



Province of Alberta

The 29th Legislature
Fourth Session

Alberta Hansard

Tuesday morning, November 27, 2018

Day 54

The Honourable Robert E. Wanner, Speaker

Legislative Assembly of Alberta

The 29th Legislature

Fourth Session

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Legislative Assembly of Alberta

10 a.m.

Tuesday, November 27, 2018

[The Deputy Speaker in the chair]

Prayers

The Deputy Speaker: Good morning.

Let us reflect. This evening the Legislature will be hosting those of the Islamic faith for an Eid ceremony. The Jewish community will begin the start of Hanukkah on Sunday, and next week the Legislature will officially light the Christmas tree to begin the celebration of Christmas. As we begin to celebrate the holiday season, let us be reminded of the one thing that we all have in common, the desire to make our province a better place for future generations. Let us reflect on how we can achieve that goal both individually and by working together.

Please be seated.

Orders of the Day

Government Bills and Orders

Second Reading

Bill 27

Joint Governance of Public Sector Pension Plans Act

The Deputy Speaker: The hon. Member for Fort Saskatchewan-Vegreville on behalf of the President of Treasury Board and Finance.

Ms Littlewood: Thank you very much, Madam Speaker. It is my absolute privilege to join you here today in our Legislature to move second reading of Bill 27. We are just coming out of Public Accounts, so I will get my breath and I can get ready here.

Thank you so much. It's my privilege as the MLA for Fort Saskatchewan-Vegreville, who has the pleasure and honour to represent many public service employees, including registered nurses, firefighters, corrections officers, fish and wildlife officers, and many more, too many to count, to talk about the importance of making sure that public-sector pensions are in the hands of those that contribute to them, those that they belong to, to ensure that they can take care of themselves and their families when they retire.

The purpose of the proposed Joint Governance of Public Sector Pension Plans Act is, of course, to implement a joint governance structure for three of Alberta's major public-sector pension plans – the local authorities pension plan, the public service pension plan, and the special forces pension plan – and register them as jointly sponsored plans under the Employment Pensions Plan Act.

Madam Speaker, for years employees and employers have advocated for a change in the governance of public-sector pension plans to a new structure that gives employers and employees equal say in how the pension plans they pay into are managed and administered. Our government has listened and we have worked with stakeholders to develop the structure and transition plan spelled out in draft legislation.

For almost three decades successive governments have been making promises to move on these practical reforms, and now we are proud to say that our government is making good on these promises. This proposed legislation lays the track to transition these plans to joint governance by March 1 and to embrace a new spirit of fairness and co-operation as we work to ensure our public-sector pension plans are well run and sustainable now and in the future. Our government believes that hard-working Albertans who have

been saving up and paying into their pensions for decades should be able to retire in dignity.

Madam Speaker, each year members contribute thousands of dollars of their own money to these plans, and their employers do the same. These members include police officers, nurses, who I mentioned, other health care workers, municipal employees, education sector workers, and public servants who deliver and maintain a wide range of programs, services, and infrastructure that makes life better for Albertans.

Given the plans are funded by participating employees and employers and the assets held in the plan belong to the members, it follows that employees and employers should be able to make decisions that will impact these plans. Going forward, these plans will be governed fairly by employers and employees by giving equal voice to employees and employers, who are taking the politics out of pensions. There is no change to plan benefits or how the plans are funded and no cost to government as a result of the change. In recent decades joint governance of public-sector pension plans has been implemented in many Canadian provinces, including Ontario, British Columbia, Nova Scotia, New Brunswick, and Newfoundland.

To understand the nature of the changes being proposed, it might be helpful to members of this Assembly if I took a few minutes to compare current and future governance structures. Upon implementation plan members will not see any change in their pension benefits or how their plans are funded, but behind the scenes there will be significant changes to plan governance. Currently these plans are subject to the Public Sector Pension Plans Act, with plan rules written into legislation and regulation. The minister currently fulfills the role of trustee and administrator for these plans. That role, coupled with the plan rules being contained in regulation, provides the government with considerable decision-making authority over these plans. Of course, something that I heard concern about ever since the election was on what would be our plans to make sure that those pensions are protected, because they had been used as political footballs in previous years.

The proposed legislation would remove the President of Treasury Board and the Minister of Finance as trustee and administrator of these plans in transferring these roles where they belong, to employees and employers in the form of joint governance. This is a common structure for public-sector pension plans in other Canadian jurisdictions, including British Columbia and Ontario, and the so-called pension deal becomes a joint undertaking of a plan's employee and employer sponsors.

Of course, as I mentioned earlier, these three plans will be registered under the Employment Pension Plans Act, under which the plans will be subject to the minimum standards, applicable generally to most pension plans in Alberta. They will be also overseen by the superintendent of pensions.

I would now like to draw your attention to some important aspects of the new governance structure as articulated in the proposed legislation. Madam Speaker, under the proposed legislation sponsor functions and trustee functions will be separated. Sponsor functions include determining pension plan design and benefits whereas trustee functions include the legal responsibility to safeguard pension plan assets and to act solely in the interests of the participants and beneficiaries of the plan.

Each plan will have its own sponsor board and will determine plan design and benefits. Seats on the sponsor board will be evenly distributed between employers and employee groups. The initial distribution is to be set out in legislation, but in the future sponsor boards will be able to make changes to board composition.

Sponsor boards will have a representative role, with each board member representing the views of the organization that nominated

them, and will be responsible for setting the pension deal. Sponsor boards will have specific responsibilities and authorities, including setting contribution rates and benefits, making plan design rules, and establishing pertinent policy such as those related to funding, conduct, and conflicts of interest. Each plan will also have its own corporation and corporate board that will carry out trustee and administrator duties. The sponsor organizations that make appointments to their sponsor board will also make an equal number of appointments to the corporate board for their plan. As trustee the corporations will be responsible for managing the plan funding, including investments and making payments out of the fund to cover costs.

As administrator the corporations will be responsible for carrying out all of the administrative duties set out in the Employment Pension Plans Act and all other actions required for proper administration of the plan as prescribed by the legislation. The corporations' duties and responsibilities include investing plan assets, hiring external service providers, arranging for actuarial evaluations, and ensuring the plan complies with all applicable legislation and regulations.

On the transition date, March 1, several things will happen. All plan assets will be transferred from the minister as trustee to the corporation as trustee. The corporation will become the administrator of the plan. The Crown will cease to have responsibilities, functions, duties, obligations, or liabilities in relation to the administration of these plans other than as a participating employer in the public service pension plan and as per the agreement made by the previous government, a contributor to the special forces pension plan pre-1992 of liabilities. Also on the transition date – and this is a subtle but important point – the plan members will continue as members in the plan, and plan employers will continue as participating employers in the plan. The plans will continue to be overseen but through registration under the Employment Pension Plans Act and by the superintendent of pensions.

10:10

A few other important details that should be pointed out include the fact that these pension plans will continue to use the services of the Alberta Investment Management Corporation for investment management and the Alberta Pensions Services Corporation for pension administration services for a period of at least five years, after which corporations renew their agreements to consider alternatives. Agreements currently in place for part-time employee participation in these plans will remain in effect for three years before any changes, if any, can be made by plan sponsors. In the event of a merger or other employer succession event where the employees are absorbed by a new employer, the proposed legislation ensures employees can remain in their pension plan. No participating employer can withdraw from the plan for five years unless otherwise agreed to by the sponsor board.

All plan expenses will be paid out by the corporation from the respective plan fund, including expenses related to the transition. There will be no cost to government, and the pension plans will be able to absorb the cost. Plans will be required to disclose plan information specified in the act on a public website to better ensure accessibility and transparency.

Madam Speaker, going forward, sponsor boards will have the authority to make changes to the plain text, including contribution rates and benefits, provided the board with 50-50 representation from employees and employers can come to an agreement. As with most other pension plans in this province these plans will be regulated by the superintendent of pensions under the Employment Pension Plans Act.

As you might expect, some changes will have to be made to other statutes to ensure consistency such as schedule 4, which consists of various consequential amendments to other statutes, including the Conflicts of Interest Act, Employment Pension Plans Act, Financial Administration Act, Interpretation Act, Public Sector Pension Plans Act, and the Reform of Agencies, Boards and Commissions Compensation Act. Assuming the bill is passed, work to transition to joint governance will get under way as soon as the bill receives royal assent.

To sum up, Madam Speaker, this is an important piece of legislation that will provide balance to the governance of those pension plans. The benefits of joint governance are numerous, including clear roles and responsibilities, shared responsibility for plan design, shared responsibility for financial health of the plan, shared trusteeship of plan assets, equal representation of employer-employee groups, flexibility to choose service providers, and protections for plan members affected by a restructuring. We believe that employees and employers jointly should make these decisions about their plans and be equally responsible for the financial health of their pension plans. In our view, a worker's pension plan should not be subject to periodic shifts in the political winds, and it should be well run, well funded, and stable. Joint governance is a good idea, one that is used across the country and one that is long overdue.

