



Legislative Assembly of Alberta

The 27th Legislature  
Fourth Session

Standing Committee  
on  
Legislative Offices

Lobbyists Act Review  
Public Presentations

Thursday, October 13, 2011  
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**Legislative Assembly of Alberta  
The 27th Legislature  
Fourth Session**

**Standing Committee on Legislative Offices**

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## Standing Committee on Legislative Offices

### Participants

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| Calgary Chamber of Voluntary Organizations .....        | LO-297 |
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9:33 a.m.

Thursday, October 13, 2011

[Mr. Mitzel in the chair]

**The Chair:** Good morning, everyone. I'd like to call the Standing Committee on Leg. Offices meeting to order for the review of the Lobbyists Act today. We do have a quorum, and we are starting, but I think some might have indicated that they may be coming very shortly. I'd ask those members and those joining the committee at the table to introduce themselves for the record, please. My name is Len Mitzel. I am the MLA for Cypress-Medicine Hat, and I chair this committee.

**Mr. Marz:** Good morning. I'm Richard Marz, MLA for Olds-Didsbury-Three Hills.

**Mr. Lindsay:** Good morning. Fred Lindsay, MLA, Stony Plain.

**Mr. Rogers:** Good morning. George Rogers, MLA, Leduc-Beaumont-Devon.

**Mr. Wilkinson:** Good morning. Neil Wilkinson, Ethics Commissioner.

**Mr. Odsen:** Good morning. Brad Odsen, lobbyist registrar.

**Ms LeBlanc:** Stephanie LeBlanc, legal research officer with the Legislative Assembly Office.

**Dr. Massolin:** Good morning. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

**Ms Neatby:** Good morning. Joan Neatby, Alberta Justice.

**Mr. Hinman:** Good morning. Paul Hinman, MLA for Calgary-Glenmore.

**Mr. MacDonald:** Good morning. Hugh MacDonald, Edmonton-Gold Bar.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

**The Chair:** Thank you.

You've all had a copy of the agenda. Would someone please move the agenda for today's meeting? Moved by Mr. Lindsay that the agenda for the Standing Committee on Leg. Offices be adopted as circulated. Are there any amendments? Seeing none, all in favour? Opposed? That's carried.

You've also had the minutes of the previous meeting. Would someone be prepared to move the minutes of the September 6 meeting of the Standing Committee on Leg. Offices? Moved by Mr. Marz. Any errors or omissions? Seeing none, all in favour of this? Opposed? That's carried.

Today we're here to have presentations from identified stakeholders on the Lobbyists Act. At the last meeting the committee passed a motion to invite representatives from the organizations that expressed an interest in making a presentation in their written submissions regarding the Lobbyists Act. We have three presentations on this matter scheduled for this morning. I just might note that the fourth presenter, the Alberta Federation of Labour, called in this morning and said that they would not be presenting today.

A half-hour time slot has been set aside for each group, including up to 15 minutes of presentation time, followed by 15 minutes for questions from the committee members.

At this point I'd like to invite our first group of presenters to join us at the table. That would be Mr. Dahms, Mr. Fisher, and Ms van Kooy. We are aware that you are representing three groups with similar interests. That's correct?

**Ms van Kooy:** That's right.

**The Chair:** Also, you don't need to operate the microphones; they'll be operated automatically for you. As well, a reminder that all these presentations are on the public record. The meeting proceedings are being recorded and transcribed by *Alberta Hansard*, and the live audiostream is being broadcast on the Internet as well. Just a reminder: you have 15 minutes for presentation, and I ask you to begin by introducing yourselves for the record, please.

**Ms van Kooy:** Thank you, Mr. Chairman. Ladies and gentlemen, my name is Katherine van Kooy, and I'm the president and CEO of the Calgary Chamber of Voluntary Organizations.

**Mr. Dahms:** I'm Russ Dahms, executive director with the Edmonton Chamber of Voluntary Organizations.

**Mr. Fisher:** I'm Andrew Fisher, government and media relations manager with Volunteer Alberta.

**The Chair:** Thank you very much.

**Calgary Chamber of Voluntary Organizations  
Edmonton Chamber of Voluntary Organizations  
Volunteer Alberta  
Muttart Foundation**

**Ms van Kooy:** Mr. Chairman, I'll be speaking on behalf of the group: the Calgary chamber, the Edmonton chamber, Volunteer Alberta, and the Muttart Foundation as well. The Muttart Foundation isn't able to be here today. We thank you for this opportunity to present today as part of this mandatory review of the Lobbyists Act. As our organizations share a very common position on this legislation, out of respect for the committee's time we've chosen to make a joint presentation.

Our presence here today is really a reflection of the importance of this issue for the nonprofit sector. In 2007 these four organizations took a lead in understanding and identifying the implications of the proposed Lobbyists Act for charities and nonprofit organizations in Alberta. Collectively we engaged in extensive communication with the voluntary sector and conveyed our concerns about the impact of the legislation to government. In addition, MLAs heard from their own constituents about the impact of the legislation and how it would affect their various organizations. These concerns were summarized in a submission that was made by the Muttart Foundation but that was endorsed by nearly 300 organizations and through presentations that many of our organizations made to the Standing Committee on Government Services at the time.

While there were many aspects of the proposed legislation that were problematic, our principal concerns related to the complex implications for the voluntary sector, the increased administrative burden, and the chilling effect on dialogue and collaboration between government and the sector. Albertans, as you know, benefit from the work of thousands of nonprofit organizations that contribute to the quality of life and the economic vitality of our communities, but these organizations are challenged to meet growing community needs while responding to increasingly complex reporting and regulatory requirements.

The broad definition of public official in the legislation would have meant considerable time and effort on the part of many organizations spent tracking communications with government officials. We were frankly concerned about the increased administrative burden this would place on organizations and the implications for diverting limited resources from serving community needs.

We were also concerned about the implications for the working relationship between government and the voluntary sector, particularly on issues of policy. Alberta's voluntary sector organizations are often closest to the needs of our communities and often partner with government on delivering services. They share valuable knowledge with government on how policies impact communities and their clients. All of this requires an ongoing dialogue, ongoing exchange of information; however, there's no clear boundary between what constitutes constructive dialogue and lobbying, and we were concerned that the legislation would impede collaboration and dialogue with government.

**9:40**

Given that most nonprofit organizations serve the public benefit and not private interests, the potential impact of the legislation on organizations outweighs any incremental benefits. The current exemption for nonprofit organizations working for the public benefit, modelled after a similar exemption in Quebec, was a simple and elegant solution that resolved these issues. The exemption, in our perspective, is a positive and progressive response that acknowledges the unique role of nonprofits who are working for the public good and the need for open communication with public officials unencumbered by process and apprehension. In short, this legislation works, and we request that the exemption for nonprofits working for the public good be retained.

Thank you. We'd be pleased to answer any questions.

**The Chair:** Okay.

Mr. Dahms and Mr. Fisher, did you have any other comments as well?

**Mr. Dahms:** No. I think Katherine summarized it very well.

**The Chair:** Thank you very much.

Any questions?

**Mr. Marz:** I have a comment more than a question. You raise a very valid point when you talk about the difference between dialogue and lobbying with your nonprofit groups and MLAs. I represent a rural riding, and I get talked to at the arena at a Grizzlys game or something more formal in the office as far as grant writers that are constantly writing letters and wanting support for grants and that sort of thing. It's difficult to stop them in their tracks and say: "I'm not sure if you're lobbying at this point. Are you registered as a lobbyist?" I'm glad you brought that point up because I think it's a very valid one, and I think we need some clarification on that.

**The Chair:** Basically, what I gather from your presentation is that you certainly want to see the exemptions remain in the Lobbyists Act. That's probably the bottom line on everything, correct?

**Mr. Fisher:** One hundred per cent.

**Ms van Kooy:** I think if the exemption was removed, then there might be other comments that we would choose to make.

**The Chair:** Right.

**Ms van Kooy:** But operating on the assumption that the exemption exists in the legislation, we're certainly here to suggest that that not be altered.

**Mr. Marz:** I take it you're requesting more clarity between the dialogue and actual lobbying.

**Ms van Kooy:** At this point I don't think that's necessary as long as the exemption is there. If the exemption was removed, I think given the nature of the conversations that frequently occur not just in the kind of situation that you're referencing – many organizations work with representatives of government public officials all the time in the due course of their work. At what point does that conversation shift from being a dialogue around policy implications or the administration of a program to constitute lobbying? If the exemption was removed, then I think that there would have to be more clear guidelines around that.

**The Chair:** Mr. Lindsay.

**Mr. Lindsay:** Thank you, Chair. I just wanted to comment on the not-for-profit exemption. I certainly support that, and I have not had any negative feedback in my constituency suggesting that not-for-profits should be included in this particular act, so thank you for your comments.

**The Chair:** Any other comments or any other questions?

**Mr. Hinman:** I guess a little bit of hesitancy just because there have been a few occasions when I've had some nonprofit organizations that somewhat compete with private businesses and work under there. Do you have any fear that there are more and more people trying to get businesses under the nonprofit area using your exemption so that they can go ahead and do business? Is there anything that way where we need to better clarify what a nonprofit organization is or any concerns in that area?

**Mr. Dahms:** Mr. Chairman, members of the committee, thank you for that question. I think one important note is that in the legislation it clearly defines that sort of separation of those organizations that serve a particular purpose, be it union or management or, you know, some particular interest, as opposed to the public good. It is a fine line that you're addressing.

I think that when we look at the Societies Act or other legislation that enables the formation of nonprofits, if there's a concern about the objects or the purposes to which those organizations apply themselves, that may be a place to give that consideration. But our experience is that people in a community will tend to form organizations to respond to a particular need in their community. There are on occasion, I think, interests where it may be the friends of a particular, you know, enterprise or whatever it might be. They're a social enterprise that's emerging in our community as another way to raise funds for charitable purposes. So, yes, there are those operations, I think, that one might want to give some review to.

