Standing Committee on Alberta’s Economic Future

Amery, Moe, Calgary-East (PC), Chair
Fox, Rodney M., Lacombe-Ponoka (W), Deputy Chair

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Hehr, Kent, Calgary-Buffalo (AL)
Kennedy-Glans, Donna, QC, Calgary-Varsity (Ind)
Kubinec, Maureen, Barrhead-Morinville-Westlock (PC)
Lemke, Ken, Stony Plain (PC)
Luan, Jason, Calgary-Hawkwood (PC)
McDonald, Everett, Grande Prairie-Smoky (PC)
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Quadri, Sohail, Edmonton-Mill Woods (PC)
Rogers, George, Leduc-Beaumont (PC)
Rowe, Bruce, Olds-Didsbury-Three Hills (W)
Sarich, Janice, Edmonton-Decore (PC)
Stier, Pat, Livingstone-Macleod (W)

Also in Attendance

Bilous, Deron, Edmonton-Beverly-Clareview (ND)
Dorward, David C., Edmonton-Gold Bar (PC)

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Sarah Leonard Legal Research Officer
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[Mr. Amery in the chair]

The Chair: Well, good morning, ladies and gentlemen, and welcome back.

I would like to call this meeting to order and ask that members and those joining the committee here at the table introduce themselves for the record. If you are substituting for a committee member, please note this as well during your introduction. I see that Mr. Mason will be substituting for Mr. Eggen. Could those members joining us via teleconferencing introduce themselves: Hehr, Luan, Lemke, McDonald, and Stier.

I will start. I’m Moe Amery, MLA for Calgary-East and chair of this committee.

Mr. Fox: I’m Rod Fox, MLA for Lacombe-Ponoka and deputy chair of this committee.

Mr. Quadri: Sohail Quadri, Edmonton-Mill Woods.

Mrs. Sarich: Good morning and welcome. Janice Sarich, MLA, Edmonton-Decore.

Ms Kennedy-Glans: Donna Kennedy-Glans, MLA, Calgary-Varsity.

Mr. Dorward: David Dorward, MLA for Edmonton-Gold Bar. Mr. Chair, while not a member of this committee, I appreciate being here.

The Chair: Welcome, sir.

Ms Pastoor: Bridget Pastoor, MLA, Lethbridge-East.

Ms Sorensen: Rhonda Sorensen, manager of corporate communications and broadcast services with the LAO.

Ms Kubinec: Maureen Kubinec, MLA, Barrhead-Morinville-Westlock.

Ms Leonard: Sarah Leonard, legal research officer.

Mr. Kulicki: Michael Kulicki, research officer.

Dr. Massolin: Good morning. Philip Massolin, manager of research services.

Ms Dean: Good morning. Shannon Dean, Senior Parliamentary Counsel and director of House services.

Mrs. Sawchuk: Karen Sawchuk, committee clerk.

The Chair: Members on the phone, can you please introduce yourselves?

Mr. Hehr: Kent Hehr, MLA, Calgary-Buffalo.

The Chair: Thank you.

Mr. McDonald: Everett McDonald, Grande Prairie-Smoky.

Mr. Luan: Jason Luan, MLA, Calgary-Hawkwood. Good morning, everyone.

The Chair: Good morning.

Mr. Lemke: Good morning. Ken Lemke, Stony Plain.

The Chair: Good morning, Ken.

Mr. Stier: Pat Stier, Livingstone-Macleod.

The Chair: Thank you all.

Anybody else on the phone? No? That’s it. Thank you.

Okay. Ladies and gentlemen, the meeting materials were posted to the internal committee website last week.

Just a few housekeeping items to address before we turn to the business at hand. The microphone consoles are operated by the Hansard staff. Please keep cellphones, iPhones, and BlackBerrys off the table as these may interfere with the audiofeed.

Mr. Rogers, would you like to introduce yourself?

Mr. Rogers: Thank you, Mr. Chairman. My apologies. I just had to take a quick call from the media. I’m George Rogers, the Member for Leduc-Beaumont.

The Chair: Great. Thank you.

I think the second item on the agenda is the approval of the agenda. Can I have a motion to that effect?

Ms Kennedy-Glans: I move that the agenda be approved as presented.


The third item on the agenda is the approval of a bunch of minutes. I think about 12 sets of minutes, and we have to do that individually.

We need a mover for the minutes of May 16, 2014. Mr. Quadri moved that the minutes of the May 16, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

Moving to the next, the minutes of May 21, 2014.

Mr. Rogers: Mr. Chairman, I’m pleased to move adoption of the minutes of May 21, 2014, as circulated.

The Chair: Great. Mr. Rogers moved that the minutes of the May 21, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

Now the minutes of June 3, 2014. Do we have a mover? Ms Kubinec moves that the minutes of the June 3, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

Now the minutes of June 4. Mrs. Sarich moves that the minutes of the June 4, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

Now the minutes of June 5. Ms Pastoor moves that the minutes of the June 5, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

The Chair: Great. Mr. Rogers moves that the minutes of the June 16, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.

The Chair: The minutes of June 17. Mr. Rogers moves that the minutes of the June 17, 2014, meeting of the Standing Committee on Alberta’s Economic Future be adopted as circulated. All in favour? Opposed? Carried.
Mr. Kulicki:...
boards of trustees. So the boards of trustees would have more limited powers, generally following policies established by the sponsor’s board.

Mrs. Sarich: Just in follow-up if I may, relative to that type of structure do you have any insight or comments, through the research, regarding the issue of shared liability or single ownership of liability?

Mr. Kulicki: I can’t really think of anything offhand on that particular point. I guess, yeah, nothing really comes to mind right now.

Mrs. Sarich: Thank you.

Dr. Massolin: Mr. Chair, we can look into that further if that’s desirable.

The Chair: Would you like that?

Mrs. Sarich: Mr. Chair, I believe that that would be of value to the committee, the reason being that this seemed to be one of the themes raised throughout the whole stakeholder consultation across Alberta that we did, and it might be helpful to just see that perspective, to pull it together in all the information that we have, if other committee members value that.

The Chair: Great.

Ms Kennedy-Glans: I thought the report was excellent, and I’m really grateful for your professionalism. I was really, really impressed by that.

With the recommendations of the Cortex report and then the Haskayne study, that followed up, in everybody that presented, did you observe anybody who wouldn’t agree with that set of recommendations on governance for these kinds of pension plans?

Mr. Kulicki: My sense is that they were fairly widely accepted, but that’s just my sense as an observer of what we saw.

Ms Kennedy-Glans: Thank you.

The Chair: Any other questions? Great. Thank you. On the phones, any questions? Great. Thank you. We’ll move to (b).

Dr. Massolin: Okay. Great. Thanks, Mr. Chair. That’s up to me now. The document that I’m dealing with is called the Summary of Stakeholder and Expert Presentations on Bill 9. This document has to do with the oral presentations that were given to this committee in early June, June 3 to 5, from the experts on Bill 9 and from the stakeholders as well as the committee invited. In addition, this document deals with the additional documentation and briefings that were provided by those stakeholders and experts and which are posted on the committee’s internal site. I’ll just go over very briefly for you some of the highlights of that report, but of course, as you’ve all read it, I won’t go into a lot of extra detail about some of the finer points.

First of all, there was a lot of discussion and debate around funding and sustainability. There was agreement that, of course, the four pension plans under consideration all have an unfunded liability of around $7.4 billion, and I think that there was general agreement that that unfunded liability will be taken care of in the near- to medium-term future although there was debate about exactly how long that would take.

The Ministry of Treasury Board and Finance, however, argued that it is not the current unfunded liability that’s the major issue; it’s an unfunded liability going forward that is a concern. The reason for that is that the going-forward, if you will, unfunded liability would necessitate plan design changes and other changes and, therefore, Bill 9. This unfunded liability is a result of the increasing age of retirees and also because of the plan maturation. Also, in addition, there’s a low interest rate situation that’s going on, that affects investment returns. There’s also the volatility of investment returns – that’s another factor – and finally the ministry argued that a main reason is that there is a decreased tolerance for contribution rate increases and that, therefore, a cap on contribution rates is necessary.

The proposed plan design changes are as follows. As you all know, there’s a modification to the early retirement benefits. The 85-55 factor would be changed to a 90-60 factor. There would be a change in terms of the indexation for the COLA from 60 per cent to a target COLA and also that contribution cap that I mentioned, among other changes.

