



Legislative Assembly of Alberta

The 28th Legislature  
First Session

Special Standing Committee  
on  
Members' Services

Friday, November 29, 2013  
9 a.m.

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The 28th Legislature  
First Session**

**Special Standing Committee on Members' Services**

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

Casey, Ron, Banff-Cochrane (PC)  
Forsyth, Heather, Calgary-Fish Creek (W)  
Fritz, Yvonne, Calgary-Cross (PC)  
Jeneroux, Matt, Edmonton-South West (PC)\*  
Kennedy-Glans, Donna, Calgary-Varsity (PC)  
Mason, Brian, Edmonton-Highlands-Norwood (ND)  
McDonald, Everett, Grande Prairie-Smoky (PC)  
Quest, Dave, Strathcona-Sherwood Park (PC)  
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)  
Smith, Danielle, Highwood (W)

\* substitution for Everett McDonald

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9 a.m.

Friday, November 29, 2013

[Mr. Zwozdesky in the chair]

**The Chair:** Hon. members, I show our start time being 9 a.m. Let's just go around and see if we have a quorum so that we can get started. I hope we can get started. I'm calling this meeting to order now at 9 a.m. on Friday, November 29.

I thank everybody who's about to sign in for participating. Let's begin with actual members of the committee or officially recognized designates. I'll start with the people whom I see here. On my left, Mr. Quest, if you wouldn't mind starting off by signing in and telling us who you are, and away we go.

**Mr. Quest:** Good morning. Dave Quest, MLA for Strathcona-Sherwood Park.

**The Chair:** Thank you.

**Ms Kennedy-Glans:** Good morning. Donna Kennedy-Glans, MLA, Calgary-Varsity.

**The Chair:** Thank you.

**Mrs. Fritz:** Hi, everyone. Yvonne Fritz, Calgary-Cross.

**The Chair:** Thank you.

**Mr. Jeneroux:** Matt Jeneroux, MLA, Edmonton-South West, substituting for Everett McDonald, MLA, Grande Prairie-Smoky.

**The Chair:** Subbing for Everett McDonald. Thank you.

Any other members here? There are no other members present other than myself.

Let's go to teleconference. I believe the first one on was Mrs. Forsyth. Are you there?

**Mrs. Forsyth:** Yes. Heather Forsyth, Calgary-Fish Creek.

**The Chair:** Thank you.

Mr. Casey, I believe you were there?

**Mr. Casey:** Yes. Ron Casey, Banff-Cochrane.

**The Chair:** Thank you.

Anyone else on teleconference? Okay. We were expecting at least one other one, and I think it's Danielle Smith. She's probably about to sign on.

Dr. Sherman has not yet arrived, nor has Mr. Mason yet arrived, nor has the deputy chair, Steve Young, yet arrived. However, with two people on teleconference and Jeneroux, Fritz, Kennedy-Glans, and Quest here, we do have a majority, a quorum, as it were, so I think we can get started. Thank you, everyone, once again. We'll receive others, and I'll note them as they arrive.

There's nothing major under housekeeping other than to say that I have now completed some additional tours to constituency offices, which includes having spoken with four of our more remote area representatives by telephone since I couldn't get there in person, and those I will talk about a little later in the agenda, tied in with our budget. Otherwise, I don't have anything else under housekeeping. I don't know if anyone else does. Does anyone have any other quick, short notes under housekeeping?

Hearing none, let's move on. We have the approval of the revised agenda that was circulated to you over the last little while. Could I have a motion to approve the revised agenda, please?

**Mr. Casey:** Actually, Mr. Chair, I know that we had an opportunity to talk about this. My question was on the motions that are in the minutes, motions 1 and 2, that are, well, at 13.56 of the previous meeting.

**The Chair:** Yeah. We're not there yet, Ron. We're doing the revised agenda approval only. Your item comes up in the next spot, approval of minutes.

**Mr. Casey:** Okay. I'm happy to leave it for there, I guess.

**The Chair:** Yes. That's where it belongs.

Could I just get a motion, then? Mrs. Fritz has moved the approval of the revised agenda. Is there anyone opposed to approving the revised agenda? If there is anyone, please say so now. Hearing no objections, those in favour of the motion, please say aye. Thank you.

Welcome, Danielle. I show Ms Smith signing in at 9:05. And we are joined by Steve Young at 9:05, who just walked in, and Brian Mason.

For purposes of the record, Danielle, you were first. Would you mind signing in?

**Ms Smith:** Danielle Smith, MLA for Highwood.

**The Chair:** Thank you.

**Mr. Mason:** Brian Mason, MLA for Edmonton-Highlands-Norwood.

**The Chair:** Thank you.

Mr. Young, if you would quickly sign in.

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

**The Chair:** Good. So nine. We're just missing Dr. Sherman still.

We have just approved the revised agenda, and we're now under item 3, approval of the minutes.

Mr. Casey, you had an item arising out of the minutes. Do you wish to state it now, please?

**Mr. Casey:** Yes. Well, under item 6, motion 2, my understanding was that these motions were put on the table. I guess just a question of clarification on this. If the motion is put on the table, my understanding is that then it belongs to the committee, and I was wondering why that motion had not come forward under old business on our agenda.

**The Chair:** Thank you. I'm happy to clarify it. Hon. members, for purposes of the record we're discussing the minutes of the October 2 meeting. Under New Business, item 6 of those minutes, there is an (a) part and a (b) part. Under the (b) part there are two motions referred to. The first one was provided by Ms Danielle Smith. It deals with a zero per cent increase in MLA administration. That motion was put on notice, but it was never formally or technically moved, so it has not been moved yet. Ms Smith simply gave it as an advisory. Whether she wishes to move it or not, she may do so at the appropriate time.

With respect to the second motion, which is on the next page, this one dealt with the payout of caucus funds potentially to a member holding the position of deputy House leader. That motion was formally withdrawn in writing by Ms Smith shortly after the meeting of October 2, so it disappears.

Are there any other questions or clarifications from anyone regarding the minutes of October 2?

