



Legislative Assembly of Alberta

The 30th Legislature
Second Session

Standing Committee
on
Private Bills and Private Members' Public Bills

Bill 208, Alberta Investment Management Corporation Amendment Act, 2020
Bill 209, Cost of Public Services Transparency Act

Monday, March 8, 2021
8 a.m.

Transcript No. 30-2-13

**Legislative Assembly of Alberta
The 30th Legislature
Second Session**

Standing Committee on Private Bills and Private Members' Public Bills

Ellis, Mike, Calgary-West (UC), Chair
Schow, Joseph R., Cardston-Siksika (UC), Deputy Chair
Sigurdson, R.J., Highwood (UC), Acting Deputy Chair

Amery, Mickey K., Calgary-Cross (UC)
Dang, Thomas, Edmonton-South (NDP)
Getson, Shane C., Lac Ste. Anne-Parkland (UC)
Glasgo, Michaela L., Brooks-Medicine Hat (UC)
Irwin, Janis, Edmonton-Highlands-Norwood (NDP)
Issik, Whitney, Calgary-Glenmore (UC)*
Nielsen, Christian E., Edmonton-Decore (NDP)
Rutherford, Brad, Leduc-Beaumont (UC)
Sigurdson, Lori, Edmonton-Riverview (NDP)
Williams, Dan D.A., Peace River (UC)**

* substitution for Mickey Amery

** substitution for Joseph Schow

Also in Attendance

Phillips, Shannon, Lethbridge-West (NDP)

Bill 208 Sponsor

Phillips, Shannon, Lethbridge-West (NDP)

Bill 209 Sponsor

Stephan, Jason, Red Deer-South (UC)

Support Staff

Trafton Koenig
Philip Massolin
Warren Huffman
Janet Schwegel
Amanda LeBlanc

Senior Parliamentary Counsel
Clerk Assistant and Director of House Services
Committee Clerk
Director of Parliamentary Programs
Deputy Editor of *Alberta Hansard*

Standing Committee on Private Bills and Private Members' Public Bills

Participants

Bill 208, Alberta Investment Management Corporation Amendment Act, 2020.....	PB-289
Alberta Federation of Labour.....	PB-290
Gil McGowan, President	
Alberta Firefighters Association	PB-293
Brad Readman, President	
Greg Meeker	PB-296
Bill 209, Cost of Public Services Transparency Act.....	PB-304
Red Deer & District Chamber of Commerce	PB-304
Rick More, Chief Executive Officer	
Canada Strong and Free Network	PB-306
Troy Lanigan, President	
Canadian Taxpayers Federation	PB-308
Franco Terrazzano, Alberta Director	

8 a.m.

Monday, March 8, 2021

[Mr. Ellis in the chair]

The Chair: All right. Well, good morning, everyone. I'd like to call this meeting of the Standing Committee on Private Bills and Private Members' Public Bills to order and welcome everyone in attendance.

My name is Mike Ellis. I'm the MLA for Calgary-West and chair of the committee. I'd like to ask that members and those joining the committee at the table introduce themselves for the record, and then I will call on those joining in by videoconference. We will begin to my right, but we'll go all the way to Member Irwin.

Member Irwin: Good morning, everybody. Janis Irwin, Edmonton-Highlands-Norwood.

Mr. Nielsen: Good morning, everyone. Chris Nielsen, MLA for Edmonton-Decore.

Mr. Dang: Good morning. Thomas Dang, Edmonton-South.

Dr. Massolin: Good morning. Philip Massolin, Clerk Assistant.

Mr. Huffman: Good morning. Warren Huffman, committee clerk.

The Chair: All right. Thank you very much.

We have a number of people participating by phone. We'll start with our members here if we could, please. I see Mr. Getson. Could you introduce yourself, please.

Mr. Getson: Yes. Good morning. MLA Getson, Lac Ste. Anne-Parkland.

The Chair: Thank you.
Then Mr. Rutherford.

Mr. Rutherford: Brad Rutherford, MLA, Leduc-Beaumont.

The Chair: Okay. Mr. R.J. Sigurdson, you are the deputy chair. If you could go ahead, please.

Mr. Sigurdson: MLA R.J. Sigurdson, Highwood.

The Chair: Thank you.
Member Lori Sigurdson.

Ms Sigurdson: Yes. Lori Sigurdson, Edmonton-Riverview.

The Chair: Thank you very much.

Of course, special guest Member Phillips, not a member of the committee, but certainly it's her bill. You're welcome to participate. Welcome to the committee, Member Phillips.

Ms Phillips: Thank you, Mr. Chair. Shannon Phillips, MLA for Lethbridge-West.

The Chair: Fantastic. Thank you.
Michaela Glasgo is on. Michaela Glasgo, could you introduce yourself, please.

Ms Glasgo: Michaela Glasgo, MLA, Brooks-Medicine Hat. Thank you, Mr. Chair.

The Chair: Thank you.
I see Dan Williams now. Okay. Dan Williams, go ahead.

Mr. Williams: Well, thank you, Chair. Dan Williams, MLA for Peace River. Happy to be here.

The Chair: Okay. Thank you very much. I hope I didn't miss any of the members. I certainly will introduce our guests very, very shortly here.

For the record there are some official substitutions, and I will just say that Mr. Dan Williams is in for Mr. Joseph Schow; Member Whitney Issik, who has not yet joined us, will be substituting for Mickey Amery; and Member R.J. Sigurdson will fill in as the acting deputy chair as he is a long-standing member of this committee.

A few housekeeping items to address before we turn to the business at hand. Pursuant to the February 22, 2021, memo from the hon. Speaker Cooper I would remind everyone of the updated committee room protocols, which encourage members to wear masks in the committee rooms while seated except when speaking, at which time they may choose not to wear a face covering. Based on the recommendations from the chief medical officer of health regarding physical distancing, meeting attendees are reminded to leave the appropriate distance between themselves and other meeting participants.

Please note that the microphones are operated by *Hansard* staff. Committee proceedings are live streamed on the Internet and broadcast on Alberta Assembly TV. The audio- and videostream and transcripts of meetings can be accessed via the Legislative Assembly website. Those participating by videoconference are asked to please turn on your camera while speaking and to mute your microphone when not speaking.

Members participating virtually who wish to be placed on the speakers list are asked to e-mail or send a message in the group chat to the committee clerk, and members in the room are asked to just signal to the chair.

Please set your cellphones and other devices to silent for the duration of the meeting.

Next, I guess, we'll go to the approval of the agenda. Are there any changes or additions to the draft agenda? No?

Seeing none or hearing none, would someone like to make a motion to approve the agenda? Thank you, Mr. Nielsen. Mr. Nielsen would like to move that the agenda for the March 8, 2021, meeting of the Standing Committee on Private Bills and Private Members' Public Bills be adopted as distributed. All those in favour, say aye. On the phone? Thank you. Any opposed, say no. On the phone? Hearing none, that motion has been carried.

Next we'll go to approval of the minutes. We have the draft minutes to review from our meeting on Monday, March 1. Are there any errors or omissions to note? If not, would a member like to make a motion to approve the minutes of last week's meeting?

Mr. Nielsen: So moved, Chair.

The Chair: Thank you, Mr. Nielsen. Mr. Nielsen moved that the minutes of the March 1, 2021, meeting of the Standing Committee on Private Bills and Private Members' Public Bills be approved as distributed. All those in favour, say aye. On the phone? Any opposed, say no. Hearing and seeing none, that motion has been carried.

Bill 208

Alberta Investment Management Corporation Amendment Act, 2020

The Chair: All right. Next we will move to the stakeholder presentations on Bill 208, the Alberta Investment Management Corporation Amendment Act, 2020. Hon. members, at our meeting on February 26 the committee agreed to invite stakeholders to

provide oral presentations on Bill 208, the Alberta Investment Management Corporation Amendment Act, 2020. According to the committee's agreed-upon access, stakeholders may make presentations of up to five minutes, followed by questions from committee members for up to 15 minutes. Both caucuses could invite up to three stakeholders, and stakeholder lists were submitted on Tuesday, March 2.

Okay. For the record the opposition caucus requested to hear from guests Mr. Gil McGowan, president of the Alberta Federation of Labour; Mr. Brad Readman, president of the Alberta Firefighters Association; and Mr. Greg Meeker, the former board chair of the Alberta teachers' retirement fund.

Turning now to the stakeholder presentations, we will begin with Mr. McGowan. Thank you, sir, for being here this morning for the committee. You will have five minutes to make your presentation, followed by up to 15 minutes of questions from our members. Sir, thank you very much for being here, as I said, and the floor is yours.

Thank you.

Alberta Federation of Labour

Mr. McGowan: Well, thanks and good morning. Happy International Women's Day. As you've said, my name is Gil McGowan. I've been asked here today because I am the president of the Alberta Federation of Labour, chair of the Labour Coalition on Pensions, and chair of the sponsor board of Alberta's largest pension plan, the local authorities pension plan. As such, I represent literally hundreds of thousands of working Albertans who count on plans like CPP and LAPP for their retirement security. My experience and my responsibilities also mean that I know a thing or two about pensions.

The first thing I'd like to say this morning is that there are few issues more important to Albertans than retirement security. Whether it's CPP, LAPP, or any other pension plan, Albertans pay into these plans every pay period month after month, year after year with the goal of ensuring some measure of security and stability in retirement.

CPP is particularly important because it's the only pension plan that many Albertans have. If you want to rile people up, if you want them marching in the streets or banging on your doors, then mess with their pensions. That's what happened when Alison Redford poked the pension bear in 2014, and it's what will happen today if you follow her example. Simply put, it is politically unwise and morally wrong to make big changes to pensions that people rely upon without their direct consent.

It's also imperative that ordinary working people who set money aside in CPP, LAPP, and other pension plans have a say in the way those plans are managed. One of the rallying cries of the War of American Independence was: no taxation without representation. It's the same with pensions. There should be no pension deductions without representation. That's why I like Bill 208. It would require that a referendum be held before pulling Alberta out of CPP. It would also require that Albertans be asked whether AIMCo should be the investment manager of a prospective Alberta pension plan.

Polls show that the vast majority of Albertans don't want to leave CPP. They understand that CPP is stable and secure, and they don't have confidence putting their retirement savings in the hands of a government that, frankly, can't shoot straight on many issues or who might want to use the retirement nest eggs to prop up risky oil and gas investments. Many Albertans have also expressed serious reservations about AIMCo, especially after it gambled and lost billions of dollars on its now infamous volatility strategy. So it is entirely reasonable to pass a bill requiring a referendum on both the question of withdrawal from CPP and the question of using AIMCo

as the investment manager. It is also reasonable, as this bill would require, to remove the power of Treasury Board to issue investment directives to AIMCo.

8:10

Current legislation creates a conflict. On one hand it says that AIMCo should be investing independently from government, but on the other hand the act also allows Treasury to issue specific investment directives. If members of the UCP caucus on this committee truly believe your government's talking points about the commitment to respect the independence of AIMCo, then you should have no problem with removing the ability of the government to tell AIMCo which specific companies to invest in.

The final thing that this bill does is give Alberta's major public-sector pension plans, who are AIMCo's major clients, seats on the AIMCo board. I'm on record as vociferously opposing this government's decision to remove the ability of public-sector pension plans to choose their own investment providers. I'm still baffled how a party that says that people should have choice in schools and choice in health care can say that Albertans who save for their retirements through public-sector pension plans should not have choice in their investment providers. The UCP's cognitive dissonance is strong on this issue, but if we're going to be forced to use AIMCo, which, again, I oppose, then at the very least our plans deserve to have some say over how AIMCo is run, and that means giving plans seats on the AIMCo board.

Some of you might say that LAPP and other pension plans already have a say in how their assets are managed through their investment policies and the investment management agreements that they negotiate with AIMCo. Well, your own government blew those arguments out of the water with the now-infamous ministerial orders of January 4. Those orders impose new investment contracts that essentially allow AIMCo to ignore the investment preferences of pension plan boards as expressed through their investment policies.

What do you call it when you take other people's money and start doing things with it that they never agreed to? We call it theft. That's what this government did with Bill 22 and the ministerial orders of January 4. That's why a coalition of unions that I cochair will soon be taking this government to court, and it's why this bill will at least partially redress the pension power grab and money grab that this government has perpetrated on Albertans.

Thank you.

The Chair: Thank you very much, sir, for your comments.

We do have a member joining us before we get into the question-and-answer portion. Member Issik, would you mind introducing yourself and your constituency, please.

Ms Issik: Good morning. I'm Whitney Issik, MLA for Calgary-Glenmore.

The Chair: Thank you very much.

Okay. Next we will move into a series of 15 minutes of questions and answers with our guest by our members. As is convention with this committee, this is an opposition member bill, so we're going to start with the government members. I have Mr. R.J. Sigurdson on the list. Sir, you will be able to ask a question and a quick follow-up. I'm going to ask both the members and our guests to do your best to keep your questions and your answers short so that we can get in as many questions as we can. Thank you very much.

R.J., go ahead, please.

Mr. Sigurdson: Thank you, Mr. Chair. I'm going to start off with just: Alberta taxpayers contribute a great deal as well to the various

pension plans, about \$500 million every year to the pre-1992 and closed plans and about \$1.3 billion in contributions to the active plans. The government preserved joint governance when they made changes to the pension plans, and the government did reintroduce the need for competency-based appointments. Do you support the change to require competency-based appointments to this?

Mr. McGowan: Well, first, I take issue with your characterization that these plans are somehow owned by government because of contributions, as you say, on behalf of government to the plans. The reality is that the money in the plans has wholly been contributed by the pension plan participants: the employees on one hand, the employers on the other hand. So ownership is clear. It's the people who contribute to the plan who own the plans, not the government.

Even though some of the employers are public-sector employers, that does not mean that the money is the government's in any way, shape, or form, and that's reflected in the liability structure. The government has no liability for these plans. The liability is carried wholly by the plans themselves. I'm getting a little bit tired of this mischaracterization from your government saying that this is government money. It is not. It is the collective retirement savings of literally hundreds of thousands of Albertans.

In terms of this competency-based notion that you guys keep – it's a drum you keep pounding, but once again, because the plans are owned by the stakeholders, with employees on one hand and employers on the other hand, it is up to them or should be up to them to decide who they want to sit on their boards.

I would remind you that in the case of all of our pension plans, they have a bicameral governance structure. They have sponsor boards which – I chair the sponsor board for LAPP. Those are the parties to the pensions, and they make the agreements about what the plan should – the pension promise, essentially. Then we have corporate boards that are responsible for the day-to-day operation. In both cases the plan participants we have are, once again, the employees on one hand, the employers on the other hand. They make decisions about who should be sitting on those boards, and they should not be constrained in any way, shape, or form by government, which is not a direct party to these plans. We make the decisions who sits on the boards, and when we make those decisions, of course we're looking for people who have competencies, but it should be up to us to decide who sits on those boards, because at the end of the day it is the pension stakeholders who own the plans, and they should be making the rules about who sits on the boards.

Mr. Sigurdson: Well, I think it was mischaracterized, my question. I actually feel like it's a partnership between the taxpayers and those with the pension plans. I was never saying in any way, shape, or form that this is . . .

Mr. McGowan: The taxpayers don't contribute to the plan.

Mr. Sigurdson: You know, I think it's part of the conversation that we need to be able to have.

I'll ask this, then. Between 2017 and 2019 administrative costs for public pension plans increased by more than 10 per cent. This is also borne by the Alberta taxpayer. Do you think this is an appropriate increase for the administration of these pensions?

