



Legislative Assembly of Alberta

The 28th Legislature
First Session

Special Standing Committee
on
Members' Services

Friday, October 19, 2012
9:02 a.m.

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Special Standing Committee on Members' Services

Zwozdesky, Hon. Gene, Edmonton-Mill Creek (PC), Chair
Young, Steve, Edmonton-Riverview (PC), Deputy Chair

Calahasen, Pearl, Lesser Slave Lake (PC)
Dorward, David C., Edmonton-Gold Bar (PC)
Forsyth, Heather, Calgary-Fish Creek (W)
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)
Jablonski, Mary Anne, Red Deer-North (PC)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
Quest, Dave, Strathcona-Sherwood Park (PC)
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)
Smith, Danielle, Highwood (W)

Support Staff

W.J. David McNeil	Clerk
Allison Quast	Executive Assistant to the Clerk
Bev Alenius	Executive Assistant to the Chair
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Brian G. Hodgson	Sergeant-at-Arms
Cheryl Scarlett	Director of Human Resources, Information Technology and Broadcast Services
Scott Ellis	Director and Senior Financial Officer, Financial Management and Administrative Services
Liz Sim	Managing Editor of <i>Alberta Hansard</i>

Special Standing Committee on Members' Services

Participant

Aon Hewitt
Don Ireland, Partner

9:02 a.m.

Friday, October 19, 2012

[Mr. Zwozdesky in the chair]

The Chair: Well, good morning, everyone. I have 9:01 on my official clock, and that being the case, I would like to officially call this meeting to order. Hon. members, just for purposes of addressing technicality, this is a morning meeting, and people have driven in some cases for several hours, so we are allowing food at the table.

On that front, I want to just begin with a roll call and then get into a few related housekeeping items. Let's start with Mr. Young over here. Please say who you are, and we'll move on down the line. Then we'll add in people who are on the telephone conference line. Please, Mr. Young.

Mr. Young: Steve Young, MLA for Edmonton-Riverview.

Mr. Goudreau: Hector Goudreau, MLA, Dunvegan-Central Peace-Notley.

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake.

Mrs. Jablonski: Good morning, everyone. Mary Anne Jablonski, MLA, Red Deer-North.

Mr. Dorward: Thank you. My name is David Dorward, and I'm the MLA for Edmonton-Gold Bar.

The Chair: Let's go over here.

Mr. Quest: Dave Quest, MLA, Strathcona-Sherwood Park.

Dr. Sherman: Good morning. Raj Sherman, MLA, Edmonton-Meadowlark.

The Chair: Thank you.

We have some members by teleconference.

Ms Smith: Danielle Smith, MLA, Highwood.

The Chair: Thank you.

Mrs. Forsyth: Heather Forsyth, MLA, Calgary-Fish Creek.

The Chair: Thank you.

Are there any others joining us by teleconference? No.

Let's go back to the table, on my left.

Dr. McNeil: David McNeil, Clerk of the Assembly.

Mr. Reynolds: Rob Reynolds, Law Clerk and director of interparliamentary relations.

Mrs. Alenius: Bev Alenius, executive assistant to the Speaker.

Mrs. Scarlett: Cheryl Scarlett, director of human resources, information technology, and broadcast services.

The Chair: We have the return of Mr. Ireland. Please introduce yourself and your group.

Mr. Ireland: Don Ireland, a partner with Aon Hewitt.

Mr. Ellis: Scott Ellis, director of financial management and administrative services.

Ms Quast: Allison Quast, committee clerk.

The Chair: Thank you.

Hon. members, we've also been graced with the presence of another gentleman from Aon Hewitt. His name is Robert Thiessen. He's not at the table, but he's in the row immediately behind the table. I wonder, Don, if you could just introduce him quickly.

Mr. Ireland: Bob Thiessen is my colleague from our Edmonton office, an associate partner with our organization. He was one of the authors of the September 11, 2012, letter regarding the three options and very instrumental in putting all of this information together, so for any of the difficult questions he may have to step in and help us out.

The Chair: Thank you.

I think, Robert, if you don't mind, can you join us at the table there? Scott, if you could just slide down one seat and have Mr. Thiessen join his colleague Mr. Ireland. I also understand Mr. Thiessen has some expertise with specific reference to management employees' pension plans should that issue come up for questions or for comparative purposes. Is that correct?

Mr. Ireland: That's correct, yes.

The Chair: Thank you.

Let's welcome Mr. Thiessen, then, to the table, as well.

We have a number of staff and others joining us and so on. We have good quorum. In fact, I think we have 100 per cent participation.

Ms Quast: Brian Mason is missing.

The Chair: Sorry. We're one short. That's right, too. Mr. Mason is not yet here. Bev, would you mind making a phone call to him? I have a number to him here. I talked with him yesterday, and he said he would be here, so perhaps he's on his way. In any case, I don't think we should hold things up. I'm sure he will be along shortly.

We have a few housekeeping items to address in any event, so we'll get on with that. Today's meeting, for those of you who are catching airplanes and have other commitments, will stop not later than noon. At approximately 10:30, give or take several minutes perhaps, I will announce a comfort break, a short recess.

Now I'll talk about a couple of other quick housekeeping items. At the last meeting I talked about several items, including dress code during committee meetings in committee rooms here at the Annex as well as elsewhere and about refreshments and food-stuffs, which are allowed pursuant to certain protocols during committee meetings, and with respect to the use of electronic devices during committee meetings. In that respect, we agreed to a set of new protocols that would clarify these matters. We have those now typed up.

I'm just going to ask Ms Quast if they're ready for distribution.

Ms Quast: Yes, they are.

The Chair: Okay. Could I just get a copy here, too, please?

These are going around. While they're going around, members who are joining us by teleconference, I'm just going to tell you what the significant changes are. It's just a repeat of what we embraced last meeting. However, in this particular case it's important that it appear in print so that the Sergeant-at-Arms and his staff and others have something to share with folks as they come and go into these meetings. Similarly, I would ask that all four caucuses undertake to share this protocol with their members

so that they have a clear direction for other committee meetings that they are attending as to what the expectations, rules, and requirements might be.

I'm going to turn to, first of all, press gallery protocols. The press gallery protocols are clarified today and appear in print today for your consideration, but they are identical to what we agreed to at the last meeting. Specifically, they address what is acceptable attire for media to wear when they are attending committee meetings in the Legislature Annex, which is where we find ourselves today. In short it means dress or casual jackets, sweaters, dress or casual slacks, and dress or casual shoes excluding athletic footwear. Blue jeans or shorts are not acceptable attire for media, and the equivalent standards apply for women's business or business casual dress.

Now, I recognize that there might be certain circumstances when certain athletic attire might be required for purposes of health or doctor's orders or healing from an injury or whatever it might be, so let's keep that in mind going forward. But the protocol is very clear and very straightforward.

The other one, very quickly, is with respect to protocol surrounding the use of mobile phones and PDAs. This has been clarified. Basically you can have them as long as they are on mute and as long as they are never used for photography, video, or as a telephone during our meetings. However, for texting and type-messaging, sending or receiving, that is okay in our meetings.

Finally, media may consume beverages such as tea, coffee, soft drinks, and juice while attending committee meetings held in the Annex. And that's that.

With respect to staff protocols – thank you. I see Mr. Mason has joined us. Do you want to just introduce yourself for the record, please?

Mr. Mason: For the record I'm Mr. Mason.

9:10

The Chair: Thank you. Mr. Mason is here.

There's a separate sheet, hon. members, regarding staff protocols. The staff protocols for dress and for beverages and for mobile phones and PDAs are virtually identical to what I just read regarding media protocols while attending meetings in the Legislature Annex.

There is one small difference regarding attire, and it is the second paragraph under item 2. It flows out from what is and what isn't acceptable dress for staff who are intermittently coming and going during our meetings. For staff intermittently entering meetings, for example to deliver or receive messages or material that is going to or coming from a member or a staff colleague, the requirement for dress can be slightly relaxed to allow for more casual clothing, in which case blue jeans are okay, T-shirts are okay, athletic footwear is okay as long as that attire is in presentable condition and contains no political or offensive images or slogans.

That having been said, this now constitutes the new protocols for press or media gallery attendance at our meetings in the Annex as well as for staff. Because you are getting this in print for the first time, we're going to make these protocols effective as of the end of this meeting. Otherwise, we'll be reasonably flexible this morning. We happen to be meeting on a Friday. Some folks in the buildings have a thing called casual Friday, so we're going to allow a wide range of flexibility today, but at the end of today this protocol for staff and this protocol for media will come into effect for all committee meetings. Are we agreed on that?

Some Hon. Members: Agreed.

The Chair: Anyone with any comment?

Mr. Mason: Just so we can sort of get in between the official language here, basically the problem has been that – I mean, the reporters generally have met the dress code, but camera operators generally dress much more casually, often wearing jeans and running shoes and stuff. This protocol is going to accommodate that. Is that correct?

The Chair: Well, the protocol that affects more casual attire is for staff members who are coming intermittently in and out of meetings. It's specific to staff. The protocol for media remains a business or casual slacks type of dress. Blue jeans are not permitted for them.

Mr. Mason: Then I think we're going to have a bit of a problem because it's sort of my observation – and I might be wrong – that the camera people do dress more casually. They come in and out. They don't stay and report on the meetings, but they come and take their video and stuff. I would hate to have a situation where we're excluding somebody's camera operator from an important meeting. That's my concern.

The Chair: It's a valid concern. Thank you for raising it the way you have. I'm very familiar with TV camera operators because they do rush in and out of trucks. They do carry equipment. Some of it is heavy and bulky. I'll undertake to review that, and if necessary I may relax it after we connect with the media gallery president, Mr. Archer, whom I will speak with later today. If you'll leave that at the call of the chair, I'll do the appropriate thing on your behalf. Okay?

Are we agreed, then, with that proviso?

Hon. Members: Agreed.

The Chair: All right. Thank you. Are there any who disagree? None? Okay. Thank you so much.

One other quick housekeeping item is with respect to some follow-ups that I promised I would do regarding Speaker's visits to constituency offices. I have now had the pleasure of visiting at least one MLA in his or her private office from each of the four caucuses, so I am under way, if you will, and gathering information for the meeting that we'll have probably at the end of November or into early December regarding our MLA budgets and in general the LAO portion of our budgets for the 2013-14 budget year. I will continue visiting MLA offices over the next month and a half or so in preparation for that. That's just more of an update. Does anyone have a question or comment regarding Speaker's visits to constituency offices?

Mr. Goudreau: Just a query. Are you going to have a chance to visit the outlying offices in the province? I would hope you would.

The Chair: Yes. In fact, in the memo that I sent out, I think two or three or four weeks ago or whatever it was, I had indicated that it would be my desire to try and get to at least 15 to 20 constituencies before Christmas and that it would provide a mix of urban, rural, small town, big town, city, village, et cetera, so that's what I'm trying to do.

Mr. Goudreau: Thank you.

The Chair: I just happened to have some coincidental appointments in various areas, so strategically I picked those to start. I wanted to make sure prior to this meeting that I could tell

you I had visited at least one MLA from each caucus in his or her own constituency.

Ms Calahasen: Same question except: are you making consideration for those constituencies that are overly large, as an example Peace River or even Lesser Slave Lake?

The Chair: Well, I'm visiting MLAs in their constituency offices. I have a three-page document that I developed, which is more of a questionnaire, and it covers a wide range of topics, as people would know whom I've already visited with. The short answer is that I'm visiting one office. If you have a satellite office or a second office, I'm not sure I'll get to both of them. The purpose of the visit is to meet with you and see, hear, feel, and experience your local circumstances for your office.

I could just conclude by telling you that there's a huge disparity with regard to how much MLAs are paying for office rent, for example. I've had phone calls about this as well. There are things like that that will come forward that will impact our budget discussion. I just want you to know where I'm at with it.

Ms Calahasen: Okay. Thank you.

The Chair: Any other quick comments on this? No? All right. Well, thank you very much.

I'm sorry. There was one parachute housekeeping item if I can call it that. It's regarding PHH cards. One hon. member indicated a desire to have this committee review a certain protocol regarding PHH cards. In fact, I received a letter earlier from a member regarding some issues about the PHH card, which at this time is exclusive to gas purchases.

I believe that's correct, Scott, is it?

Mr. Ellis: No. It can also be used for some minor maintenance items.

The Chair: Yeah. I'm sorry. Automobile related, right? Is that correct?

Mr. Ellis: Yes.

The Chair: Good.

This will require the development of a little bit of a larger backgrounder, so I'm going to propose that we bring it forward at a subsequent meeting. The issue is simply about not being able to use the PHH card for pay-at-the-pump. You know that automatic thing that you can do on your Visa card? You cannot do that by remote with your PHH card, and it is an issue. Sometimes there's a huge lineup inside, and you want to avoid it, sometimes it's inclement weather, and the list goes on. We're going to undertake a review of that particular protocol, and with your concurrence we'll bring it forward at another meeting once LAO staff and others have had a chance to prepare.

Does anyone have any comment on that? Let me start with the teleconference folks. Anything from your end, Danielle or Heather?

Ms Smith: No. Only, Mr. Speaker, that when you do have this update that you're giving us at the beginning of each meeting – and it looks like you're getting into a habit of doing that – perhaps you could just itemize on the agenda that there'll be a Speaker's update and the items that you'll be discussing in that so that we are aware of where the conversation is going.

The Chair: I thought I had put housekeeping on there. These are not intended for major discussion. I think now that we've finished

with the dress protocol, the beverage protocol, and the telephone/mobile device protocol, that will come off the agenda totally. The PHH one just came into my domain this morning. But point taken. Thank you.

Heather?

Mrs. Forsyth: No. I have nothing to add. I'm anxious to get on with the agenda if we could, please.

The Chair: Okay. Thanks very much.

The next item is approval of the agenda. Before I call for a motion to approve our revised agenda, I need to just say that two committee members, each on behalf of his own caucus, indicated to me that they wanted to add an item under new business today. First, Mr. Young on behalf of his caucus from the government side indicated this to me last week. Then I think yesterday or the day before I received a note from Dr. Sherman on behalf of the Liberal caucus, and it included a draft motion regarding a particular item. The issue is about MLA expense disclosure, and we'll deal with it in the order that these notices were received by my office. First, let me just say that I did speak with each of the caucus leaders personally and privately, and everyone has agreed to allow this item onto our agenda under new business. So that is the one and only change.