**Mr. Casey:** Yes. Mr. Chair, could I just ask a question on that, then, please?

**The Chair:** Sure. This is the time.

**Mr. Casey:** If the motion isn't on the table, then why does someone have to apply to have it removed?

**The Chair:** No one has to apply. Neither of those two motions was moved, Ron. Neither one. If you check *Hansard*, you will see that Danielle Smith did not move either of the two motions. What she did was that she gave notice of them. That's a good standing tradition of this committee, to give members notice of motions that are coming out. When we get later on into our agenda, you will realize that's exactly what happened when Mr. Mason put an idea forward on Monday and Ms Kennedy-Glans put notice of a motion forward on Monday. We send it out to you as quickly as we can. In this instance, Ms Smith brought it to the table, referred to it, and did not move either one.

**Mr. Casey:** All right. Thank you.

**The Chair:** Yeah. You're welcome.

Any other clarifications on the minutes?

If not, could we please, then, get a motion to adopt and approve the minutes of October 2, 2013. Mr. Quest has so moved. We haven't traditionally taken seconds, have we? No. It's not required. So let's just move on and vote on this. Those in favour of approving the minutes as moved by Mr. Quest, please say aye. Anyone opposed, please say no. Okay. So those are carried unanimously. Thank you very much.

Under old business we have constituency budgeting and matrix scoring, the MLA administration budget components. I'm going to lead us through this right now. I want to preface my comments with a few statements. You all know that I've been touring the province over the last number of months, and as part of that tour I agreed at the last meeting to do two things: one, to provide you with an update of the tours that I've been doing, the constituency outreach visits; and secondly, to also provide you the opportunity to meet with me as members of the ad hoc working committee.

**9:10**

However, as you also know, with regard to the latter point we've had some significant changes to the membership of our Members' Services Committee and, in turn, to the subcommittee, or the ad hoc committee, with respect to the chair position in particular. Since October 2 we have lost our chair of the ad hoc working committee. That was Mr. Rogers. He's gone on to other climes. We've also inherited a new member in his place, which is an old member, and that's Mr. Young. So welcome back, Steve. As a result of that, we don't really have a chair for that ad hoc subcommittee, but I believe, Mr. Young, that you're willing to step into that role, which replaces Mr. Rogers, who replaced Mr. Dorward.

Is that correct?

**Mr. Young:** Correct.

**The Chair:** Okay. So we'll pursue that a little further in due course.

My other point is to just give you a quick overview of what I've encountered so far, so to speak, and what I've learned so far by visiting well over 30 ridings now. I think I'm up to around 37 – is that right, Bev – thereabouts. I've kind of lost track. So I'm closing in on the 50 per cent mark.

This will be brief, but I have to mention it as part of my overall reporting and updating to you. I think I can summarize this as follows. You all know that there are very large and significant differences between urban ridings and rural ridings both in terms of geography and, obviously, in terms of costs to operate them and maintain them. In a general sense, I have found that in almost every case, not quite every case, we have probably one constituency office person, sometimes 1.5, on average, working in our urban settings. However, in our rural settings frequently we have at least two, sometimes three, and in rare cases three plus a contracted person on a part-time basis.

This poses some challenges, obviously, for stickhandling the budget. Balancing that off, of course, is the far reduced rate of rental charges in our rural settings as compared with urban settings. Then when you take the urban settings and dissect them further, you'll notice that it applies differently in one part of, let's say, Edmonton or Calgary or Fort McMurray perhaps than in other parts. So we have quite a wrestle in this respect. Suffice it to say that in many rural areas we have some offices as far as a few hundred miles apart: one a main office, one a satellite office. That, in turn, means that you have to have staff available to hire locally. That presents other challenges for members.

In other cases we have some offices with as little as 600 or 800 square feet of total space. In other cases we have some MLAs with square footage of over 4,000 square feet for their offices. Not to say that they use it all, necessarily, but that's just how the deal went down, and there is space available there.

**Mr. Mason:** So you could hold a dance there.

**The Chair:** It's like a small dance hall, Mr. Mason. You are correct.

I think you all know where I'm driving here, and that is to say that the discrepancies and differences – not discrepancies in the wrong way, hon. members, but the differences in some of these things are very, very large, and that, in turn, provides for challenges with respect to managing the budget.

Finally, I want to say that in all cases members expressed great satisfaction with the additional flexibility that this committee gave them with respect to a small item such as postage. It'll come up again shortly when we talk about the flexibility that I'm going to ask you to consider, when we talk about colour photocopying and that type of thing.

As well, almost everyone expressed a need for additional monies for communications or at least flexibilities within the budget so that more monies could be available for communication. That is the central thing. In fact, in a couple of cases we noted that one MLA, perhaps two, had three offices: one main office, one full satellite office that would be open two or three days a week, and then one sub satellite office that is open once every three weeks; it's in a library. But you can see how hard some of the MLAs are trying to get out there, how hard they're working to try and get out there and be as available as possible.

In many cases in the urban settings MLAs felt frustrated being subject to the vagaries of the rental market, the real estate market. In one case in particular, there was no space at all available for an MLA, and in another case there was virtually nothing available unless you wanted to take a fourth-storey spot in an industrial area with no elevators, no escalators, pretty much meaning that you'd never be able to meet with handicapped individuals or others. So that's that.

Finally, I don't believe that more than maybe half a dozen or so MLAs asked for more money overall, but they asked for greater flexibility, and we're going to get to that this morning.

The very last point just deals with issues. I think, Mr. Mason, you were the fellow who actually kick-started this. You made a very good speech, I thought, last May, June, whenever it was, about some of the issues that you had with respect to the number of cases coming your way and the uniqueness of your area, and everybody has the same thing.

We did note, by the way, that Dr. Sherman joined us at 9:09 a.m. Thank you, Raj, for being here.

That's just a quick overview. The issues are the same virtually everywhere you travel. Not in this particular order, but our constituency offices are dealing with a myriad of cases dealing with AISH, PDD. WCB continues to be a front-runner in terms of the amount of time consumed. Not necessarily the amount or the number of cases but the overall time dedicated to WCB issues is becoming a very significant issue.

That having been said, I now want to ask you to turn to one of your attachments, and that is the budget issue, which I believe is the point we're at now. That is the MLA administration budget, that is in your package. Just to refresh your memory, it will read Proposal for MSC Consideration: MLA Administration 2014-15. I'm going to do a broad overview of this. I'm going to go right through it all. As you have questions, please jot them down because it's important in this case, hon. members, that we get first a picture of the whole umbrella, if you will, rather than stopping to answer questions along the way.

Scott Ellis, our director of financial administration, is here, and his second-in-command, Jacquie Breault, is here with us as well.