I would ask all members of this Assembly to support this bill, and I look forward to the debate. Thank you, Madam Speaker.

The Deputy Speaker: The hon. Member for Cypress-Medicine Hat.

Mr. Barnes: Thank you, Madam Speaker. It, too, gives me great pleasure to rise and speak to Bill 27, Joint Governance of Public Sector Pension Plans Act. Every member of this Assembly works also for the taxpayers of Alberta, and more than 350,000 of those taxpayers are members of Alberta's public sector. I think it's fair to say that these public-sector workers hold a special place in the thoughts of those of us who are privileged to be elected in this province. One of the reasons they are so special is that each one of us is aware that when we discuss services and programs for Albertans, it is our public servants whom we envision carrying out that hard and capable work: nurses, Crown prosecutors, forestry technicians, and caretakers in this very building that take such great care of us. I could go on and on. Whenever I mention one public servant, I'm absolutely sure that my colleagues here will naturally think of another. That is how important they are to our daily lives and how important they are to this being a well-functioning province. I think that is something we can agree on, a rare occurrence in this House, so naturally we all take great interest in Bill 27.

When we look up advantages of working for the Alberta public service on the government website, it lists many advantages of working for the people of Alberta. One of the many benefits it mentions is that the government of Alberta offers a comprehensive benefit package. Madam Speaker, that comprehensive benefit package includes a pension plan.

Now, Madam Speaker, we know that Alberta is experiencing troubled fiscal times. Because of this NDP government our debt load is climbing at a rate that must alarm even members on that side of the floor, over \$3 billion added to our debt just in October, over \$15 billion total. We have known since this NDP's first budget that debt for Alberta taxpayers was going to reach shocking limits, but recently we've also seen the discount on our excellent oil production climb to alarming heights. Many Albertans can't help

but feel that they're teetering on a cliff edge, and they need to know where that firm cushion is.

Madam Speaker, public-sector workers are fortunate because the vast majority of them are covered by a registered pension plan, and the fiscal surety their pensions offer them is crucial to their futures. These pensions, of course, are what we are here to discuss today. Bill 27 is proposing a shift in the way public-sector pensions have been governed in Alberta, an intriguing proposal, one that as Finance critic for the United Conservative Party I have reviewed closely, paid attention to my colleague's opening remarks, and will continue to do so.

However, Madam Speaker, I am curious why the government is bringing forward the concept of joint employee-employer trusteeship for three of Alberta's largest public-sector pensions at this stage, at this time. This NDP government had three and a half years to do so, and now it appears that they're rushing the framework. I invite the Finance minister to advise me otherwise, but I understand that a framework for moving to this new governance system was unveiled this summer, and now, just months later, it's coming forward into law on the floor of the Legislature. It makes me wonder how extensive consultations were with employee organizations, employers, and all members of the public.

Madam Speaker, the local authorities pension plan alone involves 420 employers as it includes municipal governments from villages to large cities as well as school boards and, of course, Alberta Health Services, our biggest public organization. Employees range from all kinds of municipal staff, firefighters, transit drivers, and health care workers throughout the province and many more capable, hard-working employees and school board support and administrative staff, a broad range indeed. Yet by the speed of this legislation we are led to believe they all quickly agreed – quickly agreed – to one common framework. Perhaps. Perhaps they did, but this government is planning on implementing the transition to joint governance quickly as well.

10:20

Madam Speaker, I note that the transition is anticipated for March 1. As joint governance of pension plans is a new concept for Alberta, I am surprised that this government didn't start this work long before. It's waited so long now that it has to make this shift swiftly because there is a certain deadline coming up. We sincerely hope, should this bill pass, that this transition is completed in as seamless a way as possible. We are talking about a lot of money coming under the governance of these boards and the future of so many Albertans. How much money? Sixty billion dollars. Sixty billion dollars.

That's why as United Conservative Party Finance critic I am raising these concerns. There is no room for error when we're talking about vast investments and the future of our hard-working employees and our taxpayers. Of course, we're also talking about people's futures and investments made by employers, including the taxpayers of Alberta. Madam Speaker, so far I have just mentioned the local authorities pension plan, the largest of three covered by the act, but I certainly do not mean to give short shrift to the thousands of government employees and nonacademic staff covered under the public service pension plan or, for that matter, police officers across the province who participate in the special forces pension plan.

Madam Speaker, since I have noted the \$60 billion worth of employee-employer funds invested in these three plans, I do have a question for the Minister of Finance. It is clear that Bill 27 transfers all authority – all authority – for these plans to the new sponsorship and corporate boards, and currently that decision-making authority and responsibility for the pensions falls to the minister, the Minister

of Treasury Board and Finance. Perhaps the Minister of Finance can clarify if the new corporation becomes responsible for the full pension liability under Bill 27.

The statement on the government website outlining the proposed governance board seems to indicate that it does transfer all liability today and in the future to the boards. Let me quote.

Employer and employee sponsors would also share responsibility for the risks associated with funding defined benefit plans, including the risk of investment losses that may require changes to contributions and/or benefits.

Madam Speaker, I would greatly appreciate it if the minister could clarify this important point. Thank you and thanks to him.

Returning to the many substantive changes proposed to Bill 27, I do note that joint governance, otherwise known as the trustee model, is deemed as the best practice in the industry. Some other provinces have already taken this route, and it is my hope that in crafting a framework that is unique to Alberta, the Minister of Finance has directed his ministry to work with other provinces to ensure that we learn from all of their experiences. Again, my concern is for the time, as mentioned earlier.

Any new framework results in evolution, and my hope is that we have learned as others have evolved and subsequently incorporated their lessons in Alberta's framework. As I have already mentioned, the NDP has waited to near the end of its mandate before making this legislative change and appears now to be doing it in a rapid hurry. Hopefully, it has not overlooked the changes other provinces have already made to the original models.

Madam Speaker, that brings me to another important point, and this is the expected expertise of representatives appointed to both the sponsorship and corporate boards that my colleague spoke of and the legislation outlines. Albertans will want to ensure that the 52 members appointed to these six boards meet a high threshold of knowledge, expertise, and care. Perhaps the minister can address the standards and oversight that will take place with regard to the appointees for each of these boards.

Madam Speaker, I note that Alberta's model separates each plan into sponsorship and corporate boards, each of which perform different but equally important functions. As such, the representatives will have to have specific knowledge for the different boards. This will be especially challenging in the early years when there will not be an opportunity for successorship or learning on the job, as occurs with many governance boards. It is important that all pieces of legislation, and I quote, get it right from the outset. It's especially important with Bill 27 because the stewardship will be transferred to the boards. We'll see them manage \$60 billion worth of pension funds, hard-working Albertans' monies, hard-working employees' and taxpayers' money, and for that the boards must meet the highest standard right from the very beginning.

That is why the United Conservative Party wants assurance that all partners have had ample time to provide their input into this model of trustee governance. These boards are to become custodians of billions of dollars' worth of funds contributed by workers, employers, and taxpayers. Madam Speaker, the new governance boards will perform a sacred trust, and UCP plans to monitor the process every step of the way because that is the right thing to do for all Albertans.

Thank you, Madam Speaker.

The Deputy Speaker: Any other members wishing to speak? The hon. Member for Lac La Biche-St. Paul-Two Hills.

Mr. Hanson: Thank you very much, Madam Speaker. It is my pleasure to rise today to speak to Bill 27, Joint Governance of

Public Sector Pension Plans Act. The work that our public sector workers carry out is unparalleled in importance for everyone in our province. There isn't anybody that doesn't deal with a public servant at some point just about every day of their lives. From teachers to police officers to Crown prosecutors to paramedics, every single public servant does a duty to keep Albertans' lives running smoothly. We are grateful for the work that they do. As legislators it is our duty to serve the people of Alberta and of those the over 350,000 that work in the public sector. It is reasonable to say that everyone in this province, regardless of if they work in the public or private sector, has benefited from the good work done by Alberta's public servants.

It is unfortunate to know that the burden of the NDP's climbing, overwhelming debt is on the back of every working Albertan, present and future. Due to this government mismanagement of finances, every working Albertan is saddled with the debt load and the surrounding challenges that the NDP is granting on to them. We often talk about the \$50 billion in debt and the \$3 billion per year that will be going into just servicing debt in the form of interest payments to big banks.

With the level of debt that the NDP has sunk Albertans to, most are worried about what the future looks like for their children and for themselves. Many in the private sector are wondering whether next week's paycheck will be their last. As public servants look ahead, considering their future years, they picture their retirement and the pensions that await them, and they should be very concerned about any major changes that may affect the reliability or dependability of those investments.