However, again, I think that under the Societies Act when groups try and incorporate, the objects for which they're applying, their purpose, are scrutinized before they're approved. I think that's a fairly important gatekeeping sort of place to be mindful of, that there is a place to say: well, you know, if you're not applying yourself to a meritorious public good, then we'll have to give that some consideration.

**Mr. Hinman:** Thank you.

**The Chair:** Mr. MacDonald.

**Mr. MacDonald:** Yes. I'm looking at the registry, and I see here organizations such as the Students' Association of Grant MacEwan, the Sherwood Park & District Chamber of Commerce. How would they be different from all the organizations you were talking about?

**Ms van Kooy:** I don't believe the Chamber of Commerce was included under the terms of the exemption because it's not deemed to be an organization that is working for the broad public good. It works as an association that represents its members, which are private businesses for the most part.

**Ms Neatby:** Yes, that's correct. Brad, do you agree with me? The Chamber of Commerce is not . . .

**Mr. Odsen:** That's correct. Chambers of commerce are acting on behalf of their members, for the benefit of their members, which are businesses, typically.

Insofar as the students' associations are concerned, they too are lobbying on behalf of their members, which is their student population. Individual students' unions – and this speaks to something that's contained in other submissions that you've heard – lobbying within their institutions, their institutions are all prescribed provincial entities. All postsecondary institutions and the boards of governors or trustees of postsecondary institutions are prescribed provincial entities, so any lobbying that students' associations do within their institution with the administration or the board is registerable under the act at this time.

**The Chair:** Thank you.

Are there any other questions?

Well, thank you very much for the presentation.

**Mr. Fisher:** Thank you.

**Ms van Kooy:** Thank you.

**The Chair:** We'll invite our next presenter, please, from the Sheldon Chumir Foundation for Ethics in Leadership, Ms MacIntosh.

I'd also note that Ms Blakeman has joined us, as has Mr. Quest.

**Mr. MacDonald:** What constituency are we in, Mr. Chairman?

**The Chair:** Must be a far one.

Good morning, Ms MacIntosh. Please proceed.

**Ms MacIntosh:** I'm Heather MacIntosh. I'm the program director for democratic development and human rights with the Sheldon Chumir Foundation for Ethics in Leadership. It's a pleasure to be here. Thank you for inviting us to present.

#### **Sheldon Chumir Foundation for Ethics in Leadership**

**Ms MacIntosh:** The Sheldon Chumir Foundation for Ethics in Leadership has the mission of strengthening public demand for ethical leadership. We believe that a fair, open, and equitable system for citizen access to government is incredibly important, so we want to thank you for the work that you're doing with this review.

The key point that we made in our written submission is that the Lobbyists Act has the accountability reversed, in our view. It's the lobbyists who report on meetings whereas we think it should be the other way around so that the government reports, the public office holders.

**9:50**

The Quebec commission for lobbying has noted that public confidence related to lobbying has three aspects: transparency, equitable access, and ethics. Transparency matters because government works for the people, and citizens ought to be empowered to hold their representatives to account. Also, transparency protects government, which is a point that is sometimes forgotten. It combats public cynicism and creates a context in which people cannot get away with false accusations.

So what do we mean by this? I'll give you a lobbying example. Imagine that you sit on a committee which makes decisions on NGO funding and you rank all of the applications according to objective criteria. Then the media reports on a meeting that you had with NGO lobby groups. These meetings were not publicly reported due to the exemptions in the Lobbyists Act, so everything is actually officially above board in that regard. Then citizens accuse you of bias in NGO funding because the meetings were uncovered by the press. When we are transparent about who we're meeting with, especially up front, it makes it easier to counter unsubstantiated attacks. So we think that transparency works both ways.

If revisions to the Lobbyists Act leave governments still responsible for regulating lobbyist activities, then government will always be in a difficult position of adjudication. There will be ongoing challenges to the definition of a lobbyist, as we saw from AUPE's submission, in legal aid for example, differences over details such as number of hours – should it be 100, 50, 20? – problematic exemptions for NGOs' board of directors and volunteers, which we raised in our original submission, and more issues, including the one the group brought up this morning: adjudicating this line between policy consultation and lobbying. This will remain as a significant challenge.

I thought I'd touch on the current practice. As I'm sure you're all well aware, lobbyist registries, in fact, are standard practice in other jurisdictions in Canada. As far as we've found in our research to date, proactive disclosure of lobbying meetings by the public office holders is not a requirement in any Canadian jurisdiction, as far as we know. However, we can see a trend towards proactive disclosure. In a general way we see this trend from the right-to-know community related to proactive disclosure of government information as a whole, so disclosure of appointments would be consistent with this approach. It would be leading edge, yet it would still be in line with the direction of transparency internationally.

The option of proactive disclosure has been seriously considered at the federal level twice. In 2006 during the federal election campaign the incoming government pledged to require ministers and senior government officials to record their contacts with lobbyists. Now, this was not fully implemented, but the issue remained, and in 2010 an opposition motion was brought forward to again consider this shift from lobbyist reporting to public office holder reporting. The MPs did not make that change, but the definition of who was included as a public office holder was expanded, and we think the issue of proactive disclosure will come up again.

The one place we have seen proactive disclosure is a voluntary measure in the office of the mayor in Calgary. Now, it's recent. The mayor's office has released a list of external meetings at the end of each month since May. On the handouts that we have, the talking points, on the reverse side of the talking points you'll see an example of that. What this is is just a printout from the mayor's website that indicates all of the meetings for the month of September. There may be other methods; this is just one example.

One additional point I wanted to make about the approach that the mayor's office has taken in voluntary proactive disclosure of external meetings is that their approach has been highly cost-effective and efficient, and we think that's an excellent means of enhancing transparency and accountability on lobbying.

We do have an analogous example here in the province. We think that's proactive disclosure of ministerial travel and expenses on government of Alberta websites. This practice was brought in several years ago, many years ago, in fact, and Alberta was the first jurisdiction in Canada to move to proactive disclosure on ministerial travel costs. We think that's an excellent example of Alberta leadership. Overall, we contend that the shift has been very positive and in the public interest. It has increased scrutiny by the media and citizens, to be sure, yet this does not seem to have hampered ministers' travel. In fact, it seems to be working very well.

Has this proactive disclosure limited the potential for abuse? We would say clearly. I mean, if you look at the Newfoundland and Labrador scandal of a few years ago where their Auditor General delved into previously secret expense accounts for MHAs and found widespread abuse, we think that if Newfoundland and Labrador had followed Alberta's example on proactive disclosure, it's highly unlikely this scandal could have arisen.

A final question that we often don't ask: has the proactive disclosure of ministerial travel expenses here actually protected ministers from unfounded allegations, for example, that they've abused their travel and entertainment budget? We would say: how could it not?

Other provinces have adopted our example of the proactive disclosure on ministerial travel, and we think the same could happen if MLAs proactively disclosed their meetings with lobbyists or, in fact, any external meeting. So then it puts you in a position where you're not adjudicating: "Is it a policy conversation? Is it a lobbying conversation?" You're just disclosing your external meetings.

This review represents a unique opportunity to step back from the details of the Lobbyists Act and registration system to consider the big picture. We ask: is the Lobbyists Act meeting our needs in transparency? We think we ought to ask: is there an alternate way to structure transparency that gives greater confidence to the public and better protects public office holders? We think there is and that it's proactive disclosure of external meetings by public office holders themselves.

In conclusion, I'll just say that the evidence is there that Alberta has had a positive experience with proactive disclosure on ministerial travel, and we think now is the time to build on that ethical leadership by replacing the current procedures so that it's not the lobbyists who report but senior government officials and elected representatives who report. Proactive disclosure is more transparent, it better protects MLAs, it builds public confidence, and it can be very cost-effective, as we've seen in the mayoral example. We think such a shift gets the accountability right.

Thanks.

**The Chair:** Thank you.

Welcome, Mr. Campbell, to our meeting.

**Ms Blakeman:** Thank you very much both for your original written submission and for taking the time to appear before us today. I'm curious if you intended in your proposal that MLAs proactively disclose that this would include all meetings an MLA has with any constituent for any reason.

**Ms MacIntosh:** You know, you would have to take a look at those sorts of details, which meetings you choose to disclose. The way that the mayor's office has gone in Calgary has been to disclose all external meetings with anybody who is not a member of government. When the mayor meets with other city councillors and when they meet with people who are city staff, they don't disclose. They don't write it down. But when it's an external meeting of any kind, they do. The one that they debated on was Enmax because Enmax is held by the city, but they decided it was, you know, somewhat at arm's length from the city, so they decided to disclose their meetings with Enmax representatives as well.

**Ms Blakeman:** I'm curious how Sheldon Chumir, then, reconciles protection of personal privacy.

**Ms MacIntosh:** Right.

**Ms Blakeman:** I have a couple of examples where I've been successful in changing public policy, but the initial meetings were with people who absolutely were not in a position to have their meetings with me disclosed. It was a question of personal safety and survival. I wouldn't be able to comply with what you're suggesting here just given some of the work that I've done in the past and looking back to that. So just square that circle for me.

**Ms MacIntosh:** Right. I think this is a really important issue. There could be situations where you've got whistle-blowers wanting to come forward, where protection of privacy is essential. Normally you'd expect them to be internal, but occasionally you might have external as well. You may have situations where someone is approaching you as an MLA about a personal health situation, for example. You might choose to have some specific exemptions that relate to protection of privacy and effective function of government in that regard. The protection of privacy is a major issue. I think that could be your most significant challenge in making this transition.

**Ms Blakeman:** One of the services that I offer from my constituency office – sorry, I just kept going – is the services as a notary public and Commissioner for Oaths. Would you expect those kinds of meetings to be made public? They're coming to me for a service, and while I perform that service, we're going to chat about things: who they are, how they're doing, et cetera.

**Ms MacIntosh:** Right.

**Ms Blakeman:** Would you expect those kinds of meetings to be published?

10:00

**Ms MacIntosh:** I would think that's something you'd have to take a look at. I mean, to what extent do you want to exempt ceremonial functions? You know, notary public functions, for example: that's an option.