Mr. McGowan: Well, you know, administrative costs are always a concern, and they are certainly a concern to the pension plan boards, which, once again, are independent. They are representative of the employees on one hand and the employers on the other hand. We're always looking for ways to ensure that the costs are low. I would remind you that when it comes to the administration of the plan, it's the plans that pay for most of that administration.

You know, you keep saying that these plans are somehow a responsibility of the taxpayers. They are not. They have been established as independently governed plans that pay their own way. It's our money. Literally 400,000 Albertans make monthly donations, month after month, year after year into these plans. It's their retirement savings, and those plans pay for their own administration. The money that's spent through a planned administration for LAPP, for example, through AIMCo or through Alberta Pension Services: the plans pay for that, not the government. I mean, I know APS is an agency of government, and AIMCo now is a monopoly investment provider wholly owned by the government, but the plans pay for that.

So for you to suggest that somehow this is taxpayers on the hook is a mischaracterization of the facts, and it's something that I'm actually getting really, you know, tired of hearing from you guys, because you're trying to say that this is government money. It's not. It's money set aside by workers themselves for their own retirement, and you guys just keep wanting to . . .

The Chair: Okay.

Mr. McGowan: You seem determined to get your hands on it, and we will keep pushing back against that.

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

Okay. We'll go to Mr. Nielsen next. Thank you very much.

Mr. Nielsen: Well, thank you, Mr. Chair. Good morning, Mr. McGowan. I appreciate you giving your presentation. I'm sure you were probably watching the last committee meeting where this bill was discussed. Of course, we heard from the Ministry of Treasury Board and Finance. There was a suggestion that it would be too premature to legislate a referendum requiring leaving the Canada pension plan and, of course, creating an Alberta pension plan because, you know, as they said: well, government hasn't made a firm decision yet at this point. I'm just wondering if you have any comments with regard to some of the comments, of course, that were made by Treasury Board and Finance and how that applies here.

8:20

Mr. McGowan: Well, I would respond to that question in two ways. The first is that this government, the Kenney government, has made it very clear that they intend to pull Alberta out of CPP. You know, the government has repeated this as a priority for months now. I mean, to say that this is something that the government has decided, it may be technically true that they haven't passed legislation in that regard, but it has been repeatedly identified as a priority by the Premier and by other members of this caucus.

Second, I think it's entirely appropriate to pass legislation at this point because of, you know: let's get the rules in place so that if the government moves forward with this priority – again, I point out that they've identified and repeated over and over again – people actually be given an opportunity to have a say on what would be a profound and, I would argue, potentially negative and destabilizing decision. Keep in mind that CPP is the foundation for retirement security not only for those workers who don't have the benefit of workplace pensions but for all Albertans. In fact, most workplace pensions are built on the foundation of CPP.

There are all sorts of potential negative implications, not the least of which is that handing CPP over to AIMCo – you know, based on their, frankly, very questionable track record as exemplified by the huge gamble that they made on the so-called volatility strategy – cost LAPP, the plan that I help chair, just by itself a billion dollars. The only reason that we didn't take a bigger hit is because our own independent board, against the wishes of AIMCo, actually made a

decision to introduce what we call downside-protection strategy, once again against AIMCo's advice. That saved our pension plan a billion dollars, so we basically offset the loss. This independent pension plan did a better job of managing resources and defending the retirement security of 250,000 Albertans than the supposed professionals at AIMCo. I just think that's worth stressing.

The Chair: All right. Thank you very much, Mr. McGowan.

Mr. Nielsen is done? Thank you very much.

We will now go to Mr. Getson. Go ahead, please, sir.

Mr. Getson: I appreciate it. Just a sound check. Is this working?

The Chair: Yeah. We can hear you. Thank you.

Mr. Getson: It's always with some trepidation, that technology – I was going to it.

Thank you, Mr. McGowan, for your presentation. It's nice to put a face to the name that I've seen in the papers so many times with, quite frankly, a lot of mischaracterization and misrepresentation that gets out there even insomuch as calling people that are home-schooled "nutbars." It's really good to see the face that makes those types of comments.

In regard to the volatility strategy . . .

Member Irwin: Point of order.

Mr. Nielsen: Point of order, Mr. Chair.

The Chair: Pause the clock. A point of order has been called.

Mr. Nielsen?

Member Irwin: We both called one at the same time.

The Chair: Sorry. I didn't hear it. I had everybody yelling at me at the same time. Whoever wants to go. Mr. Nielsen.

Mr. Nielsen: Yeah. I've got it. Standing Order 23(h), (i), and (j). I mean, this is certainly language that is going to cause discord in this committee. This is not the kind of tone that we want to set when this committee invites guests to it. I think I've heard over and over again the Speaker saying that we might not like the answer sometimes, but those are the answers. I think this kind of language directed towards our guest is unproductive, and I would suggest it stop.

The Chair: Okay. Is there anybody on the government members' side that would like to speak?

Mr. Getson: I can speak for myself, Mr. Chair.

The Chair: You have a right to defend yourself. Sure.

Mr. Getson: The point of order is taken. I'll withdraw the comments.

The Chair: Okay. Thank you very much.

We will get the clock going. Complete your question, please, sir.

Mr. Getson: Perfect. Mr. McGowan, again on that point where you're talking about misrepresentation and allocation of funds, with all of the involvements that you have – I understand that you're involved in a bunch of these pension plans that you'd mentioned. I do agree with you that there should be a referendum when it comes to CPP. There needs to be an informed decision made on it. You've also made reference to a bunch of polling that is taking place, and you also mentioned about the losses in the AIMCo fund. You also

acknowledged that there have been recoveries of those losses. The volatility strategy has been changed. If you could tell me where the polling information is that you're coming from at this point that is strongly advising that the CPP not be considered or taken under advisement for an alternate.

Mr. McGowan: Well, first of all, when I referred to people as nutbars, I was referring to the lake-of-fire extremist religious crowd, not everyone who home-schools, and I think you know that . . .

Mr. Getson: Point of order.

Mr. McGowan: . . . and you guys pander to that . . .

The Chair: Mr. McGowan.

Mr. McGowan: . . . and it's something that all Albertans . . .

The Chair: Sir.

Mr. McGowan: . . . should be concerned about.

The Chair: Mr. McGowan, hang on a second, please, sir.

All right. The clock has been stopped. Who called the point of order?

Mr. Getson: That was me, Mr. Chair.

The Chair: Go ahead.

Mr. Getson: Again, under the same items that Member Nielsen called me on for a point of order, I would like to request that since the statement was withdrawn, if our guest continues to talk about those items, then I should be allowed to carry on with my assertions as well for the record. In this case, if the guest would wish to withdraw, then that would be fine. But if the guest wishes to go on with this line of dialogue, then, in all fairness, I should be allowed to continue on my original statement.

The Chair: Mr. Nielsen?

Mr. Nielsen: Nothing at this time, Mr. Chair.

The Chair: Okay. All right. I think I have enough. I think that with the last two points of order going down this road that this form of conversation is really not becoming of this committee, I'm going to find a point of order here. I'm going to ask that we stick to the bill at hand. Really, we have about four minutes left, so, please, let's finish out.

If we could just answer the question and with a quick follow-up, then we'll move on to our next speaker. Thank you very much.

Mr. McGowan: Well, Mr. Getson threw out a bunch of questions there. The one I'll respond to, because time is limited, has to do with the poll. He asked: where is the poll that shows that Albertans are strongly opposed to pulling Alberta out of CPP? There have been many polls, but the one I would refer to is the one that was conducted by your so-called Fair Deal Panel. Even your own panel, that has tried to sell this idea, when they were polling Albertans, found that a very large majority oppose the idea, and for good reason. I mean, CPP is stable, it's secure, it's portable, and you want to replace it with a plan of dubious construction. The only argument that you have is that somehow it will be cheaper because Alberta has a younger population and a more vibrant economy. Well, unless you haven't been paying attention, that may no longer be the case going forward.

You know, the efficiencies that, supposedly, we're supposed to get may disappear for a prospective Alberta pension plan the same way that they disappeared when the Quebec pension plan went its own way years ago. They said that it was going to be cheaper because their population was younger and their economy was growing, and now it's much more expensive. The facts and the public opinion are lined up against you, Mr. Getson, and the case for pulling out of CPP was weak to begin with, but it is crumbling in front of us.

The Chair: A quick follow-up, please.

Mr. Getson: I really appreciate that. I guess, again along those lines, I take exception to saying to Albertans who participate in a panel, being the Fair Deal Panel, that items that they bring forward are dubious. I also acknowledge that the economy is down. I think that anyone not in the room or in Alberta for the last five to six years would not have to hazard a guess why a bunch of us came forward to try to fix that, so you're absolutely right in that regard. Our economy is down, and our population is increasing, quite frankly. It's the youngest demographic in the nation.

Again, mischaracterization of what the intent is. The intent currently is to get consultation on the CPP, to look inward, to see what the cost is, the dollars and the cents, for those that have brought it forward to be able to make an informed decision on that. So with that characterization, are there any other items that you can bring forward, Mr. McGowan, that would suggest that there is no reason why we should ever contemplate or explore the options that Albertans have been asking for in regard to how their dollars and cents are managed in, specifically, the Canada pension fund?

Mr. McGowan: Literally no Albertans or very few Albertans have been asking for Alberta to be pulled out of CPP. This is an idea that you guys cooked up on your own; it's not something that people were clamouring for. I'm interested to hear you say that you're committed to consultation. Well, the ultimate consultation would be going back to Albertans and asking them if they agree with the idea of pulling out of, like, you know, a very proven and secure Canada pension plan, one of the best pension plans in the world. If you're going to be making a big decision like that that'll affect the retirement security of literally millions of Albertans, it seems reasonable that they be guaranteed an opportunity to decide that in a referendum.

It just baffles me why on one hand you say that you're all about consultation and listening to the people, but on the other hand you're opposed to a bill that would, you know, give people the right to have a final say on something as important as pulling out of CPP. You seem to be talking out of both sides of your mouth, which, frankly, is not unusual, Mr. Getson.

8:30

Mr. Getson: Point of order.

The Chair: Well, we're out of time. Mr. Getson, do you want to withdraw your point of order, or do you want to continue? We're out of time.

Mr. Getson: I'd like to continue if I may.

The Chair: Go ahead. You can continue.

Mr. Getson: Again, to ensure that we clear the record up, the parts of the bill that some of us may have debated against so far are the bill in its entirety, not sections or segments. Again our esteemed guest is mischaracterizing what is taking place with how the Fair Deal Panel took place, the contemplation of the Alberta pension

plan, the study of it, and how it would be put to Albertans to make that final decision.

Mr. McGowan: So you shouldn't be opposed to this bill.

The Chair: Hang on, sir.

Mr. McGowan: It's calling for a referendum. I don't understand why on one hand you talk about consultation . . .

The Chair: Mr. McGowan.

Mr. McGowan: . . . but then you oppose referendums.

The Chair: Mr. McGowan, hang on a second, please, sir.

All right. Mr. Getson, let me just be clear here. You raised a point of order. You're raising it under what section of our standing orders?

Mr. Getson: It would be 23(i) and (j), a point to cause disorder. If I've misrepresented, I apologize for the specific section, but a point to cause disorder.

The Chair: Mr. Dang, go ahead, please, sir.

Mr. Dang: Thank you, Mr. Chair. I think that was an interesting point of order. Certainly, I don't think the member spoke to a point of order and instead intended to rebut comments. I won't comment on the validity of either the presenter or the member's rebuttal, but I will say that I don't think there's a point of order under that section.

Thank you.

The Chair: Thank you very much.

I as well do not find there to be a point of order at this particular time.

Mr. McGowan, thank you so much. You're becoming a regular at this committee. It's good to see you again, sir.

Mr. McGowan: Thanks for the opportunity.

The Chair: Thank you very much, sir.

We are now going to continue with our next guest. That's Mr. Brad Readman. He's the president of the Alberta Firefighters Association.

Mr. Readman, you're going to have five minutes to make your presentation to the committee, followed by 15 minutes of questions from committee members. Are you ready, sir?

Mr. Readman: Yes, I am.

The Chair: All right. Fantastic. Thank you very much. Welcome to the committee. You have five minutes. The floor is yours, sir. Thank you.

Alberta Firefighters Association

Mr. Readman: Thank you. Good morning, Chair. Thank you, everyone, for allowing us to attend. My name is Brad Readman. I'm the president of the Alberta Firefighters Association. We represent over 3,000 firefighters, paramedics, and dispatchers, many of which spend their entire career, 30-plus years, with the same employer. At the end of that career they have retirement security within the LAPP, and that is important.

This career, our career, is taxing. Not only do you have a higher risk of cancer, cardiac disease, lung disease – it goes on and on, and that doesn't even include the musculoskeletal damage that it does

to your body responding to emergencies and protecting the public on a daily basis. At the end of the career we like to call retirement our reward for our career, for our public service. It gives us an opportunity to have financial security and be able to take back that time with our family, spend those Christmases missed with our grandkids, our children. Not only does it give us that security; it also allows us to be contributing members to the economy. Spending retirement security contributes a huge number to the economy, which is an important thing.

That's why we support Bill 208. It's an important bill that will not only help us with our retirement security; it will ensure that retirement security. The pension changes in 2013 and 2014 that came forward rallied our members. Not only did it rally our members; our members, like: we paid for our pensions out of our own pockets. Through collective bargaining the city and municipalities pay their share. But what that did is it rallied our members, and we all contributed our very own money to ensure our pension and our retirement security. With that, we brought forward a very pragmatic approach, the only labour group to meet with the Finance minister in that regard. This is why we need to support this. Bill 208 should be held and debated on the legislative floor in order to maintain the democratic process that it does.

We are with AIMCo, and – it was alluded to earlier – we had a choice. The previous government brought in changes that would allow us to, if we needed or saw fit, leave AIMCo. That ability has not been removed, so why not allow labour and the employers who were joined to have representation on that board? It only makes sense.

In regard to the CPP, yes, we should have a referendum on that, on leaving. It baffles me, why we would want to leave CPP, as we were pretty – like it's been said, it's a secure retirement for many people, many that don't have public-sector pensions, many that don't have those big pension groups.

I ask you again: please support Bill 208 going forward to the legislative floor to be debated, where it can be debated properly through the democratic process.

I thank you for your time. I resolve the rest of my time to the chair.

The Chair: Well, thank you very much, sir, and thank you very much for your service to the people of Alberta and that of your colleagues as well.

With that, we will now go to questions by our esteemed committee members. We just continue on with the list, I'm assuming, is what you're trying to say. Okay. Well, we do have a convention here. As this is an opposition member's bill, we're going to start with a government member. We will start with Mr. R.J. Sigurdson, followed by Member Lori Sigurdson.

R.J., go ahead, please, sir.

Mr. Sigurdson: Thank you, Chair, and thank you, Mr. Readman, for your presentation, and also thank you for your service. As a son of a mother who's a nurse and a father who's a paramedic, I have heard many stories of firefighters who put themselves in harm's way to keep our communities safe, so I'm very appreciative of what you and all firefighters do across the province.

I guess what I'll start off asking is: what are the concerns of the members of your association? When it comes to Bill 208, is this something that they specifically approached and asked for, the changes contained in this bill?

