows, but as far as the actual mechanism of the tool that is the sunshine list, we would like to keep that as nice and clear as possible so that every organization and journalist who wants to use it or taxpayer who wants to go through it can use it. So it's not only the Canadian Taxpayers Federation, of course, that will use something like a sunshine list or an FOI mechanism; there are all sorts of advocacy organizations from across the political spectrum that use these same tools, and we would like to see them stay as neutral and objective and clear as possible.

Member Tejada: Thank you.

The Chair: Are there any other questions?

Member Tejada: I have one.

The Chair: Go ahead. Sure.

Member Tejada: Yeah. In terms of agencies, boards, and commissions, apart from appointments, we know that the limits on the salaries have actually been removed now, so how can the Public Sector Compensation Transparency Act be amended to ensure that they're still accountable to the Alberta taxpayer?

Ms Sims: I'm sorry; I don't think I'm understanding. Are you saying that there are some folks now that are exempt? I thought it was just straight up if you make a little bit over \$125,000 per year, you are then on the list. Is that not true?

Member Tejada: That was my understanding, that the limits have been removed.

The limits have been removed for agencies, boards, and commissions. There could be appointments . . .

Ms Sims: In the upper threshold of the salary . . .

Member Tejada: . . . so if those limits are removed, what would you suggest as an amendment, I guess, to ensure that the expenditures are still accountable?

Ms Sims: Sorry; I'm misunderstanding. Is the actual amount – you say that the limits are removed. Does that mean they're just paid whatever they're paid but the amount is still noted? Like, I can see how much they're still paid?

Member Tejada: The limits have been removed, and there's no disclosure.

Ms Sims: We want disclosure.

Member Tejada: Right.

Ms Sims: Again, no matter which party is sitting, no matter which party has formed government, if it's taxpayers' money and the employee is being paid with taxpayers' money and it's over and above the threshold of \$125,000, we want to see that on the list.

Member Tejada: Okay.

If the limit is removed, then they'd be more likely to make that list. Okay. Thank you.

Ms Sims: Sure. If they make the list, they make the list, for sure.

The Chair: Are there any other questions? All right.

Well, thank you so much. We appreciate you joining us today and your presentation.

Ms Sims: We sincerely appreciate the invitation. Thank you, and thank you for taking this work seriously. We really appreciate the tool.

The Chair: All right. Well, you have an awesome day.

Ms Sims: Thanks.

The Chair: Thanks.

Okay. Now we'll move over to the crossjurisdictional comparison prepared for our review on the Public Sector Compensation Transparency Act. I'd like to ask Mr. Bhurgri . . .

Have I said your name properly?

Mr. Bhurgri: Yeah, Bhurgri. That's good.

The Chair: . . . to give us an overview of this document.

Mr. Bhurgri: Thank you very much, Madam Chair. What I'm going to do in this brief presentation is give the committee a brief overview of the crossjurisdictional review that we have prepared. I'd like to start by mentioning that there are five jurisdictions in Canada that have public-sector compensation legislation. I'm going to first list them, and then I'm going to talk about a few other jurisdictions as well.

The five jurisdictions that have public-sector compensation legislation are British Columbia, Manitoba, Ontario, Nova Scotia, Newfoundland and Labrador. There are a couple of other jurisdictions, like Saskatchewan, that do have a sunshine list, but they do not publish it as part of the public-sector compensation legislation; it's part of their public accounts, within which they release the information.

9:50

Ontario, Manitoba, and British Columbia have the oldest public-sector compensation legislations. They were enacted in 1996. British Columbia has two statutes with regard to public-sector compensation legislation. There is a Public Sector Employers Act, which deals with executive compensation, and there's the Financial Information Act, which deals more with public-sector employees. It may also be important for the committee to note that since the Public Sector Compensation Transparency Act was last reviewed – that was in 2019 – no jurisdiction in Canada has come up with new public-sector legislation.

Now I'd like to move to the structure of the crossjurisdictional review. We have divided this crossjurisdiction into four parts. These are the parts that you can find in the index. I'm going to list

all four of them, and I'll briefly then talk about each part just to give the committee some context as to what we found.

The first part of the crossjurisdiction relates to the entities and individuals to which the public-sector compensation applies. The second part of the crossjurisdiction deals with the compensation threshold at or above which disclosure is mandatory. The third part of the crossjurisdiction talks about what specific compensation information is disclosed within each jurisdiction. That does slightly vary, and I will get into that. Lastly, we briefly talk about exemptions and how in each jurisdiction exemptions may be similar or they may differ.

Within the crossjurisdiction for entities and individuals to which the public-sector compensation legislation applies, on page 13 we have a table, titled Table 2, which has a category of all the public bodies or entities to which the act applies within which I'm going to list – I won't list all of them, but I'll list a few of them. There are provincial government ministries, public agencies, school boards and districts in some jurisdictions, not all. Within the table you'll also be able to see which specific act or section applies to those entities.