**Ms Blakeman:** Okay. Thank you.

**The Chair:** I'd just note this if I may. I looked at the list that you showed on the back page of the handout, and there were 22 names there, and when I lumped them together, there are really 12 meetings. Do you mean to say that the mayor of Calgary only had 12 outside meetings in the whole month of September?

**Ms MacIntosh:** That's what they disclosed. What they do – we asked them how they go about this process – is that they have

people sign a guest book when they come in, or if the mayor goes out for an external meeting, he'll take sort of a travelling guest book, apparently, with him. Then they compile the names from the guest book at the end, just people who've met with the mayor. They don't have people who've met with the mayor's staff, for example. So is that the number they've had? I mean, it looks small, doesn't it?

**The Chair:** Yeah. I'm questioning the example that you've used because I think that in some cases the mayor of any of the cities, whether it's Edmonton or Calgary or whatever, may have at least 12 meetings in a day, and they might all be outside people as opposed to what you've got, 12 meetings in a month. Anyway, that's a note that I just had in there.

Mr. Odsen.

**Mr. Odsen:** Thank you, Mr. Chair. I think you may have answered partially one question that I had in a sense in that the definition of a public office holder in the act as it presently stands is all elected members, all political staff, everybody in the public service from the chief deputy down to the part-time temporary file clerk, and the heads and one level below that of numerous prescribed provincial entities. You're not suggesting that everybody that's presently defined as a public office holder should be publishing their calendar, I take it?

**Ms MacIntosh:** I wouldn't see the sense in that myself, but I would leave that for other experts to take a look at and see what would be the most logical in that regard.

**Mr. Odsen:** The other question that I have, then, is on one of the things you haven't addressed in this – and I'm wondering if you've given it some thought at all – that there are provisions currently in the act with respect to noncompliance on the part of lobbyists, including prosecution or the imposition of administrative penalties. If you shift and reverse the onus and it's now on public office holders to report, is there anything in relation to noncompliance, and if so, what? How is that handled?

**Ms MacIntosh:** The example from Calgary is a voluntary disclosure regime. Therefore, it's not well structured for the type of oversight that you're talking about. I mean, I think the most useful might be to take a look at what was originally proposed in terms of an oversight mechanism in 2010 with the motion that was debated at the federal level. But, again, that didn't go through, so we don't actually have an existing regime that we could model upon. It would definitely be a leading-edge move, I think, in Canada to shift to this type of disclosure. We think the direction is headed there. Certainly, it would be a bit leading edge. To some extent, then, Alberta would be out front defining what it ought to look like, what exemptions there ought to be, how to handle protection of privacy adequately as well as how to structure an oversight regime that would function well.

**Mr. Odsen:** Thank you.

**The Chair:** Welcome, Ms Notley, to the meeting as well.

Mr. Rogers.

**Mr. Rogers:** Well, thank you, Mr. Chairman. Heather, thank you for your presentation. I took a few notes on your points. I have to say that I struggle with your proposal. As an elected official now in my 19th year I have met with – and I've never thought of taking count – a number of people over those years in a variety of capacities. I see that my role as an elected public official is to be –

well, public is a very key part of that, of course, meaning that I meet with a variety of individuals from varying walks of life.

You know, the very nature of what I do is public. I mean, I have very little private life, to be blunt. Everything sort of blurs into my public work on a day-by-day basis. I really find that beyond a schedule – and I don't know. I guess I've never had the need to find out whether the rules require – if somebody wanted, I would imagine our schedules are FOIPable. I mean, since about 1998, when I was elected mayor of Leduc, I've had a computerized schedule, so my schedule for the last 12 or so years or whatever that adds up to be is probably on some digital record somewhere.

I really wonder – and I go back to Mr. Odsen's point about the requirements that we currently have under the act – with the onus on the lobbyists and the penalties or potential sanction, that we would then require public officials to publish their public work. I struggle with that notion.

**Ms MacIntosh:** Yeah. I mean, I think one of the main challenges would be to figure out how to do this in a way that's efficient, that doesn't create a tremendous administrative burden for the individual public office holders, for example, and a way that is, well, I guess, just that – right? – that's feasible in practice. I don't think that there are very solid examples, as I've said, because this is a relatively new shift of that type of disclosure other than the one we found that we've indicated.

I do think, though, that the idea of getting the accountability right is really important because the lobbyists aren't accountable to the general public. They don't work for the public. I mean, they're reporting to government now, but it's really our public office holders, our government, who are accountable to the public. So this shift is a shift in thinking as well that we think conceptually better gets at what we want in transparency. That's part of the reason we're recommending this.

**Mr. Rogers:** Thank you.

**The Chair:** Thank you.

**Mr. Marz:** Just to expand on Mr. Rogers' comments, I'd like to use my own riding as an example of a typical rural riding, where everybody knows you. You can drive for an hour and a half, and no matter where you stop, everybody knows you by your first name. If a couple of times a week I'm to start publishing my appointments that come into my office, how would you determine that to be any different than, after I leave my office and go down to the Tim Hortons, somebody saying, "I've been waiting to see you about something," and they come and sit with you? Am I to record those types of meetings? They're doing exactly the same thing as the person that actually makes the appointment. As Mr. Rogers says, whenever you step out of the confines of your home, that's what you are doing. I would have to have somebody going with me to record all this stuff because I certainly wouldn't be doing it.

**Ms MacIntosh:** Sure. People want to approach you wherever they come across you. I think that right now under the existing lobbying legislation there are some parameters around that, around official meetings, are there not? Federally there are. What we saw on the federal website, for example, is that they say that if you are at a dinner party – or even for someone who's not at a social function, for example – and someone sits down and starts chatting to you and they're a registered lobbyist, it's not considered a lobbying activity. What they've indicated is that they will consider meetings in the office as official lobbying meetings.

They do have some question-and-answer sorts of points up on the website about when you're out and about in public and people approach you. You may want to look at that more extensively yourselves and adjudicate that differently. But the federal government does have one example in that regard, what they exempt, and that's basically social functions because you will be approached everywhere.

**Mr. Marz:** Well, I have people that are fiercely protective of their privacy, and if I was to tell them, "If you make an appointment at my office, it's going to be published in the local paper that you were in my office" – and there are some pretty sensitive issues; in small communities everybody knows everybody else's business – they would probably more likely wait until they could catch me down at the auction market or at a social function, whatever, just so it wouldn't be published. To start, you know, keeping track of all that is impossible.

**10:10**

**The Chair:** It seems to me that we're talking about, as far as the members of the Legislature are concerned – and that's most of us here – representing our constituents as opposed to having a meeting with somebody who is representing a company or organization who wants the government to do something for them. So there's a line there, a definite line. I don't quite understand where you were coming from. If you crossed over that, then that's where the concern is coming out, and I think that the examples that are being shown here emphasize that.

**Mr. Quest:** Well, I was just going to get on the same wagon, Mr. Chair. You know, if I run into somebody at Sobeys and they want to get it off their chest that mum was in emergency for 18 hours or something like that, then we're going to have that conversation, and it's going to get really complicated if they happen to work for the chamber of commerce. I mean, we need to have that flexibility, and I just don't think there's a way to do it without creating a very severe administrative burden. Also, we have a number of confidentiality issues on top of that, so it's going to get very complicated, in my opinion.

**The Chair:** Mr. Odsen and then Mr. Campbell.

**Mr. Odsen:** Thank you, Mr. Chair. Just as a matter of clarification, to a certain extent I think this also speaks to some of the concerns that were raised by the previous presenters on behalf of the nonprofit sector. First, under the federal legislation as it presently stands registered lobbyists are required to report on the 15th of every month on every scheduled meeting that they've had with a designated public office holder. The act very clearly defines who it is that falls into the category of a designated public office holder. So it's scheduled meetings that have to be reported. It's important to note that then in the office of the lobbyist commissioner for the next month they have five or six staff whose sole job is to contact public office holders who've been named to get confirmation about these meetings. Any enforcement that may arise in relation to that is going to be directed at the lobbyists, not at the public office holders.

The Alberta legislation as it presently stands does not require, if you're a registered lobbyist, that you report on every or indeed any meetings or conversations that are held. What it does require is that you identify that you're lobbying, what it is you're lobbying in relation to, who in government in terms of elected members or which department you're lobbying in relation to that subject matter, and what kinds of methods you're using – meetings, phone calls, letters – and that's it. So if you're

registered as a lobbyist, it's not that you have to record every interaction that you have with government. Far from it. This notion that it's going to be terribly onerous in terms of time and resources and those kinds of things is not so.

Thank you.

**Ms MacIntosh:** If I can just jump in with a comment. If I take a look at the example from the mayor's office – I mean, there very well may be better ways to handle it than the way that they've approached it – you'll notice there that every group that's listed and every person that's listed is listed with their organizational affiliation. I haven't actually asked them, but I assume that they may have chosen to only record meetings with organizations and to not record meetings with individuals.

**Mr. Campbell:** Well, just on the same, I'm lobbied every day, 24 hours a day. I mean, at every event that I go to, I'm lobbied by somebody. For example, I was at the Edson 100th anniversary gala dinner last month. I had seven mayors there from across the north, town councils. Every mayor came up and talked to me about something. These are organizations; these are municipal councillors. Under this plan I would have to write a paper saying that I had talked to each of these mayors and here's what I talked about, that I talked to each of these councillors.

Going back to the nonprofit sector, every time I go to an event, I have nonprofit organizations coming up to me and saying: "Robin, could you help me out with this? Can you tell me how I would apply for a grant for this? Can I call your office about this?" I mean, I think that it would be impossible for us to keep track of any of this at all.

I also think that, you know, a number of the organizations that we deal with out in our ridings would be offended that we would have to start recording that we met with them and what we met with them about.