You have an additional single sheet, titled Item 4(a): Constituency Budgeting and Matrix Scoring. I know people on conference can't see what I'm holding up, but it's a single page like this, and it's full of numbers. So there's that sheet.

Then you have another sheet, with a green subheader, and it's called Members' Services Allowance (Budget 2014-15) – Proposed Changes.

I'm now going to start with Proposal for MSC Consideration: MLA Administration. These pages are numbered, and I would direct all of you, if you don't mind, to please go to page 4, which is MLA Administration Summary. Here's the bottom line for our consideration. I'm reading from the document:

In summary, the proposed Human Resources and Operational Expenses budgets would be decreased by a combined amount of \$2,131,000 in 2014-15.

Please remember, now, that the first part is human resources; the second part is operational expenses.

Now, the next sentence, which is the third part:

The proposed Members' Services Allowances budget, which has components, with the application of the parameters . . . if we agree to them,

. . . and [the] proposed changes to the four elements, would see a \$969,000 increase. When combined with the decrease above, this would result in a net overall decrease in the MLA Administration budget of \$1,162,000 or 3.18%.

As we go through this proposal, you'll soon understand why. It is largely tied to some assumptions that may be made here today.

But in the absence of not being able to meet with the working committee subgroup, which I've already talked about, and in the interest of moving this forward as the first of two major budget meetings, I asked David McNeil, the Clerk, and his staff, two of whom are here, to please prepare some scenarios for us so that we would have a real picture of how we might see the budget unfolding subject to Members' Services Committee consideration, deliberation, and eventually decision with respect to the direction.

9:20

All right. The bottom line you've heard. Let's go back to page 1. The first category is human resources expenses. This category includes MLAs' pay and MLAs' benefits, MLAs' allowances, temporary residence and meals, and constituency staff benefit costs. For the proposed members' pay and benefits line the budget is projected to decrease in 2014-15 by \$503,000, or by 3.17 per cent. Now, the reason why this decrease is explained here is due in part to the fact that the 2013-14 budget estimates included an annual adjustment of 1.5 per cent as determined by applying the MSC orders for members' pay.

If you look at appendix A-1, which is attached thereto, you'll see a further explanation of that. In my case it's highlighted in yellow, and it says: "On April 1 of each year, the salaries outlined in section 1 shall be increased or decreased by the year-over-year percentage increase . . . in the . . . Consumer Price Index." So we have contemplated in this case that that may or may not occur. Both scenarios are possible. In any case, we've calculated the associated benefit cost.

However, the MLA pay increase for 2013 was not applied, as you know, which, in effect, cancelled the annual adjustment prior to the effective date of April 1, 2013, for the fiscal period '13-14. Furthermore, the 2014-15 budget estimate reflects an assumption that the annual pay adjustment for 2014-15 may be cancelled as well. That is pending your discussion of the motion and approval or denial of the motion that will come up later. Consequently, there would be no resulting benefit cost increase in this first subcategory.

The second subcategory is the members' allowances line. This budget is projected to be decreased in 2014-15 by \$641,000, or 23.5 per cent. This decrease is as a result of changes introduced early in fiscal 2013-14 and effective September 1, 2013, that established a maximum amount claimable for temporary residence allowance claims of \$23,160 per fiscal period per eligible member. The result is an estimated budget decrease of \$984,300 for 2014-15, again subject to your consideration and approval of the proposals. This, in turn, is partly offset by the introduction of meals allowances, which is a new thing, in terms of it being separated out, I mean, which is estimated to be \$342,995 in 2014-15, and that proposes a net decrease of \$641,000.

Finally, in this subcategory there is a small increase of \$45,000 in the proposed constituency staff benefits budget line because of an increase in the number of constituency staff, increased remuneration of constituency staff as well, and increased benefit premiums and increased use of the general illness coverage.

When you take all of what I've just said under consideration, then you can read that bottom line: "Assuming that the MSC [this committee] approves these proposals, the total decrease in the Human Resource Expenses budget for 2014-15 would be \$1,099,000," or a decrease of 5.6 per cent. Just keep in mind that there's other stuff coming.

Now, the second part of our MLA administration budget is operational expenses. This includes the centrally budgeted member expenses and allowances for travel, for postage and freight, for constituency office furniture, equipment, telecommunications, security alarm systems, repairs to furniture and equipment and so on as well as other labour and services such as stationery overprinting, constituency office moves, or constituency office changes. This budget category section is projected to decrease primarily due to a decrease in the line budget for travel of \$584,000, based on actual expenditures – again, remember that we're estimating here – and a decrease in the line budget for postage and freight of \$228,000

due to the withdrawal of an anticipated charge for services provided by Service Alberta in 2013-14.

Just by way of history, you know that Service Alberta used to provide this courier service for us. Then they said that they were going to withdraw it. Now I believe they have put it back in. So we were anticipating a charge for services. Do I have that right, Scott?

**Mr. Ellis:** Service Alberta continues to provide the service. The issue was whether they were going to charge us for providing it or not, and they've chosen not to at this point.

**The Chair:** Yeah. Thank you.

So we're on the side of the angels there, and as a result \$228,000 is able to be decreased. We don't have to pay it out.

In addition, there's an anticipated decrease in the office equipment purchase line of \$78,300 to reflect the proposed transfer of a per constituency allowance for colour copying charges that has been centrally managed and that is proposed to be moved to the MSA to allow greater flexibility to members to choose how they utilize these funds.

Hon. members, this is very similar to the discussion we had about postage, where if you didn't use the money specifically allocated for postage, you sent it back to the LAO. As a result of this committee making a decision to create greater flexibility last year regarding postage, you can now use your postage-allocated monies, \$700, \$800, whatever it is, for postage exclusively, or you can use it for anything else you might wish. You have that flexibility. The same thing would happen here with respect to colour copying. We're proposing to open up the flexibility for you. If you look at section C, the constituency office element that will follow below, this will make a little bit more sense as soon as I get to it.

The bottom line for category B, which is titled Operational Expenses, is this. Assuming that the Members' Services Committee approves these aforementioned proposals in this subcategory, the total decrease for operational expenses for 2014-15 would be \$1,032,000, or a 23.1 per cent decrease.

