

EXECUTIVE COMPENSATION LIQUOR DISTRIBUTION BRANCH

The Liquor Distribution Branch follows the BC Public Service compensation policy and guidelines as outlined below:

Compensation Philosophy

The executive compensation approach will provide staff with a competitive total compensation package to attract and retain a qualified, diverse and engaged workforce that strives to achieve high levels of performance in delivering government services to the people of B.C. The compensation philosophy outlines the BC Public Service's objectives and guiding principles for compensation for deputy ministers, associate deputy ministers and assistant deputy ministers.

Objectives

The objectives of the BC Public Service compensation philosophy are to:

1. Support and retain individuals who demonstrate the BC Public Service values and skills needed to achieve the objectives of government.
2. Attract qualified, diverse and high-potential individuals to the BC Public Service.
3. Support the development of a performance-based culture by providing incentives for employees to achieve results and exhibit superior performance.

Guiding Principles

The following principles guide the design, implementation and administration of BC Public Service compensation programs:

- **Differentiation:** Differentiation of salary is supported where there are differences in the scope of the position within a ministry or corporate context, and/or due to superior individual or team contributions.
- **Performance:** Compensation programs support and promote a performance-based organizational culture.
- **Transparent:** Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public, while at the same time protecting individual personal information.
- **Accountable:** Compensation decisions are objective and based upon a clear and well documented business rationale that demonstrates the appropriate expenditure of public funds.

Guidelines for Administration

Market Comparators

The BC Public Service has identified the primary competitors for talent as:

1. BC public sector organizations (including Crown corporations, the health sector, the education sector, community social services, regional governments, municipalities, and various other public bodies);
2. Other provincial jurisdictions and the federal government (excluding northern territory jurisdictions); and
3. The private sector.

Executive Compensation

The province's target position for executive compensation in the public sector market is to be from 3rd to 5th nationally amongst the provincial and federal governments. A determination is made respecting the appropriate ranking based on demographic and labour market trends, and economic variables.

Pay ranges for executives were last set in August 2008. Under the model introduced in 2008, the maximum attainable salary for BC Public Service deputy ministers and assistant deputy ministers ranks third among provinces and the federal government. Base pay for executives includes a salary holdback that is tied to leading human resources to corporate outcomes.

Review Periods

The maximum achievable salaries for executives under the framework approved by Cabinet in 2008 was set at 83 per cent of federal equivalent levels, which reflects the recommendation of a 2001 analysis by the consulting firm Watson Wyatt.

Internal Relativity and Differentiation

Base pay will typically be set at levels within scope of comparable positions within the BC Public Service. Differentiation of base pay reflects:

- Differences in the scope and responsibility of the work assignment in a corporate context;
- Recruitment and retention pressures;
- Emphasis on specific talent or unique skills within ministries required to meet service plan priorities; and
- Relative performance in achieving work goals and objectives.

Salary Holdbacks

The assessment of performance of Deputy Ministers in their roles is based on the achievement of goals and targets within ministry service plans and specific performance objectives. The measures for the salary holdback are based on the goals of the Corporate Human Resource Plan, meaning assessment for holdback purposes is based on the performance of the executive in leading their human resources to corporate outcomes.

Assessment of compensation holdback is conducted following the completion of the fiscal year and paid in June of the following fiscal year.

In 2008/09, the portion of executive compensation held back subject to performance increased from five per cent to 10 per cent of salary. The holdback paid in the 2009/10 fiscal year reflects a blending of 5 percent for part of the year and 10 percent for the remainder of the year.

For the application of the 2009/10 measures, the first measure of an improved rating on government's employee engagement score was valued at 50 percent of the overall holdback

result. The remaining measures were valued equally to determine the remaining 50 per cent of the holdback.

In 2010/11 the assessment was changed. There are now four measures, with each measure equally weighted at 25 per cent. Holdback amounts calculated against these measures will be paid in the 2011/12 fiscal year.

Holdbacks paid in the 2010/11 fiscal year were based on the 2009/10 holdback measures.

2009/10 Holdback Measures	
Measure	Target
1. The government's rating on employee engagement	'Improvement' measured by BC Stats through the Work Environment Survey.
2. The ministry's rating on employee engagement.	'Improvement' measured by BC Stats through the Work Environment Survey.
3. The percentage of staff who received an annual performance review.	100% (-10%) measured by BC Stats through the Work Environment Survey or a 95% achievement through the e-performance system.
4. Innovation in the BC Public Service.	Improved service delivery or processes representing \$250 million in net savings or cost avoidance activities.
5. Effective workforce planning	Ministry workforce plan approved and published

Any holdbacks based on the 2010/11 holdback measures will be paid in the 2011/12 fiscal year and reported accordingly.

2010/11 Holdback Measures	
Measure	Target
1. Improved employee engagement across the BC Public Service.	As measured by improvement in the corporate score on the Supervisory Leadership drive on the 2010 Work Environment Survey.
2. Achievement of government's fiscal targets and performance on forecasts.	As measured by achievement of ministry budget targets and improved performance on quarterly forecasting.
3. Preparing for the future of the public service by realizing the potential for transformation and technology.	As measured by assessment of each ministry's first technology and transformation plan.
4. Delivering on the key priorities of government.	As measured by specific deliverable to each ministry as agreed to with the DM to the Premier.

Summary Compensation Table

As required under the guidelines provided by the Public Sector Employer's Council, the table below outlines the total compensation earned by the General Manager and applicable executives for the fiscal year ending on March 31, 2011.

The General Manager of the Liquor Distribution Branch reports directly to the Minister of Public Safety and Solicitor General.

Name and Principal Position	2010/11 Base Salary	2009/10 Incentive Plan Compensation Paid ¹	2010/11 Pension	2010/11 All Other Compensation ²	2010/11 Total Payments and Benefits	Previous Year Totals
Jay Chambers General Manager, Assistant Deputy Minister	\$170,999	\$11,400	\$16,811	\$28,548	\$227,758	2008/09 = \$215,488 2009/10 = \$225,320
Roger Bissoondatt Chief Financial Officer ³	\$122,721	n/a	\$11,778	\$23,434	\$157,933	n/a
Kelly Wilson Executive Director, Wholesale and Retail Services ³	\$122,721	n/a	\$11,894	\$22,863	\$157,478	n/a

¹ The holdback for the 2009-10 fiscal year was paid out in June 2010.

² Includes employer paid CPP and EI benefits, flex benefits and vacation or leave payouts.

³ Compensation package became effective July 1, 2010 at an annual achievable salary at \$140,000, including holdback.