You know, I go for groceries, and it's a two-hour exercise for me in my hometown. I'm going to buy bread and milk. My wife says, "Dinner is at 6," and I say, "I'll see you at 8" because it's just not going to happen. I mean, it takes me 15 minutes to get through. The lady at the cashier wants to talk to me because her husband is on disability and having some problems with WCB. What can I do to help them out?

I mean, a function of our job is being lobbied, and I think that what we've done with the professional lobbyists – and I understand why we're doing that under the Lobbyists Act. But as far as being on the cutting edge, you know, I'm quite happy being where I am right now, doing what I'm doing, and I think my constituents are happy knowing that they have the chance to come to talk to us. If they want to do it in private, they can do it in private. If they want to leave their names off things, they can. I don't think it does anything to help the trust of municipal or provincial politicians, what we're looking at doing right now. I think it does the exact opposite.

**The Chair:** Ms MacIntosh.

**Ms MacIntosh:** Sure. Respectfully, I disagree. I think it actually does improve public trust and confidence because, I mean, you can't be accused of having secret meetings if you're disclosing your externally scheduled meetings. We're not talking about the grocery store when you run into somebody or you're down at the auction mart. We're talking about scheduled meetings, for example, which has been the proposal federally. Then why would you have secret meetings? You know, if you have individual confidentiality issues, okay; you make an exception for that. That's very logical. But all other meetings, why wouldn't they be

public? You're a public office holder. You're doing a public job. You're having public meetings.

**Ms Blakeman:** I'm sorry. I didn't mean to cut you off.

**Ms MacIntosh:** No. That's fine.

**Ms Blakeman:** I think the difference here is that we're public office holders, but the individuals coming to see us are not, and that's the line that you're hearing being drawn here.

I'm intrigued with your suggestion. I will follow it up with some thinking. I used to publish every organization that I was invited to go to a meeting externally or attend an event, and eventually I just ran out of room to put it in my newsletter, and I stopped doing it. That's a version of what you're talking about. It told people who I had seen or spent time with or experienced their services or their production or whatever.

I think the idea of maybe tracking scheduled meetings with organizations is kind of interesting. I think that what you're hearing is the struggle with us. We're prepared to be public. We're not prepared to also make public everyone that comes to us for help. That's the privacy line that I'm not willing to cross.

**The Chair:** Any other comments or questions?

Well, thank you very much, Ms MacIntosh.

**Ms MacIntosh:** Thank you.

**The Chair:** Our next presenter is Mr. Chipeur. Thank you for coming this morning. I'll ask you to proceed.

#### **Gerald D. Chipeur, QC**

**Mr. Chipeur:** Thank you very much, Mr. Chairman and members of the committee. I'm a lawyer. I have lobbied at just about every level within the province as well as within Canada. I'm not here to ask you to change a thing. That's probably a new approach for lawyers, to come in and say: don't change the law.

I think that there are a number of reasons why the Alberta Legislature should be very happy with the legislation that they passed just a few years ago. The first is that, number one, the legislation has been implemented by the office of the registrar of lobbyists in a way that has encouraged and been very successful at having lobbyists register. The compliance rate is high, if not unanimous, and in the industry, both within members of the Legislature as well as other lobbyists, I'm not hearing complaints about the registrar of lobbyists. In fact, it's the opposite. They're saying that the office is very helpful and has been going out of its way to ensure that the principles in the preamble are achieved.

**10:20**

I think that your duty as a committee is to look at all of the act, but I think it's important to look at the act in light of its preamble, and the preamble highlights two very important principles. One is the principle that there be transparency and disclosure of public business, but on the other hand there is a very high value put on the information that is shared by stakeholders, and I'll get into this a little bit later in my presentation. If one gets off balance with this kind of legislation, a barrier, a wall, will come up, and as has been indicated in earlier discussions this morning, your stakeholders, your constituents as well as those who are regulated by the laws that you pass, will actually stop interacting with you for the reasons that I'll talk about later. I won't go through and read the preamble to you. You know it. That preamble has been very effectively both respected and achieved by the legislation as written and as it has been implemented by the registrar.

It's important for this committee to also take into account the fact that there have been no issues, no scandals, no problems that have been identified as a result of the operation of this legislation. If there was a problem, if this legislation was implemented and there were problems in the industry, then I think this committee should take the view that maybe we need to strengthen the legislation, that maybe we need to change it to deal with the problem that we face. In fact, there have been no stories of abuse. There have been no problems with lobbyists trying to get around the requirement to register and to fully disclose transparently their interaction with the government.

For all of those reasons my recommendation to this committee is that the committee come to the conclusion, first of all, that the preamble and the goals are the right goals and the right objectives, the right principles to govern, that this legislation properly balances the public interest in full disclosure and transparency with the goal of not interfering with the communication between the legislator and the constituent.

In addition, I ask this committee to conclude that the legislation itself properly encourages and, in fact, states very clearly in the preamble that it is important for the Legislature, for members of the Legislature, to hear from constituents, to hear from stakeholders because it's only as you hear from those who are governed that you will know how the legislation is working in the real world.

If you go to a more burdensome regulatory framework – and I'm going to mention the federal framework here because the federal framework, in my opinion, is broken. It has created a huge barrier between legislators, parliamentarians, and stakeholders, and I'll go into some detail about how it is broken. If you go towards a more burdensome regulatory model, then all of the fears that you have will in fact come true. In the federal field there is today very little real communication except through the bureaucracy. In other words, what has happened federally is that the process of communication to a minister of what's happening in the field is now very tightly controlled by those who have an interest in the information that gets through to a minister.

I'll give you three reasons why this is happening. The first is the expectation that the minister has to do something; in other words, the minister has to set up a process internally. That takes time. It takes assistance away from serving constituents into a paper chase, and I can assure you that it's a significant paper chase to continually record every meeting and to continually report it. All for what reason? There's nothing in the preamble of this legislation or even in the federal legislation that would give us reason to know more than the fact that you have lobbyists and you have ministers that have a reason to hear from their stakeholders and constituents. To know more than that is to add a paper burden that takes public resources, individuals, staff members, to just fill out paper, and that is costly.

The second reality is that this information, once it has been collected, is rarely used to in fact inform. It's usually used to attack. It's usually used to attack the other side. Question period is replete with examples of someone going to the lobbyist registry, finding a meeting, and then using it as a gotcha moment a month later in question period in an attempt to embarrass the minister. But in embarrassing the minister, they embarrass the individuals.

That leads me to the final point, and that is that most stakeholders at the federal level who take the time to consider the consequences of lobbying choose not to. I can tell you that many of the most significant companies that I deal with, after learning what the rules are federally, have actually issued orders internally that nobody may lobby the federal government. Nobody may talk to the federal government, and even in response to voluntary

invitations to come to parliamentary committee hearings to give evidence on important issues of health and safety and other issues like that, they have said to their executive officers: “You may not go to Ottawa. You may not because we are afraid that you will be used as fodder for question period. That will embarrass the minister, that will embarrass our business, and that will create problems for us as a business.”

For those three reasons a process of minutely describing each and every encounter, number one, gives you no more information that you need to do your job because you just need to know that somebody is lobbying you. You need to know that when you’re talking to this person, they have the interest of their employer or their consulting contractual relationship in mind. You need to know that, and the public needs to know that they’re talking to you about issues of interest to that company. That’s the only thing that is important in this process, based on the preamble. To do more simply creates opportunities for politics to be played and does not do anything to advance the public interest.

In summary, it is important in terms of maintaining a relationship with your constituents and the stakeholders in each ministry for a process to be both transparent and public but also open so that you do not create a funnel, so that all information that the government gets is information that the bureaucrats want you to hear rather than information that your constituents want you to hear. Secondly, you don’t want to create a situation where your constituents and your stakeholders voluntarily stay home and say: I refuse to engage in the public process because I will not be the fodder in the battles between the varying political parties as they try to take advantage of my meeting for their political interests from day to day.

I’m happy to answer questions about specific parts of the legislation, but I think that there are two other thoughts I would leave you with. If something’s not broken, don’t fix it. The second thing is that we are just two years out. Why would you do any significant change to legislation so soon after it has been passed? Those are the two thoughts.

I think that the Legislature did a good job with this legislation when it passed it. I think it’s operating very positively, and I recommend that no changes be made to the legislation at this time.

**The Chair:** Thank you very much, Mr. Chipeur.

Any questions?

Well, seeing none, thank you very, very much.

We’re going to take a 10-minute break right now. We’ll be back here at 20 minutes to 11.

**Mr. Chipeur:** Thank you.

[The committee adjourned from 10:30 a.m. to 10:46 a.m.]

**The Chair:** Okay. We are back on the record, ladies and gentlemen, and we’ll continue on here. The next item on the agenda is committee research support, cross-jurisdictional information.

During our discussions on the Lobbyists Act at our last meeting committee members requested some additional information on the rules and practices in other jurisdictions. In response our research support staff have prepared a cross-jurisdictional report, that has been distributed to the committee members. I know that we just got it this morning, so I’m going to ask that Ms LeBlanc give us an overview but maybe be a little more detailed than she would have been, because we just received this report this morning. It’s in front of us here now. Then I’ll open the floor to questions from the committee members.

Ms LeBlanc.

**Ms LeBlanc:** Thank you, Mr. Chair. I’ll just pause and make sure everyone has a copy of the report. It’s dated today, October 13, and it’s a three-page report. It was prepared in response to some questions from committee members that we received at our last meeting, in September.

There are three issues that we looked at. The first was already referenced in one of the presentations earlier today, and that was about obligations on public office holders. As mentioned, none of the jurisdictions in Canada require public office holders to keep records of meetings.

Under the federal legislation, however, there is the ability for the commissioner to send to any present or former designated public office holder – and that’s only certain public office holders – a request to verify information that was received in a return from a lobbyist, and that information would be the record of the scheduled meetings. They can send out that request and ask the designated public office holder to verify that. If there is a failure to respond, the commissioner has the option of making a report under the legislation, and that would be submitted to Parliament, I believe.