Could we please get a motion, then, to approve the agenda as you have it in its revised form, including that new item for MLA expense disclosure?

9:20

Mr. Goudreau: So moved.

The Chair: Moved by Mr. Goudreau. Those in favour of that motion to approve the agenda, please say aye. Those opposed, please say no. Okay. So that's unanimous, and we'll carry on.

Ms Smith: Mr. Speaker, if I may.

The Chair: Yes, please.

Ms Smith: Has the Liberal member circulated the motion, or will that be circulated when we get to that agenda item? I don't know if has been sent to me or my staff.

The Chair: It will be circulated momentarily now that we have approval of the agenda. The staff is already working on it.

Are you each at different offices, Danielle and Heather, or are you together?

Ms Smith: I just received something from Allison about the protocols the chair was referring to, so she did send something earlier. I just wondered if I had missed the motion. But if she's going to circulate it, I'll wait until I receive it, then.

The Chair: Yeah. We'll get that circulated.

Do you have a copy of it there, Nicky? If not, we have a copy here as well. Anyway, we'll get it to you.

Oh, here it is. I'll read it to you. It's very brief. Of course, Mr. Young has the issue to bring forward, but in follow-up to that, Dr. Sherman has put an item here that he would like us to consider. It simply reads that "the Legislative Assembly Office post on its website monthly expense reports and detailed receipts of all caucuses and constituency offices operating under its auspices." So we'll get that circulated in time for the discussion.

Just so we're clear, we'll address it in the order I got it. So, Mr. Young, you'll be prepared, I hope, to go first?

Mr. Young: Yup.

The Chair: Okay. Because you raised it with me last week.

Then if that culminates in a motion, so be it. If not, we've got Dr. Sherman's request for a motion to be considered as well. Would that be acceptable to all members to proceed in that way? Okay. Thank you.

I can pass this on, please, to Duncan. Can you make sure that Ms Smith and Mrs. Forsyth each get a copy of that as soon as possible?

Ms Quast: I'm e-mailing it to them.

The Chair: Okay. It's coming by e-mail to each of you right now.

All right. We have the minutes of the September 27, 2012, meeting. Could I get some member to make a motion to approve these minutes if you are, in fact, in agreement? Ms Calahasen.

Ms Calahasen: I so do.

The Chair: Ms Calahasen has moved that the minutes of the September 27 meeting of the MSC be approved as circulated. Those in favour, please say aye. Those opposed, please say no. Okay. Thank you.

Moving on, our next item is old business. This concerns a process for implementing item 11(d) of Government Motion 11 and recommendation 12 of retired Justice Major's report on MLA pensions. Hon. members, as you are well aware, the Assembly has instructed our committee, the Members' Services Committee, to implement those elements of Justice Major's report as directed to us by the Assembly pursuant to Government Motion 11, implementation of the MLA Compensation Review – Alberta: May 2012 Report as passed by the Assembly on May 29, 2012.

As detailed at the September 27 meeting of our committee, items 11.A(a), (b), and (c) have all been addressed. That brings us once again to Government Motion 11(d), which reads:

that the committee examine alternatives to the pension plan for members proposed in recommendation 12 and discussed in section 3.5 of the report, including defined contribution plans, and report to the Assembly with its recommendations.

At our last meeting, held on September 27, we referenced the materials that had been provided to members and also offered copies of the Aon Hewitt report and the Clerk's analysis of implementation issues to the media and others at the meeting. Those materials included a letter from Aon Hewitt that presents an evaluation of the three alternative pension schemes that you asked them to investigate at the last meeting. It also contains an analysis by the Clerk of the Legislative Assembly of Alberta that presents further information regarding some of the implementation issues that would need to be addressed if one of the three alternatives is to be pursued.

I've had a flurry of calls asking for clarification of what each scheme involves. In all cases I directed people to read *Hansard*, where they are quite eloquently expressed. I believe that each of the four caucuses has now had a chance to at least begin discussing the three different schemes that were presented and commented on by Aon Hewitt and by the Clerk.

With the assistance of Dr. David McNeil, our Clerk, and our guest Mr. Don Ireland, partner and member of the Aon Hewitt retirement planning team in Calgary, the information presented was reviewed, questions were addressed, and a healthy discussion ensued. That discussion ended with a motion by Mr. Anderson and then a subsequent amendment to that motion by Mr. Mason basically telling us that we'd like to address this matter before the Assembly sits again on October 23. So we're governed by that

time allocation, and we're here on October 19 to do that. That motion was approved as amended, so here we are today.

Let me just introduce this very briefly by saying that the purpose of this meeting is at least three things: one, to provide an opportunity for yet further discussion by this committee regarding the pension schemes; two, it'll give us a chance to provide some questions and answers, and that is why we've asked Mr. Ireland again to join us with his colleague Mr. Thiessen, in case there are deeper questions that still need resolve; and, finally, to seek your recommendation on how, then, you wish to proceed further with Government Motion 11(d).

Partly in follow-up to some of the matters I've already referred to, the minutes you've just approved required LAO officials, specifically Mrs. Scarlett, to provide some additional information about schemes in other provinces. I wonder, Mrs. Scarlett, if you could just tell us what you did and when it went out and so on.

Mrs. Scarlett: As a follow-up to questions asked at the last meeting, we took the spreadsheet that was provided, and we have added a column 7, that clearly defines the type of pension for each jurisdiction. That was provided to all members here a couple of weeks ago. Attached to that as well we took an excerpt from page 235 of Justice Major's report that detailed more information relative to the comparison of the MLA pension plans. So the two pieces of paper flow together.

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

Does anyone have any questions to Cheryl on that specific point that she just addressed? No? Okay. Thank you very much.

Let us move on, then. I don't know what your wishes are, but I'd like to open the floor to discussion from where we left off and see if we can move forward.

Mr. Young: Well, we've had a lot of information. There are some guys at the end of the table there who have an incredible amount of experience and knowledge, and we've sort of tried to glean as much as we could out of that. Early on in this we took the defined benefit off the table. I'd like to make a motion that we also take the target benefit plan off the table so that we can focus the discussion. Certainly, it's a new vehicle, but I think it offers too much potential for risk to the government and Albertans. So I'd like to make a motion

to remove the target benefit plan off the table.

Ms Smith: I'd be happy to second that motion.

The Chair: Okay. Let me just go back a step here. We don't have anything in print at this stage, but that's okay. We can entertain the motion just the same. Members, you know that we had three alternatives presented at the last meeting. I'm not going to go through all of them other than to say that one of them was the RRSP route, the other was the defined contributions plan, and the third one was the target benefit plan. Do I have those right, Mr. Ireland?

Mr. Ireland: That's correct.

The Chair: Thank you.

Your motion is to withdraw any further consideration by this committee of the third one, the target benefit plan? Do I understand that correctly?

Mr. Young: That's correct, Mr. Speaker.

The Chair: And is that your understanding, Ms Smith?

Ms Smith: That's my understanding.

The Chair: We don't normally require seconders, but in this case I'm prepared to allow it.

Mr. Mason: Just so I understand, this is basically a motion that is achieving through negative language the positive result of: we're just going to have an RRSP contribution and no pension at all. Is that correct?

The Chair: That's not my understanding. My understanding of the motion is that whereas this committee has had three types of schemes for consideration . . .

Mr. Mason: We're taking two off the table, leaving only the RRSP contribution?

The Chair: No, no. Perhaps you misunderstood. Only one is coming off. If this motion succeeds, then you will only have two alternatives to discuss. One will be the RRSP, and the other will be a defined contribution plan.

Mr. Mason: I thought we took that off last time.

The Chair: No, sir. Defined benefits came off, and the target benefit plan is one of those.

Mr. Mason: Okay. My mistake. Thanks.

The Chair: Additional discussion on the motion?

9:30

Dr. Sherman: Mr. Chairman, I just want to inform you that I will neither vote for nor against any motions pertaining to our pay. I'll take a convenient break.

The Chair: Should you wish to recharge your goblet, you may feel free to do so.

Any other comment on the motion as presented? Any discussion?

Are we ready for the question?

Hon. Members: Question.

The Chair: The question has been called. Those in favour of Mr. Young's motion, which is, essentially, to discount any further pursuit of alternative 3, which is the target benefit plan, please say aye. Those opposed, please say no. Okay. We appear to be unanimous, those who are here voting. Thank you for that.

Now, that brings us, then, to the two that are left, the RRSP route and/or the defined contribution route. I think it would be helpful if we recapped a little bit of those two. I don't think we need to have an extended presentation on them, Mr. Ireland or Mr. Thiessen, but it might help us if you just refreshed our memories ever so slightly with the remaining two. We've made some progress already. We've discounted one, and now we're looking at the other two. If we could just zero in on those, if I could get you to do a quick, brief overview, please, that would be helpful to refresh our memories.

Mr. Ireland.

Mr. Ireland: Certainly. I'd be pleased to. The RRSP and the defined contribution: the mechanics are essentially the same. There are contributions going in, they are invested, it accumulates with investment returns, and the amount of money in the accounts at the end of the day is used to provide retirement income in some fashion, based on how the individual members draw upon it.

The key difference is that the RRSP has less structure to it. In other words, you could almost just think of that as an allowance or as a salary increase that is intended to be directed to the MLA's personal RRSP account. With the defined contribution plan it is more structured. It is actually going to a separate vehicle or a separate trust fund, and it accumulates within that trust fund and then is paid out when the MLA eventually retires.

The investment is the other big difference between the two. With the RRSP the investment options are at the complete discretion of the MLA. They can invest however they see fit, using whatever external resources they may need. With the defined contribution the investments would be more focused. It would be from a menu of options offered under the program with oversight from the Legislative Assembly Office.

The Chair: Okay. The floor is open for discussion. I have Mr. Mason, Ms Calahasen, Mr. Dorward, and Mr. Young. We'll take those four for starters.

Ms Smith: Can you add me to the list, Mr. Chairman?

The Chair: I'll add you. Thank you, Danielle.

Mr. Mason: Thank you very much, Mr. Chairman. I really have two questions. Other than the personal flexibility that goes to an MLA through an RRSP, leaving that aside, are there any financial benefits of one plan or the other to the recipient? The second question is: are there financial benefits or liabilities accruing to the Legislative Assembly, the public purse, if you will, in terms of additional costs for one plan or the other?

I would suspect that the pension plan would have administrative costs that wouldn't be present with the RRSP. If you could just sort of define it in terms of: is there a financial advantage of one plan or the other to the recipient, and is there financial advantage or liability accruing to the public purse of one plan or the other?

The Chair: That's to Mr. Ireland.

Mr. Ireland: Your first question: is there a financial advantage to the recipient? With the RRSP we would anticipate that it would be more costly with respect to investment management fees because typically the individual would be investing in the retail market. With the defined contribution approach we would anticipate the investment management fees would be lower – again, those are fees borne by the members – because there's a pooling of assets going on. You have a bigger asset base within the pension plan itself, which will attract what we'll term wholesale pricing and reduce these investment management fees accordingly. So that would translate into a direct financial advantage, if you will, for the MLA within the DC plan.

In terms of financial cost or additional resources to govern the DC plan, there would be those additional costs. There would be the cost of oversight because the Assembly would have to set up or establish the plan in the first place, and they would have to then oversee the funds that are offered for investment through the DC pension plan.

Mr. Mason: A supplemental: is it possible to quantify either of those?

Mr. Ireland: The first financial advantage to the recipient: investment management fees are going to be dictated by the size of assets that the defined contribution plan grows to. I think it would be reasonable to expect at least half a per cent reduction in investment management fees for the defined contribution plan

versus a group RRSP approach. However, that can vary by individual. Certainly, individuals that are sophisticated and savvy investors may well have access already to low-cost funds, so that 50 basis points I mentioned may not in fact materialize for those more sophisticated investors. But, generally, from what we see in a retail environment versus a defined contribution plan of this size, I would expect it's going to be in that 50 basis points, possibly even higher in some cases.

Mr. Mason: And the other?

Mr. Ireland: The other we did identify in our September 11 letter, and I'm just referring back to it. I think we had annual costs of . . .

The Chair: Sixty-five thousand dollars perhaps?

Mr. Ireland: Sorry. Yes, \$65,000. That was for the implementation of the defined contribution plan. The ongoing would be about \$60,000. That would be the administrative costs over and above the investment management fees, which, of course, would be borne by the MLAs.

Mr. Mason: Thank you.

The Chair: Just to be clear, when you say implementation, you mean readying it up and implementing it, do you?

Mr. Ireland: Correct. Yes. Getting the documentation, et cetera.

The Chair: Yeah. Understood. Thank you.

Ms Calahasen: There are a number, I think 83 per cent, of Albertans that do not have or participate in pension plans. Does that mean that that percentage would participate in RRSPs or other kinds of possible investments of sorts?

Mr. Ireland: They would possibly participate in RRSPs at the personal level, or they may have nothing at all.

Ms Calahasen: So if there's an RRSP, that means that all the costs would be borne by the MLA, then, right?

Mr. Ireland: That is correct, yes.

Ms Calahasen: And no cost to the public purse in terms of administration, et cetera?

Mr. Ireland: That's correct. That's how we would envision it.

Ms Calahasen: Okay. But the other one would be the costs as you identified: \$65,000 first and then \$60,000 ongoing.

Mr. Ireland: For the defined contribution there would be additional costs to set it up because you need to set up the structure for it, and then there would be the ongoing oversight costs required and governance costs.

Ms Calahasen: Okay. Thank you.

The Chair: Thank you.

I have Mr. Dorward, followed by Mr. Young.

Mr. Dorward: Thank you, Mr. Chair. I've spent a good deal of time reviewing the options before us, and I've reviewed the tasks that the Assembly charged us with. I've spent a good deal of time reviewing Justice Major's report, certainly, and I've talked these issues over with colleagues on both sides of the House. I bring to the table an understanding of the issues before us from my

perspective as a certified management accountant and chartered accountant. I am a fiscal conservative. To me, that means that every dollar gets scrutinized, and every dollar has to have a purpose and a value to it. It does not mean that no or zero is the answer; the answer must be considered in relation to the progressive values that this province has always had. I don't want to quote Justice Major's sections 2.2, 2.3, 2.4, and 2.5, but those are the pertinent sections for me – and I'm thankful for them – that speak to these kinds of issues of the progressive values and making sure that we do what's right for the MLAs that will serve the people of this province in the future.