Nowadays retirees are still moving as fast as they did in preretirement. They don't slow down. Therefore, pension administrators must take into consideration the long-term needs of our seniors. Pension portfolios must work for those that will be needing them down the road. That means that they need to be stable and reliable and held in trust. Albertans have faith in those that are administering their pensions on their behalf. Conversely, the administrators must have stable conditions to work with.

Therefore, we must ensure that the new governance boards that are charged with public pensions have the tools in place to act reliably and to act in the best interest of the Alberta workers and employers. With the importance of this move and what is at stake here for Albertans, I ask myself why the NDP is rushing this critical framework. This needs to be done correctly, and there is no room for error when dealing with the future of Albertans who are dedicating their lives to serving the province. There is no do-over and no backup plan when it comes to assuring public pensions to workers. Every aspect must be given proper consideration, and there cannot be any oversights.

10:30

This government has had the last three and a half years to take action and take steps towards putting together a framework to provide assurance to Alberta's public workers. However, they only released the discussion paper, as was mentioned by my colleague, this summer outlining the model that they were proposing, which affects hundreds of thousands of Albertans. How can we trust that something that seems so rushed will function without fault for something so crucial to Albertans? They waited until the end of their mandate to make such a significant and vital move, which makes me very nervous and should make public-sector pension workers nervous as well.

Bill 27 puts into action the most significant changes to the public-sector pension since 1992, and after all this time there is such a vast amount that must be considered. I have a hard time understanding how they could get all that needs to be done done so quickly while

still being thorough and prudent. We've seen what happens when this NDP government rushes to make changes such as in the electricity sector.

As the opposition it is our duty to hold the government to account on behalf of all hard-working Albertans, so as the opposition we would like to review and ensure that the government is making changes accountably that will work to benefit all Albertans. We must ensure that those who are being affected by this change have been consulted and that their voices have been heard. We need assurance that this bill reflects the best interests of workers and employers and that there are no boondoggles that happen with this move as it is one that is so critical. With the scale of people that are affected by this piece of legislation, there is no room for error, and there must be enough time provided for pension members to have input into it and have their voices heard.

With other provinces having experienced this transition to a joint governance model, we must look at those jurisdictions to ensure that we are learning from those experiences and having as secure and stable a transition as possible. We must also look at the framework and compare it with jurisdictions that have carried it out successfully.

It is so important that the membership of the new sponsorship boards and corporate boards are experienced and principled. They have such an important mandate. The UCP would like assurance that those sitting on these boards will be experts, professionals, and that they will be stewards for the hard-earned pensions of the hundreds of thousands of hard-working public servants. As my colleague mentioned, \$60 billion in value is a huge amount of money. But if you're not properly invested, it can take a downward turn at any time.

That raises questions. We're currently being overseen by AIMCo, and the ability to move that away from AIMCo after five years – I would hope that consideration is given to the success of AIMCo in the past before moving those pensions to another management firm for some reason other than, you know, thinking that they're going to get better results.

We have seen in the past here in Alberta where bad decisions have been made that have affected pensions. I recall – I believe it was back in the '80s – where one group decided to invest in golf courses and lost millions and millions of dollars for their union. So that would be my caution, just to make sure that the people that are sitting on these boards have the best interests of the employees and the employers in mind.

I would encourage all my colleagues to support the bill with the concession that we do a thorough check and make sure that the transition is being done properly. Thank you very much, Madam Speaker.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Seeing none, any others wishing to speak to the bill? Calgary-Fish Creek.

Mr. Gotfried: Thank you, Madam Speaker. Thank you for the opportunity to speak to Bill 27, the Joint Governance of Public Sector Pension Plans Act. It's very clear that this is an important bill as it does impact, as we've heard, over 350,000 public-sector employees in this province, who are active, deferred, or may even be retired. Some of those may be recently retired, looking for long and fruitful retirements. We're blessed in this province that we have a long life, a long opportunity. Of course, the stability of those pensions, going forward, for many is extremely important and concerning, I think, to many as well.

Madam Speaker, \$60 billion in assets managed currently through AIMCo is a big thing – that was at December 31, 2017 – \$60 billion of hard-earned and hard-contributed money to ensure a comfortable and safe retirement. Of course, it covers the defined benefit pensions of three significant categories of workers across this province who, as mentioned by some of my esteemed colleagues before, are the people that we work with every day in this building, across the government, throughout the Legislature, and in those organizations and sectors that are covered by the plan throughout the province, our neighbours, our friends, our relatives, and so many others that are very dedicated and hard-working employees of various levels of government.

Madam Speaker, it's important, I think, that we recognize that these amendments to the governance of the pension plan are important and need to be well thought through and that the consultation with the various individuals and organizations and experts in this field are extremely important, and it does concern me that we seem to be in a little bit of a rush on this bill. Although we're supportive of the move in change of governance in this, we do want to ensure that there is transparency across the stakeholders in this as we would like to ensure that they are not only aware of what those changes are but what the impact of those changes might be going forward. Again, new employees in the government sector may not be accessing the benefits of this program in some cases for 25 or 30 years, and there are people that are still working who will look to those as a safe and stable retirement income for them in the future.

You know, Madam Speaker, this joint governance is important to us. We've talked about the fact that there is a longer life expectancy for many Albertans, gratefully so, those we used to talk about as seniors. I've been reminded very often by the seniors in my community that they are now active agers because they are extremely active. They're active still in business, many of them. Many of them become entrepreneurs later in life. Many of them are key volunteers in our community organizations, both at the grassroots level but also even at the board and governance levels. Many of them are great fundraisers. They are the people that knock on our doors sometimes raising funds for great causes, charities, and nonprofits throughout our city. We obviously see many of them being forced to seek employment later in life to ensure that they have that balance and stability in their incomes as they face ever-increasing costs across this province, and that concerns me as well.

We've talked in this House on numerous occasions about the carbon tax and about the minimum wage and about many other factors that are impacting, with primarily the greatest impact, those people on fixed incomes, the seniors in our province not only on public pensions but on their own life savings. We talk about people that are on different income programs and support programs from the province and our seniors at large who are also facing the challenges of those ever-increasing costs, whether they be living in their own homes, trying to access home care, or whether they be living in a different residential environment where those costs and services are increasing as well. The management of this pension fund is, again, something that we need to very much keep close tabs on, and the governance and the management of that governance model will determine much of that management going forward.

We hear and we've heard that AIMCo does a great job, that the returns of that organization for our public-sector employees have been a top performer, quite frankly. Sometimes I look at my own portfolios and look at AIMCo and think that there's a performance there which is really second to none in the investment community. The good news, I think, in this governance model and in having some latitude is to evaluate and to compare and to ensure that

there's competition between AIMCo and other choices that these organizations have and will have in the future if they feel that their funds can be managed better elsewhere. I'd like to think that AIMCo will continue as a top performer in management of pension funds and other funds that are in various ways attached to the public sector in Alberta. I think that those are important things.

10:40

Joint governance, as we've seen, has been deemed a best practice in other jurisdictions, but best practices need to be measured, not just today and tomorrow but as to their impact in the future. I hope that the government has taken that diligence to talk to those administrators, those governance bodies, those board members in other provinces and ask the various parties that are being brought forward in this legislation what their experience is as well in terms of that best practice governance model. Is it working? Can it be improved? What is the track record, and what is the performance? Quite frankly, what is the feedback of those members and those pensioners that they serve going forward, Madam Speaker?

Again, we have seen that it's 350,000 employees, and, you know, we've had three and a half years, I guess, to ponder this possible change and to see if this is the right thing for Albertans. Again, I'm hoping that the diligence and consultation have been done at every level, not just with the leaders of these organizations but with those employees in the field, as it were, or those past employees who are now pensioners, on what their feelings are.

We've talked about the performance of some of the pension plans in the past and the current status of them as well, Madam Speaker, and we see that there are some that are fully funded. We've got the LAPP, with \$43 billion, 104 per cent funded today; the PSPP, with \$14 billion, 94 per cent funded; and the SFPP, with \$3 billion, 89 per cent funded. But we have to remind ourselves that these are snapshots. These are snapshots of the performance today, and as we all know, there are business and economic cycles, and I guess we're lucky in many respects. The meltdown, the economic world financial crisis of 2008-2009: I'm sure that if we looked back at that time, we would see that these portfolios were probably significantly more challenged than these percentages indicate today. We have to remind ourselves that these cycles can come again, that the volatility of financial markets and world resource markets, as we are experiencing here in our great province, are not something that can be guaranteed.

I remember when I was in the housing industry looking at the United States. I think the term in the United States was that people were using their houses as credit cards because the value, of course, was going to go up and continue going up forever and ever and ever, so why not spend that forever equity increase that they had counted on? Until those fateful days in 2007-2008, when the entire real estate market and financial markets in the U.S. collapsed, leaving people with no savings, leaving people with little equity, leaving them with negative equity – that's an interesting term – basically, red ink in their principal residences that they had been using as a credit card. Of course, the entire market there came crashing down with subprime lending.

