

Standing Committee on
Families and Communities

**Final Report on the Review of the *Public
Sector Compensation Transparency Act***

Thirty-First Legislature
First Session
May 2024



Standing Committee on
Families and Communities
3rd Floor, Queen Elizabeth II Building
9820 – 107 Street
Edmonton AB
T5K 1E7 780.644.8621
FCCCommittee.Admin@assembly.ab.ca



STANDING COMMITTEE ON FAMILIES AND COMMUNITIES

May 2024

**To the Honourable Nathan M. Cooper
Speaker of the Legislative Assembly
of the Province of Alberta**

I have the honour of submitting, on behalf of the Standing Committee on Families and Communities, the Committee's final report on the review of the *Public Sector Compensation Transparency Act*, for consideration by the Legislative Assembly of Alberta.

Sincerely,

(original signed by)

Jackie Lovely, MLA
Chair, Standing Committee on Families and Communities

TABLE OF CONTENTS

MEMBERS OF THE STANDING COMMITTEE ON FAMILIES AND COMMUNITIES...	3
1.0 EXECUTIVE SUMMARY	4
2.0 COMMITTEE MANDATE.....	5
3.0 INTRODUCTION	6
4.0 ACKNOWLEDGEMENTS.....	7
5.0 CONSULTATION AND REVIEW PROCESS.....	8
6.0 COMMITTEE RECOMMENDATIONS.....	9
APPENDIX A: WRITTEN SUBMISSIONS TO THE COMMITTEE	11
APPENDIX B: ORAL PRESENTATIONS TO THE COMMITTEE	12

**MEMBERS OF THE STANDING COMMITTEE ON FAMILIES AND COMMUNITIES
31st Legislature**

Jackie Lovely, MLA
Chair
Camrose (UC)

Nicole Goehring, MLA
Deputy Chair
Edmonton-Castle Downs (NDP)

Diana M.B. Batten, MLA
Calgary-Acadia (NDP)

Andrew Boitchenko, MLA
Drayton Valley-Devon (UC)

Martin M. Long, MLA
West Yellowhead (UC)

Brandon G. Lundy, MLA
Leduc-Beaumont (UC)

Luanne Metz, MLA
Calgary-Varsity (NDP)

Chelsae Petrovic, MLA
Livingstone-Macleod (UC)

Peter Singh, MLA
Calgary-East (UC)

Lizette Tejada
Calgary-Klein (NDP)

Substitutions Pursuant to Standing Order 56(2.1-2.4):

Myles McDougall, MLA*
Calgary-Fish Creek (UC)

Hon. Grant R. Hunter, MLA†
Taber-Warner (UC)

Garth Rowsell, MLA‡
Vermilion-Lloydminster-Wainwright (UC)

Other Members in Attendance

Jennifer Johnson, MLA§
Lacombe-Ponoka (IND)

* Substitute for Brandon Lundy on December 4, 2023

† Substitute for Chelsae Petrovic on February 26, 2024

‡ Substitute for Andrew Boitchenko on May 13, 2024

§ Attended meeting on February 26, 2024

1.0 EXECUTIVE SUMMARY

During its deliberations on May 13, 2024, the Standing Committee on Families and Communities (the “Committee”) made the following recommendations pertaining to the *Public Sector Compensation Transparency Act*, S.A. 2015, c. P-40.5 (the “Act”).

Clarifying Definition of Nonmonetary Benefits

1. that the types of benefits to be considered nonmonetary benefits for the purpose of the *Public Sector Compensation Transparency Act* be set out in or prescribed under that Act.

Abolishing Additional Disclosure Date for Severance

2. that the disclosure requirements in respect of employee severance as set out in section 2(3) of the *Public Sector Compensation Transparency Act* and section 2.1(3) of the *Public Sector Compensation Transparency General Regulation* be repealed.

2.0 COMMITTEE MANDATE

On October 31, 2023, the Legislative Assembly passed Government Motion 7, which deemed the Standing Committee on Families and Communities to be the special committee for the purpose of conducting a comprehensive review of the *Public Sector Compensation Transparency Act*.