Mr. Readman: Not specifically, no. It was brought to our attention, and what our concern is is our retirement security. You know, you read a lot in the media. We hear a lot about how AIMCo has had some poor investments. We get it: pensions are a marathon –

pensions are a marathon – and let's not make hasty adjustments to that marathon planning or preparation, however you want to call it. And that's the concern. When we see that money could be directed into failed investments or directed by the Finance minister to failed investments, that's a huge concern for us.

Many of our members: this is all they have for retirement. At times, compared to the private sector, we negotiate lower wages. We have less wages, but in return we have retirement security, and I cannot express that enough, how important that is to our members. I always say there are three things that will fire up, literally, a firefighter: change their schedule, mess with their sick time, and mess with their pension. We do not want that to happen here. This gives a bit of security. I question why we would fight involvement from the stakeholders on this, on the board.

The Chair: Mr. Sigurdson.

Mr. Sigurdson: Thank you, Chair. Mr. Readman, I think we can agree that – I mean, like I said, I would never do anything that I thought would put anybody's pension in jeopardy. I believe wholeheartedly – with a mother who is on a pension right now, I would never knowingly do anything to put that at risk in any way, shape, or form. We're all trying to find the best path forward for everybody and security in their pensions, too.

I think that's – a bit of my disappointment is a lot of the mischaracterization. You brought up the fact that the minister has the ability to be able to issue direction on a pension. That's been in play, but nobody uses it. I mean, what we've seen with the pandemic is that there might be a fallback point in which a board would not be able to meet or be able to direct a pension. Maybe there would need to be that step – and I'm not sure – but this is not something that's used. It's not been used as long as I know. I think it's just a bit of fearmongering, that all of a sudden the minister is going to start stepping in every time to direct a pension.

8:40

I think one of the things that I'll bring up is that LAPP, of course, as you mentioned, is with AIMCo, and with that, it is a defined pension. I mean, it's based on the years of service and the wage which you were receiving. That defines what you get at the end of it. I guess what I'm trying to say here is to confirm – you know, your pension benefits are not changing, at least anybody that's retiring at this point, due to the changes that have been made with the investment structure. Can you confirm – like, your members are going to continue to get the same pension now as they did previously. From your understanding, that's correct, is it not, Mr. Readman?

Mr. Readman: That is correct, but there is something in there that you said that is very concerning to me: your current members – I'm ad libbing – will get that pension plan, will be protected by that pension. Why would we not protect those coming up behind me? You know, often in the union world what we do is not necessarily for us at the moment; it's for those coming behind us. I would think that we'd want to secure the pension future for all the future first responders – the nurses, the paramedics, the corrections officers – out there that are working hard day in and day out, the teachers. That's why there have been a few issues. We've seen in the media and we'll read about it, that it is a concern for our members, and I think and our members feel that our pension is at risk. Bill 22 focused on pensions, and there were some changes in regard to the joint governance within Bill 22. That's a concern. I would ask that this bill go to the floor so that it can be debated, and I think it's a simple ask.

Mr. Sigurdson: Thank you.

The Chair: Okay. Thank you.

Member Lori Sigurdson, go ahead, please.

Ms Sigurdson: Thank you. Well, good morning, Mr. Readman. Thank you so much for presenting today to the committee. Certainly, as others have already, I want to thank you and your members for a public service that's very important to us here in Alberta.

At our last committee meeting we heard from the Ministry of Treasury Board and Finance regarding this, and one of the things that they said was that nothing is really changed in AIMCo by this bill and there's no additional oversight that's needed; you don't need other representation on the board. I wonder if you could just speak to that a little bit and what your members would say about that.

Mr. Readman: They would question why, you know, I think. Why? What is the reluctance to allow the largest stakeholders in AIMCo to have a say at the table? We're about trust. We're the most trusted profession out there when polling is done. Please don't ask me to quote the exact poll. We ask for trust, and that is what we're just asking for. It's a simple ask to say: hey, let's have representation on that board. Employers and employees are represented by the LAPP at the board, so let's have one of those representatives at the AIMCo board to make sure that our retirement security is properly overseen.

The Chair: Member, go ahead. A follow-up, please. Thank you.

Ms Sigurdson: Thank you, Mr. Chair. Yeah. I think you spoke about it a little bit to the previous Sigurdson, but I will ask it sort of further and ask you to elaborate because that is something that's very important in the union movement. It's not just about yourself. Like, you are wanting to be a steward, sort of a lighthouse effect on all Albertans, for example. You know, you create policies so that people move forward and support others. It's not just for your members; it's for your members 10 years from now and other Albertans. Anyway, I just want to give you a moment.

Mr. Readman: Yeah. Absolutely. You know, when we lobby, we work with all governments. We don't decide who's in power. We work with all governments, and the key is that we're there to lobby on behalf of all firefighters. When we're lobbying presumptive cancer legislation, we talk about how it impacts the volunteer firefighters. We don't discriminate between those two. When we talk pensions, we're talking about all public-sector workers. In my opinion, it would be great if everybody had a pension at the end of their career. That's what we'd strive for. Is my pension going to be protected? Yeah. I'm almost 20 years in. But why should my pension and the person behind me not be protected? That's important to make sure. Let's make sure the long-term pension plans and retirement security of firefighters, first responders, teachers, all those are protected. That's what we're asking.

The Chair: All right. Thank you, sir.

Member Brad Rutherford, go ahead, please.

Mr. Rutherford: Thank you, Chair, and happy International Women's Day. Also, thank you for your service as a firefighter, Mr. Readman. I was a police officer for 10 years. I had a pension in the SFPP. I've since withdrawn that, but I was always confident that I had a defined pension and what that would provide in retirement. I've got to tell you, now that I have self-directed savings, when the

market drops, it's a completely different feeling. You can watch your retirement evaporate pretty quickly and the efforts that you've made in a very short period of time. When you have a defined pension, I don't think you have that same level of stress. Most Albertans don't have a defined pension and probably worry a lot more about their retirement than those who have the defined benefits that they're going to get.

I just want to clarify as well that I don't think that the decision in any way on CPP is a foregone conclusion, either. I think it keeps being characterized as that's what is going to happen, and I don't see that at all. I think it's still being studied and being looked into after a fair deal recommendation.

My question on the LAPP funds. They've always been managed by AIMCo. Since all public-sector pension plan funds will continue to be owned and managed by their respective pension plan boards, what problem do you see Bill 208 fixing?

Mr. Readman: Well, I think it gives representation on that AIMCo board for our plans. We don't have a choice. When the changes occurred, there was a five-year moratorium that we had to stay with AIMCo. That's completely fine. We didn't oppose that, and we have a great working relationship. AIMCo is working well. But what if we – we've lost the ability to go out of AIMCo. What if there was a pension plan or a financial plan that we could go with, as you said yourself, where there was a better market volatility or whatever, there was someone that was going to be better at managing those funds? We don't have that ability to choose to leave anymore based on the legislation in Bill 22. So why not allow representation at that AIMCo board? If it's so secure and AIMCo's going to do such a great job, simply put: why not allow that? Why not have the debate on the Legislature floor to allow our representation at the AIMCo board?

The CPP: I can't speak to whether it's going to happen or not. It's thrown around a lot. It's a concern. It's a concern for our members. You know, we talk about – you alluded to the stress of your retirement security now that you're self-directing it. Our members are faced with multiple stressors a day. Throw in COVID, and that just adds to that. That compounds to that issue. Now we're going to throw in the retirement security stressor to them? It's doing a disservice to the public-sector employees of this province.

The Chair: Mr. Rutherford, go ahead. A follow-up, please, quickly.

Mr. Rutherford: Sure. Just quickly, has there been an investment directive that the LAPP has given AIMCo that has been refused?

Mr. Readman: I cannot speak to that.

Mr. Rutherford: Okay. That's all I had, Mr. Chair.

The Chair: Okay. Thank you very much.

Mr. Dang, go ahead, please, sir.

Mr. Dang: Thank you, Mr. Chair. Before I begin, I'd like to thank Mr. Readman and his colleagues for their work and service to Alberta. I think it's very important work that keeps all of us safe. Mr. Readman, I wonder, as president of the AFFA – and you've talked about this a little bit, that you consult with your members and talk with your fellow firefighters quite a lot – can you share with this committee what they've been telling you either formally or informally about their pensions and changes that have happened to their pensions under this mandate?

Mr. Readman: Yeah. We speak regularly, obviously, like you said, and pensions are our biggest concern. Our retirement security is the biggest concern, and if there's a mandate or a directive for our board to make sure of, that is to ensure that our pension and our retirement security is taken care of and will be there for not only ourselves but our future firefighters and first responders.

Mr. Dang: Thanks. I guess just a quick follow-up. Thank you, Mr. Chair. Can you speak specifically to why you think this bill will address some of those concerns, or why you think this bill is going to be productive in terms of protecting your members' retirement?

8:50

Mr. Readman: It gives us a voice at the table. It gives our LAPP, who we entrust, our LAPP board entrusted to manage our retirement security, it gives them that ability to be on the AIMCo board and help decide our financial future within that board.

The Chair: Thank you very much, both of you.
Member Issik, go ahead, please.

Ms Issik: Thank you, Mr. Chair, and good morning. I want to welcome you to our committee and thank you for taking the time to be with us today. I just wanted to draw your attention to LAPP and how it performs. Were you aware that Benefits Canada has recently published a survey or a ranking of the top 100 pension funds in Canada and that the LAPP actually ranks seventh? Were you aware of that?

Mr. Readman: I was. That's a great success. We should be celebrating that.

Ms Issik: Absolutely. I would ask that, you know: are your members happy with ranking so high out of the top 100? Are they pleased with that?

Mr. Readman: Absolutely. Why wouldn't they be?

Ms Issik: And you recognize, and I would personally think that your members recognize, that AIMCo, actually, out of Canadian fund managers is one of the top eight in terms of overall size and ability to invest in large and complex investments, correct?

Mr. Readman: Yeah.

Mr. Dang: Point of order.

The Chair: Okay. Okay. It's like you're in a court here. Hang on a second.

All right. Mr. Dang, you had a point of order.

Mr. Dang: Thank you, Mr. Chair. I recognize that the answers have been brief, but it's well established in this committee that we have one question and one follow-up.

The Chair: I don't disagree with you on that.

We have eight seconds if there is a member of the opposition that would like to ask a brief question.

Hearing and seeing none, I'm just going to say this, then. I'm going to take some liberty as the chair. You can start the clock, then.

Mr. Readman, again, I just want to take a moment on behalf of all the members of this committee to thank you and all of your members for your service. I know as a former police officer myself and having colleagues who also were heavily involved in the special forces pension plan, you know, certainly, that standing in front of a committee of politicians is never an easy task, especially a

committee such as this. I want to thank you for being here. We appreciate your service and your contribution to this committee.

Thank you very much, sir.

Mr. Readman: Appreciate it. Thank you.

The Chair: Thank you.

All right. Members of the committee, I'm just going to say it again, and in all fairness, Mr. Dang, I'm just going to say that Ms Issik is a sub, and it's the first time she's been to this committee. But you're right. It is a question with an answer, and we do allow that one supplemental there because we try to get as many questions in as we can with all of our members of the committee.

With that, though, ladies and gentlemen, we are going to move to our third guest on Bill 208, Mr. Greg Meeker. He is the former board chair of the Alberta teachers' retirement fund. I see you there. Can you hear me, sir?

Mr. Meeker: I can hear you.

The Chair: Thank you very much. Thank you for joining the committee once again as a special guest. With that, you will have five minutes, followed by 15 minutes of questions from our committee members. Five minutes starts now. The floor is yours.

Thank you, sir.

Greg Meeker

Mr. Meeker: Good morning. Thank you for the invitation to address this committee with respect to Bill 208, the Alberta Investment Management Corporation Amendment Act, 2020. My name is Greg Meeker. I'm the principal at Coronation school in Edmonton. What brings me here today is my 12 years on the Alberta teachers' retirement fund board, 10 of those years as board chair. In that role I became well versed in the investment performance and plan design of the ATRF and, indeed, the internationally recognized Canadian pension model.

I'll begin with the AIMCo board. I'd like to start with the provision of Bill 208 that would see additional members appointed to the AIMCo board by its largest clients. From a high level, board governance is about oversight, accountability, and transparency. In the last two years there have been two fundamental changes to the legal structure of AIMCo and the public-sector pension plans. The first was when PSPP, SFPP, and LAPP became jointly sponsored plans, where the Minister of Finance was no longer the sole trustee. As an aside, ATRF has had that structure since 1938.

The second was when all four plans were forced to use AIMCo as their exclusive investment manager. As a result, the governance structure of AIMCo needs to be updated. Having the pension plans, which make up roughly 80 per cent of AIMCo's business, represented on AIMCo's board draws a line of accountability from the plan members to AIMCo, a line that is required. After all, both sponsors of these plans are on the hook for any deficiencies. Some people believe that clients represented on the AIMCo board would make the board more factional, with each board member representing their plan and not the best interests of AIMCo. It's certainly not my experience on the ATRF board, where half the members were appointed by Treasury Board and Finance and the other half by the Alberta Teachers' Association. Board members always act in the best interest of ATRF regardless of which sponsor appointed them. [An electronic device sounded]

The Chair: Hello? Okay. Pause the clock for – somebody's not muted. Hello? Hello? Mr. Rutherford?

Mr. Rutherford: That's not me.

The Chair: Okay. We've muted – it wasn't Mr. Rutherford, but it's muted now, whoever that was. Ladies and gentlemen, I ask that all your instruments be on silent, please, and we will continue.

I apologize for the interruption. You have not lost any time, sir. You can continue.

Mr. Meeker: No worries. Thank you.

As well, four votes on a board of 15 is really just another point of view. One of the most successful examples of this is probably BCIMC. It has seven directors; four appointed by pension plans, three by the Minister of Finance on behalf of other nonpension clients, and the minister also appoints the chair. The pension plan clients of BCIMC can all leave this organization if it's not meeting their needs. The Ontario Teachers' Pension Plan, arguably the most successful, has 11 board members; five appointed by the government of Ontario, five appointed by the Ontario Teachers' Federation, and one classroom teacher is jointly appointed.

Up to 15 board members for AIMCo is a bit on the high side, but it's well within the realm of the North American tradition. OMERS has a \$100 billion plan, roughly the same size as AIMCo. It has a board of 15: one independent chair, and then 14 members, all of whom are nominated by sponsors. CPPIB has 12 members nominated to represent different regions of Canada by the federal Minister of Finance in consultation with their provincial counterparts. It is important to note that if the heritage savings trust fund were the only AIMCo client, then the current government structure would be correct. But that's not the case.

Directives. The current act includes the ability for Treasury Board to issue directives to AIMCo, substituting their judgment for that of the AIMCo board. Worse yet, these directives may be secret, with no requirement to ever acknowledge their existence. This cannot stand for jointly sponsored pension plans. Both sponsors are on the hook for liability. It is an affront to transparency and accountability to give one sponsor a potentially secret veto.

Bill 208 rights this wrong. I will note here that the current Minister of Finance has said that he will not use this power, but it must be corrected for the future. This is the only way you could ever claim that AIMCo operates at arm's length.

CPP. The people of Alberta need the ability to weigh the costs and risks of any potential pullout of CPP. That goes for now as well as in the future. Substantial risks exist not only on the investment side but also on the administration side. People should not be kept up at night with worries about the security of CPP. As well, Albertans need the choice on whether to use AIMCo if we do decide to withdraw from CPP.