We can see the impact of these very quick and in many cases very unexpected structural changes to the economy although that one maybe should have been anticipated and how those can affect pensions as well. What looks great today, what looks like 94 per cent today, could end up being 64 per cent tomorrow. What's 104 per cent today could be an underfunded liability to those pensioners in the future. We need to keep that in mind in terms of being very prudent, being able and having, I think, a very broad and high-level view of the governance of these pensions, to ensure that they are not underfunded, Madam Speaker, going forward, not underfunded

for the benefit of those employees who have given so generously out of their own savings, their own incomes to achieve that but also for their employers, who also do that.

The employers in this case are the government of Alberta and the people of Alberta, who contribute to ensure that that pension is something that can be counted on and funded in an appropriate manner and not put in jeopardy because of the performance of markets. I guess we all wish we had a crystal ball to look forward because then we would all have these incredible 120 per cent funded retirements. I always say that it's very sad when we look at these retirement opportunities, when the worst thing that could happen to you is that you live too long, when we are driving towards having this incredible medical system in our province and in this world, where people can have long and more fruitful, more active lives.

Madam Speaker, I look at the opportunity here for us to do things right, for us to consult, as we should. It seems that this was a bit of a hurry-up, three and a half years later. This was not in a government platform, but we're seeing it as a best practice. Now we're in a bit of a hurry-up, it seems. I hope that through debate here and through consultation with the stakeholders we can find that there's an opportunity here to ensure that this bill, Bill 27, meets the needs of the pensioners that are part of this, the 351,210 public-sector pension members who will count on this today, tomorrow, and into the future – our friends, our neighbours, our relatives, our constituents – and that we have addressed this in a way which really meets their needs.

Again, I believe it's something we should test going forward, that we make sure that this governance model is such that we are very, very clear that we have done the right thing, that the governance model is working. We should certainly keep a pulse on that through ongoing consultation, again, with all the stakeholders, not just the leaders, not just the investment managers, not just the corporate governance side or the sponsorship board side but also with the employees, to make sure that they're comfortable with the level of funding and possible liabilities that may accrue towards the government and towards taxpayers in the future.

Madam Speaker, I'm happy to support this bill, with some reservations, of course, as we should all have some reservations when we bring bills to this House to make sure that we bring the best possible legislation to the people of Alberta – and I'm quite pleased to be able to see the positive aspects of this – but make sure that we also take the opportunity to recognize that when we're doing things on a best practice basis, that changes often and that we need to consult widely and broadly. We need to ensure that we are meeting the needs not only today but in a changing world, a volatile world where what looks like something that might be certain and something that might actually look great on paper today can change in a heartbeat tomorrow, and we need to have the appropriate governance in place to achieve that.

Thank you for the opportunity to speak to this bill, Madam Speaker, and I thank the previous colleagues for their input as well. Hopefully, we continue with thoughtful discussion on this.

Thank you.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, the hon. Deputy Government House Leader.

Ms Ganley: Thank you very much, Madam Speaker. I would like to seek unanimous consent of the House to do an introduction.

[Unanimous consent granted]

Introduction of Guests

The Deputy Speaker: The hon. Minister of Justice.

Ms Ganley: Thank you very much, Madam Speaker. I'd like to take this moment just to acknowledge some members of the Alberta Law Reform Institute who are here in the gallery today. They're here for second reading of Bill 28. I'd ask them to rise as I call their names: Laura Buckingham, Katherine MacKenzie, and Sandra Petersson, who is the executive director of the Alberta Law Reform Institute. They have created a fantastic report that has led to these changes, that I think will be beneficial to all Albertans. I would ask that the House extend the traditional warm welcome.

Thank you.

The Deputy Speaker: The hon. Member for Sherwood Park.

Ms McKittrick: Thank you, Madam Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly members of the Alberta Caregivers Association. They are Sandy Sereda, who's the executive director; Debbie Cameron-Laniga, who's the program lead; Debra Paches, the caregiver adviser; Tristyn Wilm, the communications co-ordinator; and board member Anthony Abinader. Alberta Caregivers provides support in 140 communities in Alberta. They support the caregivers, and they are such a wonderful organization. Today they are here to make sure that all members of the Assembly know that they're an organization that's worth while to support because they care for every single member in that community. I would like to ask all members to please give them the customary welcome of the Assembly.

10:50

Government Bills and Orders Second Reading

Bill 27

Joint Governance of Public Sector Pension Plans Act (continued)

The Deputy Speaker: Speaking to the bill, the hon. Member for Drumheller-Stettler.

Mr. Strankman: Thank you, Madam Speaker. It's a privilege to stand today in the House and share my thoughts on legislation. It's interesting to see our friends in the gallery who talk about law reform, and we're here to talk about legislative reform. Today we're discussing Bill 27, which deals with the joint governance of public-sector pensions. As I understand, this new framework changes pretty much everything in how the public service pensions are administered here in Alberta. That's an important piece of legislation. I'm in the process of tepidly supporting it, but I wish to speak to some of the parts of the legislation that I think are important.

The way it's laid out now is that the Finance minister is the man in charge of these public service pensions. He is the sole administrator. This important change before us will affect hundreds of thousands of hard-working public servants and their pension plans. These plans include the police and the special forces pension plans, folks like those that work for the provincial government that contribute to the public service pension plan, and those in our local municipalities, school boards, and Alberta Health Services. So this is an important and huge change of direction in the administration or, as we're saying in the legislation, the governance of the pension plan. I'm sure everyone here wants to make sure these changes are done as smoothly as possible, with little interruption to these workers.

Madam Speaker, in my time in the Chamber I've seen that there are and can be intended and, many times, unintended consequences

to legislation. Sometimes these consequences rear their heads long after the legislation is presented and the public becomes fully aware of the exact wording of the legislation.

These new changes now create a joint governance model for Alberta's three largest public-sector pension plans. All decisions about plan contributions, investment directions, and board appointments will be made by employer-employee or union governance boards instead of, as mentioned, being under the Minister of Finance. Bill 27 transfers that authority and all other responsibilities for new sponsorship and corporate boards.

In five years the boards will have the ability to choose an investment manager other than the Alberta Investment Management Corporation, now known as AIMCo. Under the current structure AIMCo is responsible for investing public-sector pensions. After five years the corporate boards will have the ability to choose another investment manager to invest and manage their pension funds. Public-sector pension funds account for more than 60 per cent of AIMCo's current portfolio. Pension funds have \$60 billion in assets with AIMCo as of December 31, 2017, and affect a bit over 350,000 public-sector pension members.

This is a huge change of direction, Madam Speaker. Plans regulated by Bill 27 represent the most significant change to the way these pensions are governed and overseen since 1992. Significant, very significant.

As an aside, despite all the recent talk about this joint governance model it was never an acknowledged piece of the NDP's 2015 platform. A small oversight, but we've seen this before. Because, as we know, it was such a priority to this government, why would they wait until late in their mandate to push this forward? This government has had three and a half years to propose a governance framework for Alberta's public-sector pension plans, but they waited until this past summer to release a discussion paper outlining their proposed model. Perhaps I should not necessarily go down this particular rabbit hole, Madam Speaker, but it is interesting and, I believe, cognitive nonetheless to be advised of or present a perception of the government's presentation of the legislation.

As I talked about earlier, this new model creates a joint governance model. Now, Madam Speaker, this model is deemed to be a best practice, with B.C., Ontario, and Saskatchewan having a similar model although not as layered as Alberta's. The NDP has kind of rushed to put this together, but it looks as though Bill 27 proposes making wholesale changes to the governance structure, and we need some surety that both workers and employers have been fully heard and that their recommendations are reflected in this piece of legislation. After all, it's well and good for the NDP to say that it consulted with the employee and employer organizations. This new-found governance framework is undoubtedly of interest to the 350,000 pension members. We want to ensure that they are fully aware of Bill 27 and have had ample time to provide their input into it.

As we know, this government's record on fulsome consultation prior – and the key word, Madam Speaker, here is “prior” – to legislation is spotty. I remember standing in this House at the conclusion of the legislation known as Bill 6, with the high emotion that was presented outside the Chamber and inside the Chamber.

As with any piece of proposed legislation, especially one that makes such significant changes to an important decision-making and delivery framework for so many Albertans, it is critical to get it right from the beginning so we aren't scrambling to fix a piece of flawed legislation later on simply because it was rushed. That's not what we want to do on this side of the Chamber, Madam Speaker, and it's why I'm sure that that's not what the government wants to have happen either. I'm hoping and I believe that they've learned from experience.

Many other provinces have deemed that joint governance is the best practice in the industry, and it's worth while to explore this framework while making sure to get it right. When we are talking about the sums of money, the gigantic sums of money, involved and the sheer number of hard-working public-sector employees that are affected, it is important that the pensions are stable and that contributions are reasonable for workers and employers alike. We need to ensure that these new governance boards have the framework in place to give the surety and confidence that workers expect of someone tasked with such an important aspect of their later lives.

