



Public Sector Executive Compensation Reporting – Fiscal Year 2009/10

Compensation Philosophy of The University of British Columbia

[1] Material principles and underlying policies and decisions for compensation provided to the President and senior administrators for the most recently completed fiscal year

- As one of the highest ranked universities in Canada, and one of the top 40 universities in the world, UBC seeks to retain and attract the best senior administrators it can by remaining competitive in its compensation practices with other large research-intensive universities represented by the G13 (i.e., leading research-intensive universities in Canada), and in particular the University of Toronto and the University of Alberta, and with the global market for senior administrator talent generally.
- The compensation framework is designed to reward sustained performance.
- In recent years, a more visible factor has been introduced into the compensation framework to attract senior administrator talent to Metro Vancouver, particularly UBC's location at the end of a peninsula surrounded by Vancouver's most expensive real estate.
- Higher compensation values are often provided to senior academic roles such as the President, Provost and VP Academic, Deputy Vice Chancellor & Principal at UBC Okanagan, and Vice President Research to recognize that they have augmented their core academic roles with very senior administrative responsibilities, and to provide incentives for faculty members to undertake these significant administrative roles.
- Compensation values for senior administrative roles reflect a weighting of public and private sector values, with a clear weighting in favour of the public sector, and more particularly UBC's university competitors in Canada and internationally.
- As approved by the Public Sector Employers' Council (PSEC), the President's arrangement represents the organization's maximum compensation, and all other senior administrators must be compensated well within that maximum.
- Pension and benefit arrangements should mirror those of the employee group that most closely approximates the nature of the role. For academic senior administrators, benefits mirror those received by faculty members. For non-academic senior administrators, benefits mirror those received by management staff.



- Annual performance reviews, as described below, are primarily driven by performance, and increases are typically provided as a recurring addition to base salary. This is intended to recognize the prior year's performance and the promise of future performance. In addition, there is a review of internal equity across senior administrator positions.

Responsibility for Senior Administrator Compensation:

- The responsibility for senior administrator compensation rests with the Management Resources Compensation Committee (MRCC) of the UBC Board of Governors after receiving recommendations from the President for all senior administrators reporting to him. The foundation of the process is each senior administrator's development of performance objectives at the outset of the performance period. These performance objectives align with the University's objectives outlined in both Place and Promise: The UBC Plan, and operational imperatives. Actual performance is reviewed against objectives, together with the setting of the next year's objectives.
- The President is not reviewed for annual salary increases; rather, he is reviewed by the MRCC for the long-term incentive payment, as provided for in his employment agreement approved by PSEC and the responsible Minister.

[2] Changes Since Fiscal Year End

- No new policies, actions, or decisions were made after the end of the most recently completed fiscal year that would affect a fair understanding of the compensation of the President and senior administrators for the last fiscal year.

[3] Incentive Plan Performance Targets and Objective Identifiable Measures Related to the Pursuit of Performance Targets

- Targets are not quantified, except for the President's long-term incentive (50% is based on meeting performance objectives, 25% is based on meeting annual fundraising targets, and 25% is based on meeting annual academic and research ranking goals).
- The President's 2009/10 incentive payment was based, in part, on achievement of 2008/09 goals, as described below.

Overall Goals

- take a leadership role, advocating publicly and at all levels of government, for the importance and value of a differentiated post secondary system and the value of basic research

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- ensure broad consultation toward the renewal of the UBC Strategic Plan
- enhance and improve the learning experience for students at UBC
- oversee the planning and implementation of a comprehensive fund raising campaign linked directly to strategic academic goals
- oversee the renewal of the Finance portfolio, and ensure the implementation of a transparent budget, linked closely to strategic academic goals

Government Relations

- work to re-establish higher education as a key provincial government priority
- review the next stage of the UBC-Metro Vancouver governance model
- work with the provincial government to increase and widen the scope of research funding
- create, implement, and promote a program that identifies the importance and value of research intensive universities across Canada
- work to enhance funding of the institutional costs of research
- ensure government initiatives in higher education are acknowledged publicly by our constituencies

Strategic Planning

- renew the UBC strategic plan after broad consultation
- oversee development of an inclusively supported academic plan;
 - manage program alignment, in the light of student demand, the pursuit of globally relevant influence, and other factors
 - faculty generated benchmarks are in place to measure performance
 - improve student engagement for undergraduates and graduate students
- implement the President's Advisory Council for Sustainability
 - communicate our successes
 - promote at least two initiatives that can be modeled in the wider community
 - build program coherence and collaboration across the faculties
- finalize and implement strategies currently under development, including the:
 - Aboriginal Strategy
 - Graduate Student Strategy
 - International Strategy
 - National Enrolment Strategy
 - First Year strategies as identified in "Focus on People: Workplace Practices at UBC"
 - Vancouver Campus Plan

Reputation

- complete the "branding" process and launch the new UBC public face
- implement meaningful, substantive initiatives to improve performance of UBC in alumni and student surveys
- remain in the top three Canadian universities in \$ value of tri-council research awards

Organizational

- complete a review of the Administration and Finance portfolio; recruit and hire a new VP with strategic financial vision and accompanying skills
- complete the expansion of day care spaces as approved by the Board in July 2007; recommend and implement the next steps to further increase day care spaces

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- obtain Board approval for a new Student Union Building integrated into the University Square project
- obtain Board approval for a ten year student housing build out plan to raise the proportion of UBC students in university provided buildings to at least 35%
- prepare for robust and critical UBC engagement during and after the 2010 winter Olympics

Sustainable Budgeting

- implement a sustainable operating budget by 2011/12
- ensure the budget process is transparent, with academic priorities driving budget decisions
- seek predictable funding levels

The President met these performance objectives, with notable success in public and government advocacy, planning at an institutional level, as well as for specific areas of strategic focus, and leadership of the finance/budgeting overhaul.

