

From: [Jill Matthew](#)
To: [ResourceStewardship Committee](#)
Cc: [Jodi Abbott](#)
Subject: Public Sector Compensation Transparency Act - Request for input
Date: Monday, September 9, 2019 5:10:53 PM

Standing Committee on Resource Stewardship
3rd Floor, 9820- 107 Street
Edmonton, AB T5K 1E7

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Attention: Committee Clerk

Dear Sir/Madam:

Re: Review of the *Public Sector Compensation Transparency Act*

I am writing further to the Standing Committee on Resource Stewardship (the “**Committee**”) request for input from stakeholders regarding its review of the *Public Sector Compensation Transparency Act* (the “**Act**”). I have been asked to provide submissions to the Committee on behalf of the Board of Governors of NorQuest College (the “**College**”).

i) *Background*

The College is a Comprehensive Community College, as defined under the *Post-Secondary Learning Act*. The College’s mandate is to provide high quality learning opportunities that prepare graduates for careers and for further studies in business, industry, health sciences, human services, early learning and education, and information, communication and design technologies. The College serves approximately 19,000 learners throughout Edmonton and the surrounding area.

The College is considered a “public agency” under the *Act*. As such, it is required to publicly disclose certain compensation-related information and documents under the *Act*. The extent of the disclosure is spoken to at section 3 of the *Act*, and at section 2.2 of the *Public Sector Compensation Transparency General Regulation*. Notably, the College is required to disclose the following:

- Contracts between the College’s Board of Governors, and its President and CEO; and
- Amounts paid to members of the Board of Governors, regardless of whether or not they meet the threshold amounts identified under the *Act*.

The foregoing disclosure obligations exist, notwithstanding any arrangements that may have been made between the College and its employees or members regarding confidentiality.

The College and all public post-secondary institutions in Alberta are treated differently than other entities under the *Act*. The College and other post-secondary institutions are required to disclose the information and documents identified in the *Act*. In contrast, educational bodies and municipal

authorities which also fall under the *Act* are not required to provide disclosure. Rather, they may disclose any information and documents, in the form and manner that they choose.

ii) Submission

The College's view is that, for the reasons that follow, the College and other post-secondary institutions ought to be given the same level of autonomy over disclosure as educational bodies.

The College has been, and continues to be, committed to the responsible stewardship of the public funds it receives; and it understands the role of transparency in ensuring accountability for use of public funds. That being said, the College is concerned with what information is shared, and how that information is shared. As a general perspective, there is no context to the information that is shared, only individuals' names, positions and compensation amounts. The public is left to interpret that information in a vacuum and this presents a significant challenge in terms of an individual's privacy, their retention and recruitment of top talent in the post-secondary sector.

Giving the College control over the manner in which it discloses information to the public will allow it to more meaningfully convey that information. At a minimum, providing proper context for any information that is disclosed would be valuable, and play an important role in helping Albertans truly understand how their tax dollars are spent. In the post-secondary sector, specifically, public funds should be considered an investment in the future of our society and our economy. With this in mind, the College is requesting that it be able to tailor its disclosure to provide the public with access to clearer, more comprehensive and relevant information.

The College is also concerned with the broad-sweeping rules regarding the disclosure of the compensation to Boards of Governors for the post-secondary sector. Members of post-secondary Boards of Governors receive very little compensation. The most provided to a member of the Board of Governors of NorQuest College in 2018 was approximately \$7,000.00 (to the Chair). These are volunteers who are providing their time and energy to provide guidance and leadership to our post-secondary system. Despite the fact that these are volunteer positions, within the *Act* they are treated the same way as senior positions within the organization.

The challenge that this disclosure represents is around recruitment of top talent for Board members. There is a significant risk that requiring the publication of Board members' personal information might cause future qualified candidates not to apply. Obviously, there is a benefit to the College, and to the Province as a whole, that our post-secondary system's Boards of Governors continue to be filled by strong, capable and qualified members. It is our position that the disclosure of private information regarding small amounts of money paid to these members does not serve a similar public good. The risks with disclosing the compensation for the Board of Governors outweigh its benefits to the public good.

Finally, the public good associated with disclosing post-secondary president and CEOs' contracts do not offset the potential and actual harm caused by that disclosure. Anecdotal evidence would clearly suggest that these changes have had a negative impact on the recruitment and retention of senior leaders within our system. Many individuals simply do not want to work for public post-

secondary institutions if they will be required to make all of the information regarding their terms and conditions of employment public. This is especially true when one considers the numerous other rules and restrictions related to matters such as the disclosure of financial information to the Ethics Commissioner, and post-employment restrictions under the *Conflict of Interest Act*. This thinking can lead to many excellent leaders who might have otherwise entered the public sector, staying in the private sector, where they are not bound by these sorts of restrictions. That in turn may have negative impact on the growth and success of our post-secondary system, and therefore our future economic success.

While we appreciate the intent behind the requirement to ask for these disclosures, there is significant potential prejudice associated with disclosing contracts of these senior officials. It exposes these individuals to significant future risk relative to future employment, in terms of being able to negotiate future employment offers. With the advent of the public release of this type of information, we are also seeing individuals use this information to seek employment at other institutions, which is creating a false (inflated) economy when it comes to overall salary impacts on the system as a whole. We believe that these examples are unintended consequences of the *Act*, however they are real. There is nothing to be gained from having ready-access to these contracts and so we would urge the committee to recommend that the Minister remove this requirement from the *Act* and related *Regulation*. This would have an immediate and positive reaction within the post-secondary system, and one that would improve our ability to retain and attract top talent for the benefit of our post-secondary learners and for our overall provincial economy.

Thank you for the opportunity to provide our perspective on this important topic and we strongly encourage ongoing consultation in this area.

Yours truly,

Jill Matthew, CPA, CA, CMC, ICD.D
Chief Customer Experience Officer
on behalf of

Dr. Jodi L. Abbott, ICD.D
President & CEO



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NorQuest College.