I will not opine on the VOLTS losses; enough has been said already. When something like this happens with an asset manager, combined with some executive turnover, they generally are not given new assets to manage for several years. This is until they have re-established a consistent track record. Albertans seem to know this and can answer that question in a referendum. Please take an opportunity to debate this bill in the Legislature.

Thank you. I welcome your questions.

The Chair: Fantastic. Thank you very much, sir.

Again, convention of this committee, we'll start with the government members as this is an opposition member bill and guest. We will start with Mr. R.J. Sigurdson, followed by Member Irwin. So, R.J. Sigurdson, go ahead with a question and follow-up, please, sir.

Mr. Sigurdson: Thank you, Chair. Thank you, Mr. Meeker, for your presentation. I guess I'll start off by asking: as a board member

or chair of the ATRF, did you make decisions about investing in particular funds or projects, and can you give some examples for the committee?

9:00

Mr. Meeker: The most important thing that we had to do as a board was to hire a chief executive officer. Of course, we had an investment staff that we hired that took care of individual investment decisions, which isn't to say that we had a threshold that was involved. I think it's very similar with the AIMCo board, that if a threshold was exceeded, then the investment staff needed to come to the board for approval. There have been occasions where I have had to vote on individual investment transactions that the investment team had been working on, but the individual transactions that would go on day-to-day? No.

The Chair: Sir, a quick follow-up.

Mr. Sigurdson: Thank you, Chair. What do you think are the most important competencies for a board member for a major pension corporation or for AIMCo, and do you think that this private member's bill should be more explicit about appointing for competencies and keeping that in place for those managing some of these large pension funds?

Mr. Meeker: Thank you. I view this this way: every pension plan board, every fiduciary board should have a skills matrix in place. The skills matrix goes to speak to the skills the board members are required to possess when they come on the board, and it also identifies areas that they need to work on during their time on the board. ATRF: we had an extensive skills matrix that covered five different areas, I believe, that we would look for. It's important because we would take the skills matrix of each individual board member, and we would coalesce these together to ensure that we had all areas covered on the board. It's not a requirement for each individual board member to be covered in every single area across the skills matrix, but it is important that the entire board has the entire skills matrix covered. I don't think these pension plan boards are interested in putting people on boards that do not have skills, and I think those pension plan boards, every one of them, have a skills matrix that they definitely follow very, very closely.

The Chair: Thank you.

Member Irwin, go ahead, please.

Member Irwin: Thank you. Thank you, Mr. Meeker, for your presentation and for the expertise you bring as the former board chair of ATRF, where you managed roughly \$20 billion in assets and delivered superior returns to AIMCo. I know that many teachers are going to be watching this later, and they're very grateful for your work, for your ongoing advocacy, and, of course, for your Twitter pension facts.

At a previous meeting of this committee we heard from the Ministry of Treasury Board and Finance. They made a few points about Bill 208. One was with respect to the size of the board. They suggested that a board of about 15 people would be unwieldy and less productive than a smaller board. I'm just kind of wondering if you could touch a little bit more on board size and how that impacts Bill 208.

Mr. Meeker: Well, a board of 15 people, again, is not unheard of, right? It is not unheard of to have those board members that would be a part of it to take a fiduciary role, and a fiduciary role is a role where they treat every dollar at AIMCo like it's their own dollar. That's a very, very important concept.

Again, OMERS, the Ontario Municipal Employees Retirement System, has a board of 15, all of whom are appointed by sponsors. It's, again, you know, not a problem in terms of how that board operates. I haven't known of any problems in organizing and operating a board.

My own particular board – again, if you're unfamiliar with it, it might sound like having opposition on the board. In reality the Alberta teachers' retirement fund board: half of it was appointed by the association, and the other half was appointed by the government of Alberta. I really saw the best of how these board members came together and put their individual political issues aside to run the fund in the best way possible as true fiduciaries. The ATRF board, like the corporate boards for the other plans, is the trustee of the money. They are the official fiduciaries and trustees and custodians making decisions about how this money would be – well, about how the money is collected, invested, and then paid out.

Member Irwin: Thank you. You know, we asked previously of Mr. Readman what he's hearing from firefighters, so, Mr. Meeker, I would love to just hear from you kind of a sample of what you're hearing from teachers. I know you talk to a lot of them.

Mr. Meeker: Oh, my God. Yes, I do, and it's my pleasure to do so. I also hear from members of the other pension plans extensively as well. It would be fair to say in the thousands. My appointment to the board expired in September 2019, and I was supposed to have a rest on pensions after that. It has not been. It's been straight up ever since. I have contacts with, again, teachers all over the province who are concerned and have expressed concern and really have a detailed understanding of the issues that are involved here.

The Chair: All right. Thank you very much to both of you.

Mr. Getson, go ahead, please, sir.

Mr. Getson: Yes. Mr. Meeker, thank you so much for your presentation. It's really great to have you here, quite frankly. It gives line of sight to how the ATRF was managed, how you've been working up to this point. You know, quite frankly, you guys have got some really decent performance numbers, so that's encouraging. Just for your edification as well, I'm not an investor. In my household it's my wife. She has the acumen for it. But I did get appointed to the Alberta heritage savings trust fund committee as deputy chair, so I've had line of sight to AIMCo for onwards and almost upwards of two years now. I do fully acknowledge, again, that they're a high-performing board as well. I think, for the record, that if the folks are watching at home, they may not understand that AIMCo has multiple clients. It's not just one or two or three pensions; it's a big investment group. I think that between your former organization, that you were a chair of, and AIMCo we're very blessed in the province to have, quite frankly, the grey matter there to be able to manage a lot of these big portfolios.

One of the things that kind of sticks out at me here – and I'm trying to get your line of sight on it – is that if the teachers' pension fund moves over to AIMCo, they are in essence a client of AIMCo. Then Bill 208: what that does is that it ends up putting one of the clients also on the board of the overall strategy as well. That's not just those pensions; it's everything else. My concern – my former life was being a major-projects guy – is that you would potentially have a conflict of interest, that you might unduly have two votes at the table if you had one as the client trying to push your own fund and then the overall strategy of the bigger, broader group that manages not only those funds but multiple funds and different clients. How would you propose that that wouldn't take place, or what mechanisms would you propose that wouldn't unduly offer that extra influence?

Mr. Meeker: Well, just to clarify one tiny word, it's not "if" ATRF is moving over; ATRF is in the process, and some assets have already departed the organization as have some employees to move to AIMCo.

I would represent it this way: they're dealing with different things. The number one way that the ATRF is now going to communicate with AIMCo is through the statement of investment policies and goals, and that's a great document. That's an important thing to go forward. But I would note that none of the other pension plans – their statements of investment policies were being followed when the VOLTS losses occurred. Again, I don't want to pick on this in particular, but board members have many, many, many different jobs. If you're a board member on the ATRF board, you set the statement of investment policy and goals, again, super important, you transmit it, you communicate it to AIMCo. When you're on the AIMCo board, well, you ask some other questions. First of all, I would suggest that all the four pension plans that make up 80 per cent of AIMCo's business: I would say that their interests are aligned, that they want the best, most cost-effective – and that sometimes gets lost – investment management services that they could ever have.

I'll give you an example of one area. Well, you have every board – the AIMCO board as well as the ATRF board has a Human Resources and Compensation Committee. There is no other industry on the face of this Earth where the compensation is more connected to behaviour than with investment managers. It is super important that the compensation committee, just to give one example, of AIMCo looks at that very, very, very carefully. It is possible for investment organizations to have compensation systems that incent the wrong behaviour. In fact, if you remember with the VOLTS thing, that was part of the investigation. It wasn't released publicly, right? In fact, I would love to read that sometime. One of the questions that was asked in the investigation was: what role did the compensation system play in VOLTS? Now, I've gotten no answer on that, but let me tell you, the AIMCo board: they have an answer to that, and they need an answer to that.

9:10

Finally, the last area. If this is all working fine, everything's great. But our question really is: what happens if something goes bad? What happens if something goes wrong? In the current legal structure, without this bill, all that happens is that ATRF sends a strongly worded letter to the AIMCo board. I would suggest that we need representation to go beyond that level, beyond the strongly worded letter level.

The Chair: All right. A quick follow-up, please, Mr. Getson?

Mr. Getson: No. I appreciate that. You know, on the VOLTS losses, I think that there wouldn't have been too many Albertans that weren't as strongly worded as I was at the table when that took place. I was encouraged that they recognized those issues. They literally lopped off a few heads, changed some strategies, and very pleased to see that we've made up all those losses given the investment climate. They did pretty decent that way.

The other thing that I do acknowledge, again, is that the ATRF is absolutely – sorry. Is there a connection issue? I'll just continue, then, I guess, here.

Mr. Meeker: We're good now.

Mr. Getson: Okay. The other one was, you know, again, that resource pool being the grey matter, that they moved those folks back and forth, and now you've got that representation. Again to the first point, if you could answer: how do you ensure that the

ATRF, if they're sitting as a client, does not unduly influence or potentially have that line of sight? Again, that's my concern, my biggest concern, with the whole thing of having a two-tiered approach, as a client and then also sitting in that board table.

Mr. Meeker: Well, again, if you're at the board table with AIMCo, you're one vote, right? This situation would add four votes out of 15 to the table. Again, I would say that's an alternative opinion. That's not overwhelming. That's not an ability to issue index to AIMCo. That's not ability to issue an order to the investment stock to prioritize the ATRF investments and not the LAPP investments, that kind of thing.

As an individual on a board you don't take steps, right? You don't take individual steps. You only act as a board. Again, having a person on the board, any suggestion that they could browbeat the entire AIMCo board into favouring ATRF or making decisions in favour of ATRF: honestly, I want to set your mind at ease. That's, again, a nonissue. The boards tend to be really good fiduciaries. That's my observation. The boards tend to take their roles very, very seriously, and they know their roles legally as fiduciaries and trustees.

Again, I would just point to other examples, probably the best one being BCIMC, the British Columbia Investment Management Corporation, where I would say the majority of board members are from pension plans or captive clients, right? The minister really only appoints the chair at the end of the day, yet this board seems to be able to make decisions in the best interest and indeed, you know, has what I would call an extremely successful record.

The Chair: Thank you.

Mr. Dang, let's go to question and answer, if we could please.

Mr. Dang: Thank you, Mr. Meeker. I'll try to be brief, and I'll bundle my question and follow-up in together so that we can try to get as much time from you as possible. I think you spoke a little bit about this already, but one of the things that Treasury Board and Finance had said about Bill 208 was that it could put directors on the AIMCo board that would be representation in nature and that this might not act in the best interest of AIMCo. Could you explain, as the former board chair of a \$20 billion investment fund, your take and why you might agree or disagree with the ministry assessment? Then the quick follow-up would be: in the news recently we've also seen that there's been rather poor long-term investment performances at AIMCo. Could you talk about how, with some major clients like LAPP or otherwise, if a change in government structure was to happen, that might turn things around on those investments?

Thank you.

Mr. Meeker: Just coming back to a very high-level thing, let's start with the ATRF. The other plans run the same way, but the legal structure is that the plan has two sponsors, the government of Alberta and the Alberta Teachers' Association. They get a board together. Again, as I have said, I have no . . .

The Chair: Mr. Meeker, the time has expired, but I'm going to allow you to finish answering the question.

Mr. Meeker: Oh, sorry.

The Chair: It's okay. I'm going to allow you to finish answering the question. I just want to let you know that the time has expired.

Thank you.

Mr. Meeker: Excellent. Sorry; I'll try to be brief.

Again, the limit structure of the situation is that we have the board of ATRF jointly appointed, and they are able to be fiduciaries, to be the trustee of the funds, the owner and manager of the funds, responsible for all decisions around those funds. Again, imagine me as the board chair. If you had to appoint somebody to the AIMCo board, I wouldn't want somebody who's unqualified – right? – absolutely to do that. I can fully see situations where board members appointed by different sponsors have operated together. There are absolutely legions of examples where that has gone.

Sorry. I missed the second part of that. There was a bit about poor performance. Performance is an issue, but again, you know, it's: what steps are boards going to be able to take to deal if poor performance is an issue with AIMCo, right? If that is an issue, are you going to be able to address some of the roots of that, or, like I said before, are you going to be able to just write a strongly worded letter?

The Chair: Mr. Meeker, thank you so much for joining the committee here today and being a special guest, and I'd like to thank all the guests who presented on behalf of Bill 208.

Committee members, we're next going to go into deliberations and recommendations on Bill 208. The committee will now begin its deliberations on Bill 208, the Alberta Investment Management Corporation Amendment Act, 2020. Having heard the presentations, the committee must consider its observations, opinions, and recommendations with respect to Bill 208, including whether or not the bill should proceed. The committee's process allows for up to 60 minutes of deliberations on the bill although members may extend this time limit if there is consensus that the additional time is necessary. Before I open up the floor for discussion, I just want to ask those joining us via the video feed – this is really only for the committee members to debate, so I'm going to ask that all other folks please be on mute or silent if we could, please.

With that, I'm going to open the floor up to discussion on the recommendations. I see Mr. Nielsen looking at me, so I think we'll start with you, sir.

Mr. Nielsen: Well, thank you, Mr. Chair, and again thank you to all the presenters for all the information that you've given us here this morning, which is considerable. There's a lot to comment on. You know, I could make comments around what we've heard about the membership on the AIMCo board, how that will work, how it might not work. I could make comments around the competency, about who gets appointed to the board. I could probably even make comments around the legislation that we've seen coming forward that would potentially allow the government to direct AIMCo in a certain way, which would then allow AIMCo to, in their opinion, make decisions that might not line up with the clients. But maybe I'll leave those comments to my colleagues.

One thing I do want to talk about here is something around this bill and the advice that the government got. I think, to start out with, the reason the proponent of the legislation – of course, she articulated to this committee. The government's actions on pensions, I think, have created significant concerns in the public. She was hearing it from her constituents. I certainly was hearing it from my constituents. You know, I'm going to, I guess, take a guess here that just about every member of this Legislature has heard concerns. I think some of it stems from around what was initially brought forward in Bill 22, which has led us down this path to Bill 208. I do believe that the Member for Lethbridge-West brought forward in good faith a bill that is trying to remedy some of these concerns that we've very clearly been hearing from the public.

I know that at our previous committee meetings, you know, again, hon. members have suggested that they haven't heard much, if anything, in their constituency, so, Mr. Chair, for the benefit of all members of this committee and, I guess, maybe even members of the Assembly that will look back on *Hansard* or the proceedings of this, I want to share a briefing note that was delivered to the Minister of Finance and President of Treasury Board last summer. It's a briefing note that the Official Opposition had obtained through FOIP. In that briefing note it reminds the minister about the negative reaction to Bill 22, which has led us down the road to why Bill 208 has been brought before us. I'm just going to quote briefly from that document for the benefit of all members.

9:20

It states, "There was [a] strong negative reaction to these changes [in Bill 22] from pension stakeholders." It then goes on to note, "AIMCO has since reported significant losses, which has fueled this negative reaction." Of course, that was at the time. Now, I should suggest that it's rare, Mr. Chair, for the bureaucracy to write such a pointed note to the minister. The briefing note in its concluding section states that the minister's office has received much correspondence on Bill 22 changes, primarily negative and primarily focused on the changes impacting the ATRF. That in itself tells me that somebody knows.

For members of this committee I should note that this was authored by the same team from Treasury Board and Finance that did brief us in the technical briefing last week. It was their internal advice to the minister, and their take on what was going on with pensions was a little different than what we heard last week in our technical briefing.