The last category here has four different elements to it. It's called Members' Services Allowances, and it goes like this. The proposed budget for MSAs for 2014-15 is a result of applying the budget parameters, which we're going to get to as well shortly. Those are for inflation, which in the case of CPI is estimated at plus 2 per cent, and for merit increases, moving up the grid, as it were, for constituency staff of plus 3 per cent. That would be applying the budget parameters to the formulas contained in the constituency services order. More of that is explained in appendix A-2.

In addition, proposals for changes have been included to address some concerns expressed by members in regard to constituency office rents, particularly in some urban centres, as I explained earlier, and with the measurement and allocation of additional funding through the matrix element. Proposed changes for the MSC's consideration are as follows. The first element, C.1, is your constituency office element. The office operations component has a proposed increase of 2 per cent, up to \$27,626. The comparison is that in 2013-14 it was \$27,084. The staffing component has a proposed increase of 3 per cent, to \$82,315; the 2013-14 by comparison was \$79,917. In addition, the supplies component added last year is proposed to increase to \$2,040, up from \$2,000 in 2013-14. The proposed combined budget increase would be \$259,000, or 2.73 per cent, so far.

It is also proposed that the supplies component be increased by \$900 through the allocation to each constituency of the centrally

funded and administered colour copy funding in operational expenses, as referenced earlier, under section B under operational expenses, which I just commented on. This allocation is an overall cost-neutral transfer, but it does provide members the ability to use the colour copy amount for other constituency office purposes. Again, we're just opening up a proposal for your consideration, to give you more flexibility. The proposed budget increase here would be \$78,300.

Now, that last paragraph, before the summary, reads:

After performing an analysis of average constituency office rents over the last number of years we have noted increases in rents, utilities, and operating costs for constituency office space over the past seven years. By and large these cost increases have been covered by budget increases in the office operation component. However, when comparing the average urban constituency office rent,

per square foot, in other words,

with the average office rent for all constituencies again, per square foot,

urban rents (per sq. ft.) were greater by a factor of 1.2.

Quite significant.

Therefore, in order to address the higher rents in urban constituencies it is proposed that the office operation amount be increased by a factor of 1.2 [up to] \$33,151 for 2014-15 for urban ridings . . . and remain at \$27,626 for rural constituencies . . .

The proposed budget increase would be \$281,775.

Again, that would be from our existing budget, the monies found within, in other words.

**9:30**

Now, the summary of C.1 is: assuming that the Members' Services Committee would approve the proposals, the total increase to the constituency office element for 2014-15 would be \$619,075, or 6.53 per cent.

Let me move quickly to C.2, the communications element. The coefficient in the communications element formula reflects the standard Canadian letter mail rate for two mailings. In other words, we're contemplating that each MLA will use postage mail to communicate with each constituent at least twice during a given year, two times. It's proposed that it be changed to reflect this postage rate for the upcoming fiscal year. As you know, it costs 65 cents, so we double it. That's the formula we use, so it's \$1.30. In 2013-14 it was \$1.26. We do not control this. This is the postage rate set by Canada Post. This amount is then multiplied by the most current determination of the number of electors in each constituency and divided by 1.5 to approximate the number of households in each constituency. If you look at appendix A-2, subsection (3)(b), you would see where this is explained a bit further, and we may come to that.

Let's move on. The bottom line is that in this subcategory, again assuming that the Members' Services Committee agrees with and approves the proposal, the total increase to the communications element for 2014-15 would be \$64,000, or 3.19 per cent.

C.3 is the promotional element. The proposed increase to the base amount in the promotional element formula is \$2,982, up a bit from 2013-14, when the amount was \$2,923. This is there to reflect the anticipated Alberta CPI increase of 2 per cent. The most current provincial population figure is estimated to increase to 4,129,726 citizens in Alberta for 2014-15. Again, it's an estimate, but when it's applied to the formula, it would contribute to a net increase in this element. Therefore, the bottom line for C.3 is: assuming that the Members' Services Committee agrees with and approves this proposal, the total increase to the promotional element for 2014-15 would be \$15,000, or a 3.2 per cent increase.

Finally, C.4, the matrix element. The matrix element was something we had really long debates on with some constituency office managers and MLAs, mostly so that they could get a better understanding of how it really works. In that respect, a lot of it is centred around information that we gleaned during our visits. Let's go through it quickly. The matrix element is intended to determine the degree of difficulty in representing a constituency and to assign additional resources based on that degree of difficulty as determined by the matrix score. The determination of a matrix score for a constituency uses a methodology developed by the Electoral Boundaries Commission in 2003. Alberta Treasury Board and Finance has provided updated matrix scores using this methodology that reflect the boundaries for each of the 87 electoral districts.

There are, however, two apparent problems that have been noted in reviewing the methodology. First, the matrix scores should be based on available and reliable statistical information that must be determinable by constituency, provincial electoral divisions, or PEDs for short. There are a limited number of factors that meet these criteria. The statistical information currently used does meet these standards; however, the results consistently score higher for rural constituencies. The other apparent problem is the amount of additional funding allocated to each range of scores. Initially there was no additional funding allocated to scores from minus 18 to zero. This was changed last year, in 2013-14, when \$1,955 was allocated to the lowest matrix category. More information is in appendix A-2, subsection (3)(c.1) for matrix score ranges and associated funding.

However, it appears that this change did not adequately address the disparity in the funding amounts relative to the scores themselves, so it is proposed that additional funding be assigned to the two lower ranges of scores. It's a balancing effect. Again, it's just a proposal. But if we agree with it, it would further reduce the funding disparity that we have discovered, over the last year in particular, between rural and urban constituencies, and a 2 per cent inflationary amount would be added to each score category because of the estimated Alberta CPI.

The bottom line for this subparagraph is that assuming the MSC approves these proposals, the total increase to the matrix element for 2014-15 would be – and here's a typo, please, so correct it on your sheets if you would, and correct it in our official minutes, please. What you have in front of you reads: \$378,345. That is an unfortunate typo. That should read: \$271,000. Again, make a correction to that paragraph, please, so that it would read: "Assuming that the MSC approves these proposals, the total increase to the Matrix Element for 2014-15 would be \$271,000 or 52.22%." The percentage is correct, right, Scott? The percentage is still correct. It's just the amount that was a typo.

Finally, the overall summary for all four elements is thus. Assuming that the Members' Services Committee would approve the proposed changes, the net change to the member's services allowance, the MSA budget, all four elements combined, for 2014 would be an increase – you might want to add that into that paragraph – of \$969,000, or 7.77 per cent. Then the next page gives you the whole summary, which is where we started, so you can see where this is all going.