Other stakeholders – for example, the unions that presented to this committee – believe that these proposed design changes were not necessary because, they argued, there was no actuarial evidence that an additional unfunded liability going forward would actually take place or would exist. Also, they were vehemently opposed to the proposition of a contribution rate cap. They believe that that would limit flexibility and take away one of the three levers to fund the four plans.

Moving on, I would like to also highlight, following on Michael’s presentation, plan governance as this is a very important aspect, as you all know. Bill 9 includes a proposal to change the governance model for Alberta’s plans to a joint sponsorship model. Under Bill 9 the government as sovereign would be involved in the management of the plans in a number of ways. Most importantly, the sponsor body would have to oversee the plan within the following legislative constraints, and a few of those I’ve already mentioned, including the imposition of or the establishment of a contribution rate cap.

Also, the government would have the authority to make regulations setting out conditions regarding the board of trustees and its members. The government would have the authority to make regulations respecting sponsorship agreements and trust agreements, and the government would require the sponsorship body to establish a funding and benefits policy that meets prescribed conditions and that considers reducing benefits and decreasing the COLA provisions or other plan benefits if necessary or restoring those COLA benefits or other benefits as they deem appropriate. Finally, the government would institute a moratorium on benefits and benefit improvements until 2021. All of that is proposed in Bill 9.

Now, stakeholders agree that the governance of the plan would be much more effective if the governance were changed to a true joint sponsorship model. However, as Murray Gold from Koskie Minsky argued, they do not believe that the current proposal in Bill 9 is a true joint sponsorship model because there is, as he puts it, interference from government in the ways that I have outlined in terms of having legislative authorities make certain changes and regulations, especially under the proposed section 19 within the proposed legislation.

Now, pension experts who presented to this committee from other jurisdictions who have gone through these governance and
benefits changes for their respective plans indicated that when going through these processes, significant consultation and negotiation was involved. Legislating rather than negotiating the changes was a process that was avoided, okay? For instance, for the Ontario teachers' plan there was a negotiation process as opposed to a legislative process, and for their part the labour group stakeholders actively urged the government to set aside the changes proposed in Bill 9 and to establish a true joint sponsorship governance model, under which the plan sponsors could negotiate any changes to the plan.

With that, I’ll conclude my remarks. Thank you, Mr. Chair. I’ll take any questions.

The Chair: Thank you, Dr. Massolin.


Then we’ll move to (c).

Ms Leonard: Okay. We’re now going to look at the summary of public presentations and written submissions for Bill 9. As you recall, the committee sought public input on both bills by holding seven public meetings and inviting written submissions. In total, there were 150 presentations, and we received over 450 submissions on both bills. We didn’t break down the exact numbers in terms of Bill 9 versus Bill 10, but the majority of the presentations and the submissions focused on Bill 9, so I’ll just give you an overview of the significant issues that were raised in relation to that bill.

Most of the submissions and presentations were from individual public-sector employees who are members of one of the four public-sector pension plans. A number of them spoke on behalf of their unions. We also received about 20 submissions from organizations – those included staff associations, advocacy groups, and pension boards – and actually many of these also presented at the meetings.

The briefing breaks down the issues into two categories. We’ve got the major issues – and these were the ones that recurred quite often in the submissions and presentations or that were fairly significant – and then there were a few additional ones that didn’t come up as often or were harder to categorize or not as important.

Well, I won’t say “not as important”; maybe less significant. Generally, the presentations and submissions in Bill 9 were overwhelmingly opposed to it although some did have positive things to say about aspects of it, and this was mainly the joint governance provisions.

The main issues that came up. A lot of people mentioned that Bill 9 was unfair. They talked about breaking the pension promise, how they’d relied on these benefits they were promised. Several people, well, quite a few people talked about the financial impacts of pension reform both on them personally and on a broader scale, like on their union members or just on the economy in general. A lot of people brought up the lack of consultation, that the reforms had been brought in without consulting stakeholders. There was also a lot of mention of the lack of evidence, that the government hadn’t presented actuarial reports to demonstrate that the reforms were necessary.

Another issue was who should be subject to the pension reforms, whether current members should be grandfathered in. There was a lot of disagreement on this point, whether the new rules should apply to new employees or to employees who are younger employees or those that are not too close to retirement.

Another issue was the idea of a pension as part of the public-sector employee compensation, that it’s a matter of deferred salary. So it’s not taxpayer money; it’s the employee’s money. Another issue that came up a lot was the idea of pensions as a tool in public-sector recruitment and retention, and a lot of people mentioned that public-sector recruitment would really suffer without the pension plan as a way of attracting people. A lot of people also talked about how either they themselves or their colleagues were considering leaving before the pension reform changes would kick in on January 1, 2016, leading to sort of a brain drain or a loss of experienced employees.

Another big issue was governance. This was a big issue for a lot of the organizations that submitted. They wanted to move towards joint governance. They supported the proposals in the bill but felt that it wasn’t true joint governance because the government would still have a part to play in managing the pension plans.

The early retirement provisions, changing the 85 factor to a 90 factor, the contribution cap, the cost of living adjustment: there were many submissions and presentations that criticized these provisions.

There were a few submissions from the pension boards for MEPP, LAPP, and the special forces pension plan, and they brought out some issues specific to their plans. For instance, MEPP noted that by closing the plan to the new members and transferring them to PSPP, there would be a significant detrimental effect on the recruitment of managers into the public service.

The next section in the briefing is just the additional issues, and I won’t go into these because there were so many of them. There were some that were specific to Bill 9, focused on issues like vesting, time frame, liability. Then there were several that just talked about general pension sustainability issues, things like expanding the CPP for all Albertans, the cost to taxpayers of unfunded pension liabilities, and that sort of thing. Then there is a list of all of the presentations and submissions in section 5.

That’s it unless anyone has any questions.

The Chair: Great. Thank you.

Questions? Mr. Bilous.

Mr. Bilous: Yes. Thank you for that summary. It was quite good. It reminded me of what we were saying back in the Legislature when bills 9 and 10 were first proposed.

A question. One of the issues that many of the presenters had with Bill 9 was, again, the fact that changes that were proposed through Bill 9 by the government were changes that were made without demonstrating a clear need for actuarial reports or financial analysis. Now, has the government produced any of those reports? I appreciate that you’ve had presentations by many of the different stakeholders, but I’m wondering: you know, are there substantial actuarial reports or financial analyses that have been done by the government or have been presented to this committee?

The Chair: Dr. Phil?

Dr. Massolin: Not that we’re aware of.

The Chair: Any other questions?

Mr. Bilous: Well, it’s just that if that’s the case, you know – and you’ve heard this through the presentations – then to this day there is still clear evidence that the sweeping changes proposed in bills 9 or 10 are unfounded and not necessary.

The Chair: Okay. We have a list here. Mr. Bilous, we’ll probably go a bit over your question in the next segment, okay?

Mr. Bilous: Sure.
The Chair: And we’ll address that.

Mr. Bilous: Okay. Thank you.

The Chair: Now, Ms Kennedy-Glans.

10:00

Ms Kennedy-Glans: Thank you. I again wanted to thank you for the research, and, Phil, the same to you. The summaries were excellent and much appreciated. This is a lot of stuff to put together, and as a member of this committee it was really great to see how you had organized it, so thank you for that.

The only comment I want to make – and it’s not a question, because I think it’s reflected in your information – is that the presenters were largely categorized according to, you know, their bases of interest that they were reflecting, and people wear many hats, but what I observed as a member was that there were not that many young people presenting, and I think that’s really important to put on the record.

The other thing is that I’m sure everybody noticed that there were not that many people supportive of the legislation or suggesting something different, because there weren’t that many private-sector stakeholders presenting. It’s probably not in their direct interests to do so. I’m not going to suggest that we fill those holes. I just think it’s really important for the record that we acknowledge that those were pockets of groups that were not clearly represented.

The Chair: Thank you.

Ms Kubinec.

Ms Kubinec: Yes. I did want to speak to the lack of evidence and perhaps refute it in that the Auditor General certainly indicated in his remarks and in his research that there definitely was a need and evidence for change in the pension plan.

The Chair: Thank you.

Mrs. Sarich.

Mrs. Sarich: Thank you very much, Mr. Chair. I just wanted to reiterate what Ms Kennedy-Glans has already captured here. I thought that the summary that has been provided in this document was very streamlined and accurate as to the submissions that had been received by the committee, which is really important. I thank you for the excellent work that has been done in this particular area and also appreciate the observations made by the Auditor General regarding the need for change. Certainly, if anyone takes a look at the summary document, the categories that have been provided are very accurate as to the actual presentations themselves, which I brought today, just in case anybody wanted to refer to them. I thank you for the amount of detailed work around this because it’s really important.