I guess my point is this, Mr. Chair. We all know that Bill 22 was poorly received – there was enough of an outcry that led the Member for Lethbridge-West to bring forward Bill 208 – and we know that in the past AIMCO has experienced some serious challenges at a time when its clients have been compelled by legislation to remain with this investment manager. They have no other options. If things go south, they have to remain there, and I don't think this is a good situation. I think Bill 208 reasonably and responsibly helps to address these concerns. We know that these concerns are all out there and that the government is acutely aware of them, based on the FOIPed briefing to Treasury.

The question before us here, I believe, deserves full and complete debate in the Legislative Assembly. The answer is obviously yes. One of the things that private members get to do is to introduce a private member's bill. It's one of the few ways that private MLAs can try to influence things here in Alberta. It's what our constituents elected all of us to do, and I think it's the bare minimum in terms of our parliamentary traditions and responsibility to allow Bill 208 to proceed to the floor.

With that, I will make a motion that Bill 208 proceed to the House for debate.

The Chair: Okay. Just a reminder to all the new committee members that we're still allowed to continue to talk about this.

I don't want to put words in your mouth, but tell me if what I'm thinking is correct, Mr. Nielsen, that you will be moving that the Standing Committee on Private Bills and Private Members' Public Bills recommend that Bill 208, Alberta Investment Management Corporation Amendment Act, 2020, proceed.

Mr. Nielsen: I don't know how you do it, Mr. Chair. You get it almost, like, perfectly letter for letter.

The Chair: Thank you very much. The only thing I'm going to add to that, Mr. Nielsen, is that with that FOIPed document, I'm going

to ask you, encourage you to please table that at the appropriate time within the Assembly if you could.

Mr. Nielsen: I have the copies right here.

The Chair: Yeah. Thank you very much. Probably preferably later on today if you could, please, sir. Thank you very much.

Okay. With that, the motion, of course, is being put up on the screen and is on the floor also for further discussion.

Mr. Nielsen, you've completed your remarks at this time. Is that correct? Okay. Thank you very much.

We'll continue with Mr. R.J. Sigurdson. Go ahead, sir.

Mr. Sigurdson: Thank you, Chair. Just speaking on this motion, I first want to start by saying that it was kind of mischaracterized a little bit. I know that when I was talking to Mr. Readman about the LAPP pensions, it was kind of mischaracterized that there was a change to pensions, and there aren't any changes to pensions. I know that even the ATRF has issued a letter out to teachers stating that the changes in Bill 22 would not affect their pensions. I think I'm a little concerned about this bill.

All of us elected here want to make sure that we do the best for all Albertans: teachers, firefighters, everybody in the public sector receiving a pension. I guess I take it a little personal when people say that for some reason I'm doing this to negatively affect their pensions or without consideration, and that's not the case at all. I think that through this entire debate on this we need to be reminded about the fact that the changes being made right here are to consolidate the investment management of all public-sector pensions, including the Alberta teachers' retirement fund, to the Alberta Investment Management Corporation. We're just consolidating them. The change applies only to the investment of the funds. The ATRF board will still remain the owner of the plan's assets and will retain control of determining how the pension fund is invested.

You know, when I look at it, we talk about the long-term viability for not just the current pensioners but pensioners in the future. We all want to find a way to be able to protect that in the best manner possible, and I think I hearken back to the estimated changes and how they will result in \$41 million in savings to the plan. That works out to almost \$500 annually per teacher alone in the ATRF in savings.

Now, when we talk about the changes in Bill 208 and to the board itself, we've established that AIMCO is a great provider. You know, with the comments about the LAPP being 8th out of 100 and about what they're doing, I'm deeply concerned that the change to the structure of the boards could affect that overall, just the effectiveness in the board. It could cause a negative impact, and for that reason I'm a little concerned about Bill 208. We are making some major changes to the board structure of a company now that is such a great investor for so many pension funds already. In that case, I'm not supportive of Bill 208 going to the floor.

Thank you, Chair.

The Chair: All right. Thank you.

Mr. Dang, go ahead, sir. Thank you.

Mr. Dang: Thank you, Mr. Chair. I would like to start by saying that I think that some of those comments that Mr. Sigurdson just made were inaccurate at best. I think that when we are talking about bringing this bill to debate on the floor, when we're talking about bringing this bill to have a fulsome and proper discussion, what we heard almost unanimously from stakeholders today was that this is something that we need to have a fulsome conversation on. This is something that even Treasury Board and Finance itself, as my

friend and colleague just mentioned here, has received numerous communiqués on and has received many, many communications on.

When I know that my office and my colleagues' offices are receiving sometimes hundreds or thousands of letters about why this bill is important, about why their pensions need to be protected, and about why we need to have real discussions on this, I don't understand why government members would be scared to bring this to the floor of the House, why government members don't want to give every single MLA an opportunity to debate this. We're not saying that this bill needs to pass today, Mr. Chair. What we're saying is that every single MLA in the Assembly, every single member that represents a constituency should have an opportunity.

Obviously, not every member can sit on this committee. Obviously, not every member is going to have an opportunity to speak to the bill in this committee, and we think that it needs to have a proper debate where we can hear from the Minister of Finance, where we can hear from other ministers, where we can hear from opposition and government and independent MLAs. So I think it's very important that we move forward with this bill and that government members think very carefully about who is involved in these decisions.

Thank you.

The Chair: Thank you very much, sir.

Mr. Getson, go ahead, please, sir.

Mr. Getson: Yes. Thank you, Chair. Is everything working here?

The Chair: Yes. We can hear you.

Mr. Getson: All right. Perfect. I appreciate the input of the stakeholders here, quite frankly. The last two speakers I had a lot of validity for and a lot of time for. The first speaker, I think, quite frankly, was the exemplification of why there was so much dialogue and banter in the media and a lot of those chain letters that I think a lot of MLAs' offices received. When there was feedback from most of the constituents in my area, you know, standing teachers or otherwise, it was based on misinformation on how AIMCo functioned as a group, how the pension plan worked, what was being contemplated. No different than what we saw here today, a lot of those arguments were based on misrepresentation.

9:30

To Mr. Sigurdson's point, the 41 and change million dollars sitting on the table: no one seems to acknowledge that there's \$23 million of savings that go back towards the taxpayers and then \$23 million going back towards the teachers' pension fund. Mr. Meeker made some of the best, salient points on how the ATRF was managed, how it's handled, and the relationship with AIMCo and again acknowledged that AIMCo is a bigger, broader corporation that manages multiple portfolios.

I do believe still that there potentially is undue influence in having a client also be able to influence their own specific pension and then to have that influence again at that boardroom table at both levels, again fully acknowledging that I'm not the person that does all the investments. I usually rely on some other strategist, but if I were that person, you know, duly influencing, no different than what we're doing here – we can influence a lot of people, not necessarily just that one vote, and that's part of the biggest concern that I have.

Again I would suggest that a lot of the reasons that this private member's bill is being brought forward are based on conjecture, a lot of misinformation, quite frankly, that the bogeyman is out there that may not necessarily be there. I'm very much in favour of not

seeing this one go to the floor. I think there are more options, that if it was tweaked up or addressed some of the specific concerns that the stakeholders had on real facts, real information of what we have, the floor would be better served by it. Chair, I'm not sure how the functionality works on this board, but those are my thoughts and comments currently.

The Chair: Thank you.

Member Lori Sigurdson, go ahead, please.

Ms Sigurdson: Well, thank you very much, Mr. Chair. I certainly want to speak in favour of this motion. We know, as has been well said previously by my colleagues, that we've heard a lot from constituents, from Albertans regarding this and a lot of concern about, you know, the change for ATRF through AIMCo. Certainly, I've heard from many, many teachers who are upset about it.

I think one thing that's really incumbent on elected officials is that we do listen, that we listen to people in our communities about what's working, what's not working. It is part of being a good representative that people have an opportunity to be heard. We heard from three leaders today who spoke about concerns regarding the changes that were made in terms of the pensions that they represented and the people that they represented. It's very clear that these are reasoned individuals, and I just guess I'm a little surprised that the government is just saying that their voices don't matter. That doesn't make any sense to me. I think that their voices absolutely do matter and that this should be debated in the House.

You know, you talk about: it's just all misinformation. Well, then, hey, let's clarify that. Let's sit in the Legislature and debate this and talk about what the misinformation is, then, because this committee – unfortunately, we probably don't have a large viewing population. So it is, I think, incumbent on a government to be responsible, and listening is a big part of that. I think this would demonstrate that the government is listening.

We know that, for sure, there are some serious concerns about the leadership of AIMCo, and I think people have every right to be concerned. You know, they lost a \$2 billion investment, their leadership has changed after that, and they've changed their strategy. I mean, this is all sort of happening at the same time. I think Albertans have every reason to be concerned, so that is why I think we've done our due diligence in this committee, and now the next step, of course, is to take this bill to the House. I think there's been a lot of thought gone into Bill 208. We've had very reasoned speakers talk about it, and I certainly have heard, again, from my constituents. I certainly want members to support this bill.

Thank you.

The Chair: Well, thank you very much, Member.

Is there a government member that wishes to speak? Oh, Issik. Is that correct? If not, that's fine.

Ms Issik: Yes, Mr. Chair.

The Chair: Oh, okay. Yeah. Member Issik, go ahead.

Ms Issik: Thanks so much, Mr. Chair. I'm pleased to be able to speak today. Like many, I've received e-mails to my office regarding specifically ATRF, and I'll tell you that I take the concerns of my constituents incredibly seriously. However, I do get concerned sometimes when we have campaigns that are organized by groups out there who do frankly put some misinformation into the hands of people, and it necessarily worries some of my constituents, you know? I've got constituents who are retired teachers who are concerned because they've been told that their

pension is being stolen. I think it's that hyperbolic messaging that I'm really quite concerned about.

While there are some aspects of this bill in terms of, you know, potential ideas on how to perhaps manage board members and board numbers and those sorts of issues, I do get concerned that this seems to be brought forward at this time in order to continue some of this hyperbolic misinformation campaign. I find it sad because, again, there are so many hard-working public employees out there, there are retired public employees out there who are genuinely worried now. I say to them: you know, I don't want you to be worried.

Earlier today, with one of our witnesses, I asked about: you know, was he aware that the LAPP, for instance, is seventh ranked out of 100 pension plans in Canada? That's no small feat. Guess what? AIMCo is the fund manager. I just want to make sure that constituents and our public employees and our retired public employees understand that their money is safe. I just want to voice that concern about the hyperbolic misinformation that's out there.

With respect to some of the aspects of this particular bill, I would say that one of my cautions with respect to admitting particular funds onto the board as a board member, for instance, the ATRF or LAPP and others – I wonder at what point other clients of AIMCo might start to, you know, believe that they should also have members on the board, and once you set a precedent, we could end up in a situation where AIMCo potentially could have a cast of thousands requesting to sit on the board. That's one caution that I would enter into this.

With respect to the CPP, every Canadian, every Albertan is concerned about the CPP at some time or another. They're either concerned because their contribution rates – we know we've had CPP contribution increases. Employers are certainly concerned about that when they look at their payroll expenses. We do know that it has an impact on job numbers and employers' ability to increase employment. There are many aspects to CPP, and of course we're going to debate this. We have to have a conversation as Albertans, as a society. That will happen. That's what we committed to. I also want to say to the people out there who might be watching this committee meeting that we are absolutely committed to having a fulsome conversation about the future of CPP and the future of a potential APP.

I just wanted to make those comments this morning, Mr. Chair. With that, I'll end my comments.

The Chair: Okay. Thank you.

I have one more person on the list at this time. Member Irwin, go ahead, please.

Member Irwin: Thank you, Mr. Chair. I'd like to speak in favour of this motion. I'm quite concerned that it looks like government members may not be supportive of bringing this into the Legislature. Not to presuppose the decision of this committee, but the previous comments are certainly alarming. You know, we've heard from some fantastic stakeholders today sharing the concerns of thousands and thousands of Albertans, people who live in all of our ridings. Those previous comments: we're basically hearing government MLAs asking us to trust them, and we can point to a long record of this government breaking their promises to Albertans and not instilling any trust in our constituents.

You know, we've had many discussions on previous bills about the need for these private members' bills to move to the House. Private members, as we know, have very few tools through which they can bring forth legislation. Quite frankly, to shut down this opportunity is shameful. I'm going to urge again, as my colleagues have done on our side of the House here, allowing this

bill to move forward and allowing for fulsome debate in the Legislature.

Thank you.

9:40

The Chair: Thank you, Member.

Is there a government member that wishes to speak? If not, I have one more person on the list.

Hearing none – okay – Mr. Nielsen, go ahead.

Mr. Nielsen: Well, thank you, Mr. Chair. Of course, I listened intently to the rest of the debate since making the motion. There were a couple of things that came up that I think we need to talk about here in no specific order.

It was brought up around the competency of who could be appointed to the board, and I think Mr. Meeker very clearly showed that not just anybody gets appointed to these sorts of things. There's a scale, whatever it was, a matrix, that required these individuals to possess certain skills and at least have the ability to work on ones that they may have been lacking a little bit in. When you're talking about individuals' pension monies being used, I don't think it's unreasonable that people might want to have somebody that they believe is working in their best interests. The reason that I say that – I mentioned this earlier, in my beginning comments – is that the legislation is already in place. This is what's here. This is what's causing the problem to begin with. The government is able to make directed instructions to AIMCo about what possible direction to go. That exists. Yes, the Minister of Treasury Board and Finance has said: I don't intend to use it. Well, if you don't intend to use it, why did you put it in there to begin with?

The other piece of the legislation which is significant and goes in connection with that is that AIMCo, if they believe it's in their clients' best interest, which could possibly be because of the direction that they were given by government, could override the wishes of their clients. At the very least, by having those members on the board, they have a recorded ability to show that they disagreed with that move – I think it was mentioned earlier – rather than just a strongly worded letter going in.

We've seen some comments around the costs of moving the – Bill 208 doesn't address that. It's not about the costs. This is about the member clients having a say.

This is also about any moves for the CPP being put to a referendum. We've heard comments about: well, we've promised this, and we're going to stick with it. Well, I would have to show, Mr. Chair, that the Premier, right at the very beginning, before the 2019 election, promised Albertans to fund public health care, even signed a fancy little cardboard piece of whatever. That disappeared. If you can't stick to something as simple as that . . .

Mr. Rutherford: Point of order.

The Chair: Okay. Point of order. Is that Mr. Rutherford?

Mr. Rutherford: It is. Standing Order 23(i). The member just suggested that the Premier has not funded public health care, and they clearly have, to historic amounts, I might add, so I think that should be withdrawn.

The Chair: Go ahead, Mr. Dang.

Mr. Dang: Thank you, Mr. Chair. I think this is a disagreement about the facts of the matter, and it is well established in this place that a disagreement on the facts of the matter is not a point of order and, indeed, that we must take what members say at face value even

if it means in some cases that this Assembly will take conflicting accounts of the facts.

Thank you.

The Chair: So 23(h) and (i): “makes allegations against another Member” and “imputes false or unavowed motives to another Member.” You know, I would argue – I would caution the member. I will just say that, and I would agree that this might be considered a matter of debate. I will say that there is no point of order at this time, but certainly, Mr. Nielsen, you’re bordering very close to that. I just ask that you make your point and move on.

Thank you.