The scope of the Committee's review with respect to the *Public Sector Compensation Transparency Act* is mandated by section 14 of that Act:

- 14(1) A committee of the Legislative Assembly must begin a comprehensive review of this Act and the regulations made under it
 - (a) by January 1, 2019, and
 - (b) thereafter, every 4 years after the date on which the previous committee submits its final report under subsection (2).
- (2) A committee must submit a final report to the Legislative Assembly within six months after beginning a review under subsection (1).
- (3) The report of a committee may include the committee's recommendation for amendments to this Act, the regulations made under this Act or any other enactment.

The Committee began its review of the Act on December 4, 2023.

3.0 INTRODUCTION

In 2014, pursuant to a Treasury Board directive, the Government of Alberta began disclosing employee salaries earned in 2012 and 2013. In 2015 the *Public Sector Compensation Transparency Act* was enacted, moving disclosure of Government employee salaries (including the salaries of political staff and senior officials) under the authority of the Act, establishing compensation disclosure requirements for public sector bodies (including public agencies, the Legislative Assembly Office, and offices of the Officers of the Legislature) and authorizing disclosure for other entities. The Act came into force on Royal Assent, on December 11, 2015. The Act contains a clause whereby a committee of the Assembly must review the Act every four years and each review must be completed within six months of its inception as mandated by section 14 of the Act.

The Act's first mandatory review was commenced by the Standing Committee on Resource Stewardship on July 2, 2019. The final report of the Committee was submitted to the Assembly in October 2019.

This report is the result of the second mandatory review of the Act. The review was conducted by the Standing Committee on Families and Communities and commenced in December 2023. It contains the two recommendations that the Committee agreed to during its deliberations. For a complete record of the Committee's deliberations please consult the transcripts of the Committee's meetings, which are posted online at assembly.ab.ca.

4.0 ACKNOWLEDGEMENTS

The Committee wishes to acknowledge the useful contributions of the individuals and organizations who provided written submissions and/or appeared before the Committee.

The Committee also wishes to acknowledge the valuable assistance of the technical support staff and Legislative Assembly Office support staff.

Technical Support Staff

Ministry of Justice and Solicitor General

Mr. Mark Ammann, Barrister and Solicitor

Public Service Commission

Ms Sandra Klashinsky, Executive Director, Public Agency Secretariat

Ms Susan Latham, Policy Adviser, Centralized Recruitment

Mr. Jackie Moncrieff, Director, Classification and Compensation Delivery Services

Mr. Alex Rayner, Executive Director, Talent Acquisition, Classification and Compensation Services

Ms Avy Wolf, Acting Executive Director, Public Agency Secretariat

Legislative Assembly Office Support Staff

Ms Shannon Dean, KC, Clerk

Ms Teri Cherkewich, Law Clerk

Mr. Trafton Koenig, Parliamentary Counsel

Ms Vani Govindarajan, Parliamentary Counsel

Dr Philip Massolin, Clerk Assistant and Executive Director of Parliamentary Services

Ms Nancy Robert, Clerk of *Journals* and Committees

Mr. Abdul Bhurgri, Research Officer

Dr. Christina Williamson, Research Officer

Mr. Warren Huffman, Committee Clerk

Ms Jody Rempel, Committee Clerk

Mr. Aaron Roth, Committee Clerk

Mr. Loewe Panlaqui, Committee Services Operations Assistant

Ms Rhonda Sorensen, Manager of Corporate Communications

Ms Christina Steenbergen, Supervisor of Communications Services

Ms Shannon Parke, Communications Consultant

Ms Janet Schwegel, Director of Parliamentary Programs

Ms Amanda LeBlanc, Managing Editor of *Hansard* and Venue Services

Hansard staff

Security staff

5.0 CONSULTATION AND REVIEW PROCESS

The Committee's review of the *Public Sector Compensation Transparency Act* involved a series of meetings that were open to the public, broadcast on Alberta Assembly TV, and video- and audio-streamed live on the Legislative Assembly website. These meetings took place on December 4, 2023, February 26, April 15, and May 13, 2024.