Second, I'd probably add one more thing within this part, that there are some entities, for example the judiciary, that are included in some jurisdictions. Police officers are included in some. These are not included within Alberta, but there are some jurisdictions where they are.

The next part that I'd like to talk about is the compensation threshold at or above which disclosure is mandatory. On page 15 we have another table, that's titled Table 3, within which we have listed the compensation disclosure thresholds. Now, in Alberta as well as in Manitoba compensation thresholds are indexed, so every year, depending on inflation, compensation thresholds may increase. Within Alberta currently for government employees the public-sector compensation transparency for 2023 is \$125,000, but for public-sector bodies it is \$150,000. There are also some jurisdictions that do not have their threshold indexed. For example, Ontario has a limit of \$100,000, and it has remained the same since 1996. It's not changed since then.

Now I'd like to move to the third part of the crossjurisdiction, which talks about the compensation information disclosed. How much information is disclosed within each organization? There have been a few recommendations about this, so I'll try and talk about what each jurisdiction does very briefly. On page 20 there's another table that we have – that's Table 4 – that talks about how much information each jurisdiction identifies that has to be revealed in the crossjurisdiction report.

In most of these jurisdictions there are some similarities to be found. Like, the biggest one would be that a name is always mentioned. Most likely the position will be mentioned, the total amount of compensation. There are obviously also some differences in Alberta. The biggest one that comes to my mind is that there is nonmonetary benefit that also is to be revealed in the compensation disclosure report in Alberta.

Nova Scotia seems to be a little bit of an outlier in this. Nova Scotia does not necessarily publish the title that the individual has. Nova Scotia only publishes the name and the amount of compensation information. This may sometimes make it a little bit difficult to be able to determine, but Nova Scotia is the one exception. In terms of similarities I'd say that Newfoundland and Labrador is the closest with Alberta in terms of the amount of information that is required to be disclosed.

Lastly, with regard to exemptions, there are two kinds of exemptions that exist. One is that the act may list some entities that are exempt from disclosure. In Alberta we also list a few entities that are directly exempt. But, outside of that, the act usually in all

jurisdictions has a requirement whereby there can be an exemption given, depending on certain situations. For example, if an individual is threatened, that may be a reason for an exemption to be granted. This is something that you would find in more or less all jurisdictions. I'm not going to go into too much detail.

The information that I do want to flag for the committee is that there is one sort of type of organization – the one that we have found is the police forces in Manitoba – where the name is replaced by an identifier. This is something that the committee may take note of. We have not found this being the case in all the cases. As I've stated in one of our tables, most jurisdictions do require the disclosure of name, position, and title.

I believe that is it for my brief presentation on the crossjurisdictional document. If there are any questions, I'm happy to take them.

Thank you.

The Chair: We do have questions. Please proceed, Mr. Singh.

Mr. Singh: Thank you, Madam Chair, and thank you very much for coming here, for your excellent briefing and presentation. My name is Peter Singh, MLA for Calgary-East. My question is that I have noticed that the crossjurisdiction mentions that the PSCD statutes in all jurisdictions except Alberta require compensation disclosure with respect to school boards and divisions. In Alberta the PSC Act authorizes but does not require education bodies there. Are there any key differences in reporting requirements across the jurisdictions that require compensation disclosure with respect to school boards and divisions? Can you please clarify if disclosure for other jurisdictions in regard to school boards and divisions includes only the school boards, trustees, superintendents, and other staff or if it also includes teachers? If you do not have the answer, would you be able to provide it to the committee in writing?

Thank you very much.

Mr. Bhurgi: Thank you for your question. I can address the question in two parts, the first part being that you rightly identified that in Alberta school boards are authorized but not required to disclose. What we found in our review was that all jurisdictions do require some level of compensation disclosure with regard to school boards. With regard to differences I don't know them like the back of my hand, but what I can say is that different acts sort of usually mention school boards. Specifically on what specific types of offices are disclosed, that's not always clear in the act, so perhaps one possible way to determine that could be to look at the compensation disclosure list and see what kinds of titles by school boards are disclosed. If the committee so wishes, we can look into that and provide sort of the titles that we have found with regard to each jurisdiction.

Mr. Singh: Thanks for that.

The Chair: Were there any other questions? Go ahead.

Member Batten: Thanks so much, and thank you so much for this presentation. It's phenomenal. Something that we noticed throughout is that, of course, Alberta has a very high threshold relative to anywhere else. I guess I just wanted to make note of that for the committee so that when we're considering, we realize that Alberta has the highest threshold, which means we report likely fewer individuals than the other provinces.

Thanks.