Now, there is a lot of information that has just been given to you. I want to begin by sincerely thanking Dr. McNeil, Scott, Jacquie, Cheryl Scarlett, and others who contributed to this very good summary of both where they think we might go and also where our constituency outreach visits, that I personally attended to, told us we might want to go. So the feedback you see here is not LAO only; it is a summary by LAO in proposal form of what I heard out there as well.

I'll close, before we go to discussion, by saying that I started every single meeting, all 37 of them in the constituencies or by teleconference, the last four, by saying that my purpose here is not to try and drive up the costs overall to the taxpayers for our office expenses, which include a variety of issues. Rather, it is to see how our monies are being managed and if there is a better way for us to manage them while respecting the differences between rural and urban ridings, the number of satellites we have or don't have, the number of staff we have or don't have, and, in turn, just give MLAs more flexibility on how to work their budgets with their office staff.

That being said, I open the floor now to comments and questions, and I'm going to ask Scott and Jacquie and David and others to pay rapt attention so that they can chime in with answers and details.

9:40

I'll keep a list here, and I will go to the phones after I acknowledge who's on the floor here. I have Mr. Mason, I have Mr. Jeneroux, and that's two. Let me go to the phones for the list. Do I have anyone from the phones who wishes to be on the list? Okay. We'll go with it as it goes. Let's start with Mr. Mason, please.

**Mr. Mason:** Okay. Well, Mr. Chairman, thank you very much for that thorough review of the proposal. I just wanted to make one brief comment, though, that it might be more efficient in terms of our time if the members would read this in advance, and then we could spend the time discussing it.

**The Chair:** Thank you for that, Brian. I thought of that, too. What I get after these meetings is a whole bunch of other MLAs that are impacted by our decisions, and they say, "Could you give us more information?" because they don't always have access to our site. So that's why I took the time.

**Mr. Mason:** They don't have access to this. Okay. So that will be in *Hansard*, then?

**The Chair:** Exactly. That's the point.

**Mr. Mason:** All right. I wanted to go right to the matrix thing because that's sort of what kicked it all off and just make sure I understand where this ends up. We've got the appendix here on page 8. Appendix A-2 is a proposed amendment to the Members' Services Committee orders. I just want to make sure that I'm understanding this. This is based on the document that you've just proposed, and the numbers here at the bottom of the page include the changes that are in the proposal?

**The Chair:** Appendix A-2, from what I'm reading here, is what exists at the moment.

**Mr. Mason:** This is what exists currently.

**The Chair:** Yeah. But, Brian, just before you go on, don't forget this accompanying sheet. It's one of the two loose sheets that I referred to but did not go through. It has a green subheader, and it's titled Members' Services Allowance (Budget 2014-2015): Proposed Changes. It goes through each of the elements which I just talked about. Okay? Keep that in mind.

**Mr. Mason:** Thank you very much. That is what I wanted.

**The Chair:** Yeah. Exactly.

**Mr. Mason:** Those of us who have urban ridings and are pretty heavily into the negative numbers in terms of the matrix – and

there is a list there, so you can check your thing. This was the problem when I raised this because, you know, in particular, my consistency but others as well have a different set of problems. I have a need for more casework because I have very low-income areas in the city of Edmonton, with lots of special needs, and I can't currently meet all of those needs. So that's why I was looking for a change to the matrix, but in this proposal the matrix factors have not changed. It remains the same, but the imbalance between what each consistency gets, depending on their score, is lessened. Since I'm way deep in the negative numbers, what this says, then, is that my matrix bonus will go from \$1,955 to \$6,120. But something that's in 16-plus will still get four times that amount. So there's still a pretty wide thing. I mean, this is looking better, but I guess my point is . . .

**The Chair:** I think that is correct, yeah.

David, do you want to comment on it quickly? Just on that first point, though, Brian, okay? I just want to make sure we're correct here.

**Dr. McNeil:** Yes. The other factor to remember here in terms of this proposal is that we're also proposing in terms of the office operations component. As an urban riding you would get \$5,500 in addition because you're an urban riding. So between, you know, the \$5,500 with the office operations and the \$4,000 . . .

**Mr. Mason:** So I'd get \$11,000 and a half.

**Dr. McNeil:** You'd get \$10,000 or \$11,000 in addition, with a combination of the two plus the other percentage increases that are being applied in terms of staffing and the supplies plus the transfer of the \$900 for the colour copies that have been centrally budgeted before. Overall, you're probably talking about an additional \$12,000 or \$13,000 for an urban riding like yours.

**Mr. Mason:** I understand. I guess it was just too difficult to renegotiate the set of factors in the matrix. I know that our little subcommittee struggled with that. But I just want to make the point that it is heavily weighted in favour of rural ridings.

**Dr. McNeil:** Yes. That's what, I think, the proposal recognizes.

**The Chair:** Exactly.

**Dr. McNeil:** The other thing that we found out. We went to Finance, the statistics people in Treasury, and asked: some of the measures that you identified in your memo six, eight months ago, can those be categorized and analyzed by constituency? The answer to that was no. So we tried to look for some of these other measures that you talked about. You know, could we add those to the matrix, or could we develop another matrix component? And the answer we got was that the data doesn't exist in terms of being analyzed on a constituency-by-constituency basis. That was the feedback that we got. So that was one of the reasons that we sort of, I guess, took this approach as opposed to trying to develop half a dozen other measures in addition to this matrix or a different matrix.

I think Jacqueline can add to that because she was the one who had the discussions with the Finance people.

**The Chair:** Thanks, David.

Jacqueline, did you want to add something?

**Ms Breault:** Dr. McNeil basically distilled it. Our understanding was that, well, there might be some factors. Whether they could be sort of equally applied across the province, whether they had a

consistent basis for collection or reporting, and if they could be broken down by provincial electoral division were all potential issues. Sometimes just the definition of something – there was not a consistent definition of, I don't know, seniors' home or assisted living facility.

**The Chair:** I want to get back to Mr. Mason in a second, but I just have one sentence to add. If you look at page 2 of the proposal that I just read and went through, at the bottom, where it's dated, 1.2 says:

Therefore, in order to address the higher rents in urban constituencies it is proposed that the office operation amount be increased by a factor of 1.2 to \$33,151 for . . . urban ridings . . .

[but] remain at \$27,626 for rural constituencies.

