

June 6, 2012

Mr. Paul Straszak
President & CEO
Public Sector Employers' Council
2nd Floor, 880 Douglas Street
PO Box 9400, Stn Prov Govt
Victoria, BC V8W 9V1

RE: Public Sector Employers Act – Section 14.8(3)
Public Sector Executive Compensation Reporting Form 2011 / 2012

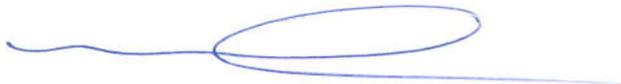
Please find attached the Vancouver Coastal Health Authority's (VCH) Statement of Executive compensation for the fiscal year 2011/12. This report is provided in compliance with section 14.8(3) of the *Public Sector Employers Act* and in the form and manner established by the Public Sector Employers' Council (PSEC) per the Public Sector Executive Compensation Reporting Guidelines.

The report that follows is in two parts. Part One is a narrative discussion of VCH's compensation philosophy, policies and practices. Part Two is the Summary Compensation Table for VCH.

As the Board Chair for VCH, I am fully aware of VCH's Executive compensation practices and related performance measures.

If you have any questions or require clarification, please contact Ms. Debbie Blaney, Executive Director, Recruitment and Compensation/Classification, Employee Engagement, VCH at 604-875-4592.

Sincerely,



Kip Woodward
Board Chair, VCH



Part 1 - Framework for Total Compensation

Compensation Plan

VCH is a member employer of the Health Employers' Association of BC (HEABC) and bases its compensation practices on HEABC's Compensation Reference Plan. The Plan has been developed pursuant to the statutory requirements of the Public Sector Employers' Act and is applied across the employer members of HEABC for non-union, management and executive roles within healthcare.

Job Evaluation. A common Job Evaluation Plan for health employers to assess the level of responsibility, skills and qualifications required of a job. The evaluation determines the appropriate salary range that is set for a job.

VCH reviews job evaluations with the HEABC to ensure consistency of application across the province.

Salary Ranges. Health employers use salary ranges for their assigned Employer group. Each range has a minimum and maximum amount. Individual salaries are set between these two limits. The salary ranges are used to set compensation for all excluded roles up to, but excluding, the Chief Executive Officer.

HEABC conducts a compensation survey on behalf of health employers. The survey collects compensation information from employers in the health, public and private sectors. The survey data is used to support recommendations to the Public Sector Employer's Council (PSEC) for approved salary ranges. PSEC approves salary ranges based on a guidelines set by the Government and the recommendations from HEABC.

VCH establishes individual compensation rates within the limits of the approved salary ranges. Annual salary adjustments are provided based on performance and available room on the specific salary range.

The salary ranges do not include a range for the Chief Executive Officer. The total compensation allowable for the Chief Executive Officer is established by the Ministry of Finance as part of a Province-wide Public Sector CEO Compensation initiative. Any amendments to existing CEO compensation plans must be approved by the VCH Board of Directors and Minister of Health, prior to seeking approval from the Minister of Finance.

Compensation Guidelines. Common guidelines help to establish consistency in compensation practices across health employers.

VCH uses the guidelines to guide its administrative practices as well as the framework for employment contracts.

The terms and conditions of employment of VCH Executives are outlined in an individual employment contract. All employment contracts are filed with the Public Sector Employers' Council Secretariat and made available for disclosure at the Corporate Office.

Benefits

VCH's Senior Executive benefit package includes: MSP, sick leave, group life insurance and AD&D (five times annual salary), dependant life, extended health plan (including Vision care), long term

disability, dental plan and enrolment in the Municipal Pension Plan. Our benefit package is comparable with other health sector employers in BC.

Perquisites

VCH reimburses individuals for reasonable business expenses, supported by receipts.

The Chief Executive Officer and designated Senior Executives are provided with a car allowance.

**Vancouver Coastal Health
PSEC Executive Compensation Disclosure (Note 1)
Fiscal Year Ended March 31, 2012**

Name and Position	Salary (\$)	Bonus and or Incentive Plan Compensation Paid (\$) (Note 2)	Benefits (\$) (Note 3)	Pension (\$)	All Other Compensation (\$)	Total (\$)	Previous Year Totals 2010/11	Previous Year Totals 2009/10
Dr. David Ostrow (President and CEO) (Note 4)	352,683	0	4,288	34,542	47,920 (Note 5)	439,433	396,245	358,240
Duncan Campbell (CFO & VP Sys Devel and Perform)	271,532	0	14,814	25,935	34,136 (Note 6)	346,417	334,812	293,778
Ackenhusen, Mary (COO - Vancouver Acute)	272,934	0	13,467	26,058	27,248 (Note 7)	339,707	304,877	264,008
Dr. Patrick O'Connor (VP, Medicine, Quality & Safety)	271,449	0	14,870	23,574	0	309,893	304,055	273,270
Dr. Jeff Coleman (VP, Regl Programs & Serv Integr)	270,384	0	14,754	23,472	6,733 (Note 8)	315,343	300,982	299,918

Notes:

1. Disclosure of the top 5 executives is based on base salary as at March 31, 2012.
2. VCH has no bonus payment plan, or re-earnable incentive payment plan.
3. Includes all employer benefit costs, whereas the Statement of Financial Information (SOFI) reflects only taxable benefit costs.
4. D. Ostrow salary and benefits, including pension, are paid through UBC and are invoiced to VCH. He assumed the CEO role in March, 2009.
5. Reimbursement of Pension Contributions of \$37,884 (2010 - \$18,886, 2011 - \$18,998), Vehicle Allowance of \$6,000, Vacation Payout of \$4,036.
6. Additional Responsibility Pay of \$27,176, Vehicle Allowance of \$6,960.
7. Additional Responsibility Pay of \$27,248.
8. Vehicle Allowance of \$3,600, Vacation Payout of \$3,133.