Maybe in response to your comment, Mr. Chair, about the next agenda item, you know, for further work or research we could contemplate that when we get to that particular agenda item, and I thank you for that.

The Chair: Great. Any other questions? Thank you very much.

We’ll move to item (d) on the agenda.

Mr. Kulicki: Thank you. This final document summarizes the expert and stakeholder presentations on Bill 10 and the presentations and written submissions on Bill 10 from members of the public. Part A focuses on the stakeholder presentations that occurred on June 3, 4, and 5, while part B provides a high-level summary of the issues raised during the public input meetings and in the public written submissions.

Based on what the committee heard from stakeholders and members of the public, I think, quite clearly the main issue in Bill 10 has to do with section 5(b) of the bill, which would amend section 20(2) of the Employment Pension Plans Act to allow the administrator of a private-sector defined benefit plan to convert accrued defined benefits to target benefits. Section 3 of the summary focuses specifically on this issue, and it outlines the perspectives of Alberta Treasury Board and Finance and the other experts and stakeholders that presented to the committee. I think it’s fair to say that the stakeholders were fairly divided on this point.

Some of the experts and stakeholders certainly voiced some support for the ministry’s position, and in particular the committee heard from a number of representatives of private-sector or multi-employer pension plans, who argued that this provision should be accepted as it is without amendment on the grounds that their plans should be allowed to fully convert to target benefit plans so that they could, going forward, calculate the sufficiency of their funding on a going-concern basis rather than a solvency basis. These stakeholders argued that without passing Bill 10 or otherwise extending the solvency funding moratorium that’s set to expire at the end of this year, their plans would have to cut benefits in order to meet solvency funding requirements.

However, as we heard, other stakeholders and members of the public brought up a number of concerns with this provision, with many suggesting that the conversion of defined benefits to target benefits, in particular the conversion of the accrued benefits, would basically amount to the breaking of pension promises, contracts, or agreements between plan sponsors and plan members. Others suggested that the provision may threaten the retirement security of retirees and other plan members who had based their personal financial planning on defined benefits. Some others also kind of pointed out that the provision could provide an incentive for private-sector sponsors to undertake conversions of defined benefit plans in order to address funding shortfalls that they may actually otherwise be able to afford.

Some other concerns that were raised include that the plan conversion rules would be in the regulations rather than the legislation and that the conversion rules themselves hadn’t been made public until quite recently or were to some extent unclear. Finally, as with Bill 9 there were also some stakeholders who thought that the consultation process leading up to Bill 10 hadn’t been extensive enough, but there was some division on that point as well.

So for the most part I think that the public presentations and submissions echoed what we heard from the experts and stakeholders, with, again, most of the feedback from the public being critical of the bill although, of course, the committee did receive a few submissions in support of it.

That’s a quick overview of the Bill 10 material.

The Chair: All right. Any questions?

Mr. Bilous: Again, thank you for that summary. I guess this is maybe a question for yourselves or for the committee. In the course of listening to stakeholder presentations and reviewing submissions, there have been quite a few questions around, obviously, the future, or what’s going to happen, which I appreciate is what this committee is working on as far as recommendations. But for questions that are asked, I’m not sure when or where they get addressed. For example, when we were talking about converting accrued defined benefits, you know, stakeholders raised the point...
that the conversion rules are quite unclear and a real red flag as far as consent and if it needs to be sought or given before changes can be made.

Now, in the notes here I see that the ministry has said that they’re continuing to analyze a number of aspects related to conversion rules. I’m curious. While this is going on, this committee meeting around the province, will we get updates from the ministry or questions that will be answered, or is there an opportunity for them to come speak to this committee at a future date before any recommendations are made?

The Chair: I think, Mr. Bilous, you’re a little ahead of yourself here. We will be coming to this in the next few minutes.

Mr. Bilous: Okay.

Ms Kennedy-Glans: A very quick question. Can you speak to the consequences of us not moving forward on Bill 10 in a timely manner?

Mr. Kulicki: Well, I’m not an expert, but we all heard the sort of polarization on this issue, I think, where the representatives of the specified multi-employer plans were basically making the point that unless Bill 10 passes, they’ll be subject again to the solvency funding requirements. At the same time, I think they also suggested that, you know, the moratorium could be extended, but in terms of what would actually happen substantively, it would be difficult to say. I could just basically repeat what we’ve heard from the committee, but I couldn’t make my own substantive judgment, I think, on that.

Ms Kubinec: With the committee’s indulgence, if I could go back to the first report, the crossjurisdictional comparison, and ask the question: where the joint governance models had been implemented, was there a change in the portion of the contribution percentages of employees versus employers over when they became joint sponsored? Did they stay the same — say it was 50-50 — or was there a shift in those contributions?

10:10

Mr. Kulicki: I think that in a couple of cases, although I’d have to kind of go through the report to actually dig those out, my sense of it was that there wasn’t uniformity. I think that there were cases. Let me actually just pull the report out. I think it was HOOPP, actually. I think HOOPP has changed the proportion over a number of years. You’ll see that in 1993 HOOPP was originally contributing 118.75 per cent of members’ contributions, but then in the late ’90s that was raised to 140. Then it basically has declined since then, and it’s at 126 now. I think that there are a couple of other cases throughout the country as well where the proportions have changed, which isn’t surprising because, again, it’s about the sponsors coming together and negotiating those sorts of rates, right?

Ms Kubinec: Okay. Thank you.

The Chair: Thank you, Ms Kubinec.


Now I think I would like to ask Dr. Massolin to address the issue of late submissions that we have received.

Dr. Massolin: Yes. Thank you, Mr. Chair. Just on that very point, the summaries that you just heard briefly gone over here incorporate the information that was received up until and including the deadline for written submissions, which was August . . .

The Chair: Which was August 15.

Dr. Massolin: That’s right. However, the committee has received an additional six written submissions that came in late, and I’ll just go over the lateness of these submissions to give you a sense. Two, actually, came in later on Monday the 18th. Another one came on Tuesday the 19th. A fourth came on Thursday, August 21. Then the fifth and sixth ones came in later, one on August 26 and the other one just this past Saturday, on September 6. The question is: what does the committee want to do with these six late submissions, whether or not to receive them and accept them in whole or in part or not at all?

The Chair: Well, I will leave it to the committee to decide. Do you think there is any harm that it might cause the committee if we accept these six late presentations? I mean, it was the summer months. People were busy doing other things, and they probably forgot the deadline. I’m at the will of the committee.

Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. I agree with your suggestion in that I don’t see that there would be any accumulative harm by receiving these late submissions from whoever the individuals or stakeholders were, and the summaries that have been provided to the committee thus far could be adjusted accordingly to reflect the other six if there’s something that falls into a particular category that is already addressed or some other new information. So I don’t see the difficulty in accepting them.

The Chair: Thank you, Mrs. Sarich.

Mr. Rogers.

Mr. Rogers: Well, thank you, Mr. Chairman. My first tendency would be to agree to accept them. The only caution I would throw out is that, you know, I mean, when other people heed the deadlines on these processes and for those that might have just said, “Shucks; we can’t get to it because of this deadline,” which most people would accept as hard and fast, they missed an opportunity to submit when we’re now about to accept a half a dozen that clearly, for whatever reason, didn’t follow the process. So I’d throw that out for everybody’s consideration.

The Chair: I see what you’re saying.

Mr. Bilous: I would strongly urge the committee to accept all six of these submissions. I think that in the spirit of what this committee is trying to do by consulting with Albertans throughout the province, in keeping with that spirit of hearing from Albertans on two very contentious pieces of legislation but also on the future of hundreds of thousands of Albertans, it’s critical that we adopt these submissions. Again, you know, I appreciate the point made by Mr. Rogers as far as wanting them to come in on time. I wasn’t here, so I’m not sure how those parameters or the dates or deadlines were come up with. I’m not sure if they were hard and fast or if they were arbitrarily selected, but I think it’s important to get as much feedback as possible.

The Chair: Thank you, Mr. Bilous.