The second issue we considered was the enforcement of lobbyist legislation, and with the assistance of Mr. Odsen we collected some data from the other jurisdictions. You can see in the left-hand column that we received responses from Canada, Newfoundland and Labrador, Nova Scotia, Quebec, Ontario, Alberta, British Columbia, and also the city of Toronto, which has a lobbying bylaw. You can see there that we’ve listed the number of investigations conducted by the office, the number of individuals charged with offences, and also the number of convictions obtained.

Finally, the third issue we took a look at was the resources of the various offices. These jurisdictions were surveyed with respect to their office budget, the number of staff, and also the number of staff who deal with the enforcement of legislation.

Thank you.

**The Chair:** Are there any questions?

I think that, looking at the charts you have with regard to enforcement, it’s quite interesting that we’ve had one investigation, and no one has been charged, and no one has been convicted. In a couple of cases the same holds true in a couple of other jurisdictions other than, say, Quebec. British Columbia had one.

**Mr. Odsen:** Just as a point of information with respect to Quebec and the Quebec Lobbyists Commissioner, the legislation in Quebec covers not only the provincial government but every municipal government as well. It’s my understanding from the office of the Lobbyists Commissioner in Quebec that the majority of the investigations and charges have been around lobbying at the municipal level rather than at the provincial level.

**The Chair:** Are there any other points anyone wishes to make?

If not, we’ll move on to any additional research required. You know, business information: has anyone identified anything else that perhaps we should be looking at?

Dr. Massolin, do you want to make any comments?

**Dr. Massolin:** Thank you, Mr. Chair. I was just going to say that as ever, you know, the LAO research staff is prepared to field any research requests from the committee. There was some discussion at the last meeting about perhaps putting together an issues document if that would be useful. I’m not sure it would be, but we’re here and able to receive direction from the committee on what they would like us to do.

Thank you.

**The Chair:** Any questions?

**Ms Blakeman:** I'm just picking up on Dr. Massolin's comments. What we have had done for the committee in the past – I'm just needing a reminder. We have recommendations in front of us from the lobbyist registrar on potential issues to look at. That's the only one that we've received with identification of issues except for the very beginning sort of teaching documents. Is that correct? We've had nothing from any departments.

**Dr. Massolin:** No.

**Ms Blakeman:** No? Okay. Good. Thank you.

**Dr. Massolin:** Just to answer that in part, too, there is this discussion paper as well that identifies a selection of potential issues. I would, you know, point the committee to that as well.

**The Chair:** Okay. Any other comments?

Well, seeing none, this takes us to the point you talked about, the Lobbyists Act, issues identification. Perhaps Mr. Odsen would want to make a few comments with regard to this document.

**Mr. Odsen:** Thank you, Mr. Chairman. My comments, I think, I hope, will be brief. The paper that I prepared and submitted to the hon. members of this committee was simply to highlight what, it seems to me, are some of the kinds of things that you may want to examine. All of them are mentioned in the discussion paper that was prepared by Dr. Massolin and his group plus more. Many of them are issues that have been raised in submissions that have been received.

I think it's important, more than anything else, I guess, to think about the context of what this act is intended to accomplish, whether it is presently accomplishing that, what public purpose it's intended to serve, and could it be structured or changed in some way that would better enable it to accomplish that?

The first part of my paper talks about using the principles enunciated in the preamble to the act as sort of the outcome measures, if you will, in terms of the effectiveness of the act in achieving its goals. I think it's pretty clear, at least in my view and in the experience that I've had as registrar since the act has been proclaimed, that the principles enunciated in the preamble are being met at present and that the act, as several of the presenters noted, seems to be working very well.

**10:55**

Having said that, there may be some things that you might want to give particular consideration to, and I've identified each of those along with a brief comment just kind of highlighting something that may be considered in relation to that. I don't think that it's properly my place to be telling you what your legislation ought to say or do, but certainly I can, as I've done here, I believe, highlight some of the things that are perhaps contentious issues.

The biggest thing that has come out in the presentations and discussions, of course, is that in any particular instance there are going to be largely questions of fact as to whether or not the act applies, how it applies, what's required under the act. Individuals, whether they be consultant lobbyists or organization lobbyists, are going to have to make a determination on their own, or if they're having difficulty with that, then hopefully they'll contact me. We can discuss it, and I'll give them my view on what it is that's worked. That's the way we've been doing it since the act came into force, and I certainly believe that it's worked on the whole very well in serving the needs of both lobbyists and, indeed, serving the needs of the public of Alberta in terms of the intent of the act.

Subject to those comments, I'm certainly happy to answer any questions you may have about specific items that I've identified here if you wish or on the operation of the act in general. Thank you.

**The Chair:** Are there any questions? I also want to remind the committee members that we have access to the expertise of the office of the Ethics Commissioner throughout the remainder of the review, so there will be other opportunities as well to benefit from their knowledge as our discussions go on.

**Ms Blakeman:** Is this where we're actually going to start to name the issues that we want to pursue or discuss? Is that the point that we're at?

**The Chair:** Uh-huh.

**Ms Blakeman:** Okay. I think one of the issues that has always bothered me is that the database is not searchable for every name of a person who is lobbying and who's active. We only list the main filer or the person who is ultimately responsible. As I've outlined in other examples, if you meet someone on the street or somebody phones up and says, "I'm a lobbyist for blah, blah, and my name is so-and-so," when I go on the database and search, I have trouble finding their name because it's so many layers down. In one experience I never found the guy's name at all.

Now, you showed us, "you" being the lobbyists registrar, a way of getting at that, but I still have problems with how difficult it is to be able to identify anyone that presents themselves as a lobbyist and be able to verify it or discover it, you know, to find out that who you've been talking to is a lobbyist because we only require the main filer – I think that is the language – to be on the record. Is there anything that you can suggest without legislative change that could be done to make this a more transparent process? Should I give you some time to think about that without putting you right on the spot? Sorry.

**Mr. Odsen:** Thank you, Ms Blakeman. To begin, as I demonstrated the last time around, the designated filer is the term that you're talking about that the legislation requires, and in the case of an organization that is the seniormost staffperson, so it would be the president or the chief executive officer of the organization. If it's a lobbyist firm, then it's the president of the firm. On their registration return, whether it's an organization lobbyist or a lobbyist firm, they do have to list the names of the individuals who are actually engaged in lobbying activities. That information is there, but you have to open the return in order to get to it.

If you have the name of the lobbyist and you go to the search function that's in the system now and type in the name and click search, it will pull up all the registrations where that person is named, so you can then have a look at them if they're there.

About the only thing that comes to me immediately as perhaps another thing that could be done, I suppose, is that we could add a feature to the system – I don't know what it would take in terms of time or money to do that – where we would create another database that would simply list the names of all the people who are named on the various returns, say, alphabetically. You could click on that, and it would open a page in there alphabetically, everybody who's listed as a lobbyist in the database, for example. That might be one way to do it. As I say, I don't know what that would require in terms of additional work on the software, but it would require something along those lines.

**Ms Blakeman:** I wouldn't want you to proceed if I'm the only person that's expressed an issue with that. I just don't think that's a good use of time and money if it hasn't turned up as problematic for more than one person. It may be that I did try this at the very beginning, and everybody wasn't in the system. That sort of thing. I should come up with another example and go and test it, and maybe it wouldn't be such an issue.

**Mr. Odsen:** The other thing, if I may, is that it may well be, correctly, that they're not in the system and ought to be. If that's the case, I ought to know about it, I mean, in the sense of: if you come across something like that, please let me know. It's part of my job to follow up on that and find out: should they be in the database? If they should be, and they're not, why not?

**Ms Blakeman:** Fair enough. Okay.

**The Chair:** Do you have another point?

**Ms Blakeman:** Well, one of the other areas that causes me great concern is the permission for lobbyists or companies to be involved in giving advice to the government at the same time as they are engaged in a lobbying practice. The way the legislation is written, saying, "Well, you can do these two things as long as you don't do them on the same subject at the same time," I find problematic. Perhaps we could have some discussion on that.

That seems like, if not a technical conflict of interest, certainly an ethical conflict of interest in my terms. I think that's one of the things that we should look at recommending, that it be taken away. I just don't think it's appropriate that you've got, you know, a chemical company in there giving advice to the Department of Energy at the same time as it's lobbying the department of the environment. I mean, to try and pretend that government individuals aren't speaking to one another, particularly with the number of crossjurisdictional issues we've got, is staggeringly naive.

**The Chair:** Perhaps we'll be addressing some of that at our next meeting as well.

**Ms Blakeman:** That's what I was asking. Do you want that now, or do you want that at the next meeting?

**The Chair:** It'll be at the next meeting for the most part, but I'm glad you did bring up the point because if there was any clarification at the moment on what's presently there, that's what I was hoping to draw out.

**Ms Blakeman:** Well, I know it's there. I just don't like it.

**The Chair:** Yeah. Okay. All right.

Any other questions or comments?

Okay. I'd like to thank the staff from Alberta Justice and from the office of the Ethics Commissioner for joining us. We'll be working on other areas of our mandate this afternoon, but I certainly appreciate your attendance this morning.

Our next meeting on this topic is scheduled for October 18. At this meeting I anticipate that there will be a lot of discussion and debate regarding the act itself. That's the point that I was getting at with Ms Blakeman there. To help ensure our discussions are focused and meaningful, I would encourage any members wanting to make detailed motions about the act to ensure that they have hard copies of their motions available for distribution to the other committee members as well.

Okay. Any points?

**Mr. MacDonald:** Just to confirm, that's at 1 o'clock on the 18th?

**The Chair:** That's correct. Yes, it is.

**Mr. MacDonald:** Thanks.

**The Chair:** Any other comments?

**Ms Blakeman:** For those of us that are slower readers, if it's possible for any motions to be posted in advance or distributed to us in advance, that would be excellent. I will try, if I have any, to get them to the clerk of the committee and have them sent out or posted on the internal website, and if others could try, that would be wonderful.