Now, there's a corollary to that because we're not penalizing or shorting any of the rural ridings. We are, however, recognizing the additional factor of higher costs in urban. Furthermore, anybody who winds up at the bottom end of the matrix does get a bump and an increase as well.

That's a proposal for this year. With more discussion maybe we can see it go forward.

**Mr. Mason:** It's an improvement. Just for new members of the committee some of the items that I suggested could be counted in the matrix were things like the number of seniors' homes within a constituency, because I have quite a number of them, the number of social agencies, indices relative to poverty, those sorts of things as measures that could be used in addition to the ones that are there now, which are almost exclusively based on amount of travel and rural factors.

I will say – and I don't want to beat it to death, Mr. Chairman – that this proposal is a significant improvement from my point of view, and if I have the flexibility to put those resources where they're needed, then, you know, I will be satisfied.

**The Chair:** Thank you very much. That's where we're heading.

Let me go to Mr. Jeneroux. Is there anyone on the telephone yet who wishes in after Jeneroux?

**Ms Smith:** Yes, Mr. Chair. Sorry. I'm on mute. It takes me a minute to be able to get off mute.

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

Let's go to Jeneroux, followed by Smith.

**Mrs. Forsyth:** Can you add me, too, Mr. Chair, please?

**The Chair:** Yes. Followed by Forsyth. Thank you. We have the next three.

Matt.

**Mr. Jeneroux:** Okay. Thank you, Mr. Chair, and thank you, Scott and Jacquie, for putting all of this together. This looks like a ton of work here that you've done. Unfortunately, I'm not a big fan of it. I'm hoping that you can clarify a couple of things. I didn't hear anybody really bring up the one point that I'm obviously concerned about – and I know that a number of my urban colleagues are as well – the average cost of rent within some of the newer areas. Also, looking at your matrix score, it says that you're doing the population estimates as of 2011. I'm just curious as to why we're looking back pre-election on those.

Thanks.

**The Chair:** Well, on the first point, I mentioned rents, I think, three different times, Matt. I'll read it one more time if you don't mind.



If you turn to page 2 of this document, Proposal for MSC Consideration, at the very bottom you'll see C.2. Communications Element, and five lines up above that, where it says 1.2 right near the bottom in boldface, it says, "Therefore, in order to address the higher rents in urban constituencies it is proposed . . ." So you're going to get an increase if the proposal goes through. So that addresses your first point.

9:50

Now, the statistics question and the population counts that we use are provided to us, and then I send out a letter, which I think I did. Bev, when did I send it out? In May, June? Sometime earlier this year I sent out an official confirmation of what your number of electors is and other information, total number of constituents and so on. That information is provided to us by a variety of sources, but the ones we primarily go on – David or Scott, the statistical information that you use for the population counts, are they the ones provided to us through Municipal Affairs, through Alberta Treasury Board and Finance and so on, Statistics Canada? There are a whole bunch that go into this.

**Mr. Ellis:** Yes. The numbers that are in the matrix element, if that's what you're referring to, are given to us through Alberta Finance and Statistics. We have used those numbers going back to when we established the matrix element and the scores therein. It has been updated to go from 83 constituencies to 87; however, they use the same population numbers at that time. The impact of that is fairly negligible in that there is no score based on population. The score is based on density of the particular riding, so it would take the population and divide it by the area, the density of the particular riding, and then come up with a score. So there is a fairly minimal effect that the population has on that score.

**Mr. Jeneroux:** Just to clarify the first point, Mr. Speaker, if that's all right.

**The Chair:** Yeah.

**Mr. Jeneroux:** I'm curious. It says the average urban riding, not so much – is it that, then, you're looking at all of Edmonton as an average rent cost, or are you looking at, I guess, specific areas of Edmonton according to what we just went through?

**The Chair:** We did a little of both, actually. I certainly did a little bit of both. I mean, keep in mind that in terms of my outreach I've now done 16 government member office visits, 11 Wildrose visits, four Liberal constituency visits, two NDs, and one independent. I don't have it all completed yet, but I did take into account as much as I could.

Scott, do you want to comment on what you guys took into account from the LAO side?

**Mr. Ellis:** We looked at the most current information for all constituency offices and segregated them into urban and rural. We did break it down between Edmonton and Calgary and other urban centres versus rural and looked at the number for square footage rent costs. We've taken into account all constituencies based on their most current information.

**Mr. Jeneroux:** Okay. All right. I'll let that go.

Back to just the population thing. We had an election. We know how many electorates there were in 2012. Thinking that there's a possibility to get that number going forward, I'd encourage it. I'll kind of leave it at that, Mr. Speaker.

**The Chair:** In fact, Matt, your particular constituency was one we spent a great deal of time with.

**Mr. Jeneroux:** I'm sure you did.

**The Chair:** As you know, you and I have spoken many times, I've spoken with your assistant many times, and we're still working on your case. I don't think it's any secret to anyone here that Matt is in that unenviable position of not having had any commercial space available to him whatsoever. It is such a new area of town. It's all residential, and any commercial space that does exist there was basically already rented out. So the ATCO trailer scenario started to develop for MLA Jeneroux.

**Mr. Jeneroux:** For the record we don't have an ATCO trailer.

**The Chair:** Yeah. But I said that the scenario of living out of a shoebox developed.

Okay. Let's move on to Danielle Smith, followed by Heather Forsyth.

**Ms Smith:** Thanks, Mr. Speaker. I wonder if you wouldn't mind just giving some clarity about which factors are the 51 urban ridings. Some of them are obvious to me. Obviously, there are 25 urban ridings in Calgary, 19 in Edmonton. But just for the sake of the other seven – I guess it is seven – ridings, can you just articulate which ones those are?

**The Chair:** Sure. Scott, you've got that information at hand there. We just discussed it yesterday.

While Scott is pulling his notes together, we were looking at, basically, well, two factors, the real, true rural-rural farming communities only and then there are some that are combined with towns and urbanlike settings but also have farming units in them and then others that have no farming units whatsoever and are classically urban. But there's a combination factor there.

Scott, if you wouldn't mind to just elucidate further, that would be helpful.

**Mr. Ellis:** The urban centre listing that we have, which is consistent with our transportation order in determining the amount of automobile kilometrages that are available to certain members, whether they be an urban member or a rural member: we've used that same methodology. To answer the question, the urban centres that we include in the urban category would be all of Calgary, all of Edmonton, would include Lethbridge-East and Lethbridge-West, Medicine Hat, Red Deer-North and Red Deer-South, Sherwood Park, and St. Albert.

