
From: Douglas Mills <Douglas.Mills@albertainnovates.ca>
Sent: Tuesday, March 5, 2019 4:34 PM
To: FamiliesCommunities Committee
Subject: Submission re: Public Sector Compensation Transparency Act Review

Standing Committee on Families and Communities
c/o Committee Clerk,

Dear Committee Members:

Thank you for the opportunity to provide input into your review of the *Public Sector Compensation Transparency Act*, on behalf of Alberta Innovates, Innotech Alberta, and C-FER Technologies.

Alberta Innovates was created as a provincial corporation under the *Alberta Research and Innovation Act* to support research and innovation activities aligned with Government of Alberta priorities including but not limited to activities directed at discovery, commercialization and application of knowledge. The Corporation was consolidated in late 2016, bringing together two applied research subsidiaries and four sector specific research entities: Bio Solutions, Energy and Environment Solutions, Health Solutions, and Technology futures. Alberta Innovates has two wholly owned subsidiaries: Innotech Alberta and C-FER Technologies. Neither subsidiary is listed as an entity covered under the *Alberta Public Agencies Governance Act*.

Alberta Innovates is governed by an appointed board and report to the Minister of Economic Development and Trade. The bulk of its activities are funded in large part through the Economic Development and Trade, from a budget approved by the Legislative Assembly. Additional funding comes from other provincial and federal government entities, with some additional revenues generated through contract research activities.

Currently, salaries are disclosed under Alberta Innovates, Innotech Alberta, and C-FER Technologies. The first full year compensation disclosure as the consolidated Alberta Innovates was posted in 2017. Compensation disclosures for previous years for the legacy organizations are posted as required.

Within that context, the following observations and recommendations regarding public sector compensation disclosure are offered on behalf of Alberta Innovates, Innotech Alberta and C-FER Technologies.

It is recommended that Innotech Alberta and C-FER Technologies be exempt from compensation disclosure requirements in that they are subsidiaries and not provincial corporations, nor are they named under the *Alberta Public Agencies Governance Act*.

There are also business reasons for this exemption. Under the present situation, clients have direct access to salary information, giving them an advantage when establishing or negotiating labour rates and prices for services. Although disclosing this information allows for transparency for Albertans, from a competitive business standpoint, requiring this information to be in the market puts Innotech Alberta and C-FER Technologies at a disadvantage. ATB is exempted under the regulation in part so that they may compete fairly with other financial institutions. The exemption is recommended for Innotech Alberta and C-FER Technologies so that their services may be provided competitively and fairly.

The exemption for Innotech Alberta and C-FER Technologies is also recommended from a labour attraction and retention standpoint. Their ability to achieve their mandates is dependent on high-quality skilled people with world class expertise. The requirement to post staff compensation leaves the Innotech and C-FER staff vulnerable to poaching from companies in industries in which they work with. It also makes it difficult to recruit senior employees from the private sector when who are reluctant to see their salary information disclosed publicly.

We find it challenging to balance the need for accountability and transparency with the practicalities of operating as a business and providing services on behalf of Albertans in a highly competitive labour market. We hope the unique perspective Alberta Innovates and its subsidiaries bring to this discussion is useful to the Committee, and that the issues we raise here may be addressed.

We appreciate the opportunity to contribute to this review.

Please contact us should you have any questions or require further information.

Thank you.

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