As part of the review process, on December 4, 2023, the Standing Committee on Families and Communities agreed to invite written submissions from stakeholders and members of the public. The Committee advertised for submissions from members of the public through the Legislative Assembly's social media platforms and on the Assembly's website. The stakeholders that the Committee agreed to invite included Government of Alberta departments; public sector bodies (public agencies, boards, commissions, offices of the Officers of the Legislature); associations that represent school boards, municipalities, and physicians and surgeons; labour unions and associations; privacy advocates; public policy research institutes; and public interest advocates.

The deadline for submissions was January 31, 2024. The Committee received 29 written submissions from stakeholders and private citizens (23 from stakeholders and six from private citizens).

On February 26 the Committee received a technical briefing on the *Public Sector Compensation Transparency Act* from Mark Ammann, Barrister and Solicitor, Ministry of Justice, and from the following representatives from the Public Service Commission: Sandra Klashinsky, Executive Director, Public Agency Secretariat, and Alex Rayner, Executive Director, Talent Acquisition, Classification and Compensation.

On April 15, 2024, the Committee heard oral presentations from representatives of the Alberta Securities Commission, Canadian Taxpayers Federation, and Parkland Institute. Appendices A and B contain lists of the individuals and organizations that provided written and oral presentations to the Committee.

The Committee met on May 13, 2024, to deliberate on the issues and proposals arising from the written submissions and oral presentations. Representatives from the Ministry of Justice and Public Service Commission attended the meeting and supported the Committee by providing technical expertise.

This report is the result of the Committee's deliberations and contains its recommendations in relation to the Act.

6.0 COMMITTEE RECOMMENDATIONS

6.1 Clarifying Definition of Nonmonetary Benefits

The Committee made one recommendation regarding the definition of nonmonetary benefits, which is set out below.

Section 1 of the *Public Sector Compensation Transparency Act* defines nonmonetary benefits and indicates that public sector bodies are required to disclose the amount or value of all nonmonetary benefits provided in respect of the employee or member of a public sector body during the previous year. The Act defines “non-monetary benefits” in section 1(i) as follows:

- (i) in relation to an employee of the Government of Alberta, means the total amount or value of non-monetary benefits provided in a year by the Government of Alberta to or in respect of the employee and includes the employer’s portion of pension contributions in respect of the employee, and
- (ii) in relation to an employee or member of a public sector body, means the total amount or value of non-monetary benefits provided in a year by the public sector body to or in respect of the employee or member that are not required for tax purposes to be included in that employee’s or member’s income for that year and includes the public sector body’s portion of pension contributions in respect of the employee or member.

The Ministry of Justice and Public Service Commission (Justice/PSC) in their written submission proposed that the Committee could consider further clarifying the definition of “non-monetary benefits.” The Justice/PSC’s submission explained that there is a Technical Guide and Frequently Asked Questions document on their website for public sector bodies seeking additional clarification regarding the Act; however, the one topic that consistently generates questions is the definition of nonmonetary benefits, or more specifically, what constitutes nonmonetary benefits.

The Committee considered the proposal and noted that based on the feedback it has received, there appears to be some confusion across agencies, boards, and commissions about what qualifies as nonmonetary benefits. The Committee agreed that the definition of nonmonetary benefits could be further clarified to avoid any confusion or doubt over its definition.

Accordingly, the Committee recommends:

That the types of benefits to be considered nonmonetary benefits for the purpose of the *Public Sector Compensation Transparency Act* be set out in or prescribed under that Act.

6.2 Abolish Additional Disclosure Date for Severance

The Committee also made one recommendation regarding the additional disclosure date requirement for severance, which is set out below.

The Act requires organizations to publish a full disclosure list by June 30 each year and a supplementary list of severances (January to June) by December 31 of that year. The severances published by December are republished in the full compensation disclosure report that is released by June the following year. Section 2(3) of the Act and 2.1(3) of the general regulation are as follows:

- Section 2(3): In addition to the disclosure referred to in subsection (1), the Minister must disclose the information set out in subsections (1)(c) and (2)(h) on or before December 31 in each calendar year with respect to the six-month period ending on June 30 of that year.