9:40

I'm thankful that the Canadian Taxpayers Federation has helped to clarify that RRSPs and defined contribution plans are not gold-plated although, quite frankly, I still don't know exactly what that mark is. I've tried hard to determine what it is. I know that the Official Opposition party has recommended an RRSP plan, so I'm going to assume that they do not think that that type of plan is certainly a gold-plated plan.

My understanding is that the federal MPs meanwhile are headed for a change in their defined benefit pension plan whereby the federal government is going to contribute in the range of \$40,000 per annum to their pensions.

I'd like to put on the record that I feel the weight of, say, a one-term MLA who sacrifices to serve the people. We simply cannot cut these people loose with nothing after their time is over. Further, we need to have a compensation package that has a chance of attracting the best. As a new MLA I can say that the workload is incredible, but more so the responsibility is daunting. We need the brightest minds to represent our constituents, set the government policy framework, deal with the daily government business, and provide, of course, a worthy and honourable opposition.

The spirit of the Major report is that the MLAs need a pension plan, his recommendation being a defined benefit plan. I differ on the type of plan for I feel that an RRSP is the simplest to administer. It allows the most flexibility to the member and provides cost certainty and transparency to the people of Alberta. Therefore, I would like to recommend – and when we move along here, we can get to a motion – that we amend section 10 of the Members' Services Committee order and that that order, after being amended, would read as follows: that on December 15, 2012, and on January 15 of each year thereafter the LAO contribute the maximum legislated amount to an RRSP of a member's choosing.

Now, I do feel that after serving the people for a number of years, members need a severance allowance – and I struggle with these words, but I'll use them – to dip into should they have difficulty getting back into the workforce. I have tried, in my mind's eye, to mix that severance allowance concept with the RRSP that I just proposed. However, the RRSP is like the heritage savings trust fund; it's for the future. What happens when a person is not working anymore as an MLA? Therefore, I'd recommend that we consider a month of salary per year, that that be notionally recorded for the member, and that that amount be paid when they are no longer an MLA.

I do feel that what I've said here encapsulates what I've heard in the discussions that I've had with people, keeping in mind the balance of the cost side with the need to have something that is right for the MLAs.

Thank you, Mr. Chair.

The Chair: Thank you.

Mr. Young: Mr. Speaker, I've got a question, and then I'd like to make a motion if that's permitted. My question is to the gentleman at the end of the table. Recently the federal MPs brought forward a bill for the amendments to their changes. I almost feel that with such experience here I'd like to go through this very thick document line by line to completely understand it. But I'm also reminded of some of the principles that we started with here, and one is that it had to be clear in terms of what we were trying to pursue for a package. There needed to be transparency, and there needed to be fairness. While I think I would highly benefit from your discussion about this large document, my question is: is this a defined benefit or defined contribution plan? Have you got an understanding on the federal plan?

Mr. Ireland: This is the MPs' plan?

Mr. Young: Yes.

Mr. Ireland: It's a defined benefit.

Mr. Young: Okay. Defined benefit, the one that we took off the table.

While I think I would benefit highly from that discussion about this, I think that, in simplistic things, I support MLA Dorward's position that the simplest and most clear position would be to move towards an RRSP plan, if that's the right word, and I'm willing to make the motion at this point.

The Chair: Just before you do, I have two more speakers in the general comments category, I would assume. Then if a motion comes forward, I will go to you first at your request.

Mr. Young: Thank you, sir.

The Chair: Okay. Are you done with your question, then?

Mr. Young: Do you have any general comments? There's been a lot of discussion about how it's been modified and made less rich, if that's the right word. Can you comment in general terms on those changes?

Mr. Ireland: Correct. I think it has been modified significantly. The cost sharing appears to have increased for the MPs themselves, so the MPs will be paying more into it. But with any kind of plan provision changes to a defined benefit plan there are a lot of details and a lot of complexity behind it. At the end of the day you are dealing with a defined benefit plan in that environment whereas here I think what you're contemplating is more of a defined contribution, RRSP-type approach with a fixed cost. So it becomes very much an apples-to-oranges comparison.

Mr. Young: Thank you very much. The difficulty in comparing is because it is a defined benefit.

Mr. Ireland: Correct.

Mr. Young: Okay. So that has been maintained.

The Chair: Thank you.

Dr. McNeil to supplement Mr. Ireland's comment.

Dr. McNeil: Just to add to that, from my understanding of looking at the legislation very quickly and the press reports on it, it appears as though the accrual rate for the benefit for that plan will remain the same, which is 3 per cent.

The biggest difference, on the surface anyway, is that they're changing the normal retirement age from 55 to 65, and they're

changing the distribution of who pays for what. At the present benefit level the member was paying 7 per cent of salary, if you will, and the House of Commons was paying 44.4 per cent. In effect, now they're saying that that total percentage of salary will probably go from about 52 per cent, which it is now, maybe down to – I can't guess; I mean, our actuaries can probably give a better estimate of that – say, 40 per cent instead of 52. That means that the member would be paying 20 per cent of salary to pay for the cost of the plan, and the House of Commons would be paying 20 per cent. That's just a very rough approximation. So the total cost of the benefit as a percentage of payroll would go down because of that change from age 55 to 65.

Plus, they're also integrating it with the CPP, with which it wasn't integrated before. On the surface of it the overall cost of the pension will go down. The distribution of who's paying for that will go from 7 per cent of payroll by the member and 44 by the House of Commons to sort of half and half. Based on the information we've seen to date, that's sort of roughly what's happening with the federal pension. But the accrual rate stays the same, as far as I can tell, so 3 per cent per year of service. If you have 10 years of service at 3 per cent per year, you get a 30 per cent average earnings based on the final five or final three. I'm not sure what the benefit is, but that's a rough idea as to what those changes, as I understand them so far, will result in.

The Chair: Thank you.

I have Ms Smith, followed by Mrs. Jablonski, followed by Mr. Quest.

Mrs. Forsyth: You can add me to the speakers, please.

The Chair: Okay. Thank you.

Go ahead, Ms Smith.

9:50

Ms Smith: Thanks, Mr. Speaker. I have a couple of questions for Mr. Dorward about his motion. I'm not sure if it's appropriate for me to direct them to him. I just need to seek some clarity on what he suggested.

First of all, the December 15, 2012, deposit by the LAO: some of us have already had the RRSP deposit because the forms were circulated at the beginning of summer, so I think it's problematic for us to have this as a starting point in December. Perhaps if there is a change in plan, he might consider modifying his proposal so that it does kick in next year as opposed to this year to ensure that there isn't any difficulty for the LAO to manage those who have already taken advantage of the ability to use the current plan. I don't know if he has a comment on that.

The Chair: Let me invite him.

Mr. Dorward, you wish to comment?

Mr. Dorward: Yeah. Thank you for bringing that forward. Certainly, it's a very valid point. If we had gotten further on the motion, I had prepared to indicate that the payment on December 15 would be simply reduced by any amounts that had already been paid in this calendar year to any member.

Ms Smith: I see.

The second point of clarification I have, then. As I understand it, what Mr. Dorward is talking about is that the MLA would make no contribution towards their own RRSP. It would be a 100 per cent taxpayer-paid contribution to the full amount of the RRSP limit of 18 per cent, or something in the order of \$22,000 to \$23,000. Can I just seek some clarity on that, that there is no

contemplation under Mr. Dorward's plan that the MLA would contribute anything into his plan?

Mr. Dorward: Well, yes and no. I think that the MLA needs to make a contribution to their future. It's just that the Canadian rules only allow a person to put \$23,000 away into a specific vehicle called an RRSP.

The simplicity of my suggestion is that this is in control, if you will, of the member. In other words, they have that money put in by the LAO, which is to the maximum, as you've indicated – correct – but that isn't to say that they can't match that themselves. They just wouldn't be able to put that in an RRSP. Of course, they might be able to if they had room in their RRSP, meaning that they hadn't in the past, which is valid. So, yes, absolutely they can match it and should. It takes the responsibility administratively away from the LAO onto themselves as individuals to make that decision, how much they would top that up by.

Ms Smith: Just, then, to clarify, we would go under the status quo. The LAO provides I think it is \$11,685. What you're proposing is that that would be doubled and that the LAO would provide twice that amount. Is that correct?

Mr. Dorward: Correct.

Ms Smith: Okay. The other question I had was a process question. If a decision is made today, does it then become the rule, or does this go back to the Legislature? Am I reading the Major report correctly, that any changes we make, whether it's the RRSP proposal that Mr. Dorward proposes or something else, actually have to go back to the full Legislature so that every member may vote on them?

The Chair: That's my understanding. The way the motion was worded and approved in the Assembly is that we are to give consideration to the items that were enunciated and then bring our recommendations back to the Assembly in the form of a report to the Assembly, and at that point the Assembly can decide what it wants to do with that recommendation or that report.

Ms Smith: Let me just make, then, another comment. Knowing that this will come back to the Legislature and all of our members will have an opportunity to speak on it, I may as well reiterate some of the points that Mr. Anderson made when he stood in my stead in the last meeting.

I had the personal experience of dealing with the RRSP contribution over the summer, and I have to compliment the LAO for having worked out the processes to make that very flexible, very convenient, very rapid.

The opportunity to be able to choose to take it as income for some of our younger members who are sole income earners is something that I have heard from our members that they value. For those who are in the middle-age group, being able to have that go into an RRSP or a TFSA if they choose – investment advisers sometimes advise that for those of us who have a long time horizon, having the TFSA might be a better option – was valued.

Plus, for our senior members, we have two members who are over the age of 65 and actually would not be able to benefit from having a forced RRSP contribution. I don't know if that's been contemplated by Mr. Dorward in his motion. What happens to those who are senior members who get beyond the mandatory withdrawal age of 71? Are they left out under a plan that does not provide the flexibility such as the one he is proposing?

For those reasons – to give the flexibility to our younger members to take it as an additional source of income and to our

older members to take it as an additional source of income, in addition to those of us in the middle having the opportunity of going with an RRSP or a TFSA or some combination of the two – I think the status quo is something that you would find our members support. I say the status quo because I don't believe that you will find in the Wildrose caucus any appetite to increase the benefits such as Mr. Dorward proposes, doubling this.

We've had a lengthy conversation about it at caucus, and as you saw in the Legislature, four of our members even voted against the main motion. The reason why they did is because they did not run to vote themselves in additional benefits at all. The question I have, then, so that you understand that context, is: if we reject both of these options on the table – we reject the revised RRSP, and we reject the defined contribution plan – does that mean that the status quo prevails, that the process that I went through over the summer is the process that will continue on a go-forward?

The Chair: Thank you.

Mr. Ireland, did you wish to comment on this at all?

Mr. Dorward, do you want to comment on that any further? If not, I'll go to the next speaker.

Ms Smith: I do just need some clarity on that because that's something our caucus was not certain of. If we reject these two plans, does that mean that the status quo prevails, or does that mean we have nothing?

The Chair: That's a good question, actually. I don't know that I have a rapid-fire answer to you for it, but in the absence of any change in direction, then I presume the status quo would remain in effect until it is formally withdrawn and exercised so by the Assembly. In that respect, just to clarify the earlier question, Ms Smith, I'm looking at Government Motion 11. It clearly states under section A(d)

that the committee examine alternatives to the pension plan for members proposed in recommendation 12 and discussed in section 3.5 of the report, including defined contribution plans, and report to the Assembly with its recommendations.

Clearly, our job with respect to the issue of RRSPs or defined contribution plans, as we may wish to call them, is to report back to the Assembly with a recommendation.

Now, with respect to whether the status quo prevails formally or not, I would ask our Parliamentary Counsel or our Clerk if they have a comment to make on what happens if this committee does not come forward. It is speculative. My job is to try and ensure that this committee does come forward with a recommendation. I'll ask our Clerk to make a quick comment, and then I'll go to Mrs. Jablonski, Mr. Quest, Mrs. Forsyth, and, if there are no other speakers, then to Mr. Young for a motion that he indicated he might wish to bring forward.

Dr. McNeil: Justice Major's report recommended that the existing RRSP allowance remain in place until an alternative was selected by the Assembly. With that interpretation, that recommendation, we continued with the RRSP allowance, and I would suggest that that would be continued until a replacement plan would be put in place.

The Chair: Are you good with that, Ms Smith?

Ms Smith: Yes. Thank you.

The Chair: Okay. Thank you.
Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Speaker. I understand that any member who doesn't feel that any of the benefits that we are appointed are fair or reasonable can reject them or donate them to charity if they so wish. I, too, have spent some time going over the options for the Members of the Legislative Assembly by reviewing the Major report and speaking with Albertans and other Canadians. I believe it's important that we recognize the unique work that MLAs do that requires that we be available and accessible to our constituents days, evenings, and weekends. As Mr. Dorward said earlier, it's important that we encourage the best of the best and the brightest to serve the people of Alberta as their provincial representatives.

I've spoken to representatives from New Brunswick, Newfoundland, Manitoba, Scotland, and New Zealand as well as other Alberta MLAs who agree with the Hon. John Major when he states in his report on page 43:

In considering a pension for Alberta MLAs, it must again be noted that the average length of service for Members is just over eight years – or approximately two terms. Thus for the majority of Members a political role is either a mid-career or late career occupation and rarely close to a lifetime career. It also interrupts an MLA's private career, which means MLAs frequently sacrifice the pension accrual that they would have earned during those otherwise pensionable years in another occupation.

10:00

Understanding these things, Mr. Chair, it's very important that we be fair to the members, who choose to do public service. I don't think any Member of the Legislative Assembly is interested in a gold-plated pension plan. We know that any retirement plan must be affordable and sustainable. We are now discussing what I believe is a good option that would help with future planning for all members, an option that is not gold plated and that is sustainable for the government.

Mr. Speaker, as we go forward discussing what Mr. Dorward put forward, I would support what he said.

The Chair: Thank you.

I have Mr. Quest, followed by Mrs. Forsyth.

Mr. Quest: Thank you, Mr. Chair. Just a couple of comments to follow up on what Mr. Dorward and others were saying and the comparison to what's happening federally. What's happening there, I think, is rather complex. I think what Albertans are really looking for is something simple so they can understand what they're on the hook for with respect to the cost of these. I believe that with the federal announcement yesterday it would be \$39,000 per year per member that the taxpayer would be on the hook for today. Then who knows in the future? It is a defined benefit package, so it's probably substantially more than that – at least, certainly, there's a risk of that – whereas what we're proposing here, which is not a pension, to be clear, is \$23,000 a year. So there's a significant, significant difference. Ours, of course, what we're discussing now, has no risk – no risk – to the taxpayer in the future.