Ms Kennedy-Glans: I would tend to agree. I think that in all of these committees we always want to encourage people to continue to offer comments. In other committees, even after reports are concluded, people are comfortable sending in information. It has become a repository in the province for people to be able to offer opinions, and I don’t think we want to discourage that, but I do think we should express a caution to people that if they want their
submissions to be considered in an official capacity and in the summaries that are reviewed by members of this committee, they need to get them in on time, that it’s at their peril that they are late. While I agree with the consensus of this room that the six we’re talking about should probably be reflected, I think there’s no guarantee that any future contribution would be reflected. Otherwise, we just would never finish our work. Let’s encourage it, but if they want to have their opinions heard and incorporated into the formal process, they’re going to have to do it in the time frames that we’re recommending.

Mr. Bilous: This is kind of a question around clarification. On the agenda are we on decision on additional oral presentations, or are we not at that point yet?

The Chair: No. You’re ahead of the agenda.

Mr. Bilous: Okay. Wonderful. I had comments relating to that point.

If I can just say, though, that the decision the committee is about to make on whether or not to accept the late submissions does tie in with the next point on the agenda, which is if the committee is entertaining future and further presentations. I mean, obviously, I’ll have a comment on that, but I would see no reason not to accept them if we’re considering further presentations.

Ms Kubinec: A question, I guess, to Dr. Massolin and his crew: would the addition of these six presentations alter the reports greatly, and how much work would it be?

Dr. Massolin: To answer your question, Ms Kubinec, no. They’re really quite brief. I’ve got them here. They’re all e-mails, and the lengthiest is about a third of a page. So they’re really quite brief.

Ms Kubinec: Then I would agree with Ms Kennedy-Glans that we should accept them but that there is now a cut-off date.

The Chair: There will be a cut-off date.

Anybody on the phone, please. Any questions? Any comments?

I’d suggest a motion here that the Standing Committee on Alberta’s Economic Future accept written submissions received by Tuesday, September 9, 2014, and no later than that. Any mover?

Mr. Rogers: Mr. Chairman, forgive me. I’m trying to maybe help. I think it’s important that we make it clear here that we’re making an exception to accept these, so I would hope that the motion would have some reflection of that, assuming that that’s the will of the table. With all due respect, I would prefer to vote on something that was a little more to the effect that the committee accept the final six submissions that were submitted beyond the deadline and that’s it.

Mr. Fox: I propose that the motion be that the Standing Committee on Alberta’s Economic Future accept the written submissions received by September 9 as an exception to the August 15 deadline to include the six late submissions to make sure that all Albertans have had their chance to have their say.

Mr. Rogers: I struggle with that. Sorry.

Mr. Fox: It’s long. It’s cumbersome, but . . .

10:20

The Chair: Okay. Do you have the motion there?

Mrs. Sawchuk: We’ll try, Mr. Chair.

Moved by Mr. Fox that the Standing Committee on Alberta’s Economic Future accept the six late submissions as the exception to the August 15 submission deadline and all submissions received by September 9, 2014. So by the close of business today.

The Chair: Clear as mud.

Mr. Rogers: Mr. Chairman, I hate to be cantankerous – and maybe that’s a big word for this time of the morning – but I don’t think that the motion needs to go past August 15. My point is that the reference is kind of editorial, with all due respect, Mr. Fox. Any reference that all Albertans have had their say: I think some people, if they had just held fast to the deadline and didn’t bother submitting, might beg to differ with that. I think it’s enough that we’re willing to accept these submissions beyond the deadline. Let’s keep our motion clear to that and leave anything else beyond that. Just my thoughts. I’m only one voice here.

The Chair: Mr. Bilous.

Mr. Bilous: Yeah. I just want to echo the words of Mr. Rogers. I’d be very cautious in saying that all Albertans have had their say, because I can imagine the number of Albertans that are going to say: I didn’t have a say. Now, I recognize that we’re all acting as representatives for Albertans, but I would keep the motion as clean as possible and as short as possible.

Mr. Fox: I’m happy to accept friendly amendments.

The Chair: Okay. Now we have a redrafted motion that the standing committee accept the six submissions received after the August 15, 2014, submission deadline. Okay? How’s that? Do you want me to read it again?

Ms Pastoor: I’m sorry. Did you put “as an exception” in there?

The Chair: That the standing committee accept the six submissions received after the August 15, 2014, submission deadline.

Ms Pastoor: Recognizing that this is an exception.

The Chair: Well, we’re saying that we accept them after the deadline, so that’s an exception.

Ms Pastoor: All right.

The Chair: Okay. Should we go with this motion?

Mr. Fox, you’re happy with that?

Mr. Fox: Yeah, I’m happy with that.

The Chair: Okay. Moved that the Standing Committee on Alberta’s Economic Future accept the six submissions received after the August 15, 2014, submission deadline. All in favour? Opposed? On the phone? Great. Thank you. It’s carried.

Now we move to item 5 on the agenda, decision on additional oral presentations. Committee members, during our May 21 meeting the committee agreed that it would revisit the subject of additional oral presentations following the completion of the initial schedule of presentations by experts, stakeholders, and members of the public as well as the closing deadline for written submissions, which was August 15.
Before we go any further, I think that the following statistics will be of interest to the committee. We held seven public meetings in locations throughout Alberta and heard from 150 Albertans at these meetings. The public meetings were attended by close to 1,000 Albertans. We received 460 written submissions from 443 individuals and groups. During the expert and stakeholder panels the committee heard from 48 people representing 33 entities, including the government of Alberta and the Auditor General as well as unions, professional associations, municipalities, pension plans actuaries, and legal firms not only from Alberta but from across Canada.

The committee heard a number of references to the presentations of Alberta Treasury Board and Finance in subsequent meetings with stakeholders, experts, and members of the public. I would suggest that the committee would benefit from inviting Alberta Treasury Board and Finance, the sponsor of bills 9 and 10, to return to answer questions and possibly address concerns raised during the oral presentations.

I would like to hear the members’ thoughts on the need or benefit of receiving additional oral presentations at this point. Mr. Bilous.

Mr. Bilous: Thank you, Mr. Chair. I have three recommendations that I’d like to propose. Now, I do appreciate the fact that the list of presenters has been quite comprehensive, and I do want to thank the committee for that and for trying to make as many different points of view and stakeholders as possible. The three that I’m proposing: one – now, I actually have a name; I’m not sure if he would want to do the presentation – a representative from the Building Trades, and the name John Tackaberry is sticking out. The other two organizations . . .

The Chair: Oh.

Mr. Bilous: May I continue?

The Chair: Mr. Bilous, before you go any further, I don’t think you’re able to make any recommendations or suggestions because . . .

Mr. Bilous: Well, I believe I have a voice and no vote at the table here, Mr. Chair.

The Chair: You can’t make a motion.

Mr. Bilous: I’m not making a motion; I’m just making suggestions for the committee to entertain.

The Chair: Okay.

Mr. Bilous: The other two. You know, hopefully, this is of interest to the committee. I’d like to propose the New Brunswick Federation of Labour and the New Brunswick pension coalition. The reason is this. The New Brunswick government got to make submissions about their recent changes, so bringing in the New Brunswick Federation of Labour means that we’ll hear from the people who are living with the changes to their pensions and futures because they proposed changes to their legislation. It would give us, really, you know, a perspective as far as: if changes are made, how do they affect the very people? So hearing from those folks.

Then, you know, a reason why the New Brunswick pension coalition: because they actually launched a lawsuit in June against the changes that the government proposed. You know, I have names of lawyers that we could bring. Again, the point is that you’ve got a government that has made changes to the pension legislation, and bringing representatives of those who are affected and then an organization that launched a lawsuit against the changes to the pension legislation could be very, very informative for this committee, especially, you know, should legislation carry forward this fall.

The Chair: Okay. So you’re suggesting that the New Brunswick Federation of Labour be invited?

Mr. Bilous: Yes. The New Brunswick Federation of Labour, the New Brunswick pension coalition, and the Building Trades are my three suggestions.

The Chair: All right. Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. I’m not too sure about the New Brunswick suggestions, but I’ve certainly had an ongoing dialogue with the Building Trades of Alberta. Mr. Bilous had referred to the chairman of the board, Mr. John Tackaberry, who is a pension expert. So I would be very supportive of his suggestion to the committee that the Building Trades of Alberta through Mr. John Tackaberry, the chair, be invited to provide some perspective that might be in addition to the information received.

I don’t have an opinion about the New Brunswick suggestions other than that they could be very interesting perspectives and perhaps of value through the teleconferencing methodology.