Retirees aren't old and inactive any longer, and changes to this system and to the way these pension plans are administered need to reflect this new reality. Our health care system, our health care are far better than they were. Medical advances are seeing retirees live longer, more active lives, and by necessity these new realities have to take a long-, in fact longer term view that includes all factors that could affect the pension portfolios held in trust for them.

I really hope that this government isn't rushing this legislation through. Too much is at stake here. Too much money and too many people could be adversely affected if this isn't done right. Since this joint governance is modelled after other provinces' models, I can only hope that they have a solid idea of how to proceed going forward. Did they ask for guidance from these other jurisdictions, Madam Speaker? Did they arrange for someone to go there and study these models first-hand? Perhaps they arranged with other provinces to liaison someone to help them navigate the highways and byways of this new governance style. I'm not sure. No one from that side has said. This is too important and too critical to learn on the job, as it were. With an anticipated transition date of March 1, 2019, boards will have a two-and-a-half-year window to establish themselves, with no time for picking it up on the go.

As I mentioned earlier, under the current system AIMCo is responsible for investing public-sector pensions, and after five years the corporate boards will have the ability to choose another investment manager. Of course, as one would expect, all pensions are to be registered under the Employment Pension Plans Act, which is good, I believe. What does bother me, to be honest, is that I'm not sure what the safeguards are that may be or are in place here. I sincerely hope that the minister shares that with us, because one item of note I saw was that under these Bill 27 changes the Auditor General is prevented from auditing these pension plans. As long as we have assurances that safeguards are in place, then perhaps that isn't an issue, but it does cause me pause.

11:00

Before I took that detour, I was discussing the new structure, the two governance boards responsible for each of these plans. To my understanding, the sponsorship board determines the pension deal, including setting up contribution rates, changes to eligibility, and benefit levels. It also has the mandate to determine director recruitment and remuneration of those directors as well as corporate board appointments.

The corporation, I guess, delivers the pension deal as the administrator and fund manager, including establishing investment policies and choosing the investment managers. They also take responsibility to communicate with members and to liaise with provincial regulators. Again, this is a new, fundamental shift in the way things will be done, and only time, Madam Speaker, will tell if it proves for the better.

We can only hope that due diligence has occurred, that safeguards are in place, and that the money these proud, hard-working Albertan public servants have contributed during their working careers is safe, secure, and remains fluid so that when the

money is needed later in their lives, it's there for them to enjoy as they have responsibly believed that it will be. There is much at stake, Madam Speaker. Lives can be irreparably harmed if we don't get this right. With over 350,000 people and billions in assets on the line, the UCP will be monitoring these changes closely to keep this government accountable and ensure that employers', employees', and taxpayers' money is well taken care of now and in the future.

With that, I wish to say that I tepidly support the bill, Madam Speaker, and I relinquish my time. Thank you.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Seeing none, any other members wishing to speak to the bill?

Seeing none, the hon. Member for Fort Saskatchewan-Vegreville to close debate.

Ms Littlewood: Thank you, Madam Speaker. It is my privilege to move to close debate on Bill 27.

[Motion carried; Bill 27 read a second time]

The Deputy Speaker: Before I call on the hon. Minister of Justice, we've realized that the clock is travelling in double time for some reason this morning. We've already noted it, and we're taking steps to get that fixed.

The hon. Minister of Justice.

Ms Ganley: Thank you very much, Madam Speaker. I'm about to speak very quickly, apparently.

Bill 28

Family Statutes Amendment Act, 2018

Ms Ganley: It's my honour to rise today and move second reading of Bill 28.

Madam Speaker, our government wants to ensure that Alberta's laws respond to the needs of today's families. Bill 28, the Family Statutes Amendment Act, 2018, would modernize family law in our province and better support all Albertans. It will do three things if passed: ensure that unmarried couples have clear rules around property division if their relationship ends, clarify that parents of disabled adult children can seek support under the Family Law Act, and repeal the Married Women's Act.

The proposed legislation would make it easier for unmarried partners to divide their property if their relationship breaks down. We know that more and more Albertans are choosing to live together before getting married or are not getting married at all. Currently there's a lot of confusion in our province about what happens when an unmarried couple breaks up. Many unmarried couples believe that Alberta already has clear laws for fairly dividing property if a relationship breaks down. People believe everything from an equal division of property to parties having no rights at all to each other's property.

A relationship breakup can be one of the most difficult times in a person's life. The current lack of legislation makes the situation even more difficult. It can result in costly and time-consuming legal battles that add stress for partners and for their children. Currently the partner without the property needs to make a constructive trust claim and prove that they are entitled to some property at all. Madam Speaker, in many cases this places the onus on the party with less money and less power and can create a very challenging and inequitable situation. Generally these new rules would presume that property acquired during a relationship will be divided equally. They would also allow people who want to make different

arrangements to be able to make their own agreements about property division.

The act would apply to adult interdependent partnerships as defined in the Adult Interdependent Relationships Act. That means that people who have been living together as an economic and emotional unit for three years, who entered into an agreement, or who have children and have been living in a relationship of economic and emotional interdependence of some permanence would be impacted by the act. In addition, it will create clear rules for those who were adult interdependent partners before they were married.

Madam Speaker, I think it's worth pointing out that this will not impact roommates. I know that there is some confusion out there, but it does require a relationship of emotional and economic interdependence. Simply living with someone will not be a trigger.

These changes reflect many of the recommendations of the Alberta Law Reform Institute. Madam Speaker, they have been carefully considered, and I think that they will have a positive impact on all Albertans. I should also mention that the Alberta branch of the Canadian Bar Association has been asking for these changes for years.

We recognize the changes we are proposing could have a significant impact on people's lives, and we want to give Albertans an opportunity to become informed about the changes and provide them with time to organize their financial affairs accordingly. That's why, if passed, these amendments would come into force on January 1, 2020.

This legislation will provide certainty in the law and promote settlement where possible. Madam Speaker, I think it's worth noting that the impact of family breakdown on the individuals in the family can be quite traumatic, particularly in cases where that breakup ends up being long and drawn out because the legal proceedings are not yet settled. People who are entering a breakup in their lives are often very emotional, and then at the same time they have to deal with the division of property and with a number of other things as their lives reorient themselves. Providing them with clear rules so that they can reach a settlement, so that that time of confusion and strife can end in their lives more quickly will have a huge impact on them.

Madam Speaker, I think it's worth noting as well that as the science of this advances, we are more and more aware of how much of an impact those relationship breakdowns and that high conflict can have on the children of a relationship. In many of these cases where there are children and the partners are not married, this high-conflict period can go on for years because it's difficult to resolve. There are no clear rules, so there isn't an impetus to reach a settlement. I think all members of this House are concerned with ensuring that we do our best to ensure that we are lessening those impacts on children. I believe that this act will create clear rules that will shorten that period of conflict and allow those children to move on with their lives as well.

The legislation is intended to help prevent complex and expensive legal battles between unmarried couples. It will also, Madam Speaker, free up court time that can be used for other matters.

Next, Bill 28 would also amend the eligibility criteria for adult support as set out in the Family Law Act. Currently the wording in the Family Law Act does not allow an application for child support for adult children unless they are in school and under the age of 22. Meanwhile the Divorce Act, which is federal legislation, an act that people have access to if they were legally married and are seeking a legal divorce, allows the court to consider support in any scenario where an adult child cannot provide for themselves independently. This means that in Alberta a parent or the child cannot apply for

support for a disabled child who's over the age of 18 unless they are getting a legal divorce. That excludes some of the most vulnerable from access to child support, and these old rules are unfair to some families. Our proposed amendment is overdue in the province, and it would provide all Alberta families with the same rules and better support adult children with disability or illness.

11:10

Finally, Madam Speaker, we are also proposing to repeal the Married Women's Act, which was enacted in 1922. The act allowed married women to own their own property and sign their own contracts. Looking around this room, I think it's worth noting how far we have come in just under 100 years. Since then Alberta has enacted legislation that supplants the need for these rules, and women are permitted in all circumstances to own property and form contracts. Specifically, the Family Law Act recognizes that a woman is her own person regardless of whether or not she is married. The nearly century-old Married Women's Act is no longer necessary and will be repealed.

In conclusion, together all the proposed amendments to the legislation will bring Alberta forward. They will reduce expensive and drawn-out legal battles for unmarried couples who are separating, and they will protect vulnerable Albertans who would otherwise not have access to child support. This is another step our government is taking to make the justice system work more fairly and efficiently for everyone, Madam Speaker.

Thank you.

The Deputy Speaker: Any members wishing to speak to the bill? The hon. Member for Airdrie.