My question, then, is for Mr. Dorward. I'm going to go back to this departure allowance at one month a year. I'm just curious about where that came from. I ask that question because I believe the Member for Airdrie brought forward a motion in the House some time ago proposing something similar to this. Were you thinking along the same lines as what that member was proposing in the motion?

The Chair: Mr. Dorward, do you wish to comment, to clarify?

Mr. Dorward: Yeah. Somebody did point that out to me this morning, but interestingly it's not how I came up with it.

I'll just reiterate what I said. An RSP is an RSP. For me that's the future. If we try to say to members, "Well, if you need some money after you've left office, please dive into that RSP that you have," I don't know that that's the right way to go, quite frankly. I've used the words "severance allowance." Maybe we can talk about the words. There needs to be something more there for those individuals as our Member for Red Deer-North said. You know, they don't have those career years there anymore. They're gone. They served the people. So they need something.

I just came up with this solution of maybe one month per 12 months of service. That would be four months if they served four. Maybe we'd cap it at 12 months if they served for 12 years. That would be sitting there ready for them to go. When they leave, they'd get that. It's taxed at that time because there wouldn't be any RSP sheltering available, and they can use that money to go on with the next part of their life. I called it a severance allowance because I guess they get severed if they're not elected again.

The Chair: Okay. Thank you.

I have Mrs. Forsyth and then Mr. Mason. Then we'll go to Mr. Young, who I think has a motion he wants to put forward.

Ms Smith: Mr. Speaker, can you put me back on the list? I think I'm needing to seek some greater clarity from Mr. Dorward. I think I might be misunderstanding what he's proposing, so if you could put me back on.

The Chair: Okay. Thank you. So I will have Mrs. Forsyth, Mr. Mason, and Ms Smith.

Mrs. Forsyth: Well, I may be able to help my leader on this because that was what I was going to ask Mr. Dorward. I have been listening very intently. The members around the table have been referring to his motion, and I'm not sure if we heard the full motion.

The Chair: There's no motion on the floor at this time. We have not received a motion. The chair has not entertained one yet.

Mrs. Forsyth: Okay. Well, I would like to hear his full motion.

The other thing I would like some clarity on – and you brought this up again from the Major report – is about reporting to the Assembly with recommendations. Well, reporting to the Assembly versus debating in the Assembly are, clearly, two different things. I think what Danielle was trying to find out was if all members from all sides had the opportunity to debate the recommendations that we would put forward to the government in the Assembly. So I would like some clarity on that if I could, please.

We've got a motion on the floor from, I believe, Mr. Young, which is talking about one thing, and now Mr. Dorward has brought another motion forward.

The Chair: No, no. Mrs. Forsyth, perhaps there is some misunderstanding here. I just said a little while ago that there is no motion before the committee at this time either from Mr. Young or from Mr. Dorward. There is no motion on the floor. We're having a general discussion building up to what I anticipate will be a motion, which Mr. Young indicated during his comments he'd be prepared to do at the appropriate time. At that time I said that we will first have the general discussion because a number of people had signalled their hands wanting to ask some questions to Mr. Ireland and so on. So just to be clear, there is no motion on the floor at this time.

Mrs. Forsyth: Okay. If it's not a motion on the floor, maybe Mr. Dorward could explain his thoughts, if I can use that word, that he is considering before he makes the motion.

The Chair: Yeah. That's a fair question.

Mr. Dorward, I wonder if you wouldn't mind just going back through whatever and however you want to make your feelings clearer and clarify, perhaps, where we're at in terms of where you're coming from.

Mr. Dorward: I shall. I think for simplicity it's easiest to refer back to the Members' Services Committee orders. In that document there's a member's allowances order, and item 10 deals with RRSP allowance. I think it's very straightforward to amend that clause, the RRSP allowance, to allow an individual to receive that allowance January 30 and to remove the words from that that it would be "equal to one-half" and effectively make it a full allowance and deal also with that issue that Danielle Smith brought up relative to the fact that some may have received that already relative to this year.

As a separate issue, which I feel is a separate issue – and I'll use the word "notionally," which means that a record is kept, I guess, but not paid to a member – that one-twelfth, which is around 8 per cent of their salary, be notionally recorded and paid to that member when they leave office. That's a separate item; it's not the same item. That would be taxable because there's no tax sheltering.

Since I have the microphone, I do want to say one thing, and that is that when I considered all of this and came up with these ideas, I looked at the percentages that we are dealing with. The spirit of the Major report is that we as MLAs would receive approximately 17 per cent in what used to be called – what was it called before?

Mrs. Jablonski: Transition allowance.

Mr. Dorward: A transition allowance – thank you – which was rejected by the Assembly, of 17 per cent.

He also suggested a defined benefit plan, which – I've asked people – would cost around 20 per cent. So you could say that those numbers are around 37 per cent. My proposal today is around 24 per cent. So that 16-ish, 17 per cent would be that RRSP component, and about 8.3 per cent would be that one-twelfth. That would be around 24 per cent to the people of Alberta.

Mrs. Forsyth: If I may, Mr. Speaker, because I think I still have the floor. David, there are two different things we're discussing. I don't want to use the word "motion" because it's not a motion till it's tabled. The first one is item 10 under the RRSP allowances. We get half now, but you want to max that to the maximum of \$23,000.

Mr. Dorward: Correct.

10:10

Mrs. Forsyth: Correct.

The second is a separate issue, and that separate issue is – we don't want to call it a pension, and we don't want to call it a transition plan; we want to call it something – one month's severance for every year, correct?

Mr. Dorward: Correct.

Mrs. Forsyth: And there's no max. So if you're there 12 years, you would get that. If you're there four years, you would get four months' severance.

Mr. Dorward: Correct.

Mrs. Forsyth: Okay. So there are two separate issues we're dealing with.

Mr. Dorward: Correct.

Mrs. Forsyth: Okay. Thank you.

The Chair: Just to be clear, we're not dealing with anything. Mr. Dorward has simply explained where his feelings lie.

Mrs. Forsyth: Yeah. I understand that, Mr. Speaker. I was trying to use my words carefully. You've already reprimanded me that we're not talking about a motion; we're talking about an item or a thing or whatever, a thought.

The Chair: I would prefer to call it clarification as opposed to a reprimand, but I take your point.

Mr. Dorward.

Mr. Dorward: Thank you. Just to finish my one little point, I feel that my recommendation takes us from 37 per cent in the Major report to approximately a 24 per cent cost, which is around 41 per cent lower than other politicians are discussing across the country right now. It also puts us right in the mid-range, bang in the middle, of the survey that was done by the LAO in terms of our overall compensation, just as an FYI as well.

The Chair: Thank you.

Mr. Mason, followed by Ms Smith.

Mr. Mason: Thanks very much, Mr. Chairman. Well, I wanted to follow up with a question also to Mr. Dorward. I'm assuming that the motion by Mr. Young is going to be based on what Mr. Dorward has said; otherwise, this is quite a big waste of time. I want to clarify one thing. We're really talking about two things in your idea, and I prefer the official term, not "severance" but "transition allowance." My understanding is that that is to allow the MLA to transition back into the private sector or wherever they came from. It's not intended as a retirement thing but to allow them to move out of politics and back into normal life. Then the RRSP is for one's retirement. Is that correct? Is that really the distinction you're making?

Mr. Dorward: Yes. The only concern I have over the wording is the fact that the Assembly has taken the wording – and I apologize for not knowing the exact words of what happened in the Assembly – and said that that portion, those words, are not going to be accepted. So if we go back and say those same words, I'm not sure that we have the power to be able to do it.

Mr. Mason: Oh. All right. Okay. Then let's not call it that if it's been ruled it's unparliamentary or something.

Mr. Dorward: That's why I called it severance allowance.

Mr. Mason: You know, the point I'm trying to make is that in your idea there are two separate things, and they have two separate purposes. Is that correct?

Mr. Dorward: Yes.

Mr. Mason: Okay. Now, the other thing is that I want to follow up with Ms Smith's question, which I don't think got answered. That is: how does the RRSP contribution affect older people who are, you know, over 65?

Mr. Dorward: Once a person attains the age of 71, they're not able to make a contribution to an RRSP. This is a very valid point and should be covered off by us somehow. It wasn't in the old orders as well. It wasn't covered off. But it is a very valid point if we have a 71-year-old MLA. I mean, I might be one myself. I don't know.

Mr. Mason: But the money would then be transferred to them, and they could put it in a nonprotected investment, just pay taxes on it and invest it.

Mr. Dorward: That would be the spirit of what I would recommend.

Mr. Mason: All right. Thank you.

The Chair: I'm just going to interject here and ask Cheryl Scarlett, our director of human resources and – what's the rest of the title, Cheryl?

Mrs. Scarlett: Information technology and broadcast services.

The Chair: All of that. Would you mind to just chime in here on Mr. Mason's point?

Mrs. Scarlett: Just for clarification the current RRSP allowance provides for the payment as discussed to all members. So even if a member is over the age of 71, they shall receive that. However, the rules relative to contributions to RRSPs still apply, so someone older than 71 could not put it into an RRSP. It would be paid as taxable income.

In the proposal that was option 1, across the board in terms of option 1, option 2, and option 3, it was presented in terms of any benefit that was to be paid, and that benefit would cease at age 71. So whatever is being discussed, there needs to be clarity in the go-forward.

The Chair: Can I just clarify for everyone's purpose what the Assembly embraced back in May of this year in this regard?

That recommendation 11 regarding the implementation of a new transition allowance be rejected and that no further amounts shall be accumulated beyond those accrued by eligible members prior to the commencement of the 28th Legislature.

Then B – and that, too, was passed by the Assembly – stated very clearly:

Be it resolved that nothing in this motion shall limit the committee's ability to report to the Assembly on any other matter arising from the report.

So we can basically come forward with whatever we might want, but let's be clear that the new transition allowance idea was rejected by the Assembly. Perhaps it might be unrejected at some point – who knows? – but that's where we stand today.

I have Ms Smith, and then I think we're ready to go to Mr. Young on a motion.

Ms Smith: Well, just a couple of things. I'm just a bit concerned about voting on something here without being able to take it back to my caucus for a full discussion. I don't believe that Mr. Dorward's proposal for a new type of severance allowance, again, as Mr. Quest points out, along the lines of a private member's bill that Rob Anderson put into the Legislature a couple of years ago, which was rejected – I don't know where my caucus falls on that issue now that Ms Redford has eliminated it completely and campaigned on that.

We, I think, understand the principle of having a transition allowance, which is why we put forward the idea of having one

month for every year of service, and we would have maxed it out at 12 months. I wouldn't feel comfortable voting on that since it has come as a bit of a surprise to this committee and I haven't had an opportunity to bring it back to my caucus. I'm not saying that we would reject it out of hand, but I would have to vote against it today since I don't have any direction from my caucus on where they would like us to go on that. I would just put that on the table.

In addition, I think that part of what we're trying to do with creating some sort of pension proposal – and I like the fact that the committee is leaning towards an RRSP – is that we are trying to get the kind of proposal that is available in the real world, among the people who actually vote for us. In the real world, among people who vote for us, they don't typically have a 100 per cent employer-paid contribution to an RRSP or a defined contribution plan. There normally is some kind of matching requirement or some kind of expectation that an individual would provide a portion towards their own RRSP contribution or their own defined contribution plan.

It's very problematic, I think, for our members to be able to support going from essentially a 9 per cent contribution to an 18 per cent contribution and putting taxpayers 100 per cent on the hook for RRSP contributions when we know that those same taxpayers don't have the opportunity to vote themselves a similarly generous contribution. I'm of the view that we still need to do a little bit more work with our caucus on the issue of a transition allowance. Again, I'm not saying that we'd oppose it out of hand, because it has been something we've supported in the past. We recognize that when politicians leave office there are limitations under the Conflicts of Interest Act for a year about the kind of work that they can take on.

I think that there is a legitimate argument that can be made to bring back something that's more reasonable, but I think that if we're going to have a vote today, I would say that it would have to be confined to the issues that were on the agenda, which was addressing this issue of an RRSP allowance or defined contribution, things that we've discussed before, or we can decide to take these two items back as a package to our members to discuss. But I'd be reluctant to vote in favour of what is being discussed should a motion come forward by Mr. Young for the reasons I've indicated.

10:20

The Chair: Okay. Thank you. The chair finds himself in a similar position to what you've just indicated. I had no knowledge of this motion either, but it's just been handed to me, so I'm going to propose the following.

I'm going to ask Mr. Young now to present his motion, and then we're going to take a 15-minute break, a comfort break, and we'll come back and discuss how you want to deal with it.

In the meantime I believe that Ms Quast is prepared to electronically mail the motion to you now, Ms Smith and Mrs. Forsyth, as Mr. Young is going to enunciate it shortly. In the meantime we'll also circulate it to all members here. Let's just take a short moment here and make sure that this motion gets circulated to all members. Have you sent it electronically now?

Ms Quast: I will hit Send now.

The Chair: Okay. Here it goes. Heather, you and Danielle should get this momentarily, and then, just to repeat myself, Mr. Young will read his motion into the record. You'll have it in print in front of you. Then I will announce a short recess for comfort and refreshment purposes.

If we're ready, Mr. Young, let's have you enunciate your motion, which is being circulated. To my knowledge that is all that is being circulated. Is there something else being circulated as well?

Mrs. Forsyth: Well, Mr. Speaker, if I may – and it's just come in – not only has the motion been circulated, but mysteriously enough Bill 202, which was Mr. Anderson's private member's bill, is also included.

The Chair: I have no knowledge of that; I'm sorry. I was only asked about a motion.

Mrs. Forsyth: Well, I can tell you that I have just received it from Allison, Steve Young's motion plus Bill 202.

The Chair: I'm sorry. Thank you, Mrs. Forsyth. The chair was not advised of anything being circulated other than the motion. Perhaps the people who prepared the material for this motion could now tell us: what is this all about, and why wasn't I informed?

Mr. Young, the floor is yours.

Mr. Young: Thank you. I apologize, Mr. Speaker. I provided that as background in terms of part 2 of the motion that I'm about to give.