**The Chair:** If the motions can be turned in, they can be posted, sure, if they wish.

**Ms Blakeman:** Thank you.

**Mr. Campbell:** Just as clarification, Mr. Chair, did you say that the meeting is now at 1 o'clock on the 18th? I thought it was 11.

11:05

**The Chair:** Oh, I'm sorry. It is at 11 o'clock. Mr. MacDonald, I believe the meeting is at 11 o'clock instead of 1. It starts at 11.

**Mr. MacDonald:** Eleven, not 1 o'clock.

**The Chair:** Yes.

**Mr. MacDonald:** I'm glad I asked.

**The Chair:** That was the time. I'm sorry. I didn't look at my calendar to confirm it. Thank you.

**Mr. Marz:** I'm just wondering: if we're done with this order of business and all the committee members that are here that are going to be here this afternoon, is there any chance we could have a motion to start this afternoon's meeting a little earlier?

**Ms Blakeman:** It's the staff. Don't we need the staff?

**The Chair:** I guess it has to do with *Hansard*. I think the parts of this afternoon's – we're not finished this. We have the request from the Auditor General and the Chief Electoral Officer yet to discuss, and that was scheduled for after lunch. The Chief Electoral Officer is in Calgary, and he's coming back as quickly as he can because he was busy there this morning. We've got a little bit of a timing issue.

**Mr. Campbell:** So we have a break for two hours now, then?

**The Chair:** No. We have a break for lunch.

**Mr. Campbell:** Well, are we coming back at noon, or are we coming back at 1? Lunch is usually at noon, so are we done the morning's business?

**The Chair:** We won't have the Auditor General or the Chief Electoral Officer back here. They're scheduled for 1 o'clock, so I believe that's when we'll be coming back.

**Mr. Campbell:** We have a two-hour break. Sorry, an hour and 50 minutes.

**Mr. Marz:** Well, I guess that I request, Mr. Chair, that if we finish those things earlier, can we continue right on into the next meeting if all the members that are going to be at the meeting are here and able to attend?

**The Chair:** We'll try and accommodate that, yes.

**Mr. Marz:** Okay. If that's agreeable to everybody.

**The Chair:** Well, given that those are all the questions that we've had this morning, if any of our guests wish to make any other comments prior to the break, we can do those now. Otherwise, we'll be breaking, and lunch will be here at 11:30, another 20 minutes. We reconvene at 1 o'clock.

**Mr. Odsen:** Just one final comment if I may, Mr. Chair. If any of the members of the committee are thinking about specific sections and would like a little more detail from me, of course I would encourage you and welcome any communication with me about that, and I can try and assist in that way.

Thank you.

**The Chair:** Okay. Thank you very much.

[The committee adjourned from 11:08 a.m. to 1 p.m.]

**The Chair:** Well, good afternoon, everyone. We will call the meeting back to order.

I'd like to welcome our Auditor General to the meeting. Before we get started, I'll ask the members, guests, and those joining the committee at the table introduce themselves for the record. My name is Len Mitzel, MLA for Cypress-Medicine Hat, and I am chairing this committee.

**Mr. Marz:** Richard Marz, Olds-Didsbury-Three Hills.

**Mr. Lindsay:** Good afternoon. Fred Lindsay, Stony Plain.

**Mr. Rogers:** George Rogers, Leduc-Beaumont-Devon.

**Ms Blakeman:** Laurie Blakeman, and I'd like to welcome each and every one of you to my brisk, fall, fabulous constituency of Edmonton-Centre.

**Ms Eng:** Loulou Eng, OAG.

**Mr. Olson:** Jeff Olson, Assistant Auditor General, OAG.

**Mr. Saher:** Merwan Saher, Auditor General.

**Mr. Hinman:** Paul Hinman, MLA, Calgary-Glenmore.

**Mr. MacDonald:** Hugh MacDonald, Edmonton-Gold Bar.

**Mr. Quest:** Dave Quest, Strathcona.

**Mrs. Sawchuk:** Karen Sawchuk, committee clerk.

**The Chair:** Thank you. Mr. Saher, thank you for coming in. Subsequent to a couple of conversations that we had, all the members received your correspondence dated September 9, 2011, and I guess I'd ask you to proceed with your presentation respecting the request for supplementary funding for the fiscal year 2011-2012.

#### Office of the Auditor General

**Mr. Saher:** Thank you very much. I'm going to ask Jeff Olson to make the presentation to the committee, and then all of us are here to answer any questions that you may have.

**The Chair:** Okay. Thank you.

**Mr. Olson:** Good afternoon, Mr. Chairman, vice-chair, and committee members. We've handed out a short presentation to you, designed, as requested by the committee secretary, to be no

longer than 15 minutes to allow time for questions. This presentation – and you've alluded to it – is a companion piece to the letter that this office sent identifying our need for a supplementary funding request for the fiscal year 2011-2012 and will provide you with more detail on our request. As mentioned in the letter, we wanted to give the committee an understanding of our fiscal situation as soon as possible, and we were also going to provide you with a best possible calculation of the amount of our request at a later date. Therefore, you'll see from the first page in the presentation that our formal best possible calculation for the supplementary funding request is in the amount of \$975,000, which would partially cover our permanent structural cost increases that we have.

The next slide provides the breakdown of the factors that have caused our budget pressure and the supplementary funding need. As you know, our existing budget of \$22.87 million was established for the fiscal year 2009-2010 and has been held frozen since then, so now we're basically in our third year of frozen budget with a no-increase budget. In the past two years to manage within this budget constraint, our office has worked hard to implement cost controls such as the salary freeze and introduced some initiatives to gain improved efficiencies within our office. This year we are faced with many cost increases that have reached a level beyond our ability to absorb within a no-increase budget in its third year. Among these cost increases some are structural and some are one-time items.

If I can talk first about the permanent structural cost increases, they include the release of the salary freeze. In early summer we were informed by corporate human resources that in-range adjustments are reinstated for the Alberta public service effective back to April 1, 2011. This means that managers and non-union staff, which make up 100 per cent of our staff, would receive increases within their salary bands. This had a structural impact on our budget of \$650,000. It is in keeping with the rest of the public service to provide that increase to our staff, and as we identified in our letter, for us to remain successful in our auditing service to the Assembly, we must be able to compete for auditors in a market with a skill shortage.

The next item is the resource requirements to meet new standards of the recently revised Canadian auditing standards and the newly introduced international financial reporting standards that have affected this office and are a requirement of our profession as auditors. We've had to assign some senior staff in our office to a quality assurance review of our work and to resourcing to strengthen our professional practices. A structural cost increase of \$450,000 results from this.

The next item: student growth pay adjustments over the past three years. Now, our auditing students are considered a growth profession in the classification of the public service. Like other like professions they have been eligible for salary increases during the salary freeze. The cumulative effect of this structural cost increase has been about \$620,000 for that item.

Employer contribution rate increases like the pension plans and medical plan contributions have not been frozen during the freeze and represent \$150,000.

The final structural cost increase has been the shift of our performance measures work to meet the new government June 30 deadline for ministry annual reports. It has resulted in an increase of \$150,000 because we had to buy additional temporary services at the time to make that happen. Therefore, structural cost increases totalled just over \$2 million for our office.

Now looking at the nonstructural, you'll see a couple of items there. One-time increases are for training. As part of our effort to be more effective, we have made a one-time training program

designed to get staff at all levels to take more responsibility. To that end, we started to push down responsibilities by actually operating with two fewer Assistant Auditors General this year. This training will improve the overall effectiveness, efficiency, and personal excellence of all staff. It strengthens our ability to successfully achieve our business plan results. This training has a one-time cost of \$250,000.

The last item is a one-time lump-sum payment as of December 2011. This was a government commitment to the public service, which has a one-time impact to us of \$175,000, and that will be paid out in January.

The \$2 million in ongoing structural costs that we have and the one-time costs of \$425,000 make for a total of just under \$2.5 million of a budget pressure. Our request for supplementary funding of \$975,000 to our base budget only partially offsets the structural cost increases and one-time costs. Our intention for the rest of the year is to work at managing remaining cost pressures through a set of cost-control measures. In the end we may find ourselves having to carry forward some kind of deficit into the next year's budget, but we believe the aggressive course of action is in keeping with the office being accountable to you, the committee, and to the Assembly and to the taxpayers of Alberta for doing relevant, reliable work at a reasonable cost.

That's the end of the presentation. I'm open to questions.

**The Chair:** Thank you very much.

Mr. Quest.

**Mr. Quest:** Thank you, Mr. Chair. I've got a couple that I'm not sure I understand. We've got the \$653,000 related to the release of the salary freeze. Then with a separate item, under nonstructural, the one-time staff lump-sum payments as of December 30: can you just explain the difference between those two?

**Mr. Olson:** The big difference would be that one is a base adjustment, where you'll be needing that as you go through into the next years because it compounds itself, whereas the one-time item the public service has provided is just a one-time for this year and won't carry forward into the following years.

**Mr. Quest:** So would we call that a bonus or what do we refer to that as exactly?

**Mr. Saher:** No. It was corporate human resources who made the announcement regarding the release of the freeze. The bands were not changed, but essentially government managers were able to receive a 3 per cent increase in their salaries. Non-union at that time: the amount was 4 per cent. It's that 3 and 4 per cent which, annualized, is \$650,000.

At the same time as making that release of the freeze – that's our expression – the government indicated that members of the public service were entitled to two lump-sum payments, one of which was paid at that time. Actually, it was paid out, I think, in about August. There is another one-time lump-sum payment – and that's how it's described – that will be payable in January 2012.

**Mr. Quest:** Okay. Well, we all understand the importance of being, you know, competitive when it comes to compensation and so on. But we're talking about a shortage of auditors and, I'm assuming, competition with the private sector. Are you actually starting to experience turnover, then, and losses in your staff or at least having those conversations that it is a very real threat, if you like?