(1)(c): subject to the regulation, any contract with respect to the employee's severance or other terms and conditions for the termination of the employee's employment.

(2)(h): the amount of any severance paid to the employee, or to which the employee became entitled, during the previous year.

- Section 2.1(3): In addition to the disclosure referred to in section 3(1) of the Act, a public sector body must disclose the following on or before December 31 of each calendar year:

(a): any contract referred to in subsection (1)(b) that was made during the six-month period ending on June 30 of that year, in respect of an employee or member referred to in subsection (1), other than

(i); an employee whose severance paid or payable during that period is less than or equal to the threshold referred to in section 1(o)(ii)(A) and (B) of the Act, and

(ii): an employee or member referred to in section (2)(b) or (c);

(b): the amount of severance, if any, paid or payable during the six-month period ending on June 30 of that year,

(i): an employee, if the amount of severance is greater than the threshold referred to in section 1(o)(ii)(A) and (B) of the Act,

(ii): and to each member;

(c): in respect of an employee or member to which clause (a) or (b) applies;

(i): the employee or member's name, and

(ii): the position or appointment last held by the employee or member during the six-month period ending on June 30.

In its submission to the Committee, Alberta Health Services (AHS) proposed that the supplementary disclosure list for severance should be consolidated with the full disclosure list and published in June of each year. AHS asserted that organizations are currently disclosing compensation at different dates throughout the year. According to AHS a consolidation of multiple disclosure dates would streamline the compensation disclosure reporting process and bring predictability to internal disclosure communication.

The Committee noted that compensation disclosure for severance is currently being reported twice, indicating a duplication in severance reporting. The Committee agreed to consolidate the compensation disclosure date for severance by recommending the repeal of the additional disclosure requirement for severance.

Accordingly, the Committee recommends:

That the disclosure requirements in respect of employee severance as set out in section 2(3) of the *Public Sector Compensation Transparency Act* and section 2.1(3) of the *Public Sector Compensation Transparency General Regulation* be repealed.

APPENDIX A: WRITTEN SUBMISSIONS TO THE COMMITTEE

List of Written Submissions

Names/Organizations	Organization
Stirling Nons	Private Citizen
Louise Reinich	Private Citizen
Linda Geals	Private Citizen
Jeyahari Alalasantharam	Private Citizen
Angie Tarasoff	Private Citizen
Marj Russell	Private Citizen
Scott Delinger	Stakeholder
Amber Khan	Stakeholder
Shalene Jobin	Stakeholder
Erin Marshall	Stakeholder
Abram Hindle	Stakeholder
Burim Ametaj	Stakeholder
Gordon Weighell	Stakeholder
Arno De Klerk	Stakeholder
David Beck	Stakeholder
Amit Kumar	Stakeholder
O Szafran	Stakeholder
Carla Prado	Stakeholder
Kandice Machado, Chief Executive Officer	Alberta Gaming, Liquor and Cannabis
Athana Mentzelopoulos, President and Chief Executive Officer	Alberta Health Services
Dominic Shaw, Chair	Premier's Council on the Status of Persons with Disabilities
Cameron Plitt, Acting Executive Director	Alberta Medical Association
Marilyn Dennis, President	Alberta School Boards Association
Bonnie Gostola, Vice-president	Alberta Union of Provincial Employees
Samir Sabharwal, Executive Director	Alberta Securities Commission
Malcolm Lavoie, Deputy Minister of Justice	Joint Submission of Ministry of Justice and Public Service Commission
Bill Flanagan, President and Vice-chancellor	University of Alberta
Colin P. MacDonald, KC, ICD.D, Chair	Alberta Pension Services Corporation Board
Joel Borle, President and CEO	Credit Union Deposit Guarantee Corporation

APPENDIX B: ORAL PRESENTATIONS TO THE COMMITTEE

List of Oral Submissions

Name/Position	Organization
Samir Sabharwal, Executive Director	Alberta Securities Commission
Kristine Sims, Director	Canadian Taxpayers Federation
Jason Foster, Director	Parkland Institute