Mr. Nielsen: Yeah. Point made already, Mr. Chair. I was moving on anyway.

The other part was around needing some changes to this bill. There were concerns around: “That’s what the House is for. This committee is not meant to entertain amendments; that’s what takes place in the House.” But if it doesn’t proceed in the House, then potentially any amendments that could be suggested to the bill to make it better, to make it stronger can’t happen; hence, why it needs to proceed for debate.

I guess what I’ll end with – and my colleague Member Irwin kind of mentioned this – is that I’ve seen a pattern developing within this committee, Mr. Chair, where it seems every private member’s bill who happens to be a member of the opposition does not get their bill recommended to proceed to the House. We have seen one government bill that was not recommended to proceed to the House because the bill was flawed. I mean, the member brought forward an amendment that he wanted the committee to consider, which we couldn’t, which is why we didn’t recommend that it go forward, among some other things.

This bill is solid. It has the ability to be debated and for changes to be recommended maybe around membership, things like that, but we have heard the government very, very strongly talk about wanting to use the referendum system. Here’s their chance around CPP. We need to start considering: what if Albertans move out of the province? What kind of implications are there? Perhaps we should consider consulting them before we go any further and spend a whole lot more money on potential reviews that, as we’ve heard, may very well end up getting challenged in the courts. I would urge members to reconsider and would say that they need to recommend that this bill go forward.

The Chair: Thank you, Mr. Nielsen.

I will put to the committee one last opportunity. Does anybody else want to speak before I put the question?

Hearing and seeing none, okay. I’ll repeat the question. Moved by Mr. Nielsen that

the Standing Committee on Private Bills and Private Members’ Public Bills recommend that Bill 208, Alberta Investment Management Corporation Amendment Act, 2020, proceed.

All those in favour, say aye. On the phone? All those opposed, say no. Okay. That motion is defeated.

There will be a recorded vote. I will start within the committee room. I’ll go around the table. I ask that you just put your hand up when I acknowledge you, and then I will call upon members on the video one by one. We will start with Mr. Dang. Oh, sorry. All those in favour – that’s right – put your hands up, please. Mr. Dang is a yes, Mr. Nielsen is a yes, and then we have Member Irwin, who is also a yes. Okay. Thank you very much. That’s it for the committee room.

Now those on the video screen. I guess that at this moment here I only see three people, so I will – can somebody maybe just let me

know if they wish to say yes to this on the video or audio? Member Lori Sigurdson? There you are. Video is on. You support this?

Ms Sigurdson: Yes, I do.

The Chair: Okay. All right. Thank you very much. Is there anybody else on the video that is a committee member that supports this? Okay.

We will move now to those against the motion. I guess we’ll just go one by one, and you can either abstain or, of course, you could vote against the motion.

Ms Glasgo: No.

Mr. Getson: With respect, opposed to the motion.

Ms Issik: Opposed.

Mr. Sigurdson: Opposed, Chair.

Mr. Rutherford: Opposed.

Mr. Williams: Opposed.

9:50

The Chair: Okay. Mr. Clerk, I don’t believe I missed anybody. Is there anybody that I missed? No. Okay.

Mr. Huffman: Mr. Chair, for the motion, four; against, six.

The Chair: Okay. Thank you very much. Again, that motion has been defeated.

Next we will finish the deliberations. We finished the deliberations on Bill 208, and we will go on. Hon. members, having finished the deliberations on Bill 208, the committee should now consider directing research services to prepare a draft report, including the committee’s recommendations. Would a member wish to move a motion to direct research services to prepare a committee’s draft of the report? I see R.J. Sigurdson.

Mr. Sigurdson: I will move that motion, Chair. Sorry. Working on my mute. I apologize.

The Chair: That’s okay. Thank you very much.

All right. Mr. R.J. Sigurdson will move that the Standing Committee on Private Bills and Private Members’ Public Bills (a) direct research services to prepare a draft report on the committee’s review of Bill 208, Alberta Investment Management Corporation Amendment Act, 2020, which includes the committee’s recommendations, and (b) authorize the chair to approve the committee’s final report to the Assembly by noon on Wednesday, March 10, 2021.

Yes, Mr. Dang.

Mr. Dang: Thank you, Mr. Chair. I just want to ask for some clarification for timelines. If there was interest in a minority report, what would the requirements be?

The Chair: I think the clerk – maybe, Dr. Massolin, would you mind just for clarification? There should be some time allotted for that.

Dr. Massolin: Yes. I’d be pleased to talk to the committee about that.

The Chair: Thank you.

Dr. Massolin: With the deadline for the final approval coming at noon on Wednesday, I think that typically you would give another

day for, like, a minority report. This report, with any minority report, could be presented in the Assembly on the Thursday.

Thank you.

The Chair: Thank you.

Does that provide some clarification, sir? Great. Thank you very much.

Okay. With the motion on the floor, all those in favour of the motion by Mr. R.J. Sigurdson, please say aye. All those opposed, say no. Okay. Thank you. On the phone? I know it's slightly confusing. I heard the ayes. We're on the noes at this point here. On the phone, are there any noes? Okay.

This motion has been carried.

Thank you.

Hon. members, before we turn to the next item on our agenda, which will be hearing the sequel presentation for Bill 209, I'm going to suggest we take a 10-minute break before we get started here. We'll get the clock going. We'll take 10 minutes and return to start Bill 209 discussion.

Thank you very much, folks.

[The committee adjourned from 9:53 a.m. to 10:03 a.m.]

The Chair: All right. Fantastic. Thank you very much. Welcome back, everyone. The 10 minutes has now expired.

Bill 209

Cost of Public Services Transparency Act

The Chair: We'll move on to the presentations on Bill 209, Cost of Public Services Transparency Act. This will follow the same format of presentations of up to five minutes, followed by up to 15 minutes of questions from committee members. Again, both caucuses could choose to invite up to three stakeholders each, and stakeholder lists were to be submitted by 3 p.m. on Tuesday, March 2. For the record the government caucus invited the following stakeholders to present: Mr. Rick More, CEO of the Red Deer & District Chamber of Commerce; Mr. Troy Lanigan, president of the Canada Strong and Free Network; and Mr. Franco Terrazzano, Alberta director of the Canadian taxpayers association. These presenters were also on the stakeholder list posted on the internal committee website. We'll begin with Mr. More.

Mr. More, you are there and ready to go, sir?

Mr. More: I am.

The Chair: You can hear me okay?

Mr. More: Yes.

The Chair: Thank you. Mr. More, you're going to be presenting to the committee. You're going to have up to five minutes to make a presentation, followed by 15 minutes of questions from the committee members. Sir, you may begin. The floor is yours. Go ahead, please.

Red Deer & District Chamber of Commerce

Mr. More: Thank you, Chair. Yes. My name is Rick More, and I'm the CEO of the Red Deer & District Chamber of Commerce. I also sit on the board of the Central Alberta Child Advocacy Centre and the Alberta Motor Association; as well, a cofounder of the Smiles Thru Lindsey foundation.

Thank you for this opportunity to speak on Bill 209, Cost of Public Services and Transparency Act. I guess when I look at the word "transparency," its simile is really "honesty." More than ever

over the last year of COVID, businesses and citizens of Alberta are realizing how government policy is directly affecting their lives. For many taxation is a dirty word because they are not schooled properly on the complexity of provincial and municipal expenditures. It is very hard to trace this information. Obviously, everyone's specific area of interest varies from person to person. If your child attends school, educational reporting is important. If you have health issues, you focus on that area of your life, and so on.

This brings me to the important point of communication. I've always said that 99 per cent of every problem is due to a lack of communication. We live in a world where social media is seemingly fact and mainstream media is not to be believed. Twitter opinions and other apps skew and dilute fact. Perception trumps reality, trust of government is weakened, and opinion divides us all. The communication piece that is used to get sound information into the hands of the proper people is so very important, and that will be the biggest test going forward should this bill be passed. Quantitative data in the hands of citizens is not a dangerous thing. No different than in business, we need to know cause and effect. Even using this chamber as an example, I communicate to all the staff our expenditure line items so they can truly understand why certain decisions are made, which empowers them to be part of our success.

Another example would be in my other role in the area of mental health. In 2015 my youngest daughter, Lindsey, took her life at the age of 22, and my wife and I created the Smiles Thru Lindsey foundation, to date raising over \$400,000 for mental health initiatives for youth in central Alberta. Do you not think that giving me the cost of programs and caregiving wouldn't help me to focus in the areas that are needed? Getting just the percentage of overall health costs in this field doesn't really tell me enough to make the important decisions needed to save our youth. Comparative costing is important but only a measurement for improvement.

I've had the great opportunity to speak to middle schools and high schools on mental health, and I can assure you that this young generation is more engaged than ever in government, associations, social issues, and they will truly be demanding transparency.

I do not see this as finger pointing by focusing on specific areas. I think many of us take for granted the services we are fortunate to have in health and education and municipal needs. We learn quickly when benefits are taken away from us. We all need to know the effect of our tax dollars. It's not just what we spend; it is what we can justify, what we can save, and what does work and what doesn't work.

Thank you for your attention on this matter.

The Chair: Okay, sir. Thank you very much.

We'll now go to a series of 15 minutes of questions and answers. This is a government member's bill, so by convention we will start with the Official Opposition. I see Mr. Nielsen. You may begin, sir.

Mr. Nielsen: Well, thank you, Mr. Chair, and Mr. More, of course. Thank you for presenting to the committee. I appreciate the very wide depth of the business side of things that you're bringing to the committee for us. I appreciate that very much. When you're looking at the bill – I mean, it is somewhat broad in terms of what it's prescribing – I guess it could enable cabinet to make decisions as they see fit sort of based on what's presented. I'm just wondering if there are any specifics on what's being reported and the timelines that are not laid out in the bill, if you think there are any things that, I guess, aren't currently being done that maybe could be done. Do you think maybe the bill could be strengthened by – I don't know – prescribing some specifics in it?

10:10

Mr. More: That's a really good question. You know, I talk about the specifics when we see budget and things like that. I think it's imperative that we understand the cost of certain parts of it, and I will use health care as an example. I think the information of breaking down what the – if you break it down, I mean, the information for the most part is there, but it's not broken into areas of detail. I think that's important for us to learn, how these programs – like I said, the cause and effect. Do we go forward with these? Are they making a difference? The qualitative data will help us to either improve or educate the citizens. Like I said, we take health care for granted because we can sit in a waiting room at emergency and not even realize the implication and the cost of these items. I just think the more we understand where our tax dollars go, the more that we can appreciate and be less critical.

The Chair: A follow-up there, sir?

Mr. Nielsen: Yeah. Just, I guess, the second part around what you think about if the bill did prescribe some specifics maybe. Would that be of benefit?

Mr. More: Like I said, Mr. Nielsen, it is broad in a sense. I think: can specifics be added to it? Most certainly. Yeah. That would be my answer to that one.

The Chair: All right. Thank you. Thank you, sir.
Mr. Getson, go ahead, please, sir.

Mr. Getson: Yeah. Thank you, Mr. More, for your presentation. Honestly, as a father of four my heart just sank in my chest when I heard about your daughter and the personal tragedy your family had to go through. Really, my condolences on that.

Mr. More: Thank you.

Mr. Getson: The silver lining on that, I guess, is that you are working with a bunch of youth, and you're bringing attention to the mental health side of things, so I appreciate your efforts in that as well.

What I did get out of your presentation as well is that possibly you feel that with the expenditures that we have in our health care system, it's not a fact – we're not throwing the dollars at it; it's a fact of allocations. "Key performance indicators" is what I jotted down here. If we had a line of sight of how our monies were being spent, then I believe – I think what you're saying is that those behaviours and attitudes would change towards a more efficient system if folks were knowing where the dollars went so they would be more afforded or spent wisely. Is that what you're saying, sir?

Mr. More: Yeah. I totally agree with that. You know, I mean, that's another topic, the percentage of money going to mental health. That's a whole new issue. But I think I can learn. I've been immersed in mental health with youth, been inspired by youth. Obviously, this tragedy has changed our lives forever. You don't want to play God, but I can see the decisions we can make with the money that this great community has raised, what areas are going to most, say, save a child or what's more beneficial. It's really tough. It's very personal. But I think we need to know. I can learn from it. I can learn from what areas are needed. I can advocate for those areas that we feel work, that don't work. That's the important part of the transparency piece.

The Chair: Okay. Thank you.
Do you have a follow-up?

Mr. Getson: No, not to that. I just really appreciate the time, and my understanding is similar to yours. If we had a line of sight, it might be able to change some behaviours. Thank you for that, sir.

The Chair: Thank you.
Mr. Dang, go ahead, please, sir.

Mr. Dang: Thank you, Mr. Chair. Thank you for your comments. Certainly, when we look at this bill before us and we look at some of the things being suggested, I think most Albertans or at least many Albertans are aware of organizations such as the Auditor General, which conducts reviews of finances on all the performance of the public sector. The reason I'm bringing this up is that I'm wondering whether you would think that there is some replication in services of what's intended to be done here. Do you think that current practices could be reformed to adjust to this, or do you feel that a new process and a new system is completely necessary?

Mr. More: I don't think we need, you know – and thank you for your question, Mr. Dang. Yeah, the Auditor General reviews everything in detail. The information is there, but it's not available to the public. I just talk about the government trust and things with people and how without breaking it down and the honesty of our health care cost and things like that, it just opens up the area of continual complaint and targeting from the public. The more they know, the more they'll understand.

I don't think you have to, you know, make a whole new system work. The information is there. It's a matter of: how do you get this to the proper people? I think that is a challenge. I mentioned before that if you don't have kids in high school, you're less apt to really worry as much where the dollars are spent in that area of education, but if you do, you really want a target of where my dollar is going, where my child is being helped, and what's the best for them.

The Chair: Sir.

Mr. Dang: Thank you. Thank you for those comments. Kind of expanding on that, I guess you're saying not needing a completely new process or system that could be very burdensome or expensive. I guess, perhaps do you think it could be possible that, basically, we just need to change reporting or change how the AG does the reports and disclosure for making it consumable for Albertans?

Mr. More: That's a great line: consumable for Albertans. Sure. Yeah, we can make our decisions. Like I said, the data is there. The communication piece: stuff does go out, but with all due respect to governments, it's buried. Someone like me in mental health needs quick access, you know, to the information that I need instead of going around searching for it or trying to find out. So I think the process is there, but it has to be refined somewhat.

The Chair: All right. Thank you, sir. Thank you.
We'll go to Mr. R.J. Sigurdson next. Go ahead, sir.

Mr. Sigurdson: Thank you, Mr. More, for your presentation. I guess what I'll start off asking is, you know, I've had a little bit of concern, I guess, when it comes to, of course, making sure that we're transparent but also that we're looking at the cost of doing so and the net benefit in the end. This is critically important when we talk about things as such and reporting, whether it be through education or health care, because we know that when it drives down to being too prescriptive, it can actually have a negative effect on the other end of it.

I guess when you're reviewing this bill and you're looking at it right now and understanding the fact that – being in private business before this, I've always been a huge advocate of removing red tape, and I want to make sure that we're not adding that additional regulatory burden. In your opinion, does this bill strike the right balance between cost transparency and increased red tape? I guess I'll ask it that way.

Mr. More: Well, ironically, you also have to be transparent in what this does cost. That's the irony of this whole thing. As chambers, you know, we get a lot of our members – red tape is obviously a big issue in advancing businesses forward and making it a lot easier. You know, looking at this bill – and we mentioned it's a broad kind of bill – reading it over, I can't personally see a huge increase in red tape for that. I think it's just a way of refining how we get this to the public.