**The Chair:** Is there a supplementary, Danielle?

**Ms Smith:** Thank you for that. That's helpful. So you do not include Cypress-Medicine Hat, just Medicine Hat?

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

**Ms Smith:** Okay. Thank you. I'll have to consult with my MLA for Cypress-Medicine Hat just to make sure that there isn't any factor I'm not considering.

The other issue was – I was grateful for the natural disaster assistance for my riding in the order of \$10,000 that happened last year. Presumably, these kinds of instances are likely to happen in future, and I'm just wondering: where is the budget for that allocated for if it's not in this area? Just so that I have some understanding of how that works.

**The Chair:** Scott, do you want to take the first run at that, please?

**Mr. Ellis:** The budget that we used was with respect to MLA administration. It's contained in MLA administration, human resource expenses relative to constituency staff benefits and additional costs that we, the LAO, incur, rather than passing those expenses on to a constituency budget. The additional resources for flood came out of that particular line budget.

**Ms Smith:** Okay. Thank you. That's all for now.

**The Chair:** Thank you.  
Heather.

**Mrs. Forsyth:** Thank you, Mr. Chair. I just wanted to ask about a couple of things. The first one was the communications element, and the second one was the promotional element. The communications element that you referred to when you were speaking was in regard to two mailings. Does that also include community league newsletters? Can we think about taking that communications element and promotional element and rolling it into the budget similar to what we did with postage and freight previously?

**The Chair:** Can we combine C.2. and C.3.?

**Mrs. Forsyth:** Right. We had this discussion last year, if you remember, in regard to taking the postage and just putting it into the budget.

**The Chair:** Yes, I do.

**Mrs. Forsyth:** I mean, you've been to the ridings, you know that my office is heavily staffed, and I'm just wondering if we could roll that communications element and promotional element. If we want to use it for communications or promotions, we can. If not, we can use it for staff.

**The Chair:** Right.

David, do you want to address this quickly?

**Dr. McNeil:** Both the communications element and the promotions element are already part of the constituency budget. They're not separate, so those funds can be used for any purpose. Those categories are just set up as a basis for calculation of those amounts. Those funds can be allocated, as any of the other elements in the budget can be allocated, for whatever purpose the member wishes to allocate them to.

**Mrs. Forsyth:** Okay. Thanks. I just saw it as a separate line item in our discussion, so I wanted some clarification.

**The Chair:** Okay. Just a moment. On this point, Jacque Breault wants to chime in quickly, Heather.

**Ms Breault:** As you mentioned before, Mr. Chair, the item noted as supplies actually was supplies and postage. There were two caps that were centrally budgeted and managed under the MLA administration budget. Last year those two were combined and put into the formula calculation for the member's services allowance. That may be what Mrs. Forsyth is thinking of, and that's already happened in this fiscal year.

**10:00**

**Mrs. Forsyth:** Yes. I guess what threw me – when you were going through your presentation, you talked about that the communication element was enough money for two mailers.

**The Chair:** Right. It's just for calculation purposes, to give us an amount in that category, but as David has just said, there is total flexibility with it.

**Mrs. Forsyth:** Thank you.

**The Chair:** Thank you.

I have now Yvonne Fritz, followed by Raj Sherman. Anyone else? Mr. Casey, are you okay so far?

**Mr. Casey:** Yes. Thank you.

**The Chair:** Okay. Mrs. Fritz.

**Mrs. Fritz:** Thank you. Mr. Chairman, I, too, want to thank you and your staff for the good work that has been done with this budget that you put forward and how you've explained very clearly where the funds from HR and operational are allocated in order to ensure that there's actually at the end of the day an increase here for constituency offices. Also, I appreciate that you've been to the number of offices that you've been to. That's an incredible accomplishment. I know that it's been a very long time since we've had the Speaker attend so many offices, and I'm looking forward to when you do attend ours in Calgary-Cross.

Having said that, when you presented, you said that "assuming that the MSC would approve these proposals, the total increase to the Constituency Office Element for 2014-15 would be \$619,075 or 6.53 per cent." Somebody that is reading this – which is why I'm pleased that you read it into the record for *Hansard* for other MLAs – would think that that's an average increase to every constituency office. But it's not. What I wanted to ask is based on the matrix score. It's unfortunate that you couldn't put into play what Mr. Mason had mentioned because I have very strong sentiments as well, you know, about what you put on record as to what, hopefully, could have been included in the matrix score but hasn't been. Who knows? Maybe in the future one day it will be, but it hasn't been. For the urban ridings with a matrix score of minus 18 to zero the adjustment is \$1,955. Most urban ridings, I would think, would be in the minus. I wondered: what is the average per cent increase to urban ridings?

**The Chair:** In other words, how many are in that lowest category, Scott?

The \$27,000 that I've mentioned stays put. So your question is about the lowest couple of categories?

**Mrs. Fritz:** Right. When you look at the 6.53 per cent increase, as I said earlier, people assume that's the amount that you're receiving in your budget. You see the 3 per cent you mentioned to staffing, that kind of thing. I just wonder: what is the average per cent per urban riding?

**The Chair:** Scott, please, if you have that.

**Mr. Ellis:** In that lower range scores of matrix, between zero and minus 18, there are 58 constituencies that fall into that category. Now, that could be urban and rural. They will see that increase between \$1,955, which is what it was last year, and \$6,120, which it's proposed to be going forward. It would be difficult to say overall what the impact is by constituency, but if you look at the green sheet that has the green band across the top, the overall increase is 7.75 per cent. So on average that's likely going to be what the overall percentage increase is in your constituency budget.

Now, again, that will vary because each constituency doesn't have the same calculation under communications, promotions, and

matrix. The only base amounts that are the same for all would be the staffing element, which is at \$82,315, and the supplies element, which is at \$2,940. Then we've got the rural and urban split. So depending on where you are there, you would have to take either the urban or the rural rent amount. It's very difficult to determine the specific constituency amount right now and the percentage increase that you would have there, but in a general sense that should be the overall percentage increase.

**Mrs. Fritz:** Thank you.

**The Chair:** You know, Yvonne, what we could do, just depending on how the committee accepts or rejects these proposals, if there's agreement today – and I'm not trying to presuppose there is, but let's hope, maybe I can say, that there is agreement – we could then do some projections for your specific riding and say: this is what it will look like to you.