1:10

**Mr. Saher:** We've always had a fair amount of turnover, which is actually to be expected because we are a training office and, you know, our business model has us train more people than we would ultimately be able to employ full-time. It makes sense to do it that way because there's a natural attrition. People receive their designations, whether they be CAs or CMAs or CGAs, and make a decision that, you know, what they've learned in the office, learning the art of auditing, is not really what they necessarily want to do, and they move on. At the moment I don't think we're experiencing anything excessive, but our strategy through the year: in fact, we've sort of bulked up on our full-time equivalents in anticipation that more people will leave than have done in the past notwithstanding our ability to compete reasonably with market rates given that the unfreezing of salary increases has made the job of retaining people easier than it was previously.

**Mr. Quest:** Okay.

**The Chair:** Thank you.

Mr. Hinman.

**Mr. Hinman:** Thank you. Thank you very much. I always appreciate the Auditor General's office and the work that you do and realize that it takes money to do that work, but I guess if you could just give me a few more numbers. For the release of the salary freeze, the \$650,000, how many employees are we talking about? I'm a little bit more confused about the one-time staff lump-sum payment for the 31st of December, \$175,000. I believe you just said that was a 3 per cent I'm going to say bonus, but that was over a nine-month period. Is that correct?

**Mr. Saher:** Okay. Well, let me see if I can clarify it. There are two lump-sum payments that public service employees were entitled to. One has already been paid, and the remaining, what we're showing on our sheet, is the \$175,000. That will be paid in January next year.

**Mr. Olson:** It was a basic lump sum of \$1,250 per employee.

**Mr. Hinman:** That's right. What percentage, though – because you mentioned 3 per cent. Does that include the August and the December payment? This December, what you're going to pay in January: what percentage does that work out to? Okay. Just the \$1,250.

**Mr. Olson:** Yeah. The \$1,250 is solely tied to the \$175,000. The \$650,000 is where we get into that whole discussion about where they unfroze the movement within the salary band. The public service works on the basis of a 3 per cent increase for management in their range, so that \$650,000 talks about that. The non-union staff – opted out is what they're called in government – received 4 per cent. So that's where that \$650,000 comes from.

**Mr. Saher:** If I could supplement and try and help. This \$175,000, this lump-sum payment, will be payable to every member of the office. Loulou, if I divide \$175,000 by about 130, will I get to \$1,250? Yep.

**Mr. Hinman:** So about 130 employees, then?

**Mr. Olson:** Yes.

**Mr. Saher:** Yes. One hundred and thirty to 140.

**Mr. Hinman:** May I continue?

**Mr. Olson:** Yes.

**Mr. Hinman:** The \$650,000, then: is that reflecting a 3 per cent raise annualized for the 130-plus employees? Is that correct?

**Mr. Olson:** Yes.

**Mr. Hinman:** Well, I've got several questions.

**The Chair:** Okay. Hang on, and we'll put you back on again.  
Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you very much. Of the budget established at \$22.8 million, what percentage would be for staff, including contracted auditors, at certain periods of time during the fiscal year?

**Mr. Olson:** Well, that's a good question. We're basically an HR-driven, a human-driven organization. It represents about 88 per cent of our budget as really coming from our own internal staff, the external staff that we use through agents, and also our temporary staff that we get, again from external sources.

**Mr. MacDonald:** The external staff: they're not eligible for any of these lump-sum payments or bonuses, are they?

**Mr. Olson:** No, none whatsoever. That's a case where we try to negotiate the best deal we can through a contracting process.

**Mr. MacDonald:** If your budget was to remain the same and you were not to get this requested increase, what effect would this have on planned audits? Would any of your audits that are currently going on in this year be either delayed or cancelled?

**Mr. Saher:** Yes. We would have to look at audits that involve us buying in expertise to help us execute them. Depending on the audit, in order for us to execute an audit completely, we have to consider: do we have the resources to do it? We would first have to look at: which of the audits that we're doing are discretionary, and which of them require us to bring in external help?

We're beginning to plan an audit which has to do with aboriginal matters, systems connected with the government's policies and activities with aboriginal matters in the province, and that's one that we believe we would need some expertise on, so that would be an audit that's in the planning stages. We would have to reassess whether it could go ahead given funding pressure and the fact that that audit requires us to pay money above what we're paying to our own staff.

**Mr. MacDonald:** Is that the \$110 million annual Alberta First Nations development fund?

**Mr. Saher:** No. It's a separate endeavour.

**The Chair:** Mr. Lindsay.

**Mr. Lindsay:** Well, thank you, Chair. A couple of questions, I guess, or points. My understanding of your presentation would be that the only line item that you've talked about here really under your control would be the training to improve the overall effectiveness, et cetera. Would that be correct?

**Mr. Saher:** Correct. Yes, you're right.

**Mr. Lindsay:** The other point, I guess, would be looking for clarification based on the recent economic uncertainty that we could be facing. I'm looking at the impact your request would have on the

budget for the next fiscal year, which would be 2012 and 2013. The \$425,000 would be one-time spending, so I'm assuming we could make the assumption that, everything being equal, your request would result in a \$550,000 carry-over to next year's budget. Would that be correct?

**Mr. Olson:** We actually have nonstructural increases. If I could just clarify, the one-time items of \$425,000 won't be there next year, so it won't even be an issue. The other piece, though, is \$2 million in structural changes that would carry on to the next year. But we're asking for the \$975,000, not the full \$2 million, because we believe that it's the right thing to see what we can do to try to not go forward with a larger one at this time.

**Mr. Lindsay:** I guess the point I'm making is that today we're dealing with a \$925,000 request, and we could make the assumption that \$550,000 of that would carry over into next year's budget aside from the other money that you would be looking for in the next fiscal year.

**Mr. Olson:** That's correct.

**Mr. Saher:** Yes.

**Mr. Lindsay:** Thank you.

**Ms Blakeman:** What we're looking at here is the effect of two decisions by government that are being passed on to the Auditor General's department. One is the lifting of the freeze on the grid incremental advances, which, I suppose, could be equivalent to the MLAs' increases that are matched to the annual weekly wage. It's an annual increase, but it's been frozen for some time. It's now been lifted. This is the additional money to achieve that. Question 1.

[Mr. Marz in the chair]

Question 2. On the second one, around the lump-sum payments, I remember reading the memo, so again that is a directive from the government or PAO, I suppose, to your agency that you are to pay this to the staff. Is that correct?

1:20

**Mr. Saher:** No. I'd rephrase that. We as the office of the Auditor General have chosen to operate our compensation schemes following the scheme that's applied to the public service.

I believe that I would have had the discretion to make a decision not to pay that to the staff of the office. I, in fact, thought very carefully about what would have been the business results of not doing that, and even though it was in a sense paying money that would have caused budget pressure, I went ahead and did it because I believed that it was the right thing to do at the time in order to sustain the quality of staff we have and provide fair remuneration for what they do.

I followed the scheme, if you will, and the ability that was available to government managers generally in terms of compensation because we've always attached ourselves to that framework.

The only thing that I'm quibbling about is that I want to make the point that it was within my power not to do that. I don't believe that I received a direction to pay lump-sum amounts.

**Ms Blakeman:** And the second amount?

[Mr. Mitzel in the chair]

**Mr. Saher:** The second being the remaining lump sum? Yes, if we're not able to succeed with this supplementary funding

request, we will have to look at all of the options available to the office with respect to how to manage our affairs. I have in my mind that that would be something that would be high on the list of amounts that we would have to sacrifice, if you will.

**Ms Blakeman:** My understanding was that we were to pay those lump sums. You believe that's discretionary?

**Mr. Saher:** My view as the Auditor General and my obligations, my mandate, my responsibilities – I do view it within my discretion. I'm not saying that other managers within the public service have the same discretion. It's perhaps a fine point. To be honest, the effect on my staff of my taking the decision not to follow the scheme that's been followed for 30 years would have been profound. There was no fundamental reason not to do what we've always done before, but I do believe that it was something that we needed to think about.

**Ms Blakeman:** Okay.

**Mr. Hinman:** Well, I'm going to follow that line of questioning rather than my next question I wanted to ask.

This really reminds me of that advertisement of, I believe, the Ally bank account with "Do you want a horse?" and to the next one, "Well, do you want a horse?" It seems like this government set us up for some real problems by the cabinet voting themselves a big raise, then putting their freeze on, then having a lot of pressure, then saying, "Well, here's what we're going to do because there's been a freeze for this long," and then kind of leaving it to the discretion of other areas to say: well, you don't have to do it. But the precedent was set, and as the ad says: well, that's not fair. So I take it that that put on a lot of pressure.

Again, leading by example, we're kind of going down a path here where we're running a major deficit, yet we need to be fair to all our employees, and it's coming back to bite us in every area, including your office. Like you say, "I even had to do it with my own staff." It felt like: how could you not do it because of the morale and the way people felt with that bonus that first went out?

Would that be a fair summary?

**Mr. Saher:** I don't think I'll take a view, express a view on the policy implications of what you're talking about, but I can talk about it, I think, sensibly from a business point of view. For the time that the freeze was on, people were not paid what they might otherwise have believed they were entitled to for the work they were doing. I mean, the release of the freeze wasn't backdated in the sense of: look, we're not going to pay you now; we'll pay you later.

From a practical point of view, the staff of my office participated in actions that were designed to deal with the economic situation that the government found itself in. We went along with that because we felt it was the right thing to do. I mean, I didn't come to this committee and say: can I be excused from the freeze?

You know, if I reverse the discretion – I've got the discretion, I think, not to pay these amounts. On the other hand, I think I have the discretion to come forward to this committee and make a case that: "Look, the freeze won't work for us. People are not prepared to work."

My point is that when the freeze was lifted, I believed that the right thing for us to do was to grant those increments to staff going forward.

**The Chair:** You have another question?

**Mr. Hinman:** Yeah. The question I'd like to ask is on the \$250,000 for training. You've talked about the normal turnover of staff that you have. Do you not have a budgeted amount – and I don't have your budget in front of me – where you do training on an ongoing basis?