Mrs. Pitt: Thank you, Madam Speaker. It's a pleasure to rise today to speak to Bill 28, the Family Statutes Amendment Act, 2018. A number of years ago it was brought to my attention that Airdrie had a number of old bylaws that were still on the books and were never repealed or changed although they became outdated in many ways. In particular, my favourite is the bylaw in the town of Airdrie that you cannot store your explosives underneath the stairs, still a bylaw on the books in Airdrie. There's another bylaw on the books in Airdrie that says that you can't tie your horse up in downtown Airdrie. So there are some interesting things that you find out and laws that are just simply never updated or looked back upon. It's great to see here today that there is no longer a need for the Married Women's Act, that was created in the 1920s to give rights to married women, who did not have them previously. It's a pleasure to see that here in this updated legislation today.

Madam Speaker, the Family Statutes Amendment Act, from what I see, brings common-law property division in line with that of a married person. It's going to make it more clear for lawyers and for judges in particular how property should be divided upon the breakdown of a relationship where spouses are not married, more particularly some clarity around those situations where couples are not married and there are children involved. This is a really great, common-sense amendment to the act, and it's really, really great to see.

Madam Speaker, I very briefly had a passing-by conversation with the minister in regard to the Dower Act, which is something that's been brought to my attention a number of times by constituents of mine over the years. Perhaps there is an attitude or a scenario in the coming days, weeks, months where we can take a look at that and maybe see that it is also outdated and that perhaps it is a good, common-sense step forward to repeal that in terms of red tape reduction. Really, I think it's become essentially a law that's potentially outdated. Now, I say this without due course in

looking at the legislation or the consultation that's necessary in repealing such an act, but perhaps we'll be in a case where we see that in the near future in this Assembly, and I think that would be a good thing.

But I digress. We're talking about Bill 28, the Family Statutes Amendment Act, 2018, which, in my mind, is pretty common sense, a great update to the legislation. This will save our courts a lot of time and money to alleviate the stress around the situations where relationships break down between unmarried couples, Madam Speaker.

It's great to see that this legislation will give some time for the public to become aware of what's happened and the consequences, or lack thereof, that may happen as it will not come into force until January 1, 2020.

Madam Speaker, we know that according to Stats Canada 1 in 10 couples are in a common-law relationship here in Canada, and in fact common-law relationships are probably on the rise. They're the most common, pardon the pun. It's important that we have legislation that keeps up with the times and provides that clarity for our system here in Alberta.

The particular piece around the Court of Queen's Bench ruling on November 5, 2018, stating that it's unconstitutional for the Family Law Act to be more restrictive than the Divorce Act in terms of the age of a child for child support eligibility, Madam Speaker, particularly in terms of a child with disabilities: I think that not having that descriptive of a law around the age really is able to cater to and give discretion to the courts in determining what is best for each individual family and their situation. I think that's an important piece, and it's good to see that the courts had recognized that and that the government has recognized that in the legislation changes here today. My understanding was that this bill was something that came to this Assembly in the early 2000s, and it's interesting that we didn't repeal the 1920s Married Women's Act at that time, but there are some necessary pieces in this particular legislation that needed to happen as well. We're happy to see that here today.

Madam Speaker, it's also important to recognize in this legislation that people related by blood or adoption are not to be deemed interdependent partners, nor would a paid domestic employee and their client. In complex cases a decision whether two people were in an adult interdependent relationship would be made by a judge, and a person who falsely claims that they were in a common-law relationship is legally liable for damages to compensate the person that they wronged. So there's, of course, a piece of this legislation that speaks to those who may make a false claim in an effort to mine for money, I guess, from a person that they may know. There's always a portion of the population that doesn't always do the right thing, and it's important that we create legislation to close the loopholes or speak to that and, certainly, send a message to those who would effort to be fraudulent in that regard.

Madam Speaker, that's all I have to say at this stage of the bill, and I would encourage my colleagues and all members of this Assembly to support this piece of legislation in second reading. I look forward to the conversation and debate in Committee of the Whole. With that, I will sit down.

Thank you.

11:20

The Deputy Speaker: Any other members wishing to speak to the bill? The hon. Member for Lacombe-Ponoka.

Mr. Orr: Thank you, Madam Speaker. Today I rise to speak to Bill 28, the Family Statutes Amendment Act, 2018. Sometimes the bills

in this House don't make a lot of sense to me, but I clearly state that I agree with the premise of this bill. I'm in support of it. I think both the need is there, the intent, and the results here are valuable and important to our society. Tragically, too often relationships do end up in difficulty and in conflict. It's never a fun experience. It's never something that you would want to have to go through, but the reality is that they do, and therefore we need to help couples that find themselves in those kinds of situations and do what we can to make their lives a little bit better.

Maybe just a little bit of a story. I have a grandmother on my wife's side, actually, a lady who lived with a husband for many years. It kind of almost began to be a little bit of a family entertainment that she actually – her husband died, and then she married another, and he died, and she married another. After four husbands passing on, somewhere along the way they began to create relationships that were in writing. They kept the property of each for each side of the family, and it was very helpful that way.

The point is, though, that because she chose to marry them, the laws were very clear. It was much more simple to sort these kinds of things out, but today in our world for common-law couples it's not so simple. It is a lot more complex. It's a lot more murky in the sense that the guidance and the direction are not there about how the property would be divided, how the relationship ends, so I think it's important that we actually create these kinds of guidelines for common-law couples as well as for married couples.

Historically in western culture marriage has been the norm. Not even all marriages manage to survive or work out, but at least we have laws for married relationships. We don't have nearly as clear a guidance for those in common-law relationships, and therefore this current legislation will go a long way to improving that situation and providing some guidance and some help in that regard. It will essentially extend these same provisions to common-law couples as it does to married couples before the law, and hopefully it will make for better judgment on the part of the judicial system and a clearer understanding in society in general.

Judges render decisions based on the statutes of the law. They don't render them based on random thoughts or personal bias. They render them based on the statutes of the law, so providing clear statutes for the judges, I think, is an important step. Society, through elected legislators, defines what the societal norms are and what the boundaries of the law are, so as issues arise and culture changes, it's important for people to direct the judges, through a lawful enactment, on what would seem to be right and just and fair for all. That's, in a nutshell, I think, what this law is attempting to do.

Hopefully, as a side effect it will make the courts more efficient as well. We all know that the courts are overloaded. Family law courts are often overloaded. Hopefully, as one of the consequences it will make the courts more efficient and also render clarity and justice for plaintiffs as they find themselves in these difficult situations. I think it's important that we give the guidance of law so that the judges can make these kinds of clear and consistent and just decisions as they have to deal with these kinds of difficulties. It will empower judges. It will guide judges and make the decision-making process for them much easier although that doesn't mean to say that the dissolution of relationships ever gets easy. It's always challenging and difficult.

When two people are living together, they are essentially in a committed relationship. Regardless of whether they have a marriage certificate or not, the impacts are very real, and the relationship should be fair and just. No one should be sort of out of luck if the relationship breaks down. The reality is that this bill will affect and protect women possibly more than men, so the courts should be directed in this regard, and hopefully it will be truly beneficial in our society.

This law has been something that the Alberta Law Reform Institute has actually been asking for for several years. In June 2018, this year, they released an extensive report with regard to that. It's something that both public opinion and legal opinion have spoken out on, so I think that it's valuable in that regard as well and that we're responding both to society and legal opinion for the benefit of the courts and the benefit of a just system.

It is a factor to consider that common-law relationships – or, actually, that's really not the right language anymore, in Alberta at least; it is in other jurisdictions and it is federally, but in Alberta the proper legal term is “adult interdependent relationships” – are on the rise in Canada. Increasing numbers of couples – quite honestly, I was a little bit surprised to realize that the Stats Canada 2016 census data identified 1 in 10 adults. I would have thought it was more than that, but I don't know what their statistics-gathering questionnaires, whatever, were. But it's at least that many if not more.

The challenge will be here, though, I think, that this bill is completely dependent in many respects on another statute in Alberta, called the Adult Interdependent Relationships Act. This act is not being changed at this time, just to be clear. It stands, and it's appropriate. It's the act that will help define – and judges will refer to that act, the Adult Interdependent Relationships Act – and they will refer to it in trying to determine if a couple is in fact living common law or, more properly in Alberta legally, in an interdependent adult relationship. That's going to be part of the challenge moving forward, people who will argue, “I am” or “I am not,” “We were,” or “No, I wasn't,” that were actually in this kind of a legal relationship. So the judges will have to try to untangle those thorny and difficult pieces of stories and lives. But that Adult Interdependent Relationships Act is the one that will give guidance and direction.

I think that it's extremely important that everyone in Alberta should make themselves aware of the changing nature of the legislation here in Alberta particularly and how that might impact them, what it might have as an effect on them, whether they are living in a codependent relationship or not. And I need to say that this impacts both young people and all the way to older people. It doesn't make any difference, and I think that there's a reality that many people may not realize that the nature of their relationship with someone else could be interpreted by the other person and by the law, in fact, that they are in fact in an adult interdependent relationship.