First of all, as it relates to the Major report, I recommend that we do not accept any pension. Now, that being said, I do make the motion:

Be it resolved that the Special Standing Committee on Members' Services amend section 10 of the members' allowances order to remove the words "Once in a fiscal year, there shall be paid to every person who is a Member and has served a minimum of 3 months in that fiscal year", to insert the words "On December 15 of 2012 and by January 30 of every fiscal year thereafter, there shall be paid to every person who is a Member", to remove the words "one half of", and to add the words "For greater clarity the payment on December 15 shall be reduced by any payments made to the Member in the calendar year 2012."

Be it further resolved that the Members' Services Committee establish a departing allowance payable to departing members, not to exceed the equivalent of one month's salary for every year served as a member, to a maximum of 12 months' salary.

By way of background, it parallels Mr. Anderson's bill that he'd previously proposed, so I'm surprised that the member said that she was surprised about her member's bill. That's the reason for the background there.

Mrs. Forsyth: Well, if I may, Mr. Speaker, I'm not disputing Mr. Anderson's bill at all. I was there and debated Mr. Anderson's bill, and I can tell you that the government defeated Mr. Anderson's bill. What I find quite surprising is a motion and then Mr. Anderson's bill conveniently tagged onto it. To me, that is cocky, if I may use the word. Both Ms Smith and I are well aware of what Mr. Anderson proposed in his private member's bill because we debated it as a caucus. I was expecting just the motion to appear.

The Chair: And, frankly, so was the chair.

However, we're going to adjourn for a short break while everybody has a chance to review this matter. It is now 10:24, and we're going to resume again in 15 minutes precisely from now. Mr. Sergeant-at-Arms, if you'd keep an eye on the clock and remind me one minute before, we'll reconvene. This meeting is recessed for 15 minutes.

[The committee adjourned from 10:25 a.m. to 10:40 a.m.]

The Chair: Everyone has reconvened here in the Annex committee room, so let us go on. We left off with the proposed motion brought forward by Mr. Young. He has read it into the

record, so I'm going to invite him to open the discussion for it. I'll take shows of hands and/or voices to compile a speaking list.

Ms Smith: Danielle Smith would like to speak as well.

The Chair: Thank you. I have Mason. I have Smith. I have Quest. We'll begin with Mr. Young. Proceed.

Mr. Young: Well, having read the motion, I think there are three elements here. One is that this committee recommend to the Legislature that we reject the pension. The other one is to amend the orders and to add that the Members' Services Committee establish a departing allowance – in our conversations the word "severance" has been used – that has a maximum of 12 months, and it represents one month for every year of service. I invite some commentary or some discussion around that.

The Chair: Okay. Thank you. I have Mr. Mason.

We also have a request for this motion to go out into the world. Now that it's been read into the world, I'm okay with it going public, so to speak, but let's carry on.

Mr. Mason: Well, Mr. Chairman, it's interesting. I find the thing interesting. We have, I think, a very difficult balancing act. We know that there's a certain segment of the public and media that's very critical of anything politicians do that might be perceived as a benefit to them at the expense of people who, you know, have contributed financially to the operation of the province. On the other hand, I think it's important that we have some reasonable package because I think, first of all, we don't expect people to give up their careers or put them on hold for a period of time in order to try and serve the public at great personal financial sacrifice. We all have families, we have lives, and so on. So striking those balances is important.

I know as a leader of a party that it's often difficult to recruit candidates. It consumes a lot of my time, as I'm sure it does any political leader. Making sure that people can enter public life and return to public life without an inordinate financial sacrifice, I think, is one of the things that we have to do. However, I would say that my preference would be for some contribution to come from the member in this. Moving as it does to the full RRSP may be one of the problems.

The other issue is the Wildrose plan for a one month per year severance. That's been revitalized here in Mr. Young's motion. When I first came to the Legislature, I sat on this committee as a new member, and we had a meeting in which the proposal came for the three months with no limit. I was the only member of that committee at the time to vote against it. I thought that it was too rich. While this is a much more modest proposal, I'm not sure that at this time, given the debate in the Legislature, I can support the Wildrose plan for a severance.

I'm torn. I think on balance this is getting in the right direction, but there are a couple of issues around it that I think are causing me considerable difficulty in coming to a conclusion, so I'll be happy to listen to the rest of the debate.

Thank you.

The Chair: Thank you.

I have Ms Smith, followed by Mr. Quest.

Ms Smith: Thank you, Mr. Speaker. I'm still trying to seek some clarity from a question Mrs. Forsyth asked earlier. If this motion passes at committee, is it reported back to the Legislature as a matter of information, or is it taken to the Legislature for

ratification, debate, and a vote by every individual member? Can I seek some clarity on that?

The Chair: I'll give you my version of it. First of all, with regard to Mr. Young's motion there are two aspects here in broad terms. One of them deals with some form of a comment on pensions, and the other one deals with a comment regarding a departing allowance or a makeshift severance allowance or whatever you want to call it. Now, there's no problem in discussing and debating the RRSP or defined contribution aspect of what this motion refers to. That's our job to do. If we get that job done, Danielle, we would then bring a report with recommendations back to the Legislature. It would be up to us to phrase that report, phrase that recommendation, however we want. Assuming a motion, this one or any other one, were to succeed, then we would reflect the spirit of that motion in our recommendation and our report.

However, the second part, which deals with the possibility of establishing a departing allowance, would clearly be an issue which Parliamentary Counsel and others would have to have a look at and provide some advice to this committee because such a motion would stand in the way of an existing government motion that was passed by the Assembly that specifically rejected a new transition allowance. We would have to have some clarity on that point. Assuming we had clarity sufficient to the agreement of this Members' Services Committee, then that, too, could become part of our report, but we would have to figure out how we would entertain it and bring it back into the Assembly so as to not violate what's already there.

That's why I said earlier that a new transition allowance has been rejected by the Assembly already by passing Government Motion 11.A(c). We would have to figure out how, if it's the committee's wish, we might unreject it, to use an unparliamentary word. We're just waiting to see where we go.

It is also possible for everyone's consideration here that we might not come to a resolution on this motion as worded because what you're really asking us to do is to consider amending section 10 of the Members' Services orders, and it's not quite that simple to simply put some words on paper, forward, and say: this is what it's going to be. We would have to check with the finance people. We have to check with Parliamentary Counsel to make sure we get the right wording.

Suffice it to say that what I see right now is us debating the thrust and the gist, the feeling, the sentiment, the spirit, whatever you want to call it, of this motion in the two sections I've described.

Ms Smith: So, then, just so I'm clear, it has not been determined at this point whether or not it would be fully debated in the Legislature. That would be decided by the majority of the members on this committee.

The Chair: It will be this committee's decision to decide what kind of a recommendation it wants to put forward. That will be our job, to put forward to the Assembly our recommendations.

Ms Smith: Well, since the majority of the members on this committee are from the government caucus, I think it's up to them to decide whether or not it is going to be debated by our members. Since they haven't actually expressed a view on that, I have to assume that they're going to make a decision to just deliver it to the Legislature as a report and not allow individual members to vote on it. Since we only have two members on this committee, we actually can't determine that outcome. It would be up to the PC members of the committee to determine it.

With that in mind, I am going to vote against this motion, for two things. I think what we're seeing is that Mr. Young is trying to lump two quite separate issues together. Let me deal with them independently. If he's prepared to separate the two of them, then maybe we can deal with them in a different way. On the issue of the RRSP contribution I think this is not that hard. I think that it's very easy to figure out what the public wants on this issue. I think the public, when looking at all of the different options that have been put before us, would favour the status quo, the status quo being that 50 per cent of the allowance is given to a member to make the choice on their own about whether they keep it as income, put it into a TFSA, or put it into an RRSP. I think that in point of fact we can reject any of the proposals on pension that have been put forward to us and keep the status quo on the RRSP.

10:50

Now, as for the issue of the departing allowance – I don't think this has ever happened, but it certainly would be an interesting way of resetting the tone in the Legislature for the government to make Rob Anderson's private member's bill into a government bill and put it into the Legislature for it to be debated. With Mr. Young being willing to present Mr. Anderson's bill to this committee, I would suggest that our members would love the opportunity to be able to debate it in the Legislature and that he should withdraw the motion here and work with our House leader, Mr. Anderson, to bring it forward perhaps as a bipartisan effort, as a way of changing the tone in the Legislature, demonstrating that there is a spirit of co-operation, that the government has recognized that we were actually right in putting forward a proposal that was far more modest than the one that had been put forward. As opposed to the proposal that the Premier put forward, which was eliminating it all together, I think that that would probably be a helpful way of moving forward on this.

The point of fact is this: when Mr. Anderson put that motion forward, it was in response to a severance package which was three months for every year of service with no limit. So it was in response to that. The status quo today is that we now have zero because of the Premier's decision to campaign on eliminating it altogether. So now we're going from a position where we have nothing and we would have to bring something back.

I can't speak with confidence, now that we've gone from a four-member caucus to a 17-member caucus, that all of my members would now be in favour of voting for this motion, which is why I will vote against the motion that has been put forward by Mr. Young today for two reasons: I don't believe the public supports an RRSP allowance which has zero contribution by the member – I think the status quo should prevail – and I think that this issue of a departing allowance is something that should be debated in the Legislature. I would hope that Mr. Young would work with Mr. Anderson to bring that forward.

The Chair: Thank you.

The bottom line is that when dealing with any motion, we have the opportunity to either pass it, reject it, ask for it to be withdrawn, rephrase it, perhaps, or in this case take it back to your respective caucuses for some additional input, which might be advantageous from the standpoint of allowing Parliamentary Counsel and others a chance to put it back to the originator with more acceptable or more appropriate language as it pertains to the Members' Services order, so please bear all of that in mind. There are no preconceived conclusions here at this stage.

Mrs. Forsyth: Mr. Speaker, can you add me to the list, please?

The Chair: Yes, I will. I'm just going to ask Mr. Young to clarify one point really quickly, and then I'm going to keep on with the list. I have Mr. Quest, Mrs. Jablonski, Mr. Mason, and Mrs. Forsyth now.

Mr. Young, briefly.

Mr. Young: I would just like to reaffirm that my motion is to reject a pension and to amend the orders as described and to adopt the severance allowance as described.

The Chair: Okay. Mr. Quest, please.

Mr. Quest: All right. Just a couple of things. A comment, first of all, on Ms Smith's wish to deal with these as separate issues. I think in fairness to Albertans, for clarity, they need to be looking at exactly what this is going to cost them overall. So I think it's best that we deal with them all at once rather than dragging things out.

Just a process question, again for clarity, Mr. Chair: Mr. Young's motion is now changing the description of the allowance from a departing allowance to a severance allowance, then?

Mr. Young: If I may.

The Chair: Mr. Young, very briefly.

Mr. Young: In respect of the discussions we had in advance of the motion using the term "severance," I think that that might be a more appropriate term that people understand. Rather than wordsmithing something else, I think "severance" is an appropriate term.

The Chair: Okay. I have Mrs. Jablonski, followed by Mr. Mason.

Mrs. Jablonski: Thank you, Mr. Chair. This is a very important issue for all Members of the Legislative Assembly, and it's an important issue for all Albertans, too. I think that, once again, because of the unique parameters of our job – and that is that we make ourselves available daytime, nighttime, and on weekends to the needs of our constituents – it doesn't allow us to enter into many other endeavours to help support our retirement years. So I want to support Mr. Young's motion.

I also would like to point out that the bottom line is that we're suggesting that we bring in an RRSP policy that is far below the cost of the defined benefit pensions that are used by many of the elected members across this country.

Also, Mr. Chair, this proposal is 41 per cent less than what taxpayers contribute to the federal pension plan.

Once again, I go back to something that I believe is very important to our taxpayers because they've told me that it's important. This is not gold plated, and this is sustainable.

Thank you.

The Chair: Thank you.

Mr. Mason, followed by Mrs. Forsyth.

Mr. Mason: Thank you very much, Mr. Chairman. I was about to make a point of order with respect to how we're dealing with this because I, with respect, don't agree that we can just talk about a motion in principle. A motion is a motion, and it's either in order or it's not in order.

Given the motion that was passed by the Legislative Assembly, I would like to propose an amendment which I believe would make this motion in order, that we amend the last sentence. Where it says, "Be it further resolved that the Members' Services Committee establish a departing allowance," I would like to move

that the Members' Services Committee recommend to the Assembly that a departing allowance be established. Then the rest of the words would be the same.

I think there's a real problem with us passing a motion which is directly contradicted by a motion of the Legislative Assembly. I think this is a matter for the Legislative Assembly, and it's entirely within the authority of this committee, given the motion made by the Assembly, for us to recommend on any matter to them. I think that that's how it should be dealt with. That's my view, anyway, Mr. Chairman.

The Chair: So your amendment would be along the lines of this. I'm going to read Young's motion to a point and then jump in with yours. "Be it further resolved that the Members' Services Committee recommend to the Assembly . . ."

Mr. Mason: Yes. ". . . that it establish a departing allowance."

The Chair: "That it establish," and carry on.

Mr. Mason: Yeah.

The Chair: Okay. Does everyone have that, then? After the word "Committee," you would insert the words "recommend to the Assembly that it."

Mr. Mason: Yes. I just want to clarify, Mr. Chairman, that that doesn't necessarily mean that I'm supportive of this direction. I just think that this then conforms with the Assembly's direction.

The Chair: Well, the chair is struggling here a little bit, I'll have to tell you, because the motion as it sits is one complete motion, and the last sentence in that motion, as I indicated earlier, may stand in violation of an Assembly-approved motion. I'm just going to get Parliamentary Counsel to give us a quick comment on this because we're debating the spirit and the gist and the thrust of a motion that may be, in fact, out of order.

I wonder, Parliamentary Counsel, if you could help us out a little bit here, either of the two of you there, Mr. Reynolds or Ms Dean.

Mr. Reynolds: Well, thank you very much, Mr. Chair. What you were indicating was that Government Motion 11, which is the direction that the Assembly provided to the committee – and the committee must work within the direction provided by the Assembly – states in clause (c), as you pointed out:

that recommendation 11 [of the Major report] regarding the implementation of a new transition allowance be rejected and that no further amounts shall be accumulated beyond those accrued by eligible members prior to the commencement of the 28th Legislature.

The committee made certain amendments to the MSC orders at its June 7 meeting to put that into effect.