**Mr. Saher:** Yes.

**Mr. Hinman:** I guess I'm somewhat surprised when you say that you just want to do it on a one-time basis. To me, that would be something, I think, where every year you would spend, whether it's a half a per cent of your budget, for ongoing training because you're going to have staff turnover. Would this really just be one time, or is this a catch-up, where you feel like you need to spend that much more money for training in this particular year?

**Mr. Saher:** Well, we do have an ongoing training budget, which in a professional office is mandatory. Professional staff have to continuously keep themselves up to date with the standards, so we have a fixed training cost that comes through every year.

This is extraordinary and different. It's a particular initiative that I believe is really over and above normal training. It's something different. It's designed to help the office execute its business plan. It's part of a business strategy, actually, of what I call pushing down responsibility to people in the office.

It's easy for me to think about and talk intellectually about: why can't there be more delegation? Why can't work be pushed down? We have skilled people. Why aren't they given the opportunity to do the things that they can? I can talk about that, but I'm not going to be successful. This is a cost in helping people to understand that pushing down work is something that can be done, and it's part of training to help people understand that they can take on additional responsibility.

It's a tailored program of training over the next – we've just started – three to four months. It will be done by the year-end, and it's special and additional.

**Mr. Hinman:** It just seems to me that with the turnover that you talk about within your office, you're going to need to redo it for the new people that come on the next year.

**Mr. Saher:** In part, but if we're successful, we will have actually had 130 people that perhaps think and behave in a different way quite naturally, and that will just naturally pass on. It's a bit like – well, no. I won't say any more.

In response to your question, it is tailored. It's one time. It's an investment that I believe is a good use of public money, and the fruits of it will be seen in the office many years into the future.

**Ms Notley:** Actually, I think, really, that my question has been covered by both Ms Blakeman and Mr. Lindsay in terms of the source of the bulk of the cost pressures. We've definitely discussed that, so I'm fine.

**The Chair:** Thank you.

**Mr. Campbell:** I have no issue with what the Auditor General is asking for today. I just want to clarify a few points.

Number one, this is a result of cabinet increases. I mean, this is a result of freezing out-of-scope workers working for the government that didn't get pay increases. The one-time, lump-sum payment was a result of the negotiation with AUPE, that the government has offered to out-of-scope employees to have the same benefits as the union employees. You know, I understand what this is all about, and I understand what you're asking for. I

have no issue at all with what you're asking for, and I would suggest we move on and get on to some other business. As a matter of fact, I'd be prepared to put a motion that we accept the Auditor General's recommendations and move on to the next item of business.

**1:30**

**The Chair:** Prior to that, though, if I may, any other questions or any other comments? Mr. Rogers.

**Mr. Rogers:** Thank you, Mr. Chairman. I, too, recognize the dilemma that our officer and his staff are in. I'm just wondering. Based on process, if we were to accept the recommendation here, ultimately this still has to go back to the government to be funded. I'm a little confused as to how we can move this forward to actually getting the funds in the hands of this officer.

**The Chair:** It's supplementary requisitions.

**Mr. Rogers:** Which would have to go through the Legislature.

**The Chair:** Through the Legislature. That's correct. The process is that it goes from here to the Legislature, and then it's discussed there.

**Mr. Rogers:** Okay. Thank you very much.

**The Chair:** Any other comments?

Okay. Mr. Campbell has moved that the Standing Committee on Leg. Offices approve supplemental funding for the 2011-2012 fiscal year in the amount of \$975,000 for the office of the Auditor General to cover additional costs related to an approved lump-sum payment to employees effective December 31, 2011, and approved compensation increases retroactive to April 1, 2011.

Any questions on the motion?

**Hon. Members:** Question.

**The Chair:** All in favour? Opposed? That motion is carried. Thank you very much.

**Mr. Saher:** Thank you very much for your time.

**The Chair:** Thank you.

Good afternoon, Mr. Fjeldheim. I'd like to welcome our Chief Electoral Officer to the meeting. I believe that everyone was here when we did our introductions, and you were here as well. Ms Notley has joined us as well. I think that probably we can go right forward.

Mr. Fjeldheim, we received your correspondence dated September 9, 2011, and the attachment, and I ask that you proceed with your presentation respecting the request for supplementary funding for the fiscal year 2011-2012.

#### Office of the Chief Electoral Officer

**Mr. Fjeldheim:** Good. Well, thank you very much for this opportunity to meet with you today. I have people in Calgary that we're training, returning officers and election clerks and administrative assistants, so I'm flying solo here today. I'm used to having some people around me, my excellent deputy, of course, who can fill me in with the answers when I need them and so on, but I'll certainly try my best.

First of all, regarding the letter that was sent, I'm requesting \$1.4 million to cover an increase in fees to election officers. The increase in fees: we came up with that number by looking at fee increases in the public service since 2007, and we got a 4.9, a 4.8,

and a 4.3. When it's compounded, it works out to 14.7 per cent. There has not been a fee increase for those people, again, since 2007, so I thought that when the freeze was lifted, it would certainly be an opportune time and a necessary time to increase the fees for these election officials.

Now, the election officials, of course, include not only the returning officer and those people that are in Calgary today but the supervisory deputy returning officers that work at the polls with the deputy returning officers and the poll clerks and so on. Also in that amount is an increase in the fees for rental of polling place location. So it covers everything that is in the regulation.

I also am asking for \$100,000 to cover the cost of the implementation of the new statute regarding third-party advertising. None of those fees were put forward in our budget because that was not in place at that time. It's been now proclaimed; it came into effect on September 15. The \$100,000 is to cover advertising, and that advertising has been placed in newspapers across the province because, of course, we have to make people aware of this new legislation.

We've also put together a guide for third-party advertising for their information; that's \$60,000.

We require \$30,000 for the upgrading of our computer system to handle these registrations. The registrations and the legislation follow quite closely political party registrations even insofar as the amounts are concerned. That website, then, will also capture not only registration format but the financial reporting as well. So \$30,000 for that and another \$10,000 for possible legal and audit requirements. That is where the \$1.4 million comes from.

I think I'll pause there. I have some general comments regarding the enumeration we're just completing, but perhaps, Mr. Chairman, I'll leave that and attempt to answer any questions people may have on this funding first of all.

**The Chair:** Thank you.

Are there any questions?

**Mr. Campbell:** Sir, is this \$1.4 million a one-time increase just because of getting ready for the election?

**Mr. Fjeldheim:** Yeah. That's correct. I'm sorry; \$1.3 million is the one-time deal. Now, obviously, I don't know when the election might be. If it's in this fiscal year, then we'll be using this \$1.3 million. Of course, if it isn't, then we'll be putting that into our budget for the next fiscal year.

**Mr. Campbell:** Okay. What about the \$100,000?

**Mr. Fjeldheim:** The \$100,000 we do need because that legislation has passed, and we have been spending on that already.

**Mr. Campbell:** Okay. So do you see that as a hundred thousand every year hereafter?

**Mr. Fjeldheim:** No, not entirely, because once we get that computer software set up – you know, we're not going to reprint these all the time, and we're not going to be putting ads in the paper all the time. I'm sorry I can't give you an amount of what that continuing amount might be, but it certainly is not going to be \$100,000.

**Mr. Campbell:** Okay. Thank you.

**The Chair:** Mr. MacDonald.

**Mr. MacDonald:** Yes. Thank you very much. The majority of this 1 million plus dollars: is that going to go towards increasing payments to election workers or officers or returning officers or deputy returning officers? I believe that was a recommendation

made three to four years ago, that we should increase the amount of money that they make.

**Mr. Fjeldheim:** Okay. Yes, it is. For example, a returning officer's monthly honorarium will go from \$130 to \$150, and for the people who work at the polls, the deputy returning officers – those are the people that are there that look after the poll book and so on – theirs will go from \$210 to \$240. So, yes, you are correct.

*1:40*

**Mr. MacDonald:** The request for an additional \$100,000 when you made your budget last year was not anticipated. I believe this piece of legislation was passed in 2009 as a private member's bill. You did not anticipate at the time you were doing your budget that this would be proclaimed?

**Mr. Fjeldheim:** That is also correct. I can't comment on when it was passed the first time because I don't know.

**Mr. MacDonald:** I could be wrong. Okay. Thanks.

**Mr. Campbell:** I just was wondering, sir, if you could give us a breakdown percentagewise. The \$1.3 million is going, I understand, toward salaries, but how much of that percentage would be going toward increased costs for rental spaces? Would you have that breakdown, or could you give us a ballpark? Is it, like, 80 per cent wages, 20 per cent rental space or 75-25?

**Mr. Fjeldheim:** On office rentals the increase will be \$67,000 to \$456,000, and the polling place rentals will be \$783,000. That's up \$115,000.

**Mr. Campbell:** Okay. So about a million dollars is going to wages, then, and about \$300,000 to increases in polling spaces?

**Mr. Fjeldheim:** That's correct. The daily rental now for the first poll is going from \$150 to \$180 and for each additional poll from \$75 to \$90. Of course, it's getting tougher all the time to rent all these places.

**Mr. Campbell:** Good. Thank you.

**The Chair:** Are there any other questions?

Seeing none, is someone prepared to move? Mr. Lindsay moves that

the Standing Committee on Leg. Offices approve supplementary funding for the 2011-2012 fiscal year in the amount of \$1,400,000 for the office of the Chief Electoral Officer to cover additional costs related to anticipated fee increases for election officers and the implementation of new statutory requirements for third-party advertisers.

Any questions? All in favour? Opposed? That is carried.

The next steps now are to advise the Minister of Finance of this by letter. Then it will be taken forward, and it will be part of the process in the Legislature.

Thank you very much, Mr. Fjeldheim.

**Mr. Fjeldheim:** Thank you.

**The Chair:** Is there any other business that committee members wish to raise?

Seeing none, the date of the next meeting is Tuesday, October 18, when we will continue to review the Lobbyists Act, and it's at 11 o'clock.

A motion to adjourn. Mr. Quest. All in favour? It's carried. Thank you.

[The committee adjourned at 1:43 p.m.]