The Chair: Any idea as to why the Building Trades of Alberta didn’t attend one of the public meetings, Mrs. Sarich?

Mrs. Sarich: I’m sorry. I had an emergency note come in. Could you please repeat that?

The Chair: Any reason as to why the Building Trades of Alberta did not attend one of the public meetings?

Mrs. Sarich: I’ve never asked that question. I’m just aware through their government relations individual as early as today that there is interest and that they’ve had ongoing interest. So I don’t know if it was a timing issue; I really can’t speak for them. Should they be invited and no longer have an interest – I guess they would have to determine that, but I’ve been asked to make the suggestion today.

Ms Kennedy-Glans: I just want to comment that this is a really deep, complex subject area, and I’m a bit worried that if we keep inviting people to speak without clarity ourselves on what questions we’re trying to answer right now, this could go on forever. While that would be a lot of fun, I think our job is to get to a set of recommendations, and I feel like, you know, if there are things ongoing in other jurisdictions that are timely and relevant, then I think that asking for that information with some fetters gathered by the research team – and if the Building Trades group has something they want to present, inviting that would be fine in a written submission, but my preference would be at this stage to define what we’re trying to achieve and figure out where our holes are. This is just too big of a topic to keep bringing people in and presenting to us without some clarity about what our own process is.

The Chair: Mr. Rogers.

Mr. Rogers: Thank you, Mr. Chairman. I would echo Ms Kennedy-Glans’ sentiment. You know, we went through quite a process to attempt – I’ll use that term – to define the parameters
and all the pieces we needed to attempt and to do the best job we could to get a recommendation back to the House on this extremely complex subject. We heard from a lot of individuals, a lot of experts, a lot of association people, some very passionate individuals about something that is very near and dear to their hearts in terms of their future in retirement, and we’ve spent a lot of time working on essentially using that work plan that we laid out. I do agree that at this late stage in the game, when we’re trying to the best of our ability to essentially refine something that we’re going to present back to the House, whatever it may look like, warts and all, at some point we really need to cut it off, stick to the work plan, and try to finish the job that we started within the parameters. I think it’s just too late in the game.

I’m certain Mr. Tackaberry could offer something positive, some positive information. But, again, I just don’t know why he wasn’t available earlier. Again, I am very hard pressed to try to keep adding to the process at this point.

The Chair: The reason that he wasn’t available in the past is because he was not on our list, okay?

Mr. Rogers: Oh, okay.

The Chair: Okay. Thanks, Mr. Rogers.

Ms Kubinec: I just wanted to concur with the previous two speakers that we do need to come to a conclusion with this committee and make a recommendation. We could just keep going on and on and on as events happen through various litigations, et cetera. I concur with the previous two speakers.

Mr. Bilous: Well, I’m obviously going to speak to the fact that, you know, I can appreciate that we do want to wrap up at some point, but I’d like to make three points here. The first one is that on May 21 this committee made a commitment to revisiting speakers that we do need to come to a conclusion with this committee and make a recommendation. We could just keep going on and on and on as events happen through various litigations, et cetera. I concur with the previous two speakers.

Mr. Hehr: Thank you very much, Mr. Chair, and I have to say thanks to Mr. Bilous for indicating the commitment that the standing committee made in the early days of coming together to tackle bills 9 and 10 in the consultation process. The commitment was very clear that there would be an opportunity made by the committee for additional presentations. I appreciate the perspective from Ms Donna Kennedy-Glans that, you know, maybe we should be looking at establishing what is needed by this committee and that if there are further presentations that could help facilitate some gaps or some additional information that might be helpful for the committee, that would be a consideration.

Really, there are two options, and my recommendation at this time would be for the Building Trades of Alberta. They have asked. I was in a phone call this morning. The chairman of the board is Mr. John Tackaberry. I think if we made that commitment as a committee – this is an Alberta organization – that should they have something to share with the standing committee that would be of value, then they come forward. The presentations were short and brief previously from other stakeholders, and that could be the same example. The other option is that they could be approached if the committee has outlined exactly what they’re looking for in additional information, and because Mr. Tackaberry has expertise in the area of pensions, perhaps he could provide some insight.

I think that the two options would be viable for the Building Trades of Alberta, so either exclusively coming forward in a short presentation or the other option, that if the committee is ready to chart out that course and identify what are some of the additional areas or something that they’d like in addition, this particular individual can provide that. I think the commitment by the committee was more like option 1, that if there were further stakeholder groups that have expressed an interest to come forward to give a short presentation to the committee, that would be the most viable option. But I’m hearing that if there’s a movement by the committee leaning in the direction suggested by Ms Kennedy-Glans, then so be it for the Building Trades of Alberta.

10:40

On the New Brunswick issue, I do recall that presentation. In fact, I had the regulations, and I do recall asking questions in Hansard, on the record, regarding the New Brunswick example right directly from the presenter from that part of Canada. I’m not too clear on what the Federation of Labour or the pension coalition could provide on this particular one. Perhaps as a committee member I’d like to go back into the Hansard, take a relook at what was exactly asked, but I know it was thorough. I had the regulatory piece and the questions, and I’m not too sure what more could be provided to the committee on the New Brunswick example.

Thank you.

Mr. Hehr: Can I be put on the list, Mr. Chair?
The Chair: Okay. You’re on the list.

Mr. Hehr: I’d tend to agree with Mrs. Sarich and Mr. Bilous. I think, given the road we’ve gone down so far, that it would be wise of us to hear from Building Trades, an Alberta organization.

To the second point on what’s transpired out in New Brunswick, if we can’t have them here for a presentation, we could have research compile some of that information for us so that we’re cognizant of the fallout from what has transpired there and be able to analyze it, this committee, as to if there are any commonalities between what they did and what we are doing. I’d be supportive of those two principles being followed.

The Chair: Okay. Mrs. Sarich, my understanding is that Building Trades did not contact the committee clerk requesting that they wanted to make a presentation. Did they make any contact with you personally, ask you to bring this to the committee?

Mrs. Sarich: Yes. I was asked this morning to put their organization’s name forward because this opportunity, commitment was made by the standing committee. So I’ve done as much, and I’m hoping that at the very least they would have an opportunity to present for five, 10 minutes or whatever the committee would deem appropriate. We have the date of the next meeting as suggested by the agenda on September 22 to receive them should that date and time accommodate them. If not, then that’s their decision.

The Chair: I think that the committee agreed to revisit the issue of inviting additional oral presentations after completing the initial round of stakeholder and expert meetings.

Okay. Now I have a list here. Mr. Fox.

Mr. Fox: Thank you, Mr. Chair. I just wanted to remind the committee as well that we did set aside a day in September that we could have extra presentations, and I would support having Building Trades come in and make that presentation to us. One of the overall trends in the public consultation was that appropriate consultation had not occurred, so we want to make sure that we do our due diligence on this and bring in the groups that have not had the opportunity to speak that may want to or where we feel that there might be added information and added insight to help us compile a report on these two bills.

The Chair: Okay. Thank you, Mr. Fox.

Mr. Rogers: Thank you, Mr. Chairman. I’m not going to argue for or against any of these potential presenters. However, I would like to ask to Dr. Massolin and his team, and I don’t know if Ms Dean has anything to offer as well – I’m a little concerned about a group or a number of groups presenting this late in the game. I’m just curious how you would see that fitting into the work that you’ve already compiled through your research. It almost seems to me that a presentation received this late in the game has the potential of getting more weight than everything we’ve heard so far, you know?

We’re creatures of habit or whatever you want to call it. The fact is that something that’s very fresh in your mind versus three months ago: how do you incorporate that into the work, a good portion of this work that’s been done, some of which we reviewed here this morning? This massaging, so to speak, of everything that we’ve heard from the folks that have been here, out around Alberta, and through written submissions has sort of been moved towards helping us come to something that we’re going to present. But in getting a presentation or two this late in the game, how do you incorporate that, and how do you see that affecting what you’re trying to produce based on what we’ve heard so far?

Ms Dean: Mr. Chair, I’m going to ask Dr. Massolin to supplement, but it’s my recollection that the committee’s intent, back when it was setting its work plan, was to keep open some September meeting dates in the event that they wanted to come back, you know, with targeted questions to particular groups. I mean, that’s my recollection.

I’ll ask Dr. Massolin to supplement with respect to how it impacts some of the research that’s been compiled to date.