Justice Major recommended two months per every year up to a maximum of 12 months. This is one month for every year up to a maximum of 12 months. It seems similar in many respects. The term "severance" relates to an employment relationship generally. You can call it anything you want, but "severance" may not be an appropriate term for a member who is not technically employed, as it were, in the traditional sense.

In any event, it would appear that to pass a motion providing for a transition allowance would, as you indicated, violate the House's motion.

Also, with respect to (d), where the motion refers to that the committee examine alternatives to the pension plan for members proposed in recommendation 12 and discussed in

section 3.5 of the report, including defined contribution plans, and report to the Assembly with its recommendations, it has been considering the RRSP as one of those alternatives. It would appear that that would be in the contemplation of the motion as something that should be reported to the Assembly.

In short, it would appear that to amend the orders would run contrary to Government Motion 11, in which case the amendments would be out of order at this time.

11:00

The Chair: Okay. Thank you.

Ms Smith: May I seek clarification on this, Mr. Speaker?

The Chair: Just before you do, I'm of the opinion that this motion needs to be rethought. I'm also of the opinion that it is premature at this stage, and I'm also of the opinion that it does stand in violation of Government Motion 11, as Parliamentary Counsel has just clarified for us.

Therefore, I don't know, hon. mover, Mr. Young, if you would be prepared to withdraw your motion from formal debate at this time, but if you are, then I would be prepared to still allow a discussion to go on about the two major items which capture the spirit of your motion, and then I would conclude by suggesting that each of the caucuses take these motions back to their own caucuses for further discussion and that we come back at a subsequent meeting with wording that does not violate any existing government motions and so on.

Mrs. Forsyth: Mr. Speaker, if I may . . .

Mr. Dorward: Point of order.

Mr. Mason: Mr. Chairman, I'd like to make a point of order.

The Chair: Just a moment, please. Just a moment. Before we go on, I'm putting that forward only as a suggested possible course of procedure here given what Parliamentary Counsel has just said.

I have a speaking list here. I have Mrs. Forsyth, and I have Mr. Dorward, and prior to that I have a point of order from Mr. Mason.

Ms Smith: Can you add me to the list, then, Mr. Speaker?

The Chair: Yes.

Let's remember, too, that we do have an amendment coming forward from Mr. Mason here.

Mr. Mason: Well, I'd like to know the status of my amendment, Mr. Chairman, because it was an attempt to try and put this whole thing in order, but Parliamentary Counsel didn't comment on whether or not it would have that effect. You know, prior to your ruling on the admissibility of my amendment, I think it would be advisable, at least from my point of view, to get Parliamentary Counsel to give his advice with respect to the amendment.

The Chair: Yeah. They've just been studying it, and I don't know if they're ready to make a comment yet.

Ms Dean or Mr. Reynolds, are you prepared to make a comment on Mr. Mason's amendment to the last sentence of Mr. Young's motion? Are you prepared to make a comment?

Mr. Reynolds: Mr. Chair, of course, the decision is, obviously, up to the chair, but if there is a problem with the motion in the sense that the motion was not in order, then the amendment wouldn't be in order in the sense that if the motion falls away or is imperfect, then the amendment would be imperfect, too.

Mr. Mason: Mr. Chairman, I'm asking . . .

Ms Smith: May I challenge the interpretation here to provide another perspective?

Mr. Mason: Excuse me.

The Chair: Just a moment. Mr. Mason has the floor, and then I'll go to Ms Smith.

Mr. Mason: I would ask Parliamentary Counsel for advice on how this motion could be made in order. If it was, for example – and I'll just make this as a suggestion – drafted entirely as a recommendation to the Legislative Assembly, would that be in order?

The Chair: Mr. Reynolds, clarify that for us, please.

Mr. Reynolds: Well, depending, of course, on what the motion said, yes, in principle a recommendation to the Assembly on these points, subject to the chair's direction, in my opinion, would be in order, dealing with your hypothetical.

The Chair: Thank you.

Ms Smith: I'm just wondering if part of the resolution could be splitting these two different things into two different votes and making the amendment as Mr. Mason proposes. I note that one of the other directions from the Legislature was, "Be it resolved that nothing in this motion shall limit the committee's ability to report to the Assembly on any other matter arising from the report." I think that as we've gone through this discussion, this has been something that has arisen from our discussion, and it would seem to me that with that extra direction the Legislature has given us the permission to come back to them to seek approval should there be any other issue that arises from the report. So if we dealt with it in two parts, would that then satisfy the concerns of Parliamentary Counsel?

Mr. Reynolds: Well, of course, if it was a report back to the Assembly, I don't think that would be a problem at all. I didn't mean to imply that it would be. There's no problem with a report back to the Assembly on these matters. The issue would be if Members' Services undertook action that ran contrary to Government Motion 11. Reporting back to the Assembly does not – does not – in my mind in any way violate Government Motion 11.

The Chair: Okay. So we're still on Mr. Mason's point of order.

Dr. Sherman: Can you repeat that, please, Mr. Counsel?

The Chair: Parliamentary Counsel, can you please repeat that for Dr. Sherman's pleasure?

Mr. Reynolds: Well, yes. To go back, the motion as it was presented to us this morning proposed to amend the Members' Services Committee orders in a certain way. My point was that to do that would violate Government Motion 11. Accordingly, you were just discussing having a report back to the Assembly, which would be, yes, in compliance, the difference being that you're reporting back to the Assembly rather than amending the orders, and reporting back to the Assembly to have the Assembly make a further direction or consider it is entirely within the consideration of Government Motion 11 and would be allowable. It's the difference between reporting back and making another change right now.

The Chair: Understood, except that Mr. Mason's amendment only addresses the last part of this.

Mr. Reynolds: Yes.

The Chair: But I take your point. It could be expanded to include the upper part as well.

Mr. Reynolds: Sorry. If Mr. Mason's amendment was a separate motion, yes, that would be in order in the sense that it recommends back to the Assembly, but it's tied to an existing motion that is flawed.

The Chair: Thank you.
Mr. Mason.

Mr. Mason: Thank you. Mr. Chairman, given that advice I will withdraw my amendment, and with your permission I will substitute an amendment that would come at the beginning of this motion, and that would be that the Members' Services Committee recommend to the Legislative Assembly the following.

The Chair: Okay. Just before we go to that, Dr. Sherman on the point of order, and that will be the last comment on the point of order, I believe. Is that right? Then we can go to Mr. Dorward on the point of order.

Mr. Mason: Is that in order?

Dr. Sherman: Actually, it's not on the point of order.

The Chair: Just a moment. I'm not sure what Dr. Sherman had to offer. We've bumped him twice here, so I'm going to come back.

Dr. Sherman: Actually, that's okay. I'd like to speak after Mr. Mason on his amendment.

The Chair: Okay. Mr. Dorward, you were on the same point. Can you hold your peace, or do you wish to comment?

Mr. Dorward: Well, I hope I can add some kind of clarity. Certainly, this is something that I need to understand just a step more, and if it adds clarity for others, great. So the succinct question, and then I have a comment depending on the answer to the question, is: does this committee have the ability to change the members' allowances order, section 10? Does this committee have the authority to change that section? That's the first question.

The Chair: We have the authority to make that recommendation. Yes.

Mr. Dorward: It's a very specific question. Do we have the ability to change it, or do we have the ability to recommend to the Assembly that it be changed? I need this for clarification in my own mind.

The Chair: Parliamentary Counsel, a comment, please.

Mr. Reynolds: Well, I see that Dr. McNeil wants to say something.

Yes, you have the ability to change it but subject to the limitations that have been placed on the committee by the Assembly is what I would say.

The Chair: Which is to report back.

Dr. McNeil: Which is what Mr. Mason is now wanting to do: make this as a recommendation to the Assembly, all parts of it, as

opposed to a direct effort to change the order now, if I'm interpreting you correctly, Mr. Mason.

Mr. Mason: Yes. If we get the approval of the Assembly, then the Members' Services Committee is the authority to change the standing orders, and we would do that but not without permission of the Assembly first.

The Chair: What I'm anticipating, then, is that Mr. Mason has an amendment in mind that will bring this motion in line and not put it offside with the other motion that was referred to, which government brought forward in May and which the Assembly approved.

Mr. Mason, you have withdrawn your earlier suggested amendment, and you have another one to make now.

11:10

Mr. Mason: Well, I did make it. Is it accepted?

The Chair: Yeah. Can you just repeat it, please?

Mr. Mason: Okay. That we add at the beginning, before "Be it resolved," that the Members' Services Committee recommend to the Legislative Assembly the following.

The Chair: Okay. Does everyone have that? I'm looking at Mr. Young's motion, at the very top where he starts out "Be it resolved." However, Mr. Mason's amendment would be to put some words ahead of "Be it resolved," and those words would read that

the Members' Services Committee recommend to the
Legislative Assembly the following,
and then, I imagine, a full colon, and then let it read as it reads to
the bottom.

Is that agreed, Mr. Mason? Is that what yours is?

Mr. Mason: It is.

The Chair: Okay.

On the proposed amendment as brought forward by Mr. Mason, is there any discussion? Dr. Sherman.

Mrs. Forsyth: Do we not have a speakers list?

The Chair: We do, but we've had a change in the order, so you are next, Mrs. Forsyth.

Mrs. Forsyth: Is that after Dr. Sherman?

The Chair: Yes, that is correct. Then I have Mr. Dorward, and that's all I have so far.

Okay. Dr. Sherman on the amendment.

Dr. Sherman: Mr. Speaker, I'd like to thank you for the opportunity to speak. This is actually turning into a joke and a farce of a process. This is exactly why we need a truly independent process. My question is: how long are we going to keep debating our pay and perks? The debate and the discussions over the past few months are exactly the reason why this committee . . .

The Chair: We have a point of order here. Mr. Young.

Mr. Young: Is this on the amendment?

The Chair: Well, I assume he's coming to the amendment.

Dr. Sherman: I'm getting there. I'm getting there.

The Chair: So, let's get there.

Dr. Sherman: I'd like to offer an amendment to the amendment. My amendment to the amendment is . . .

The Chair: Well, I'd like to deal with the amendment on the floor first, and then we can come to another one or a new one. So conclude your comments, and then we'll come back to your amendment after we've dealt with this amendment.

Dr. Sherman: In that case deal with the amendment. Then I will bring up my amendment to the amendment.

The Chair: Thank you.
Mrs. Forsyth.

Mrs. Forsyth: Thank you, Mr. Speaker. I would like to get some clarification, please. Mr. Reynolds said it very eloquently about Government Motion 11, that this motion that we are discussing violates Government Motion 11 that was debated in the Legislature.

Having said that, there is nothing stopping the government from bringing forward a government bill in the fall Legislature in regard to the transition allowance, severance allowance, or anything you want. That way it will give every person in the Legislature the opportunity to debate that government bill in regard to transition/severance allowances. That does not, then, violate Government Motion 11 that was debated previously. So I would like to recommend to the government that they go back to their caucus and bring forward a bill in the fall Legislature that, I can say in all honesty and fairness, we would be delighted to debate in the Legislature.

The Chair: Okay. Thank you.

The amendment as proposed by Mr. Mason makes Mr. Young's motion in order. So let's be clear. That was the whole point of Mr. Mason making the amendment, I gather from what he said.

I now turn to Mr. Dorward.

Mr. Dorward: Thank you. There was no intention on my behalf to have this committee make this change, so I'm in favour of getting back to the Assembly and having that proper process go through. But I do think that we should keep the motion as I've heard it read. I did hear Mr. Quest make a change, the word "severance" allowance rather than "departing." I didn't hear whether that was accepted or not. Yes, my intention was always to go back to the Assembly with this kind of recommendation and discuss it there.

The Chair: Okay. Are there any other speakers to the motion as amended and proposed?

Mrs. Forsyth: Well, just on the comment from Mr. Dorward, I have a great deal of respect for his financial background. We would have probably saved the last 60 minutes, at least, if he would have brought that forward when his initial comments would have been discussed, you know, that he's prepared to have this brought to the Assembly and let the Assembly deal with this.

The Chair: Okay. I had indicated the motion as amended, and what I meant to say was Mr. Mason's amendment.

Is there any other discussion on this?

Ms Smith: Yes, Mr. Speaker.

The Chair: Yes. Please proceed, Ms Smith.

Ms Smith: What would I have to propose to be able to debate these as two separate motions? I recognize that Mr. Mason has put forward a motion that puts it in order if we vote for it as a block. How would I, then, assure that we can vote for the two separate parts of the motion independently?

The Chair: Well, it would be possible to split the motion into two, but that's not before us at the moment. I am prepared to entertain that. If the mover and the amender to the motion are in agreement, we could procedurally do that, I'm assuming.

Ms Smith: Okay. I will wait, then, until we're finished with this.

The Chair: Yeah. Let's finish the discussion here on the proposed amendment. Are there any other speakers to the amendment? No? All right.

Now, in anticipation of the perceived desire to split this into two, we can vote on the amendment as proposed and then we can ask the mover and the amender if they concur with the spirit to split it into two. I sense there is an agreement among the people here.

Ms Smith: Do I formally, then, have to make a motion to sever?

The Chair: No. We're going to vote on the amendment first – okay? – and see where it goes. If there's any other suggestion after that, I will entertain it. I can't entertain two things at once. To be clear, we're going to vote on the amendment. Then, sensing the spirit, if you wish to split it into two, I'll receive a suggestion in that regard, and then we'll deal with that.

First, let's deal with the amendment. There are no other speakers to the amendment? Dr. Sherman, on the amendment.

Dr. Sherman: Mr. Speaker, may I have an opportunity to amend the amendment?

The Chair: No. We can only deal with one amendment at a time. If you wish to raise another amendment, there will be a spot in the agenda to do that.

First, we're going to call the vote on the amendment. Those in favour of the amendment as proposed by Mr. Mason, please say aye. Those opposed, please say no. Okay. We noted the temporary absence of Dr. Sherman.

Now, are there any final comments on the motion as amended? If not, we'll go straight to the question.

Ms Smith: I would like to make a motion to sever so that we can deal with them in two parts. Is this the appropriate time to do that, Mr. Speaker?

The Chair: I need to deal with the motion as amended. We're voting on the motion as amended first, and then we'll entertain another one. Procedurally, do you want to split it now? Is that what you're saying?

Ms Smith: Yes. I'd like to deal with the motion of whether or not we can deal with it in two separate parts now.