The Chair: Okay. Do you have a follow-up, sir?

Mr. Sigurdson: I guess just a quick question I'll ask. Given the fact that you are – you know, the Red Deer & District Chamber of Commerce is a very grassroots organization, I'll just maybe ask if you've had some policy discussions on this and if there are any recommendations that you have at this time as far as reporting transparency. Thank you, Mr. More.

Mr. More: We have not got one on the books; we've just got five renewals going forward this year with the Alberta chamber. It is certainly something that our members want. We've been involved municipally on the red tape issues, with many meetings with our council and mayor and things like that. It is one that we have put on our to-do list more or less. Again, that's one of those issues that you can feel works or doesn't work and just in our members, you know, especially in the building industry and areas like that, the importance of rapid approval of licences and things like that.

10:20

The Chair: All right. Thank you very much, gentlemen.

We'll now go to the Official Opposition if anybody has a question. I see shaking of heads, so no? Okay.

We'll now go back to the government members. Does any government member have a question? Hearing and seeing none.

Okay. Well, thank you very much. Mr. More, thank you very much for presenting to the committee. We thank you for your time today. You certainly are welcome to stay on the line. We just ask that you mute your phone and your audio equipment there if you could, please.

Mr. More: Okay. Sorry. I do apologize. I have to do a public speaking at a high school, so I'll have to leave.

The Chair: You're free to go as well. Thank you very much, sir.

Mr. More: I thank all members for their public service in a very tough time. Appreciate what you do. Thank you.

The Chair: Thank you, sir, and thank you for your time.

All right. Ladies and gentlemen and members of the committee, we're now going to go to our second presenter on this bill, Mr. Troy Lanigan. He's the president of the Canada Strong and Free Network.

Mr. Lanigan, you're going to have up to five minutes to speak, followed by up to 15 minutes' worth of questions and answers from the committee. Mr. Lanigan, you can hear me?

Mr. Lanigan: Yes, I can.

The Chair: Okay. Thank you very much. The floor is yours, sir. Go ahead. Thank you.

Canada Strong and Free Network

Mr. Lanigan: Well, thank you for inviting me. I'm happy to speak in support of Bill 209. I'm going to focus my comments on how price information lends itself to transparency, financial literacy, and accountability.

There's a big difference between how one spends their own money on themselves versus how governments spend money re tax dollars. When you spend your money on yourself or your family, you have huge incentives to economize and seek the highest value, and you do that on the basis of price information. If you're out grocery shopping, you're making trade-offs constantly with steak versus chicken. Do you buy the volume discount on the soup tins? Do you buy the no-name brand versus the name brand? If you buy a house, you're looking at purchase price, you're looking at how much that you'll borrow, and you're looking at how much property taxes will be. If you're buying clothes, do you buy one nicer pair of jeans versus two less expensive pairs?

Importantly, prices are a two-way street, right? The business also sends signals. Strawberries cost more out of season because they are shipped from warmer climates. So this prevents and manages shortages often that we would otherwise see on our shelves.

Now, consider government spending, when price signals largely disappear. Here's a situation where someone is spending someone else's money on someone other than themselves. To be sure, governments want to solve problems, offer services, but there's far less incentive to economize and seek the highest value the way you would if you're spending your own money on yourself. Moreover, governments have the ability to borrow money, raise a tax, clamour for transfers from other levels of governments. This is why government spending often outstrips both inflation and population growth.

As for the consumer of government services the price is often zero. Yes, taxes are paid, but in that basket of taxes how much information is given to the public about what is spent? You know, think about ourselves, those of us listening and participating in this discussion. Do we know what we pay for health care each year? Do we know what percentage of our taxes goes to each level of government? The key point is that the average family's household budget has 43 per cent going to taxes, and we have very little price information about that, versus 36 per cent that is going to necessities: food, clothing, and shelter. We have considerable price information on that.

A couple of points. Number one, for starters, the price of government taxes mainly is fixed. Most people neither want to be reminded or believe anything will change, so they simply shut that 43 per cent of their household budget out. That's unfortunate, and we should seek to try and change that. But for those that do look up information – and this has been a point made more than once at the committee – it is, in fact, true that it's available.

One of the questions that makes this bill interesting is: why should the onus be on the taxpayer to go and look it up? Think about it from a point of transaction perspective. You wouldn't fill your cart at the grocery store, be charged an amount, and then be told at the till that if you go and search online, there's an online report that explains how much each item was. The bottom line is that price and price information matter.

This is a commendable, proactive effort to inject some transparency and understanding about the price of government services. It's a very modest proposition in terms of its scope. I've listened to some of the committee proceedings. I don't understand

some of the concerns that are raised in terms of the need to upgrade systems, nurses having to work overtime, these sorts of things. I'm not certain that I'm on board entirely with the idea that this will get costs under control, but I'm certainly on board with the idea that this supports civic literacy so that discussions and understanding about government expenditures can be more informed. Relatedly, it contributes to government accountability by sharing how peoples' earnings are being spent. I would caution, whatever this means, that this information that is shared is not – however this information is shared, it should not be presented as a bill or, obviously, unnecessarily turned into another bureaucracy. But nothing I've read suggests it would.

I would say, finally, as someone from outside the province – I'm in British Columbia – I think it's an exciting initiative to see how it unfolds and the prospect of it being used in other jurisdictions across the country.

With that, my five minutes is up, and I thank you.

The Chair: All right. Thank you very much, sir, and thank you for your presentation.

We'll go to the member of the Official Opposition. Mr. Nielsen, a question with a follow-up.

Mr. Nielsen: Thank you, Mr. Chair, and thank you, Mr. Lanigan, for presenting to the committee today. I appreciate your time. Interesting that you ended your comments right where my first question was going to be. I guess, with this process that we have outlined in the bill here, have you seen any other governments, maybe even in B.C., look at something like this or implementing something like this?

Mr. Lanigan: That's a good question, and I think it probably should be further investigated. I learned, actually, this morning from MLA Stephan that something had been done like this previously in Alberta in terms of health care costs, and I believe, although I wasn't able to find it before this committee meeting hearing, Saskatchewan also did something in the 1980s, so your legislative research branch may want to look at that. As I said in my comments, I don't think information should be presented as a bill to people. I mean, I would be worried if, you know, seniors, in particular, were getting what they might think was a bill from government. I don't think that's the intention of what's being proposed here, so that would be one caution that I would look to.

The Chair: Okay. A follow-up, sir?

Mr. Nielsen: Yeah, please. I guess, with some of the existing reporting requirements, practices, you know – my colleague mentioned earlier around audits by the Auditor General – do you think there are any processes that we currently have? Do they need to be reformed? Could they be strengthened in some way or just some of the processes changed, or is it just that a new process would be required to be able to effectively implement this?

Mr. Lanigan: First of all, I think the information is readily available. I think that the three of us that are presenting to you today could probably come up with most of these numbers this afternoon to tell you the truth. So I don't think we're adding any burden, from my experience with other provinces across the country, in terms of finding this information. What this is is it's a new idea, essentially, to be proactive with presenting to people what the costs of government services are. You know, people aren't going to go to the burden of researching something, digging through something to try and find these things. This will contribute significantly, I think, to financial literacy.

The Chair: All right. Thank you.

Mr. R.J. Sigurdson, go ahead, please, sir.

Mr. Sigurdson: Thank you, Mr. Lanigan, for your presentation. As the founder and CEO of the think tank SecondStreet.org, which examines public policy through the lens of stories and experiences shared by individuals, families, and entrepreneurs impacted by government policy, in particular that directly relating to red tape, I guess I'll ask just one question: do you have any concerns about 209 as it sits right now, just looking at it, in your opinion?

10:30

Mr. Lanigan: Okay. Do I have concerns about it? Not really. I mean, I think it's pretty modest, what's been outlined here. We're talking specifically about a few areas: a visit to a doctor's office, a visit to an emergency room, attending postsecondary schooling. These are first steps, I'd say. Perhaps at some point it would be expanded, but for all of these things you're able to, I think at very low cost, provide this information to the public. Again, for the sake of improving financial literacy, I think that's a very worthwhile investment at an extremely modest cost.

The only thing I would say, sort of wearing my economics hat, is that it's not just about cost, and we shouldn't focus exclusively on cost. We should focus also on the role of government and how programs and services are delivered. I mean, of our two provinces, for example, B.C. spends \$4,300 per capita on health care; Alberta spends \$5,200. So is the sole solution just to get the cost down perhaps on a per capita basis to what B.C. spends, or should we be focusing just as much on the role and how the programs are delivered and what options are being made available? That's the first part, the financial literacy part, to having those sorts of discussions. Yeah, I'm enthusiastic about the opportunity for what comes out the other end of this.

The Chair: Do you have a follow-up, please, sir?

Mr. Sigurdson: Thank you, Mr. Chair. I guess I'll just kind of continue on that thread. You mentioned about this being first steps in financial literacy and the transparency that comes behind that with the overall cost of certain public services. Would you maybe comment on how you would approach the development, implementation, and, I guess, as well the monitoring of this to ensure that it continues in a cost-effective manner?

Mr. Lanigan: Well, governments have to report on how they spend money. Of course, they're going to be scrutinized around this. Like anything, you don't want to turn it into a giant bureaucracy, and I don't think it's the intention of that. It has to be monitored, as it goes forward, to make sure that it doesn't. There'll be cost-benefit analysis done on what goes into this versus what's coming out the other end in terms of the financial literacy that it seeks to achieve. Look, a regulation like this is good if the outcome is going to be good. Because we have such a lack of transparency, financial literacy in the public at large, this is well worth the modest cost of what it seeks to achieve, in my view.

The Chair: All right. Thank you.

Mr. Dang, go ahead, please.

Mr. Dang: Thank you, Mr. Chair, and thank you, Mr. Lanigan. I think that I want to have you elaborate a little bit on a point you made earlier around things like concerns around having a bill presented, I guess, to a senior who had just accessed the health care system or something like that. Could you elaborate a bit on why you

think that may be bad and on which types of services we should avoid this sort of information being presented for?

Mr. Lanigan: Well, you don't want somebody getting a piece of mail, especially a senior, who might think they're having to pay some sort of bill. How you present the information I think is relevant. Everything that I've read here that has been proposed, that I've seen, makes it very simple and doesn't suggest that that would be the case although there is obviously some discretion for the minister. You know, posting a sign in an emergency room or a doctor's office with costs is not the same as sending something that might look like or appear like a bill to somebody. From that perspective, I think it's well thought out. That's just one caution that I would put up as something that you may want to be careful not to do. The purpose of this is to inform people; it's not to alarm people. I think that as long as that's being achieved, you're in good shape.

The Chair: Mr. Dang, go ahead.

Mr. Dang: Thank you. Kind of building on that and talking about something you mentioned earlier, that a lot of the information you think is already publicly disclosed or publicly available through things like AG reports, when we look at the type of reporting, you're saying that it's a fairly nominal cost to compile that information. I guess: what degree of granularity should we be using, right? Should we be saying that public servants need to be logging how many hours they're on the phone every week and then compiling that so we know that? Or if someone calls the government of Alberta helpline, do they need to receive information on how much per minute that cost is? Like, what level of granularity should we be looking at? What type of information is sufficient, and what shouldn't be reported, I guess?

Mr. Lanigan: I think what's being proposed here is a modest first step, right? A visit to a doctor's office, a visit to an emergency room: these aren't particularly granular amounts that you're digging into. They're simply, you know, simple, transparent, straightforward reporting that's going to provide information for people. We're not talking about putting up the cost of 911 calls and listing them in an emergency room. That's not, I believe, what's being proposed here. They're simple, straightforward numbers that are going to hopefully inform and create better understanding of how tax dollars are spent or how government is spending money.

The Chair: Okay. Thank you, sir, for your answer.

We will now go to the government members. Is there anyone from the government members who would like to ask a question?

Hearing and seeing none, we'll go back to the Official Opposition. I'm not seeing or hearing anybody for the Official Opposition.

Okay. Mr. Lanigan, thank you so much for presenting here today and answering questions from the committee members. We really appreciate your time, and thanks again.

We're now going to go to our final guest on Bill 209. That's Mr. Franco Terrazzano. He's the Alberta director of the Canadian Taxpayers Federation. Sir, thank you so much for being here. You have five minutes to present, followed by up to 15 minutes' worth of questions and answers from committee members. With that, sir, five minutes. The floor is yours. Go ahead.

Mr. Terrazzano: Great. Can you hear me okay?

The Chair: Yeah. Thank you.

Canadian Taxpayers Federation

Mr. Terrazzano: Perfect. My name is Franco Terrazzano. I'm the Alberta director and spokesperson for the Canadian Taxpayers Federation, and we're happy to support the important principles behind this bill, which are government accountability and government transparency. You know, I think there are many Albertans, myself included, who don't always know how much we are paying for specific government services. For example, the government spends about \$5,000 per person every single year on health care, but how many Albertans know that? I went to a hospital not too long ago to get my ankle looked at, but I have no idea how much that cost, and a basic prerequisite for transparency is actually knowing how much you're spending on a service. When I go to Tim Hortons, I know exactly how much my coffee costs. When I'm looking for an apartment – or right now I know exactly how much my rent costs every single month. Now, as a taxpayer I should know how much money I'm spending and going to spend on government services. Otherwise, how do I know if I'm getting my money's worth or if there can be improvements or if there can't?

On a second note about that, I know a lot of this government information, the vast majority, is available – or at least the government has access to it and should have access to all of this information – but the problem is that the government isn't making this information transparent to the public. Transparency is a key issue that this bill looks to address.

Now, the second key issue is accountability. You know, how many people know how much the costs of government services have increased year over year or how much the cost of schooling in Calgary compares to schooling in Edmonton? Well, when I go to the mechanic and the mechanic is charging me more money every single time I go for the same service, I'm going to have some serious questions. But when it comes to the taxpayer perspective, well, how are taxpayers going to hold government accountable if we don't know how much government services cost or how much these government services are increasing year after year? Just as an example, we should be able to compare how much it costs for schools in Calgary versus Edmonton or hospitals in Calgary versus Edmonton.

I'll just kind of conclude with the following thoughts. With the big spending problem that we're looking to address, a little more transparency, a little more scrutiny, and a little more accountability can go a long way. You know, I'm sure every single person in this meeting supports the principles of government transparency and government accountability. Well, letting taxpayers know how much they're actually paying for services is really transparency and accountability 101. For these reasons, the CTF is happy to support the Cost of Public Services Transparency Act.

With that, I'll end my formal remarks and look forward to questions.

The Chair: Wonderful. Well, thank you, sir. Thank you for those remarks.

We will now go to the Official Opposition. I see Mr. Dang. You may proceed.

10:40

Mr. Dang: Thank you, Mr. Chair, and thank you, Mr. Terrazzano, for your comments. I guess I'd like to dig into some of the details of the bill. I mean, particularly when we look at, for example, section 3, subsection (1), basically it says, "A public service provider of a designated public service must, within a prescribed period, provide to a user of the designated public service a notice of the reportable cost of the . . . service." Right? I mean, obviously,

this has some discretion, and it would only apply to designated public services, but I'm trying to understand, in your opinion maybe, how this should be used.