10:00

Mr. Bhurgi: I just wanted to add one thing for the committee's clarification. In Alberta we do have two compensation thresholds. One applies to the government, and one compensation threshold applies to public agencies. For public agencies the threshold is slightly higher, and that's because for public agencies, usually, within the threshold calculation it's not just the base pay but all compensation that is calculated whereas for government employees it is only base salary. I just wanted to put that.

Ms Robert: Thank you, Madam Chair. I just wanted to confirm, based on Mr. Singh's request: is it the committee's wish that you would like research services to provide this additional information that he noted?

The Chair: Yes? All around, yes.

Ms Robert: Yes. Sounds good. Thank you.

The Chair: Perfect. Were there any other questions?

All right. Seeing none . . .

Mr. Long: Chair, I had my hand up.

The Chair: Sure. Go ahead, Member.

Mr. Long: Thank you, Chair. Oh, sorry; I can't get my camera to work. Is that okay?

The Chair: That's okay. Proceed, Member.

Mr. Long: I just had some questions around the judiciary one. Is that including Crown prosecutors as well in other jurisdictions, and who all would be included in that? Also, if we could get sort of the specific jurisdictions to compare.

Mr. Bhurgi: I'm sorry. Could you repeat the last part of your question. I did not follow that.

Mr. Long: Well, I was curious if the judiciary compensation – and you said that in some jurisdictions they include that. I was curious if that judiciary component is also including Crown prosecutors. If it is, then can we get a sightline on that, which jurisdictions would include Crown prosecutors whereas which ones wouldn't?

Mr. Bhurgi: Yeah. I do want to make one thing clear, which is that when we talk about judiciary being mentioned, judiciary usually is justices or judges, that I usually mention in this. Crown prosecutors would be part of the government whereas judges would be a separate category. I just want to make that clarification. There are some jurisdictions that do include judiciary, but just to make this clear, no act explicitly mentions judiciary. It is when you look at the disclosure list that you see names of some judges. So the acts don't explicitly say that judiciary's compensation will be disclosed, but upon looking at the disclosure list, there are some judges that are involved.

Mr. Long: Thank you.

Dr. Metz: Is the compensation for medical examiners made public in other jurisdictions and in Alberta, along with a note about what is required to be a medical examiner in different places? We have a real shortage here, and maybe we need to make this more public, what the pay is.

Mr. Bhurgri: If you'll just give me a minute. I'm sorry. I'm unclear about your question. Are you specifically asking about health authorities? What is your exact specific question?

Dr. Metz: Medical examiners are not within AHS; they're within the justice system. So I'm wondering if they are included in this somehow, somewhere.

Mr. Bhurgri: From what I recall, I think in some jurisdictions there are some medical services that are required, more information is required, but I can't speak to that at this point because I don't recall it properly. I can get back to you in writing about this.

Dr. Metz: Thank you.

The Chair: Were there any additional questions?

All right. Let's move now to social media engagement. In response to questions from committee members a social media engagement report regarding no-cost initiatives carried out on behalf of the committee was distributed. I'd ask Ms Sorensen to give us an overview of this information, please.

Ms Sorensen: Thanks, Madam Chair. As you'll see in the report in front of you, for this particular campaign we did a total of five posts over three channels in the month of January as well as a news release that went out to gain awareness of what this committee was doing. The intent for all of that was to drive users to the website, where more information was. You can see that the end result was that we had just over 1,300 page views from over 600 users.

That's pretty much all there is, Madam Chair, unless there are any questions from the committee.

The Chair: Please proceed.

Member Batten: Thank you. Perfect. Thank you so much. Yes; a couple of questions. You had shared, of course, that we only put out five posts and a news release. I'm wondering why so few posts, partially because, I mean, I do follow this. What I've seen nonstop is our page program over and over and over again. I have never seen any – like, I did not see this post at any time.

Ms Sorensen: In January?

Member Batten: In January.

So I'm concerned that we did not do our due diligence here. Twenty-one engagements: that is incredibly low. I'm also wondering: what are our normal page views? Like, we're saying that we've got over 1,300 in January that we're attributing to these five posts and these 21 engagements, and that just seems like strange logic to me. If we can figure out – if you guys could provide the information on how many visits we normally have to that page, then we'd have a little bit more context.

Thanks.

Ms Sorensen: Sure. Thank you for the question. If I may, Madam Chair. Yeah. I don't have that information right in front of me. Certainly, there are differences between the page program and what we did with this committee in terms of whether they're paid or whether they're organic. There are pros and cons to both approaches. Organic typically stays longer, so you don't need to post quite as often whereas the paid posts tend to reach a broader audience. The organic posts tend to inform an already engaged audience. So that would have been the logic behind that. Just in the timing of January, they would have stayed up on the page longer, or they should have stayed up on the page longer, but I would have

to go back and look at specifically the exact questions that you're looking at so that I could answer those appropriately.

Member Batten: I do have a follow-up.

The Chair: Go ahead.