Dr. Massolin: Yes. Thank you, Mr. Chair. Yeah, I would echo those comments and also say that in terms of our work we would just simply incorporate the feedback we’d hear. The presumption, I think, is that this round would be new information and responses to certain issues that have already arisen through the public meetings to date and all the information received. It would be a targeted, focused kind of second round, if you will.

Thank you.

The Chair: Ms Kennedy-Glans, you’re next.

Ms Kennedy-Glans: Thank you. Everybody agrees at this committee that we want to hear from as many people as possible. The consultation was a huge part of the reason for this committee being formed. I don’t think there’s any person at this table who would disagree with that. If people want to make submissions in writing beyond the deadline, we will always read those. I think that’s actually really important to say out loud because we do care, and I think lots of us are still getting information at our offices.

Personally, I’ve been immersed in this issue. I’m fascinated by it, and I do want more information and of the nature that you’ve suggested, Mr. Bilous. What I’m asking for, though, is that rather than asking people to offer their views – at this point in time we have got so much information, and we’ve started to see the issues pull out, so what I’m suggesting is that as a committee I’d like to see us agree on a road map forward. What issues do we need more information on? What are the questions that we would like to see addressed as a committee? We’ve got a timeline here. As much as we want to keep doing this, we do have a deadline.

I’d like to understand, working backwards, Mr. Chair, what the road map looks like. While we can always ask people to make written submissions – and I’m sure they will, and I hope they feel comfortable to do that at any point in time, even after this committee is finished, for public benefit – we still have to figure out what questions we need answers to in order to make a series of recommendations to the Legislature. I think that’s our job. Right now I don’t know what those are.

The Chair: Okay. Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. I appreciate the perspective as presented by Ms Kennedy-Glans on defining what the issues are, what the questions are that we need answered at this juncture, you know, so that we can start moving in the direction of preparing recommendations, because you are right, Mr. Chair: we’re working to a deadline.

10:50

But in all fairness to the original commitment and when I think about issues or framing what the issues are and what the questions would be for the purposes of pulling together a series of recommendations or a set of recommendations, I’m not too sure that it
would be fair to the Building Trades of Alberta to ask them, you know, to have a look at the documentation that has been received thus far and if there’s anything further that they would like to help us with regarding the issues or framing questions to help with recommendations. But I could be wrong. Maybe it is a fair question to be asking at this juncture because they might be bringing in a level of expertise to complement something that’s already in the summary reports and the information that we have had.

I guess what I’m getting at, Mr. Chair, is that I just don’t want to see a lost opportunity, and I’m hearing that we should as a committee be capitalizing on that opportunity if they should come here to present. I’m not too sure if the committee members were ready for this particular meeting to discuss framing the issues and the questions that we want to move in that direction for formulating recommendations. The question I would have is: are we ready to do that over the course of the next time remaining for this committee meeting?

The Chair: Well, let me hear from the rest. We have a very long speakers list here. Let me hear from the rest of them.

Ms Pastoor, followed by Mr. Luan.

Ms Pastoor: Thanks, Mr. Chair, and I’ll try to be very brief. I think, in listening to the conversations ahead of time, I would be comfortable listening to the Building Trades of Alberta come forward because I think we left the impression out there that we would – and I realize the word was “consider” – consider allowing people to present. I think that should be one.

Now, the New Brunswick one. To me, I would be very interested because I’m really interested in street perspective. I’m interested in the consequences of decisions that I make and how they really affect people. However, the minute I hear “lawyer” and “law,” I know that there’s going to be – what’s the word I’m looking for?

Ms Kennedy-Glans: Joy. Happiness.

Ms Pastoor: Joy and happiness. That was exactly what I was looking for.

But when I hear that, then I’m looking at a huge time frame. I don’t think the actual information on how this legislation really has affected people will possibly come out up until the launch is settled, so I’m not sure how helpful the New Brunswick one would be. But as far as the Building Trades of Alberta, I’m okay with that one.

The Chair: Okay. Thank you, Ms Pastoor.

Mr. Luan.

Mr. Luan: Thank you, all, for the great discussion. I just want to add to our conversation that I thoroughly appreciate that we need to strike a balance between getting it done and allowing the process so that we have as many people included as possible.

Here’s my sort of take on this. I remember that at the early stage, when we had the experts doing the presentations for us, one had said very clearly that this issue about pension reform is not something that you can quickly fix. It took many, many years to accumulate to what we are faced with, and it’s a challenge that goes to all jurisdictions, not just us. Somebody even said that the process of educating the public to understand this and to have buy-in to this helps make the decision for the change.

On that note, I would say that I thoroughly appreciate that we need to get this done and report back to the House, but I’m leaning towards that we will be better off taking a longer time to engage the public more to understand the challenges we have. Then we are much better positioned to make the change when that time comes. It is pretty good when I hear that there is one more September meeting that has been designated for anything extra anyway.

I would highly urge our committee members to consider that we give the Building Trades of Alberta the opportunity to share what they have to share. I’m also with Ms Kennedy-Glans in asking them: don’t just repeat what everybody said; if you can review what has been presented and what’s new that you can add to the conversation, that would be much more helpful to all of us. I totally concur on that.

Thank you.

The Chair: Thank you, Mr. Luan.

Mr. Bilous: Thank you, Mr. Chair. Again, I’ll make this short. I want to urge the committee that the opportunity to ensure that we’re hearing from as many voices as possible is now. I appreciate the fact that maybe committee members are a little tired, you know, travelling around the province listening to folks, but I’m really concerned about trying to close the door quickly on this without hearing – you know, we can’t assume that we know what, for example, the Building Trades of Alberta are going to say and how they’re going to add to this dialogue. I also think it’s equally unfair to ask them to wade through all of the submissions to try to find how they can add something new to the conversation. The point is that they may have information or their point of view that’s not necessarily new, but they choose to emphasize a point.

I’m sure the committee heard many of the same points raised throughout the course of these meetings, yet I hope committee members don’t think, “Oh, I’ve already heard that” but, rather, appreciate that it’s adding emphasis to those different points.

The other thing, Mr. Chair, that you even recommended when we started was possibly inviting Treasury Board and Finance to come back to answer some questions. I don’t know if in the whole scheme of things there is a designated day for that down the road, but I think that that would be very valuable. I mean, I do have a number of questions that I’d be happy to put to them should we invite them back and that, I think, maybe the committee may want to come up with, again, looking at the direction that we go from here.

With the fact that a day was set aside, if we want to honour what the committee put forward back in May, I think it’s very unfair to put in Hansard in a public meeting that there is a day set aside for more submissions and then to turn around and say: well, actually, we changed our mind, and we aren’t going to do our due diligence in hearing from all stakeholders.

Again, I’ll put something out to the committee as far as the two different organizations from New Brunswick: if, obviously, for cost and time reasons we weren’t able to bring them here, although that would be my first choice, to possibly reach out to them for a short written submission. Again, having their point of view while they’re living through changes that are occurring and possibly changes that will be recommended and proposed via this committee to the government or to the Legislative Assembly I think will offer us great insight, and I’d hate to see that opportunity squandered.

Thank you, Mr. Chair.

The Chair: Thank you.

Any additional discussion? On the phones?
Would a member like to make a motion that the Standing Committee on Alberta’s Economic Future invite – and we’ll name the organizations or the individuals – to make oral presentations to the committee on Monday, September 22?

Mr. Fox: I’ll move it.

The Chair: Okay. Mr. Fox moves that the Standing Committee on Alberta’s Economic Future invite – and we would like to place the names in it.

Mr. Fox: It was the Building Trades of Alberta.

The Chair: Okay. And . . .

Mr. Rogers: That’s the only presentation.

The Chair: That’s the only one? Any discussion?

Mr. Fox: Are we going to discuss if Alberta Treasury Board and Finance . . .

The Chair: That’s a separate motion.

Mr. Fox: That’s coming. Okay.

Ms Kubinec: Discussion on the motion?

The Chair: Yeah.

Ms Kubinec: After having listened to the arguments around the table, I will be supporting this.

Mr. Fox: It was the Building Trades of Alberta.

The Chair: Okay. I’ll read it again: Mr. Fox moves that the Standing Committee on Alberta’s Economic Future invite the Building Trades of Alberta to make an oral submission to the committee on Monday, September 22, 2014.

11:00

Mr. Rogers: Just a question, Mr. Chairman, on discussion. Do we need to specify half an hour, 15 minutes, 20 minutes? I mean, are they going to be here for two hours? Is that necessary? Do we have a standard amount of presentations?

The Chair: I think we have a standard amount of time that is about half an hour.