The clause of this bill seems to be, I guess, the core, fundamental piece of this bill, that some services should be reported to Albertans. I guess that when we look at this, what services do you think are particularly important, or which ones shouldn't be? I recognize that the value of this bill means that there are technical aspects that we need to understand and that there might be burdens – right? – if we apply this too liberally. Could you narrow your thinking around this a bit? I know you've endorsed this bill, but could you narrow what you think is good and what you think might not be so good in this bill?

Mr. Terrazzano: Sure. I have four examples that I can think of right off the top of my head, the first one being postsecondary education. It can come in the form along with the reporting. I mean, when I went to university, you checked your student portal every semester. You'd see how much your tuition costs. But not everyone is able to kind of access this, and as taxpayers we're paying – what? – about \$5 billion into Advanced Education? It should be pretty easy for the department or the University of Calgary, for example, to pick up how much their operating expenses are for that year. They know how many students they have. That's a pretty simple per capita calculation. Honestly, I think that even if we're giving them the benefit of the doubt, it would probably take them three minutes to be able to produce that statistic.

Another one is that along with the report cards – I'm in Calgary, so the schools in the Calgary board of education – it should be pretty simple for them to say: hey, this is the per-person cost of students. Now, I have seen third-party researchers provide this information, but of course their research isn't going to have the same type of reach as when your child comes home with a report card, right? Every single parent will be able to see that. Again, just as with the university example, with the school board it should be pretty simple for them to say: hey, this is what our operating cost is, this is how many students we have, and here is the per-person cost. Again, being generous, it should take about three minutes.

Another fantastic place would be along with your tax assessment for property taxes – right? – with municipal spending. One of the key concerns that I hear from so many Albertans is that they're worried that their councillors and their mayors are not spending their money wisely – right? – the problem with inefficient spending, not focusing on the priorities. Well, when you get your tax assessment, when you get your tax bill, it should be quite simple for the government to also say: here's what we're spending per person this year. I know the government of Alberta has that information because I've looked into it before. But guess what? I mean, we shouldn't be asking Albertans to, say, go to some obscure government website to find this information when it can easily be transferred into a municipal tax assessment card.

Finally, I know it's already been touched on today, but I'll just echo what Mr. Lanigan said in terms of health care reporting. I'll just echo his exact remarks.

Anyway, thank you for your question.

The Chair: Thank you.

A follow-up, please, Mr. Dang.

Mr. Dang: Thank you, Mr. Chair. Thank you, Mr. Terrazzano. I guess the follow-up would be around the flip side of that, right? So we know that you think that there are certain services that would be fairly simple and that the information is readily available for, but are there services that you're concerned about in terms of adding

inefficiency to the system? Are there services you're concerned about in terms of, let's say, a significant number of services becoming designated over time? Let's say that, generously, the government adds five services every year. In 20 or 30 years suddenly they've got a lot of services on this list. Do you trust the government to implement a system that wouldn't have unnecessary bureaucracy? Do you trust the government to implement a system that would allow this to move in without generating undue cost for the taxpayer as well?

Mr. Terrazzano: Well, thank you so much for bringing that up. I'm so glad to hear so much concern for the taxpayer. Of course, I'm always concerned about inefficient bureaucracy, ballooning bureaucracy costs. Of course. Guess who's in charge of making sure that that doesn't happen? All of the members in this room. The opposition is in charge of that. The MLAs are in charge of that: the government MLAs, the backbench MLAs.

Every single government department, every single government service should know exactly how much they're spending every single year. Look, I go to Tim Hortons, I go to Starbucks every morning. I get a receipt with my coffee. So it really shouldn't add this extreme amount of bureaucracy. But guess who's in charge of making sure that that doesn't happen? Every single person in this room.

The Chair: Thank you.

Mr. Getson, we'll go to you next.

Mr. Getson: Sure. Well, thank you, Mr. Terrazzano. You almost had me at hello on this. We're very much aligned: some prior life project controls, all those types of things, and dealing with key performance indicators and ensuring that schedule and budget were met. I, with you, like many taxpayers, don't have a line of sight to some of the services that are provided, but I am going to ask you one thing here, and it may sound counterintuitive. Every time we put in performance indicators or we put something in place, there's also a potential for driving attitudes or behaviours the other way. In the context of us paying \$5,000 per year as a taxpayer, all of a sudden I'm not consuming that value. So how do we ensure that we don't inadvertently drive behaviours for someone to make visits to the hospital to chew up the dollars and cents they put into that pot, as an example? Any recommendations or line of sight there?

Mr. Terrazzano: Yeah. Well, that's a good question. I can tell you, I mean, just from my own experiences going to hospitals and things like that, I'm not going to go out of my way to go spend a few hours in the emergency room. But I do understand your concern there. Where I kind of see this and where I see the potential of this being such a key instrument for government accountability is all on comparisons across time and across jurisdictions.

One of the things for Calgary taxpayers, for example, is that they're always kind of wondering: "Well, how do we compare with other cities, right? How do we compare with the city of Edmonton?" So this could be a great accountability tool. Let's say you get your property tax bill, and you say: well, I'm here in Calgary. Let's just say, for example, we're spending \$5,000 per person every year. I'm just picking a number. Then you have your friend, your mom, your dad in Edmonton, who gets that same property, and it says: well, we're spending \$4,000 here in Edmonton. Well, now as a Calgary taxpayer I'm going to have some serious questions for my mayor and my council.

Another way that I see this really helping government accountability – and again, I hear your concerns, and I think some thought needs to go into that, but it's over time. If every single year I get my tax assessment and in 2021 it says the city of Calgary is

spending \$5,000 per person; 2022, \$5,500 per person; 2023, \$6,000 per person and my services are the same or have gone down, well, I'm going to have some serious questions for councillors and mayors again.

The Chair: All right. A follow-up, Mr. Getson? Go ahead, please.

Mr. Getson: The other one, too, that I really liked your comments on is utilizing existing cost reporting control systems, maybe running something like a Crystal report, just to show how old I am, or you actually use third-party software to mine some of this data. But again, in that context, the low-hanging fruit, where does the Taxpayers Federation see the top outlier here? Where can we start implementing something like this to drive those behaviours?

Mr. Terrazzano: Well, that's a great question. Education, absolutely, because they already should have these numbers. Every single school or school board should know how many students they have. They know how much they're spending operationally every single year. That's a three-minute find, right? Maybe three and a half minutes to add that on every single report card.

Postsecondary institutions. Again, both education, postsecondary make up a big chunk of the budget, so in terms of cost but also in terms of ease, right? Same with university. The University of Calgary knows how much they're spending each year. They should know how many students are there. I'm sure I could do a quick Google search.

The next one would be municipalities. Another reason is that municipalities make up a large portion of government spending, as we all know, but also that data is available. It's not like every person when they're running from taking their kids to school in the morning to work to picking their kids up to going to hockey practice – it's not like they have time to dive into financial reports from the city of Calgary, but they should get that from their tax assessment.

The last one that I would say is health care. Just going to say exactly what Mr. Lanigan said in terms of that, but you have to do health care because it is the big line item in the government budget.

The Chair: Thank you.

Mr. Nielsen, go ahead, please.

Mr. Nielsen: Thank you, Mr. Chair. Just a quick question. Maybe it's a bit of a follow-up from what Mr. Dang was talking about. I'm certainly not presupposing anything with regard to the committee or even the House. Should this committee send it back to the House to proceed, the Legislature decides to pass the bill, but then, of course, the government doesn't designate any public services to be looked at, what concerns do you have with that?

Mr. Terrazzano: In terms of cost, to follow up on Mr. Dang?

Mr. Nielsen: No. If government chooses – should, you know, the bill proceed and pass through the House, but it basically sits, never receives royal assent, or it's not implemented, what concerns do you have should that not be implemented yet it gets passed?

10:50

Mr. Terrazzano: I mean, I would be as concerned with any piece of legislation, I would assume. Now, this one isn't a government commitment, so there's less of a concern in terms of holding the party accountable or the government accountable. But where my concern would be is that this is a very good chance to increase transparency and increase government accountability, so my concern if it doesn't actually get into place is: well, why are we not taking this chance to improve transparency and accountability

when, I think, every single member of the Legislature agrees with those two principles?

The Chair: Thank you. Mr. Nielsen does not have a follow-up.

We'll now go back to the government members. Are there any government members that wish to ask a question?

Hearing and seeing none, we'll go back to the Official Opposition.

Hearing and seeing none. Okay.

Mr. Terrazzano, thank you so much, sir, for being here with us today. I really appreciate your presentation and answering questions from committee members. Thank you again, sir.

I'd like to thank all the guests who joined us here on behalf of Bill 209 today.

With that, ladies and gentlemen and committee members, we're now going to move to deliberations and recommendations on Bill 209, the Cost of Public Services Transparency Act. At this time the committee must consider its observations, opinions, or recommendations with respect to Bill 209, including whether or not the bill should proceed. The committee now has up to 60 minutes to deliberate on the bill; however, this meeting is scheduled to end at noon. If the committee is unable to finish its deliberations by then, the committee may continue at a subsequent meeting; although with the consensus of the committee, we could continue past noon if necessary.

I'll open up the floor to discussions on the committee's recommendations. I see Mr. Sigurdson has indicated that he wants to speak first. Go ahead, sir.

Mr. Sigurdson: Yes. Thank you, Chair. Considering what I've heard from the stakeholders and in review of this bill, I think this really speaks to a lot of the transparency. I know that I hear from constituents every day in wanting to bring government more accountable to their spending. With that, I think it's been pointed out a few times that much of this information already exists; it's just the delivery method in which we get it into the hands of everyday citizens within Alberta, and I think there's a reasonable manner to do so. Having said that, I would like to put a motion to the committee that we recommend that Bill 209 proceed.

The Chair: Okay. I certainly don't want to put words in your mouth, like I did with Mr. Nielsen here, but would you be saying, Mr. Sigurdson, that

the Standing Committee on Private Bills and Private Members' Public Bills recommend that Bill 209, the Cost of Public Services Transparency Act, proceed.

Does that sound about right?

Mr. Sigurdson: MLA Ellis, you are so good at taking the words out of my mouth. Thank you.

The Chair: Oh, thank you. It's just a talent I have. Thank you, sir, for that motion on the floor.

Okay. With that, I'll still open the floor up to further discussion. Mr. Dang, go ahead, please, sir.

Mr. Dang: Thank you, Mr. Chair. I mean, I think I see some concerns that I along with some of my colleagues have raised previously about this bill. I think, certainly, that when we talk about the intentions of this bill and what we think can be achieved with this bill, we see a lot of this work already being done and possibly creating redundancies with work such as the Auditor General or information that can be acquired through freedom of information requests, so FOIP requests. I think we're talking about a bill that has the potential at least to create significant inefficiencies, create

significant red tape, and be overly burdensome in some cases for departments. And it could end up costing more money than it would save for Albertans.

That being said, I do believe that in our legislative process we have the right for private members to bring those forward, and allowing this bill to come to the Legislature and have that fulsome debate would mean that we could hear from the Minister of Finance, would mean we could hear from the Minister of Health, would mean we could hear from the ministers of education and advanced education, and they would have the opportunity to comment on how this bill would affect their particular ministries and affect how they deliver services.

So, Mr. Chair, while I could see myself and perhaps other members voting against this bill in the future, and certainly ministers need to have the opportunity to review what the content of this bill is before we could move forward at that point, I think that every private member should have the opportunity to have their bill debated in front of the Legislature. They should have the opportunity to have their bill and the contents of it looked at by every single MLA.

With that, I close my comments, and I'm looking forward to hearing what others say.

The Chair: Thank you very much, sir.

I'll ask anybody on the government members' side if you want to say something; otherwise, I will go to the Official Opposition. Hearing none, okay.

Mr. Getson: Chair, MLA Getson here.

The Chair: Mr. Getson, go ahead, please, sir.

Mr. Getson: Sorry; I wasn't quick enough with my hand on the darn Teams meeting here.

Again, I think we've heard, you know, the context from a lot of the speakers here, the guests again today, and MLA Stephan himself. I believe that this bill is of warrant. I believe that the current systems that we have – Treasury Board and Finance have attested to it, that they are capable of this. I believe that some of the concerns of the opposition have been quelled, quite frankly, that what they were proposing was a level of detail of, you know, as an example, a nurse having to fill out additional paperwork. That's not the intent of this, nor would it make sense to do that. Some of the red tape items that they had talked about, I think they've been argued against as well.

Again, from my prior life potentially I bring a different line of sight to this. What I'm looking at is taking the low-hanging fruit, as the last speaker just mentioned, some key areas where the data is available. I think this would offer and afford Albertans a very good line of sight and start driving some attitudes and behaviours towards some of our spending and also start trending some of the spend lines down for higher efficiencies and service.

So I'm very much supportive of this bill. Thank you.

The Chair: Thank you, Mr. Getson.

Mr. Nielsen, go ahead.

Mr. Nielsen: Thanks, Mr. Chair. Unfortunately, I still have my concerns around some of the implications. From my former life, the experience that I've seen, where we are talking about individuals having extra duties like reporting being put onto them, I've seen it where because those weren't able to be performed in the allotted time or whatever, it did result in discipline. So when we're talking

about the public sector, there's a potential for grievances to be filed, which then of course adds extra costs on running arbitrations and things like that.

That still remains with regard to that. Certainly, I have my concerns about potential red tape as the critic. I don't see any initial flaws in how the bill is structured. So I don't see any concerns at least for it going forward for debate so that other MLAs get a chance to comment on this. I'm sure I'll have more comments should it reach the House. I guess for the time being I would encourage others to send it back to the House.

The Chair: Okay. Thank you, sir.

I'll go back to the government members. Any further comments?

Hearing none. Okay. Back to the Official Opposition: shaking of heads. Okay. Thank you very much.

With the question that is on the floor, Mr. Sigurdson will move that

the Standing Committee on Private Bills and Private Members' Public Bills recommend that Bill 209, Cost of Public Services Transparency Act, proceed.

All those in favour, say aye. On the phone? Okay. Thank you. Opposed, in the room? On the phone, anyone opposed? Hearing none. Okay.

That motion has been carried.

Thank you.

We will now go to research services. We still need to direct research services to prepare a draft report, including the committee's recommendations. Would a member wish to move the motion to direct research services to prepare the committee's draft report?

Mr. Sigurdson: So moved, Chair.

The Chair: Mr. Sigurdson, thank you, sir. Mr. Sigurdson moves that

the Standing Committee on Private Bills and Private Members' Public Bills (a) direct research services to prepare a draft report on the committee's review of Bill 209, Cost of Public Services Transparency Act, which includes the committee's recommendations, and (b) authorize the chair to approve the committee's final report to the Assembly by noon on Wednesday, March 10, 2021.

Any questions? Hearing and seeing none, all those in favour, say aye. On the phone? Thank you very much. Any opposed, say no. On the phone? Thank you very much.

That motion is carried.

We'll next go to other business. Are there any other issues for discussion before we wrap up today's meeting? I see people packing up, so I'll take that as a no.

The date of next meeting: we will be deliberating on Bill 212. I've spoken with the clerk, and we'll send out a couple of options for everybody. That will be eventually at the call of the chair.

I'll ask for a motion to adjourn, then.

Mr. Nielsen: So moved.

The Chair: All right. Thank you, Mr. Nielsen. Moved by Mr. Nielsen that we adjourn. All those in favour, say aye. Any opposed? Hearing none, thank you very much, everybody.

I hope everyone has a great day. Thank you for your time.

[The committee adjourned at 11 a.m.]