The Chair: Oh, I'm sorry. You actually want to vote on the two things now separately. Okay. That's doable.

Mr. Mason: But there has to be a motion to do that.

The Chair: Yeah. So are you making that motion?

Ms Smith: I am.

The Chair: Okay. Ms Smith is moving that the motion be split into two parts. Can you tell us, for the record, officially where you would like the split?

Ms Smith: The split would be – sorry. I'm just going to pull up the motion that Mr. Young made. We would deal, then, with the first part as one motion, up to adding the words, "For greater clarity the payment on December 15 shall be reduced by any payments made to the Member in the calendar year 2012," split there. We would vote on that part. The second vote would be: "Be it further resolved that the Members' Service Committee establish a departing allowance."

The Chair: Okay. Thank you. Is everybody clear, then? We would be voting on the first part of the motion up to and including the end of whatever that last paragraph is before "be it further resolved," to the end of the phrase: "For greater clarity the payment on December 15 shall be reduced by any payments made to the Member in the calendar year 2012." We're voting on everything up to and including that as the first split, and the second split is what follows below.

11:20

Ms Smith: Just for greater clarity, voting on both of these separately means both of them still have to return to the Legislature subject to the overriding principle that Mr. Mason just put in through his amendment.

The Chair: That's my understanding.
Dr. McNeil has a point of clarification.

Dr. McNeil: Yeah. Just that the amendment that Mr. Mason moved – and it was passed – will apply to the second part of the motion, so: be it resolved that the Members' Services Committee recommend that the Legislative Assembly establish a severance allowance. That would be part of that second split motion.

The Chair: Okay. Are we clear, then?
Those in favour of Ms Smith's motion
to split this into two parts as described,
please say aye.

Some Hon. Members: Aye.

The Chair: Those who are opposed, please say no.

Some Hon. Members: No.

The Chair: It would appear that we have more noes than ayes. Dr. Sherman has absented himself and wants it noted.

Mrs. Forsyth: May I ask, Mr. Speaker, how many ayes there were? Was it just Danielle and me?

The Chair: I'm just about to go down the roster here just to make sure that we have the count right, but I heard more noes than I heard yeses.

Those in favour of the motion, can I just ask you to say aye and then identify yourselves? Those in favour of Ms Smith's motion.

Some Hon. Members: Aye.

The Chair: So I'm hearing three ayes, three yeses. One of them is Ms Smith, one is Mrs. Forsyth, and one is Mr. Mason. Is that right?

Ms Smith: Can we have a recorded vote on that, then?

The Chair: I'm recording it as we speak.

Ms Smith: Okay.

The Chair: Those of you who are opposed to Ms Smith's motion, please say no.

Some Hon. Members: No.

The Chair: We're hearing Mr. Young, Mr. Goudreau, Ms Calahasen, Mrs. Jablonski, Mr. Dorward, and Mr. Quest as well. As such, that motion fails. The splitting of this into two parts fails.

Mrs. Forsyth: Now, I have one question if I may, Mr. Speaker. It's very brief. We have an agenda that is quite busy. We have an agenda that says the time is from 9 until noon. I just want to make sure that we're still done at noon, as per the agenda.

The Chair: I indicated that the meeting has to adjourn at noon because people have flight connections, driving commitments, speaking engagements, and so on. Just to reinforce, that is correct, Heather.

Mrs. Forsyth: Thank you.

The Chair: Okay. On the motion as amended, then, those in favour . . .

Ms Smith: Are we going to be speaking to this at all, or is the debate done?

The Chair: We haven't done that yet, no.

Ms Smith: I'll go on the speakers list, then, Mr. Speaker.

The Chair: The motion by Ms Smith was to split this motion into two parts. That's been defeated. Now we have the motion as amended. I'm going to ask for the ayes and nays in a moment unless there's anyone who has some comment to offer that hasn't already been offered.

Ms Smith: Since my motion failed, I would like to explain why I'll be voting against this motion.

The Chair: Well, we've already had that discussion. The question has been called. You're welcome to make any comments after that, but I have a question on the floor. Procedurally I have to address the motion as amended now.

Mr. Mason: But you're allowed to speak to it.

The Chair: Yeah. Well, I thought everyone had spoken.

Mrs. Forsyth: I'm not sure that's correct.

The Chair: Sorry. Ms Smith, could you just rephrase your point?

Ms Smith: I think now that we're debating a motion as amended, there should be an opportunity for members to be allowed to make final statements before we go to a final vote on this.

The Chair: Well, if there's something that hasn't been said, proceed with your comments.

Ms Smith: Certainly. I would have been prepared to have voted to put the second part of this question to the Legislature because, clearly, Mr. Anderson has put this forward in the Legislature before. I will just reiterate that the reason why I will be voting against this motion is because I do not believe that taxpayers want

to see an enriched RRSP payment that sees MLAs pay zero dollars towards their own contribution to their RRSPs. I think that we could have actually solved this fairly easily by maintaining the status quo on the current pension, which is a 50 per cent contribution to the RRSP, and then returning this severance question to the Legislature for a vote. For those reasons I'll be voting against it.

The Chair: Thank you.

Are there any others with anything to offer that hasn't already been offered?

Mrs. Forsyth: Well, if I may.

The Chair: Mrs. Forsyth.

Mrs. Forsyth: Yes. Thank you. I would like to reiterate what Danielle has said. I, too, believe that having an RRSP allowance at \$23,000 is something that the taxpayers of Alberta will not support. Having said that, I will not be supporting it either.

The Chair: Last call. Are there any final comments?

Ms Calahasen: Question.

The Chair: The question has been called. On the motion as amended, those in favour, please say aye. Those opposed, please say no.

Ms Smith: Can we have a recorded vote on that as well, please, Mr. Speaker?

The Chair: The individuals in favour of the motion as amended have voted in favour of it and indicated that with a voice vote of aye, and those who voted against it said no, so this motion is carried.

There is a request for a recorded vote, so let me go down the line here. Those who voted in favour of the motion as amended include Mr. Young, Mr. Goudreau, Ms Calahasen, Mrs. Jablonski, Mr. Dorward, and Mr. Quest. Those opposed to the motion as amended include Mr. Mason, Ms Smith, and Mrs. Forsyth.

At the time of the vote, Dr. Sherman, I believe you were absent from the room, were you?

Dr. Sherman: That's correct.

The Chair: Okay. But you've now returned.

Okay. That motion is carried.

An Hon. Member: That was easy.

The Chair: Yeah, that was easy.

Moving on with our agenda, we are now under item 5, new business. As I mentioned at the beginning, we have two hon. members who wanted this item brought forward. There is a motion coming from Mr. Young, who first raised this issue and asked for it to be placed on the agenda. Can that motion be distributed, please, to everybody? Is it ready to be sent electronically to Ms Smith and Mrs. Forsyth?

Ms Quast: It is.

The Chair: Is it gone yet?

Ms Quast: No.

The Chair: Bev, perhaps you could help her distribute that so she can get back to the electronic machine here and send this to Ms

Smith and Mrs. Forsyth. We'll give you a moment to receive this, both electronically and in person. Can you hit Send there, please? It'll come to you, Ms Smith and Mrs. Forsyth, momentarily.

Ms Quast: It's gone.

The Chair: It's gone? Okay. It's on its way to our two audio-conference participants.

Let me just say, before we get to this motion, that I indicated to all of the folks that I could speak with that I would be asking LAO staff to prepare a brief backgrounder on this so that there is some context to it.

Mrs. Forsyth: Mr. Speaker, I'm sorry. What I received from Allison: there is nothing attached.

The Chair: There was nothing attached. Could we resend it? We'll be hearing a short presentation for about 10 or 15 minutes before we get to the motion, in any event, but can we ensure that she gets it?

Mrs. Forsyth: Thank you.

The Chair: Okay. No worries.

Mr. Mason: Mr. Chairman, could we let our guests go?

The Chair: Oh, yes. I'm sorry. Mr. Ireland and Mr. Thiessen, feel free to take a recess or take a break. We are now onto a completely different matter pertaining to expenses. You're welcome to sit in at the back if you wish, but you're no longer required at the head table, so to speak. On behalf of the committee may I just say a sincere thank you to both of you for being here and for providing your expertise today. Thank you both.

In preparation for this meeting and this particular item I had indicated to various people – and I think I indicated it to everyone – that the materials that were posted earlier in the week represented a summary of parliamentary expenses in Canada and the U.K., those two jurisdictions as a comparison. You should all have received a copy of that document that the committee clerk delivered to your offices yesterday. It's also on our internal website.

11:30

Before we get into the formal discussion and the subsequent motion, I'm going to ask Dr. David McNeil, our Clerk, and Mr. Scott Ellis, both of whom are here, to provide us with an overview of that document as well as an overview of our LAO financial management system.

Dr. McNeil, over to you.

Dr. McNeil: Thank you, Mr. Speaker. I won't say very much. Just in terms of the survey that you received yesterday from Allison, last fall we started to look at this issue in anticipation that it might be coming to this committee at some point. That summary that you received represents – I can only show and tell the people here at the committee meeting, but this is the documentation that we produced that that summary was based on. We checked with every jurisdiction across the country and the U.K. just to give us a little bit better idea of how things were done in other jurisdictions as far as member expense reporting.

With that being said, I'll turn it over to Scott Ellis, who is our director of financial management and administrative services and who has a much better grasp of the intricacies and details of this issue than I do.

Thank you.

The Chair: Mr. Ellis.

Mr. Ellis: Thank you, Mr. Chair. The document that we just circulated to you is entitled MLA Expense Reporting. It's one that I'll refer to as I go through my overview here, and I will point you to the right page at the appropriate time.

I would like to just elaborate a little bit more on the jurisdictional comparison that Dr. McNeil referred to. I realize that it's a fairly complex and comprehensive summary that we've given you, and I just wanted to highlight some of the things with respect to that jurisdictional comparison. First of all, the jurisdictional reporting on members' expenses varies based on a number of things: the extent to which expenses are reported on; the degree of detail in their reporting, i.e. whether it's summarized, transactional detail, or detailed receipts or claims; the frequency of their reporting, i.e. monthly, quarterly, annually, semimonthly. There are a number of different approaches taken. The form or media in which the reporting is communicated also varies significantly amongst the jurisdictions, whether that be a paper version, an electronic version, scanned copies of original receipts, et cetera.

Jurisdictions also have different policies and practices and processes with respect to processing member expenses and reporting; i.e., the extent of the review of transactions is different amongst the various jurisdictions. The internal financial controls within each jurisdiction are different. Internal audits appear in some jurisdictions and not in others. Financial statements or reports are audited in some jurisdictions but not all. So there are a number of differences.

I'd also like to point out that when we compared the various jurisdictions on a couple of key points, we noted that most of the jurisdictions entertain online reporting of information. We also noted that most jurisdictions reported their information in a summary, or aggregate, fashion. Most jurisdictions report on both online reporting and summary information. However, when it comes to a report on transaction detail, most jurisdictions did not report on transaction detail. When it comes to receipts being included, none of the jurisdictions currently put online any receipts. I wanted to make that point clear. Similarly, there are a number of jurisdictions who report on an annual basis as opposed to a more frequent basis, which would be semimonthly, monthly, or quarterly.

I just wanted to make those distinctions, both between the jurisdictions and the nature of the reporting that goes on right now.

With respect to the LAO, the Legislative Assembly Office, and the financial controls that we have in place, I would start by saying that we have a firm governance structure with respect to our financial operations, and they are governed primarily by the Legislative Assembly Act, the Financial Administration Act, consolidated Members' Services Committee orders, members' expenditure guidelines, and caucus expenditure guidelines. These acts and documents set out the policy guidelines and procedures to be followed with respect to members' remuneration, benefits, allowances, entitlements, travel expenses, including accommodation, transportation, hosting, and others, as well as the expenditure policy for the operations of a constituency office, a caucus office, and all branches of the Legislative Assembly.

One important phase of our financial operations is the preparation of a budget. Each year a budget is prepared by the LAO and presented to Members' Services Committee for their review and approval. I have enclosed the program budget information that was approved by Members' Services Committee for the 2012-13 fiscal year, and that would be the first document that appears in the handout that I previously referenced. As you can

see in that document, there are a number of program codes, which appear down the left-hand side, that identify branches and/or entities within the LAO and the resources that are appropriated for each of those particular areas.

The process that we go through is that the budget is prepared by the Legislative Assembly Office and provided to Members' Services Committee for their review, questions, and ultimately their approval. Once approved, the budget is sent to Treasury Board to be included with other Legislature officers' information into one document, which is then tabled in the Legislative Assembly for a final approval. The estimates are available both in public and online in hard copy.

Once the budget is in place, we begin to process transactions. The structure of the LAO is that we have internal control processes in place to review all the transactions to ensure that expenses are eligible to be claimed and are compliant with the consolidated Members' Services orders, that transactions have the necessary supporting documents to support the transaction, and that transactions are appropriate, accurately prepared, show value for product or services, and are duly authorized by those authorized to do so. On that same point, transactions are also reviewed to ensure that they do not exceed budgetary authorized limits.

Once the transactions are processed, there's a reporting that takes place. There are a number of different types of reports. First of all, there are monthly summary financial reports that are prepared and distributed to all members and branches of the LAO and caucuses along with a listing of the month's detailed transactions for their review and monitoring throughout the year. I've included a sample report for members' financial information on page 2 of the document that was handed out to you. Similarly, there is an example of the monthly report that's sent to caucuses on page 3. The branch budgets and the format for them are typically the same as for the caucus, so you can get an idea as to what's going out to the branches as well.

At the end of the year financial statements are prepared based on all transactions processed in that particular fiscal year. They are audited by the Auditor General, who will make recommendations if there are any internal controls that need to be improved and will advise us if they've found any errors in the financial statements that need to be addressed. We have had clean audits for a number of years now.

The audited financial statements of the Legislative Assembly are then included in the annual report of the Legislative Assembly, which is tabled in the Legislative Assembly annually and made publicly available.

11:40

The LAO provides certain specific information relative to members' financial information to the Ministry of Treasury Board and Finance on an annual basis to assist in the preparation of the Report of Selected Payments to the Members and Former Members of the Legislative Assembly and Persons Directly Associated with Members of the Legislative Assembly. That particular report is multifaceted in that it not only provides the information with respect to members' financial transactions but also reports on the payments to associates and payments to former members.