Mrs. Sawchuk: It wasn’t that long, Mr. Chair.

Some Hon. Members: It’s 10 and 10.

The Chair: It’s 10 and 10. Then we will add: for a maximum amount of 20 minutes, 10 minutes for presentations and 10 minutes for questions. Okay.

Mr. Fox moves that the Standing Committee on Alberta’s Economic Future invite the Building Trades of Alberta to make an oral presentation for a maximum of 20 minutes, 10 minutes for presentations and 10 minutes for questioning, on Monday, September 22, 2014.


Now we have another motion. The motion reads that the Standing Committee on Alberta’s Economic Future invite senior officials from Alberta Treasury Board and Finance to attend the Monday, September 22, 2014, committee meeting to respond to questions raised respecting Bill 9, Public Sector Pension Plans Amendment Act, 2014, and Bill 10, Employment Pension (Private Sector) Plans Amendment Act, 2014, during oral presentations in June 2014.

Ms Kubinec: I would move that.

The Chair: Okay. Any discussion?

Ms Kennedy-Glans: Mr. Chair, I would ask: do we have time in the schedule for the committee to bring Finance and Treasury Board in after we’ve had a committee discussion about the issues and the road map?

The Chair: Dr. Phil, can you help us with this?

Dr. Massolin: Well, I mean, obviously the timetable and the scheduling is up to the committee. You could have your meeting as planned, as already decided. Then we as research services could put together a document highlighting issues, and then subsequent to that you could have your meeting with Treasury Board if you wanted to do it that way, as a possibility.

The Chair: So it can be accommodated?

Dr. Massolin: Yes.

Ms Kennedy-Glans: Just to be clear, I think we’ve got a good sense of the issues. I think we’ve got a really good sense of the issues, and I would recommend that Mr. Bilous read from end to end – there’s a really good, comprehensive review of the issues in this material and all the material that’s been presented.

What I’m looking for more as a committee member is: what is our goal in the set of the recommendations to the Legislature? What are the options that we can recommend? What are the courses of action? So I’m looking more for a road map of what possible recommendations could look like and what additional research and even submissions may be required to get us in a position where we’re more comfortable with that set of recommendations. It’s October that we have to finish this, right?

The Chair: October 27 we have to present the report.

Ms Kennedy-Glans: Yeah. You know, I’m just kind of backing this up from the back end. There may well be holes where we need to go out and ask for people to provide more information, and I just don’t know what those are right now.

The Chair: Ms Dean will address this question.

Ms Dean: Thank you, Mr. Chair. Those are good points raised by Ms Kennedy-Glans. It’s important to note that these bills were referred to this committee after second reading. Bills haven’t been referred after second reading to a committee of the Assembly since 2007, so it’s good to revisit what the role of the committee is in this instance. Where we’re at is that Standing Order 78.3 governs what your role is, and basically the committee’s job is to recommend whether the bill proceed, not proceed, or proceed with amendments. Now, obviously, the committee can offer additional recommendations as part of its report, but the key function is to recommend how the bill is to go forward or if it’s going to go forward at all.

The Chair: Go ahead.

Ms Kennedy-Glans: And, but: your comment about lawyers is apt here, my friend. This is not simple. I mean, even Bill 10 is not simple. I don’t want to prejudge the outcome of this committee, but if, for example, we decided to not recommend that they
proceed exactly, both of them, as they are, if that was a choice, we would probably want to make suggestions based on all of the – I would assume that we would. So if we’re getting to that point, then I would prefer that we have some conversation at this committee level about what that might look like. Maybe we don’t. I’m not pre-judging the outcome. I just would like to understand that.

The Chair: Mr. Rogers.

Mr. Rogers: Well, thank you, Mr. Chairman. I think it’s important for us to remember that this process and the material – the submissions, the presentations, everything that is before us – are the property and the purview of this committee. In terms of Finance and Treasury Board, you know, we certainly don’t need them to come to this committee to tell us what we need to do. We don’t need them to come to this committee to be grilled at this point. We as a committee have been tasked by the Legislature to examine this subject, that’s contained in these two bills. We’ve done that exhaustively, and unless we need some technical clarifications from the department, I honestly don’t know why we would need to bring Treasury Board before this committee at this point. I’m looking for others to help me with that because that is my thought at this point.

The Chair: I think, Mr. Rogers, that you said the magic words: in case we need some clarifications . . .

Mr. Rogers: Technical.

The Chair: . . . on what we have heard from, you know, hundreds of presenters, we’d like them to come in and clarify some of the questions.

Mr. Rogers: Again, Mr. Chairman, I would borrow some of the words from my learned colleague to my right: process and what it is that we’re actually trying to ascertain. I see no value in bringing the department here for a grilling or for them to convince us of anything. We need maybe some clarification, some expertise in terms of the technicalities of what it is that we’re dealing with and nothing else. If that’s not what we need, then I think that we get on with the work, and we don’t need them.

The Chair: And that’s the purpose of them coming and the purpose of us inviting them to come here.

Mr. Fox: I do believe that it’s incumbent upon us to ask the Department of Treasury Board and Finance to come back and chat with us again about this. If you recall, they were the very first that came in to chat with us in the expert stakeholder panels. We’ve learned a lot along the way. There are a few questions that we really do need to ask them based on some of the information that we received from the stakeholders that came afterwards. Ultimately, this is the ministry that wrote these bills, so we do have questions about why they wrote these bills and if they took into consideration how it might affect some of the pensioners. In giving a recommendation, it would be good to have some information and ask some more questions of the ministry just to make sure that we’re fulfilling our role as a review panel for these particular bills and have the ability to either recommend that the Legislature go forward with the bills, amend the bills, or recommend that they do not proceed with the bills, which I believe is the mandate of this committee.

11:10

The Chair: Thanks, Mr. Fox, but it is obvious that the department be here for us because they are the bill sponsors. They’re the owners of the bills, and they came here first, and they made their presentations.

Mr. Fox: Yes. But there are further questions now that we have more information.

The Chair: Further questions. Yup. As Mr. Rogers suggested, they can come here for clarification, to clarify some of the questions that we have.

Mr. Bilous: Thank you, Mr. Chair. To answer Mr. Rogers’ question, you know, I still have questions – and I asked a little earlier in this meeting – as far as having or seeing some evidence, financial analysis, actuarial reports demonstrating a need for these proposed changes. I mean, when you look at – some of the presenters have made that point. I think, you know, that moving forward with a recommendation without an actuarial analysis of the financial health of the pension plans – I’m not quite sure how the committee is going to move forward in making recommendations. I don’t know if Treasury Board and Finance have conclusive evidence or have done the research, but, I mean, I would see value in putting those questions to them.

I’ll leave it at that, Mr. Chair.

The Chair: Okay.

Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. You know, I’m listening very carefully to some of the recommendations that committee members are putting forward in regard to Treasury Board and Finance. I think it’s incumbent on us to have the flexibility to have them present when we are moving through the next steps because there could be something technical. They should be on hand because we’re trying our very best to navigate through these very complex bills that have a lot of nuances and technical things. Even in a formulation of recommendations you have to ensure that the words that you put down are in fact something that is helpful and not a hindrance regarding all of the technical parameters that are outlined in the legislation as well as the technical points of view and the points of view that have been put forward by everyone that we’ve heard thus far.

So I’m not too sure how that fits into this motion or having them come back to present, but I would like to make the suggestion that it would be handy to have them on hand while we’re moving into the next steps of framing additional issues, looking at the questions that we need answered, and also for the formulation of recommendations because there could be something technical there.

The Chair: I think that the motion does not say here for them to come in and present. The motion says, “to respond to questions raised respecting Bill 9.”

Mrs. Sarich: Okay. So in light of that, then, having that flexibility, I guess I would just ask: would that be part of what the agenda is going to look like on Monday the 22nd as a proposal so that we would be moving in that direction? As committee members we have to be prepared for those types of things, so we would have them on hand during that day.

The Chair: Yup.

Mrs. Sarich: Okay.
The Chair: Any other questions? We have a motion on the floor here. Any other questions? On the phones?

Okay. Let’s call the question, and I’ll read the motion. Moved by Ms Kubinec that

the Standing Committee on Alberta’s Economic Future invite senior officials from Treasury Board and Finance to attend the Monday, September 22, 2014, committee meeting to respond to questions raised respecting Bill 9, Public Sector Pension Plans Amendment Act, 2014, and Bill 10, Employment Pension (Private Sector) Plans Amendment Act, 2014, during oral presentations in June 2014.


