

CTF Survey of UCP Leadership Candidates

Question 8: Will you eliminate unnecessary government employee positions, cut government employees' salaries by 10% and put new employees in a less costly pension plan (defined contribution)?

Jeff Callaway: "A common sense approach to government spending in Edmonton is long overdue. I believe we can cut the size of government without affecting front line services that Albertans depend on in health care and education. After chronic pension shortfalls over decades, pension reform is urgently required."

Brian Jean: "Government shouldn't allow 'unnecessary positions' even when there are surpluses, never mind when we have a \$10b deficit. They must go, but with 5-8% turnover in government every year, I believe a hiring freeze for non-essential workers can get us there in 3 years without resorting to wage rollbacks or mass layoffs. I also believe that it is important that we get Alberta public sector wages back in line with the rest of Canada; doing so will have an important impact on future fiscal sustainability. One of my first tasks as Premier would be sit down with public sector unions and negotiate these issues with them in good faith, I believe that public sector workers are very aware that parts of the current situation are unsustainable."

As for the pension, I am open to discussion on the topic but in some ways it makes sense to shift new employees to a "targeted benefit" plan so that they continue to pay into the system, but the liabilities are much lower because their benefits are somewhat contingent on the performance of the fund. Regardless, given that I plan to have a smaller number of government employees to pay into it, it is a problem we will certainly have to address."

Jason Kenney: "It would not be credible for a leadership candidate to begin writing the 2020/21 budget in the summer of 2017."

Having said that, a UCP government will obviously have to restrain spending to balance the budget, and make it possible to boost economic growth through tax relief.

Such restraint will have to apply to public sector compensation, beginning with Ministers and MLAs. I value the contribution of those who work in the public sector, but Alberta taxpayers cannot continue to fund levels of compensation that are consistently higher than those in the private sector, or in the public sector in other provinces. In many areas, Alberta public sector workers are paid substantially more than, for example, their counterparts in British Columbia.

Restraint in public sector compensation should begin with attrition, i.e. by not replacing those who retire in non-essential positions. Reforming public sector pensions for future

beneficiaries will also be required to manage huge unfunded liabilities. I led the fight to eliminate Alberta MLA pensions in 1993. If MLAs have no pensions, it is not unreasonable to suggest that future public-sector pension plans should avoid unfunded, taxpayer-guaranteed liabilities.”

Doug Schweitzer: “My 9/6/3 Plan will get government spending under control:

- For politicians and political staff, a 9% reduction in wages and benefits from 2019 levels.
- For those making over \$120,000, effectively the sunshine list, a 6% reduction in wages and benefits from 2019 levels.
- For the rest of the Alberta public sector, including universities, hospitals and the education sector, a 3% reduction in wages and benefits from 2019 levels.
- After this “reset” of public sector compensation, wages would then be allowed to grow by no more than 1% a year for the next three years.
- Once the budget is balanced, wage growth would then grow roughly in line with inflation.

A link to my 9/6/3 Plan can be found here:

http://www.dougschweitzer.com/schweitzer_9_6_3_plan_to_save_500_million”