I provided an example of the types of information that we would prepare and send to Treasury Board, and that appears on page 4 of the document that I handed out to you. The final version, an example of which appears on page 5, which is prepared by the Ministry of Treasury Board and Finance, is presented by Treasury Board and Finance and tabled in the Legislative Assembly and is

available to the public in the library or online as published by Treasury Board.

I should mention that Treasury Board and Finance combines the LAO information with information that they gather from various government departments with respect to members' pay and expenses. The report is a combined effort between government and the Legislative Assembly to report on all members' expenses, whether they be on the government side or on the Legislative Assembly side.

Some of the things that are important to consider when deliberating about members' expense reporting are as follows. I want to touch on the FOIP Act itself. The Legislative Assembly Office is defined in the FOIP Act, section 1(p)(v), as a public body for the purposes of the act. However, the office of the Speaker of the Legislative Assembly and the office of a Member of the Legislative Assembly are excluded from the act's definition of a public body under section 1(p)(viii). Furthermore, section 4(1)(p) of the act, titled Records To Which This Act Applies, specifically excludes records created by or for the office of the Speaker of the Legislative Assembly or the office of a Member of the Legislative Assembly that is in the control of the Legislative Assembly Office.

Members' records, based on a decision of the Information and Privacy Commissioner, include financial transactions of a Speaker or the member. Therefore, if any additional members' expense reporting is required to be made publicly available by the LAO, it would be prudent to review the information to be posted and ensure that the information report does not contain any personal or confidential information that could be harmful to the member, the LAO, a constituent, a vendor, or a member of the public if released.

Similarly, the electronic posting of scanned information should conform to Canadian standards such as the Microfilm and Electronic Imaging of Documentary Evidence, that have been established to ensure that scanned information is accurate and has not been tampered with or altered without permission prior to posting or as a result of being posted.

Another consideration to keep in mind when deliberating about members' expense reporting is the amount of LAO resources required. The amount of additional resources required to implement any additional member expense reporting would vary depending on key factors such as the scope of the transactions to be included, the level of detail of the transactions, the volume of the transactions, the additional review processes necessary to ensure protection of private and confidential information, and the corresponding system changes that would be required to identify and separate the specific transactions to ensure the completeness of the reporting and to accommodate electronic posting. In addition, another consideration would be the frequency of the reporting that would be expected.

On the matter of scope of transactions to be included, I've included in your package page 6, where the MLA administration budget is broken out for you. On page 6 you can see that members' pay, benefits, entitlements, and expenses would be incorporated in the first two sections identified or labelled as Human Resource Expenses and Operational Expenses. All of the members' entitlements are paid out of those budgeted resources. Halfway down the page is a section entitled Member Services Allowances. These resources are basically budgeted for the operation of the constituency office. I wanted to show those as separate items because they are separate areas of the budget in MLA administration.

Furthermore, if you look at the last page of the handout, we've broken out some specific types of expenditures that would be in-

cluded in the general categories of member's services allowances and members' allowances and entitlements and show on that chart the different types of expenditures and where we would anticipate them being charged to in terms of the budget area. This would allow you to understand some of the expenses that you claim and show where they're paid in terms of what budget they come out of and, in addition, basically whether or not they were in the MSA area or in the entitlements and payments area.

That, in summary, is some information that I wanted to provide to you. I hope that this overview provides some context and information that will assist you in decisions relative to expense reporting for the members of the Assembly.

I thank you for your time and your attention.

The Chair: Okay. Thank you. Are you concluded, then, Mr. Ellis?

Mr. Ellis: Yes.

The Chair: Dr. McNeil, do you have anything to add briefly? Good.

We've got about 14 minutes left in the allocated time. I don't know if it'll be possible to come to a vote on this motion that has been circulated, which goes to the matter that has just been given some context to by Mr. Ellis, but let's see where we go.

Mr. Goudreau is the only one on my speaking list, followed by . . .

Ms Smith: Danielle Smith as well.

Mrs. Forsyth: I want to be on, Speaker.

The Chair: Just a moment. We need the motion presented. I've got so many interruptions and pieces of paper flowing back and forth here.

Mr. Young, my apologies. Would you please formally move your motion, and then I have a speaking list that I'll develop after that.

Mr. Young: Thank you, Mr. Speaker. Mr. Ellis, thank you very much for providing context and a comprehensive description of the LAO expenses. Let me start by saying how effective and accountable the LAO has been in terms of being stewards of the finances, including the disclosure and reporting. The guidelines and limits are clear to members and the public.

The changes that I will be moving are in no way a reflection of any shortcomings. In fact, they are quite comprehensive. Rather, it's to follow Premier Redford's lead by having the toughest expense policy in Canada. The Premier's commitment has been clear since day one, a more transparent and accountable government for the people of Alberta. Alberta's expense disclosure policy is the toughest of all Canadian governments and applies to more public servants than any other government in Canada.

We know that Alberta expects that government officials respect their tax dollars and only use those tax dollars for appropriate purposes. This policy ensures that. We are pleased that the reaction from the Canadian Taxpayers Federation has been very positive.

With that, I'll read my motion.

Be it resolved that the Special Standing Committee on Members' Services approve the following policy on MLA expenses reporting and disclosure:

Expenses related to accommodations, meals, hosting, and travel as covered by the member's services allowance and approved for reimbursement by the Legislative Assembly will be disclosed and reported consistent with the government's expense and disclosure policy.

The public disclosure must include the following information:

- name and position of individual who incurred the expense;
- date of transaction(s);
- transaction amount(s);
- expense category (travel, including transportation, accommodation, meals and incidentals, and hospitality);
- description and rationale for meals and hosting; and
- supporting documentation (receipts).

The expenses disclosed and reported will include both financial as related to the member's services allowance and nonfinancial allowances that related to the benefits outlined in the member's services allowance orders defined in the Members' Services Committee orders.

The above expenses will be reported on a bimonthly basis by the Legislative Assembly Office beginning October 1, 2012.

The above expenses will be posted online by the Legislative Assembly Office within 10 business days past the first day of the month.

11:50

Information which would normally be withheld under the Freedom of Information and Protection of Privacy Act such as personal information must be redacted from supporting documentation and will not be publicly disclosed. For example, if a meeting was held with an individual not affiliated with an organization, then the terms "stakeholder" or "constituent" could be used.

Thank you.

The Chair: Okay. Thank you.

This again is a very substantive motion. I have Mr. Goudreau and Mr. Mason so far, followed by Dr. Sherman. On the audio-conference line, anyone?

Ms Smith: Yes, I said as well, Mr. Speaker. Danielle Smith.

The Chair: Okay. Ms Smith.

Mrs. Forsyth: You can add me if Danielle doesn't ask the questions that I need to, please.

The Chair: Okay. We've got about 10 minutes here before we have to adjourn, so hopefully we will get to all of these speakers.

Mr. Goudreau.

Mr. Goudreau: Thank you very much. Again, thank you to Scott for the presentation and the information that you provided. I think it helps to clarify in my mind some of the information that may or may not be required in a public disclosure process.

I am a little concerned about small communities, you know, in terms of FOIP and your comments about us being excluded. Then you did mention the removal of personal information, names, as well as names of vendors. But if it goes on here in my small community, for instance, as rental payment, everybody knows that I'm in Mike's building in Falher, or everybody knows that I'm in Jimmy's building in Falher. I'm not sure how much of that should actually become public. It's been a negotiation that we've had between the LAO and myself as a member and Mike himself or those guys. Even though it identifies office rental, it really tells the public who it is, especially in my communities.

The Chair: Mr. Ellis, did you have a comment in that respect?

Mr. Ellis: That information is in the transaction detail the way we currently report, which the member would be seeing on a monthly basis. I guess it's up to the committee to decide the extent to which the expenses would be reported if they would be reported

and, if so, in a summarized fashion or in more detail. But the information is in our financial records right now.

Mr. Goudreau: But it's not public, is it?

Mr. Ellis: No.

Mr. Goudreau: No. That was my concern or question.

The Chair: You're talking about office rents there, specifically?

Mr. Goudreau: That's right. You know, some of the specific things.

The Chair: That's lumped in with the staffing costs. I think Mr. Ellis mentioned it as well. There is some confidentiality that has to be observed here with regard to people's salaries and so on, so it's lumped in together.

But, nonetheless, Mr. Young, on that same point that Mr. Goudreau raised, please, quickly.

Mr. Young: Thank you very much, Mr. Goudreau. The point is well taken and is certainly reflected in the motion. This is focusing on meals, accommodation, hosting, and travel. While there is this high degree of accountability and we see those reports on an ongoing basis and work within the budget that each of us are provided to provide ongoing communications and support and representation of our constituents, that is not within the scope of this budget. Like I said, it relates to hosting, meals, travel, and accommodation in order to align or to match that high gold standard that the government has recently implemented.

Ms Smith: Point of order, Mr. Speaker.

The Chair: Proceed, Ms Smith.

Ms Smith: I can tell that there's a lot of conversation that wants to go on on this. I gather we only have six minutes left, and I understand that Members' Services does not meet while the House is in session. You can clarify if I'm mistaken on that. With session resuming next week, if we want to be able to have the opportunity to continue this debate, I think we may have to vote to make an exception to continue this meeting during session, or we won't be able to address it until December because I would hazard a guess that we're not likely to finish it today. I put that to you to see whether or not we may want to make that motion so we have that flexibility during session.

The Chair: I think our committee can meet whenever it wants to, it feels it's necessary to. Your point is understood, but I don't think it's a fear. We'll meet as needed, and I'll come to that in the agenda shortly. We've just got a couple more minutes here. I have a speaking list that goes beyond the allocated time, so I think this item will automatically be brought forward without having been voted on today.

Mr. Mason.

Mr. Mason: Thanks, Mr. Chairman. It was my intent in this to talk about how we deal with complicated policy issues. I agreed when the Speaker asked if this could be placed on the agenda, but we've subsequently received a great deal of information and have not seen the motion. It may be a fine motion, but I think, in fairness, we should be allowed to study it and so on. I know that there was, you know, a lot of public reaction to the Merali case and the expenses, and that has triggered what looks to me a kind of nervous reaction on the part of the Premier's office and a real rush

of all of us to appear to be dealing with this question. I think we should deal with it, but I think we should deal with it in a measured way.

I don't know if you want me to move a motion that we defer this item to the next meeting or just run out the clock, whichever you prefer.

The Chair: Well, we're going to run out the clock either way. I've already indicated that if we don't get to the end of the speakers list, it'll automatically just be tabled to the next meeting.

Mr. Mason: Yeah. But as a point of principle I don't think that members should be faced with having to make decisions on complex policy matters without due notice. I want to be on the record on that.

The Chair: I'm going to address that as well in my wrap-up comments. Thank you.

Dr. Sherman, briefly, please.

Dr. Sherman: Thank you, Mr. Speaker. Following up on what Mr. Mason brought up – and, Mr. Ellis, I appreciate the fine work you do at the Legislative Assembly to ensure that we follow the rules and the guidelines, and I thank you for that – this is in reaction to money being misspent by managers, whether it's chair-people of the universities or Alberta Health Services or regions, and how ministers spend money.

I appreciate the Premier's commitment to ensure transparency and accountability in government. The Legislative Assembly Office is not government. Government includes the Premier and cabinet.

I appreciate Mr. Young's intent. I support the intent of true transparency and full accountability.

Even with legislative office expenses the current motion, I feel, one, is incomplete. It doesn't pertain to caucus expenses. A major expense is not MLAs' meals and travel; it's actually the caucus expenses. Another major expense is constituency expenses. I know of an MLA who bought a piano for a seniors' facility years ago, hence the reason the Legislative Assembly Office now has very strict guidelines and rules. [interjections] That was years ago. We don't need to go into who it was.

Mr. Mason: I make a point of privilege.

The Chair: Let's stick to the motion here. We've had an interesting morning. Let's not make it more interesting.

Dr. Sherman: I'll withdraw that comment, Mr. Speaker. I apologize.

The Chair: You withdraw the comment? Thank you.

Dr. Sherman: While it's incomplete, I feel it should also include caucus expenses and constituency office expenses. I like the issues that Mr. Ellis has brought up on how they should be reported, confidentiality of other members.

Now, with respect to individuals not affiliated with organizations, I will say that as an opposition member we meet with heads of organizations, and they are quite concerned because of the culture of bullying and intimidation by the government. Many instances have been brought up. I'm concerned for their resourcing, their safety, and what repercussions will come to them if they're meeting with Mr. Mason or me or Ms Danielle Smith on important issues.

I cannot support this motion. I support the intent and spirit of it, but the details of it I cannot support.

12:00

The Chair: Okay. I hesitate to interrupt, but I must because it is 12 o'clock. I have Ms Smith on the agenda speaking for next time, followed by Mrs. Forsyth. Perhaps that might change, but that's where we're at.

I want to provide a couple of very brief wrap-up comments. Number one, should we have any substantive motions such as the two major motions that came forward today, it would be my view that we should have that motion provided in advance insofar as possible but also that whoever the movers of those motions are, they do the preparation of the motion in consultation with Parliamentary Counsel just to make sure that motions are onside and in order so that we don't get into the sticky wickets that we got into this morning, which I personally found very distracting and difficult at moments to listen to all the advice that was coming from different parts of the table today.

Number two, we still have the outstanding business of the review mechanism, which is recommendation 15, wherein the Major report indicated that the remuneration issue for MLAs should be reviewed every four years by a Chief Justice of the Alberta Court of Queen's Bench and two other justices. You know the rest of it. So that will come forward at another meeting.

The third point, very quickly, with regard to dress code for members of the media who are attending meetings here in the Leg. Annex, I have communicated with the president of the press gallery, and he and I and the Sergeant will be chatting after this meeting, so we'll advise you of that progress. I don't think there's going to be any problem. We're just going to have a quick chat about how it will be worded, and it will be in keeping with the spirit that I believe you endorsed earlier.

Four, we have another meeting that will occur very soon. I would just ask you to leave that at the call of the chair because we're now starting session on the 23rd, and finding time gets much more complicated once we're in session, as you all know.

That having been said, I am going to adjourn this meeting at 12:02. Mr. Mason is prepared to make that motion. Okay. Mr. Mason has moved that we adjourn the meeting at 12:02. Those in favour, please say aye. Those opposed, please say no. Thank you. That's unanimous.

The call of the chair for the next meeting will be forthcoming very soon. Thank you, all.

[The committee adjourned at 12:02 p.m.]