He met his fund raising target of planning and implementing a comprehensive fund raising campaign linked directly to strategic academic goals, and also stewarding thirty specific donations (this was exceeded, and contributed to the \$150.5m raised by UBC during 2008/09).

In addition, the annual academic and research ranking goal of remaining in the top 40 universities internationally, and moving toward the top 20 was attained. UBC was ranked 34th in 2008 by the Times Higher Education rankings (UK), and 36th by Shanghai Jiao Tong University Institute of Higher Education (China). Indicators used in the surveys include numbers of Nobel laureates, number of highly cited researchers, number of articles published in Nature and Science, number of articles cited in the Science Citation Index, and academic performance per faculty.

[4] Leaves

- Vacation and academic leaves are provided to the President and senior administrators. These relate to UBC's compensation philosophy in that they comprise an important part of the total compensation package to attract and retain outstanding senior administrators. The maximum vacation permitted is six weeks. Academic leaves are provided as an incentive, common across universities, for faculty members to assume academic senior administrator roles. During these term positions they do not accrue service towards study or sabbatical leaves that they would normally receive as a faculty member under their collective agreement.



Footnote to Summary Compensation Table: UBC Supplemental Arrangement

- The total pension contributions made by the employee and the university in any one year cannot exceed the contribution limit, which is 18% of annual earnings, or \$22,000 for 2009, whichever is less. Salaries exceeding \$156,937.80 in 2009 would have reached this limit. Excess University contributions are directed to the non-registered supplemental arrangement (SRP).
- The SRP contribution amount is that which the employer would be required to contribute to the Faculty Pension Plan (FPP) if there wasn't a maximum limit imposed by the Income Tax Act.
- The employer is the sole legal and beneficial owner of all assets in the SRP. All assets held in the SRP will be available for general creditors of the employer.
- The employer invests the assets.
- Withdrawals from the SRP are available only at termination, retirement, or death.

Contact for media and other inquires:

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	(a) Name and Principal Position	(b) Salary (\$)	(c) Bonus (\$)	(d) Incentive Plan Compensation Paid (\$)	(e) Pension (\$) ₁	(f) All Other Compensation ₂	(g) Total (\$)	(h) Previous 2 Years' Totals
	Stephen Toope, President & Vice Chancellor	\$378,000	\$0	\$50,000	\$85,929	\$65,403 ³	\$579,332	2007/08 = \$578,937 2008/09 = \$575,813
	David Farrar, VP Academic & Provost	\$312,584	\$0	\$0	\$31,046	\$13,730	\$357,360	2007/08 = New 2008/09 = \$338,962
	Doug Owram, Deputy Vice Chancellor	\$277,922	\$0	\$0	\$27,201	\$38,544	\$343,667	2007/08 = \$322,034 2008/09 = \$331,077
	Pierre Ouillet, VP, Finance, Resources, and Operations	\$291,450	\$0	\$0	\$28,371	\$8,357	\$328,178	2008/09 = New
	John Hepburn, VP Research	\$263,735	\$0	\$0	\$25,773	\$32,978	\$322,486	2007/08 = \$306,424 2008/09 = \$311,951
	Brian Sullivan, VP Students	Not in 2009/10 "top 5"						2007/08 = \$282,123 2008/09 = \$303,577
	Terry Sumner, VP, Admin & Finance	Retired						2007/08 = \$325,938

Notes:

[1] Includes supplemental pension

[2] Includes employer cost of health & welfare benefits, government benefits (i.e., CPP, WCB, EI), and pro-rated value of academic leave

[3] Includes taxable benefit related to housing

[4] Data represents "actual" amounts for the 2009/10 fiscal year; as such, senior administrators who were appointed part way through the period may not appear in this year's report, but will appear in future reporting periods.



June 3, 2010

Mr. Paul Straszak
President and CEO
Public Sector Employers' Council
PO Box 9400 Stn Prov Govt
Victoria, BC
V8V 9V1

Dear Mr. Straszak:

Further to the 2009-10 Public Sector Executive Compensation Reporting Guidelines, I am writing to confirm the following:

- The appropriate committee of the Board of Governors, Management Resources Compensation Committee (MRCC), is aware of the executive compensation paid by the University of British Columbia in the 2009/10 fiscal year; and
- As Chair of the University's Board of Governors and MRCC, I verify such compensation was within approved compensation plans.

If you have any questions or comments, please do not hesitate to forward them to me c/o Ms. Reny Kahlon, Board Planning & Liaison Manager.

Sincerely,

Brad Bennett, Chair
UBC Board of Governors