This is an important piece of understanding that I think needs to be brought to public awareness. I realize it isn't necessarily a direct part of the discussion of the bill, but I think that as a government in working toward building a better society, I would really like to see some sort of enactment or policy or whatever to bring awareness to the public of the changing nature of the relationships. I think the one part that may catch a lot of people completely unawares and maybe older people, in fact, older individuals who choose to live together in a home to save money or just for companionship, is that people may feel like they're in a platonic relationship. By definition, one does not have to be in a conjugal relationship in order to be in an adult interdependent relationship. People may find themselves in situations where their living arrangements commit them to a legal definition that they are not aware of.

11:30

This also has an impact on the Alberta Wills and Succession Act, particularly for people who are in some kind of a relationship, a nonmarried relationship but a relationship nevertheless, and the one person passes away. The other person may in fact have a legitimate claim to being an adult interdependent person, and if there are no

genetic children of the person who passes away, then the entire estate would go to the other person in the adult interdependent relationship. If they can establish that in court, they would be entitled to the entire estate. If there are children of the person who passed away, then the person who can establish adult interdependency would in fact receive 50 per cent of the estate, and the other portion would be split with the surviving children of the person who passed away.

I have spent enough time in palliative care rooms and doing many, many, many funerals and have seen and experienced the tragedy of what I'm going to call family warfare over the estate. Too many times the estate is a trigger for deep, deep conflicts in extended families. This is a piece of this relationship and this law that I think needs clear education and that eventually might need a little bit of clarity in terms of how the estate is administered, how people become entitled to claim the estate. This moves much beyond the nature of just the relationship and the division of property of two living partners. But all of this with regard to the estate is clearly an element of what this law will help to define and help to deal with.

Quite frankly, I think it will also create some further murkiness that may need to be clarified in the future. That's just a comment that I would like to suggest. I'm not suggesting the bill is wrong in this, but I think it's something that will need to be watched, and maybe we will at one point have the Alberta Law Reform Institute making some further suggestions with regard to that.

I think that the repeal of the antiquated Married Women's Act is long overdue. I know of stories where back in the '30s and '40s some family members, women in particular, were left with absolutely nothing, put out on the streets with children. The repeal of that act, actually the fact that it probably complies with human rights these days, is long overdue. That was a law that basically gave the right of control over land and property of any woman who married to the husband. That was clearly an imbalance and an injustice that it's about time was fixed.

The age cap being lifted is in many cases beneficial, particularly, I think, as it also implies or refers to children with disabilities. There is an ongoing need there for them. I think this is a law that is useful and beneficial. Of course, any time a relationship dissolves, whatever kind of relationship it is, it's sad and tragic. We need to do whatever we can to support families. We need to do whatever we can to encourage families to find help if they can.

I'm not suggesting that every relationship will survive. In fact, I realize that many relationships don't. Sometimes the breakup of a relationship is caused by tragedy. Sometimes it's just an overly idealistic expectation and disillusionment. Sometimes it's just the emptiness of soul that another person can't possibly fill. Sometimes it's failure to invest and nurture. Sometimes it's our own dark demons that erupt in betrayals and addictions and abuses.

While tragedy in relationships is all too common and I grieve for those people that experience it, I do think it's helpful to have rules of engagement, if you want. I think it's helpful to be able to provide a way for people to disconnect that hopefully minimizes rather than increases the conflict and the pain and the suffering. This is really, in some ways, about property rights. I think we need to protect the property rights of both people in a relationship and do what we can to make relationships heal or for postrelationship folks to be able to heal to be able to move on as quickly as possible.

Thank you, Madam Speaker.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Seeing none, any other members wishing to speak to the bill? Fort McMurray-Conklin.

Ms Goodridge: Thank you, Madam Speaker. It's an honour to rise in the House today to speak in support of Bill 28, the Family Statutes Amendment Act, 2018. This piece of legislation seeks to address a very real and growing problem in our province. Every year the number of common-law partnerships continues to rise faster even than the rate of marriage. While married couples have resources available to them after a relationship has ended, many common-law partners do not. This bill will also help to simplify our court system for common-law relationships, leading to a wide range of effects on our province. The bill also will hold both parents accountable for their adult children with disabilities. Previously, when a common-law relationship would end, there would be no measures to address who would be responsible for adult children with disabilities or full-time students, and this bill closes that gap.

According to Stats Canada across Canada there were 6.3 per cent of couples involved in a common-law relationship in 1981. By 2016 this number had increased dramatically to 21.1 per cent across Canada. Currently we see that about 10 per cent of all couples in Canada are in a common-law partnership. Statistics Canada figures show that the number of common-law relationships grew at a rate more than four times that of married couples between 2006 and 2011. The Canadian Research Institute for Law and the Family says that many people in common-law relationships are unaware of their rights and entitlements or lack thereof. Laws governing common-law relationships differ across the country in both the length of time two partners must cohabit before they're considered to be common law and what the partners are entitled to in the event of a breakdown or a death.

There was an Angus Reid poll completed back in May of 2018 that found that 53 per cent of Canadian adults felt that marriage wasn't necessary, although it's worth noting that that same poll found that 47 per cent thought that it was important for couples in long-term relationships to have legal marriages. All in all, this shows a growing trend away from legal marriages and towards common-law partnerships. I think this is due to a change in societal norms. A generation ago a couple living together unmarried was often said to be living in sin. However, this social taboo has almost all been erased. Many millennials are choosing to start their career and purchase a home before getting married, if at all.

We really need to respond to this change in Alberta society, and I believe that this bill accomplishes that. It aims to clarify the process after a common-law relationship has ended. It provides a guideline for judges to follow when splitting the assets that the two shared, and having legislation to guide judges will save court time and money and alleviate some of the distress that comes with a relationship breakdown.

The legislation will help simplify the proceedings after a common-law relationship has broken down, and as I stated earlier, this kind of relationship is on the rise in Alberta. Furthermore, more couples are choosing to be in common-law relationships for longer periods of time if they do in fact choose to get married. This bill will help create stability if that relationship eventually dissolves so that it takes into account the time spent in the common-law relationship and not just the married portion for the division of assets. I'm happy to see that this government has decided to address this before it becomes a huge mess.

However, there are other benefits that this bill brings forward. For example, the Jordan decision has led to a drastic increase in the number of dismissed cases across Canada. This bill will help streamline the court system, which will hopefully result in appropriate charges for those who have committed crimes. The Supreme Court of Canada's 2016 Jordan decision establishes timelines that trials must be heard by: 18 months after charges are laid for a province's main entry point into the court system and 30

months after charges are laid for a province's superior court. Madam Speaker, 206 Jordan applications were filed in Alberta courts from October 25, 2016, to November 22, 2018; 10 are pending; 68 dismissed by the courts; 70 granted, three of which were appealed by the Crown; 42 abandoned by the defence; 22 proactively stayed by the Crown on the basis that they wouldn't have survived a Jordan application; and 47 resolved that were unrelated to Jordan.

11:40

More than 200 criminal cases from across the country have been tossed due to unreasonable delays since the Supreme Court's landmark Jordan decision two years ago. The court cases include murderers, sexual assault, drug trafficking, child lurers, all stayed by judges because the defendants' constitutional right to a timely trial was infringed upon. Why I bring this up is that this bill will help streamline the courts. This bill will help make sure that we are seeing these cases in a more timely fashion.

It also is going to give parents sharing the financial burden of disabled children a little bit more stability and similar rights to what a married couple in a similar situation would have. The law gave divorced parents the ability to continue getting financial support once the child turns 18 but didn't extend the same rights to common-law parents.

This government has created a really good bill because they did adequate consultations. This is a common-sense bill that has been introduced after extensive work by the members of the legal profession and the justice system. I wish more bills were the result of meaningful consultation such as this. So thank you.

The government has historically ignored or avoided consultations. For example, during Bill 6 the government chose to force legislative changes on farmers in Alberta, leading to public outcry, that ultimately pushed the government to make the right decision. Consultations are crucial in order to get the most well-rounded and comprehensive legislation possible, and I am grateful that this government has decided to consult on this bill. I also hope that they have learned that consultation and due diligence lead to good legislation.

Also, the fact that it comes into effect on January 1, 2020, allows for people to consider what this change in legislation will mean for them. It's important that all people have the opportunity to learn about this bill and how it will affect them before it comes into law.

As I previously stated, the Canadian Research Institute for Law and the Family says that many people in common-law relationships are unaware of their rights and entitlements or lack thereof. Furthermore, it found that some people chose to be in common-law relationships to avoid some of the legal property division requirements of marriage. This is an important point. People were choosing common-law relationships over marriage because of the perceived legal benefits. So we need to make sure that they're very much aware that there are some changes here. It is critical that we educate and raise awareness on this bill so that all individuals are knowledgeable about their rights and the rights of their partners.