Now we move to item 6 on the agenda. Any other business?

Mr. Fox: Before we move on, the NDP have asked that a motion be put forward to invite the New Brunswick Federation of Labour and the New Brunswick pension coalition to present, so I would like to, in a bit of goodwill, put that on the table for them.

The Chair: Okay.

Mr. Fox: I move that the Standing Committee on Alberta’s Economic Future invite the New Brunswick Federation of Labour and the New Brunswick pension coalition to make an oral presentation to the committee on Monday, September 22, 2014.

The Chair: Is there discussion? Ms Pastoor.

Ms Pastoor: Yes. Thank you. Because this has been brought up again, I’d like to back up to what I had said before and ask for clarification. The argument that I heard for this coming forward was, in fact, that people could give a street perspective on how they are being affected by the legislation that’s been passed by the New Brunswick government, but then my clarification question is: if there is a lawsuit and none of this has gone forward yet, how does anybody know how they’ve been affected? Has this lawsuit gone forward? Where does it sit?

The Chair: Yeah. If there’s a lawsuit, how can they talk about it?

Ms Pastoor: I mean, does the lawsuit put the legislation in abeyance until it’s come to a conclusion? I’m just not clear on that.

The Chair: Mr. Bilous.

Mr. Bilous: Sorry. To answer your question, I’m not sure. I don’t have an answer for that, but I think that for the purpose of this committee and the motion to extend an invitation, if they are mid-lawsuit and cannot come to present or talk about it, then we have our answer. Because we’re all here in the committee meeting now, you know, I would recommend that we move forward with that motion and make the invitation, on which we can then get clarification.

Ms Pastoor: Then, further to that, I believe that you’ve asked for two different groups, the Federation of Labour and the pension coalition, which, I’m assuming, will both be affected by a lawsuit. Who brought the lawsuit forward?

Mr. Bilous: I believe it was the pension coalition.

Ms Pastoor: I assume that they would all be tied into this particular lawsuit. The Federation of Labour would be tied in.

Mr. Bilous: I’m not sure. I honestly don’t know if we can make that assumption. It might have been done . . .
Mr. Fox: I will read this again. I move on behalf of the New Democrat members of this committee that the Standing Committee on Alberta’s Economic Future invite the New Brunswick Federation of Labour and the New Brunswick pension coalition to make oral presentation to the committee on Monday, September 22, 2014.

The Chair: Any other suggestions? Questions? Comments on the phone? I’m looking up to the sky.

Mr. Luan: No. We’re good.

The Chair: They’re good.

Okay. We’ll call the question on the motion. Would you like to read your motion again?

Dr. Massolin: I guess I have a couple of questions that emanated from this previous discussion. First of all, does the committee want a synopsis of what is going on in New Brunswick?

Then the other issue is what to do next from a research perspective with respect to the mountain of information that we’ve already accumulated, to synthesize that further to help the committee at the next meeting or a subsequent meeting. What are the options?

Thank you.

Ms Kennedy-Glans: I don’t want to direct you, Mr. Chair, but it might be useful for you to maybe consider creating a subcommittee with representation from the other caucuses to set a road map for us so that we can have it in advance, if possible, of the next meeting and actually discuss it. I’m sorry; I’m harping on this, I know.

The Chair: We do have a working group made up of one MLA of every caucus.

Ms Kennedy-Glans: Yes. The working group is what I’m talking about. Is that something that you would be comfortable with at this point in time, Mr. Chair?

The Chair: Yeah, I think so. Can we do it before September 22? Could it be done before September 22?

Dr. Massolin: Well, if the working group meets soon and gives us direction and works things out, we can certainly work with the working group to get something ready. This document, of course, can be refined as we go along.

The Chair: Okay. We’ll make sure that the working group meets and advises Dr. Phil on the issues and process that we should go through.

Mr. Bilous: Just a question for clarification. There are two different things being addressed right now: the question about synthesizing the information and the direction that the working group will give to our research department and then the first question, on whether or not the committee wants the research department to give a synopsis as far as the New Brunswick goings-on, unless I missed it. I’m not sure. I think we dealt with the first one, but I’m still wondering if we want to address the second one.

The Chair: Dr. Phil?

Dr. Massolin: Yes. I think I heard what’s happening in terms of the working group and the meeting and the, quote, unquote, road map, but would the committee like us to prepare a synthesis or synopsis of the New Brunswick situation?

Ms Pastoor: I would like the synopsis, but I kind of think the synopsis might be: yeah, it’s a lawsuit, and it’s dead in the water. That’s a pretty quick sentence.

Dr. Massolin: We prepare brief research documents, too, Mr. Chair.

The Chair: Mrs. Sarich.

Mrs. Sarich: Thank you, Mr. Chair. It’s quite interesting because you had eloquently stated and revisited the amount of consultation we have. Quite frankly, I don’t recall that at a very high level the issue of a constitutional challenge was ever mentioned unless my ears or my eyes missed something in the written presentations. So it’s not clear to me what the direct benefit would be as a committee member to receive information on something that at a very high level involves the Constitution of Canada, any issues related to that. I would be leaning in the direction that we shouldn’t have research prepare anything further on the issue of Constitution.

11:30

Mr. Bilous: Mr. Chair, the purpose of getting research to look into this isn’t about the constitutional challenge. It’s about the changes that the New Brunswick government made to the pension legislation, looking at, first of all, what those changes were and, again, by reaching out to these organizations, looking at the effects of these pension reforms, which is directly applicable to what we are discussing as far as addressing or moving forward on pension reform, how they will be reformed and what potential impacts that will have on hundreds of thousands of Alberta workers.
Mrs. Sarich: Mr. Chair, just in response to that, the New Brunswick example was presented to this committee as well as – I don’t have what I had stated on the record regarding the regulatory piece. So it is a model that is in full action in the province of New Brunswick. If we’re looking at tackling additional questions regarding that model, their regulations, or how it’s working, certainly I felt as a committee member that I was satisfied with the presentation materials, the presenter, and the level of inquiry at this point. Unless there’s something in addition to be learned directly from those that are governing that model in that particular jurisdiction, I’m going to leave it at that.

The Chair: Is there consensus in the committee that we direct research to – no? Okay.

Mr. Rogers: No, but we can confirm that one way or the other.

Ms Kennedy-Glans: We’re spending an awful lot of time on something here. I thought we got to maybe agreeing that we’d like something but really short.

Mr. Rogers: Like a synopsis, just a quick synopsis.

Ms Kennedy-Glans: Yeah.

The Chair: Does the committee agree with that?

Mr. Rogers: A quick synopsis.

The Chair: A quick synopsis? Okay.

Mr. Bilous: Does the committee need a motion?

The Chair: I think we’re all in agreement. I don’t think we need a motion.

Mr. Bilous: Okay.

The Chair: We’re all in agreement to have a brief synopsis on the New Brunswick situation.

Dr. Massolin: Okay.

The Chair: Any other business? Rhonda Sorensen, please.

Ms Sorensen: Thank you, Mr. Chair. Just given the conversation around the table I wanted to gain the committee’s approval to send out a media advisory and some social media messages regarding the presentations that will take place in September.

The Chair: Once we have them confirmed?

Ms Sorensen: Yes, once they’re confirmed. There’s been significant media and public attention on this, so I think it’s just probably a good idea to keep them apprised of what the committee is doing.

The Chair: Okay.

Any other business?

Ms Kennedy-Glans: One of the pieces that I was quite intrigued by – and the group that wrote The Third Rail referenced it – was about the other public communications that were short and sweet that were done by other jurisdictions to explain pensions to the public. It was mentioned twice. I’m curious about what those communications are. Maybe it’s beyond the scope of this committee. Keeping in mind that I don’t want to have research go down rabbit holes, I also thought that if there was easy access to examples – and I think they referenced examples in this book – and if there are easily accessible models of how effectively pensions can be explained to the public, I would be interested as a committee member.

The Chair: Good.

Ms Kubinec: I would echo that.

The Chair: Research?

Dr. Massolin: Yes. Thank you.

The Chair: All right. Any other new business? Okay. Now we’ll move to item 7, date of the next meeting. It’s Monday, September 22, from 9:30 a.m. to 3 p.m.

Mr. Rogers: Move to adjourn, Mr. Chairman.

The Chair: Thank you, Mr. Rogers.

All in agreement?

[The committee adjourned at 11:36 a.m.]