Member Batten: Okay. Thank you so much for that. You mentioned that with organic posts, you know, we're engaging the folks who are already engaged. If we had paid for advertising, like the low-cost option that this committee voted down, we would have created or we would have had more contacts with Albertans. Is that correct?

Ms Sorensen: Again, if I may, Madam Chair. It's a tricky question to answer because, yes, paid posts extend reach whereas the organic posts reach out to who already is engaged. To do a comparison is a little bit difficult because you don't know how many of those people would have resulted in, like, a submission, for example. So the only thing I can really look at is what was done the previous time that this legislation was looked at. In 2019, I believe, there was a combination of paid and organic posts, which led to 28 submissions in 2019, 10 of which it looks like were from private citizens whereas this time we did strictly the organic, and that resulted in 29 submissions, seven of which are private citizens. Some of those, of course, could have resulted from the direct stakeholder engagement, so it's really difficult to tell who you're engaging and what that engagement is leading to. But in terms of the overall results from 2019 to now, it looks pretty comparable.

Member Batten: I just wanted to comment – I mean, off the top of my head, I did not know we'd have to look up these numbers, but the difference in engagement for people between 2019 and now, I suspect, is much higher. Folks are on social more frequently. I don't have the numbers in front of me; I apologize. So comparing 2019 to 2024 numbers, to me – I mean, it's something to compare it to, but it's not apples to apples, right?

Ms Sorensen: Yes.

Member Batten: But I absolutely appreciate your answers. Thank you.

Ms Sorensen: Absolutely. There are never apples to apples on social media, so it is kind of tricky to really drill down, but that's what we have.

Thank you.

The Chair: Are there any other additional questions?

All right. Seeing none, we'll move along. We have amassed quite a bit of information to consider as we prepare to wrap up our review. I'll remind everyone that we have six months to complete our review of the Public Sector Compensation Transparency Act, which gives us a month and a half to wrap things up and report our recommendations to the Assembly. At this stage in the process it is common for committees to have research services prepare an issues document. I'd ask Ms Robert to give us a quick overview of what this usually entails.

Ms Robert: Thank you, Madam Chair. Yes. Happy to do that. There are quite a few new MLAs on this committee who will not have gone through this before, so I will explain the process that committees typically follow at this stage of the game. As the chair has indicated, the committee has collected a great deal – well, a good deal of information from stakeholder engagement, from

private citizens, from the oral presentations that the committee heard earlier today.

10:10

In order to try to help the committee as it goes into its deliberation process, research services is quite happy, if the committee wishes, to prepare what we call an issues and proposals document. It's a four-column chart that breaks down all of the recommendations that have been made and significant issues that have been raised by category and then gives a bit more detail on who made the recommendation and some context around it. It might also include a relevant section of the act if that's appropriate. Then it has a notes section that might give you a reference to a part of the crossjurisdictional comparison that you could look to if you're wanting to consider that recommendation. It's just to put it all into one document for the benefit of the committee.

Now, the committee can do with it what it will. The committee can make whatever recommendations it wishes. It doesn't have to follow this document, but committees in the past have found it to be quite helpful to help them get focused on the deliberations that you're going to undertake. That's basically it. Happy to answer any questions you might have about it.

Thank you.

The Chair: Please proceed, Member.

Mr. Singh: Thank you, Madam Chair. I would like to move a motion that

the Standing Committee on Families and Communities direct the Legislative Assembly Office to prepare a summary of the issues and proposals identified in written submissions and oral presentations made to the committee on the Public Sector Compensation Transparency Act.

Thank you, Madam Chair.

The Chair: We'll mention that was put on notice. Is there any discussion? No? I see shaking of heads.

All those in favour? All right. And online?

Martin Long, did you want to cast your vote on this as well? Okay. Thank you.

That was carried.

Our next meeting will be to conduct deliberations regarding any observations or recommendations we wish to make regarding the Public Sector Compensation Transparency Act. We don't have a date for that meeting yet, but I would like to remind everyone that notice requirements are in place for substantive motions. I would encourage everyone to provide your motions to the committee clerk as soon as possible. The staff of the Legislative Assembly Office are available to assist with drafting motions. Please try to consult them through the committee clerk prior to the day that notice of motions must be given.

Any other questions at this point? Go ahead.

Ms Goehring: Thank you, Madam Chair. Just given the need for motions to be presubmitted, I would like to request that members have access to the issues doc for no less than five business days prior to submitting so that we have an opportunity to meet with the clerks.

The Chair: Go ahead.

Ms Robert: Thank you, Madam Chair. Certainly, we will ensure that that's done.

The Chair: Okay. Any other questions?

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

Would anyone like to move to adjourn? All right. So moved. All in favour? That has been carried.

Thank you, everyone. Enjoy the rest of your day.

[The committee adjourned at 10:14 a.m.]