But I will say that this bill isn't quite perfect, or if it is, I'm not quite sure of all the answers, so I've got a few questions on what this bill will entail. It's really easy to determine if someone is married or not and when that marriage starts. A few questions about how exactly we will go about stipulating as common law and when there are arguments therein, which would typically be found when a relationship dissolves. How will these provisions impact people on various types of income support? What happens when one partner was not aware of their rights? What happens with the splitting of pensions? It's my understanding that pensions can only be split between spouses and not common-law partners. So where

does this fit? Also, would existing cohabitation agreements between common-law partners be valid when this bill comes into force? My assumption is probably, but I think we need to have some clarification on that.

Overall, Madam Speaker, this is a good bill. It focuses on real issues that need to be addressed, and it helps to solve more than one issue at a time with limited potential to add more problems down the road. It will hopefully help lower the burden on our court systems, allowing our judges to hold criminals accountable for their actions. It also provides much-needed support for parents who have children with disabilities, ensuring that both common-law partners are responsible for their adult children with disabilities. And to go a little bit further into the point that my colleague from Airdrie made, getting rid of the Married Women's Act is a very, very much appreciated piece. It's good to see antiquated pieces of legislation being removed from the books. It helps make things easier for Albertans, for legislators, and for the legal profession.

I would just encourage everyone to support this bill here, and I'm excited to hopefully get some answers to my questions come Committee of the Whole. Thank you, Madam Speaker.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Any other members wishing to speak to the bill? Calgary-Mackay-Nose Hill.

Ms McPherson: Thank you, Madam Speaker. I'm really pleased to rise today and speak to Bill 28, Family Statutes Amendment Act, 2018. I've heard many of my colleagues talk about the mechanics of the bill and the technical aspects of it. I want to take this opportunity to tell a story.

My constituent Christina Ryan has a daughter named Emily. I've gotten to know Christina and her partner Ron and Christina's daughter Emily and Ron's daughter Sophie over the last year and a bit. I learned from Christina that she was facing a situation with her daughter Em. Em has multiple disabilities and requires extra care. She uses a wheelchair and has to see doctors quite a few times a month to manage her health.

What Christina discovered when Em turned 18 is that Alberta is the last province that has no requirement for common-law parents to continue to support their dependent child once they turn 18. The only alternatives for Christina and Em were AISH, which only provides a lower than poverty line income, and the burden of financial support fell solely on Christina. What this means is that Christina has to take 12 days off a month to take Em to her doctor's appointments, and Christina's income is vastly lower than it could be because of this. It means that when Em needs a new wheelchair, which is an expense of \$3,000 to \$4,000, Christina would have to raise this money on her own. Medical supplies and aids to daily living like wheelchairs aren't covered for adults with disabilities under AISH.

These are huge financial burdens for a single parent with an adult dependent child to have to bear on their own under the current rules. The other parent can simply walk away without any further financial responsibility for their child. Christina thought this wasn't fair. She hired a lawyer to legally challenge Alberta's Family Law Act, and she also called on Alberta Justice to amend legislation, which is why we're debating this bill here today. If anyone here or anyone watching ever thinks that a single person can't make a difference, I want you to remember Christina and Em and the bill that we are debating today. She's made a real difference for a lot of people.

What this bill means is hope for families to rise out of poverty. It means Emily will be able to receive the therapies that are required

to manage her health but sometimes are out of reach because of financial constraints. This bill means hope for the future. It means that Christina and Em know that there's hope to have a more secure quality of life. People with disabilities deserve the same care as anyone else.

Finally, I'd like to share a little piece of information that I learned while researching this bill today. Over 50 per cent of our human rights in Canada are entrenched because of people with disabilities bringing them forward.

Because of all of this, I'm very happy to support Bill 28, and I encourage my colleagues to do the same as well.

The Deputy Speaker: Questions or comments under Standing Order 29(2)(a)?

Any other speakers to the bill? The hon. Member for Lethbridge-East.

Ms Fitzpatrick: Thank you, Madam Speaker. I'm very happy to stand in this House and speak my support for Bill 28, the Family Statutes Amendment Act, 2018.

I have had two long-term marital relationships in my life. One was a marriage, which I've already described in this Legislature and which ended eventually in charges being laid and an annulment. The second relationship was a 27-year common-law relationship. Now, I've spoken to many constituents as well as many other women and men from around this province about the issues being addressed through this bill. Many of their experiences mirror my own in either of my long-term relationships. So I am thrilled to see the Matrimonial Property Act amended to reflect property division rules for unmarried partners to the degree possible and the Married Women's Act repealed. I will say a little about both of these changes, and then I intend to say a lot about the Family Law Act.

11:50

In 1922, when the Married Women's Act first came into force, it would have been considered forward movement for women. I did a little research, and I wanted to know what the purpose of that act was. I came across a couple of sentences which virtually grabbed me by the throat, and I quote: although the husband and wife were one in the law, the husband was the one. As Blackstone expressed it, "the very being or legal existence of the woman is suspended during the marriage, or at least is incorporated and consolidated into that of the husband."

You can imagine how that affected me. But I believe that that bill was the precursor to the ruling in 1929 when some women in this country became persons. For other women it did take longer. As much as the name of the bill, the Married Women's Act, makes my teeth grate, it did have a purpose. In this day and age I believe it is truly redundant – thank goodness – as the advantages it had provided are now addressed in the Family Law Act. The repeal of the Married Women's Act takes effect on royal assent.

As I said, I am also pleased to see that within the common-law relationship the Matrimonial Property Act, insofar as possible, will see the law be equally reflective as compared to a married relationship. Currently in Alberta when a married couple separates or gets a divorce, the law clearly says how the property should be divided through the Matrimonial Property Act. However, this does not apply to nonmarried couples. When unmarried couples break up, they have to figure out how to split their belongings and assets. There is no legislation that says how to divide the property when a nonmarried couple breaks up. This can result in uncertainty and costly legal battles if the couple cannot agree on how to divide their property.

I know that this is a problem because I experienced it. My former common-law partner made a larger salary than I, only because I put my career on hold and moved three times to support the advancement of his career. When we separated, he not only assumed the property should be his, but he told his family it was. Fortunately for me, I had the foresight to make sure that that property was jointly owned; therefore, it had to be equally divided. He, in fact, could not give me property of which I was already the rightful owner but only because I'd insisted on joint ownership when we purchased assets.

An older constituent of mine had been in a relationship her entire adult life, and when this relationship deteriorated into a separation, she felt she didn't have a leg to stand on because he had insisted on putting everything in his own name even though she also made payments on everything that she thought was mutually owned. The amendments to this act will give her the right to her fair share of that mutual property.

The Matrimonial Property Act will be amended to provide legislated property division rules for unmarried partners. These rules will largely mirror the rules that apply to married couples to the degree possible. This part of the bill, if passed, will come into force on January 1, 2020. Updated educational materials will become available and work with stakeholders will be done to update the public information.

I think one of the most crucial pieces of this bill will be the amendments to the Family Law Act. I so clearly remember Jane Doe and two of her three children sitting in my office trying to share her story with me through tears of desperation. I saw her bruises. I heard her anguish. I heard her children echo her story. She and her children were hiding in a shelter. She felt that she and her children were the only ones experiencing this horror, and in that time and in her world they were. I remember sobbing as she shared her third child's medical history and how the father of those children was withholding her ability to access medical treatment and supports until she agreed to move back with him. The proposed amendments to the Family Law Act would have prevented him from being able to do that.

The Family Law Act will be amended to allow a claim for child support to be made for an adult child of unmarried parents who is unable to withdraw from parental charge because of an illness, disability, full-time student status, or other cause. The amendments to Family Law Act child support eligibility will come into force on royal assent.

I think that it is about time we have this legislation. I know it would have had an impact for me, and I know from the number of people that I've spoken to not just in my constituency but right across the province that this will have a huge impact to make their lives better.

I expect everybody in this House to support this bill. Thank you.

The Deputy Speaker: Any questions or comments under Standing Order 29(2)(a)?

Mr. Fildebrandt: Madam Speaker, pursuant to Standing Order 49(2) I move that the question be now put.

The Deputy Speaker: Any members wishing to speak to the motion?

[Motion on previous question on Bill 28 carried]

[Motion carried; Bill 28 read a second time]

Mr. Fildebrandt: I wish to speak to the motion.

The Deputy Speaker: I believe, hon. member, we have . . .

Mr. Fildebrandt: I wish to speak to the motion first.

The Deputy Speaker: No.

Mr. Fildebrandt: I rose before the vote was called.

The Deputy Speaker: We've had the vote. There are no speakers. It's done.

Pursuant to Standing Order 4(2.1) the Assembly stands adjourned until 1:30 this afternoon.

[The Assembly adjourned at 11:58 a.m.]

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