**Mrs. Fritz:** Well, it isn't about me personally. What we've heard on record a lot through this committee over all my years has been between urban and rural. I think that it's really critical that you show urban people that there is a percentage increase that is significant in this budget. The restructuring has been remarkable, what you've done here in order to accomplish that. I think that they need to see that.

**The Chair:** What you see in four, five, six pages represents hundreds of hours of work since October 2 and other visits that I made prior to that.

**Mrs. Fritz:** Yes. Absolutely. So I think that would be helpful, Mr. Chairman, if you did that for the percentage increases for people as well, not just the monetary expenditures.

**The Chair:** That is doable. Thanks, Yvonne.

**Dr. Sherman:** Mr. Speaker, I want to thank you and your staff. This is a lot of work on a really complex issue, so I just want to commend you and thank all the staff for all the time and effort. This part of the budget is probably the most important. This is what allows us to do our job as MLAs to serve our constituents, which is just a lot of social work, and the needs are great in this province as the province grows.

Mr. Mason, I guess you know that the original issue was just the methodology, the matrix, and I appreciate that you've made attempts to fix some of these things.

I had only one question. I was looking at the matrix score of the allocations. Here you have from 1 to 4, 5 to 9, 10 to 15, and then for the other ones it's zero to minus 18. Is there a reason why it's zero to minus 18 and not graduated like the other brackets above zero are?

**The Chair:** Good question. I didn't design this, but I think Scott or David has an answer for that. Who's going first?

**Dr. McNeil:** That came straight from the recommendation of the Electoral Boundaries Commission. That was their categorization. Their recommendation in their report was quite strong that there be something done with the constituency budgets to reflect their analysis, and the committee did that. As we've said today, it probably built in a bias in some sense towards the rural ridings and did not recognize some of the issues that urban constituencies had that were not considered or maybe not considered measurable at that time. That's – what? – 20 years ago now that that was done. It was strictly based on the recommendation of the commission. That's where those numbers and those categories came from.

**Dr. Sherman:** So the question was really: above zero you have it graduated, and below zero there's just one big lump sum, from zero to minus 18. Why not a graduation up to minus 18?

**Dr. McNeil:** You'd have to ask the commission that.

**Dr. Sherman:** Okay. All right. Well, thank you.

**The Chair:** Yeah. Raj, on page 11 you can see what the matrix scores are. I hear what you're saying. There's one big category, zero to minus 18. But then there are numbers within that. Like, Leduc-Beaumont is minus 8, Red Deer-South is minus 14, and so on. You know what I mean?

Okay. Any other questions?

If not, then I'm just going to . . .

**Ms Smith:** Mr. Speaker, I'm sorry. Can I just add one more?

**The Chair:** Yes, please.

**Ms Smith:** I don't think that in the listing that Mr. Ellis put forward he mentioned the Airdrie riding. It would seem to me that Airdrie's geographic layout specifications are kind of similar to Sherwood Park's and St. Albert's. What would be the process that we'd go through if there are a couple of different constituencies that haven't been classified in that urban categorization but ought to be? Is there some way to address that? Of course, it would likely have budget implications if you're applying a different matrix factor, if I'm understanding what you're saying.

**Mr. Ellis:** Well, there is somewhat of a methodology assigned to how we designate between urban and rural. We would have to look at the specifics of that riding relative to the criteria and make a judgment as to whether it'd fit more appropriately in another category.

**Ms Smith:** Can I put that on your radar? Again, I don't need it to be solved today. I'm just wondering what the process would be for how we might be able to get that reviewed.

10:10

**The Chair:** Sure.

Why don't you undertake to do that, Scott, if you can?

**Mr. Ellis:** Okay.

**The Chair:** Agreed? Okay. The committee has agreed.

**Mrs. Forsyth:** I'm just wondering if some of the questions that some of the committee members have raised would be dealt with from the subcommittee level?

**The Chair:** Well, anything is possible. I have a request at the end of all of this to get that committee restarted, so to speak, under the new chair that was just volunteered this morning. Good point, Heather. My short answer would be: yes, I see no reason why it wouldn't.

In fact, my next speaker is Mr. Young.

**Mr. Young:** Thanks. Mr. Ellis, when you come back, are you going to describe that methodology, the relevance around Grande Prairie and all that kind of stuff, just for my understanding, not necessarily advocating one way or the other? As you pointed out, there's a consistency there in terms of the mileage. You give it, you take away is sort of the other factor that goes into that.

**The Chair:** David McNeil with a quick response.

**Dr. McNeil:** Yeah. I would think that if there are any proposed changes, we would want to bring them back to the committee and say: here's the methodology; here's the analysis. There may be some issues with respect to the methodology, but that's something the committee would have to make a determination on. We don't want to make that determination administratively without reference to the committee.

**The Chair:** I'll just say that I myself asked this same question. I think we spent half an hour, five or six of us, trying to get something more ready for today. It just wasn't possible.

**Ms Smith:** Mr. Speaker, if I may.

**The Chair:** Yes.

**Ms Smith:** Just jumping off Mr. Young's point, there may be another couple to add to the list. I think that the two Fort McMurray ridings would be ones. I think he's mentioned the two Grande Prairie ones. Airdrie is an obvious one. I don't know if there are any others that other members want put on the radar for Mr. Ellis to have a look into to see whether or not they're in the correct categorization. I think they might face similar pressures to what's happening in Lethbridge and Red Deer.

**The Chair:** Those are some good examples, Danielle. Thank you. And thank you, Steve, Heather, and others who've chimed in on that.

We'll do as much as we can between now and our next and final budget meeting, which I hope will be before Christmas. It might be all by teleconference. Depending on how today's meeting goes, we should be in a really good position within a few weeks to give you what could well be the final budget for consideration, and we'll try and address these factors and questions by then.

Okay. Can I leave this item as sort of – again, I'm not trying to pre-empt the decision of the committee – a tentative approval? We still have to go through a few other things to give this effect. Would we have tentative approval to go on to the next item, then? Does anybody object?

**Mr. Mason:** I'm sorry. I had to take a phone call, so I may have missed something. Is there some decision on this?

**The Chair:** I think what there is, Brian, is some direction that we would give to the LAO in the form of tentative approval of item 4(a), everything that we've talked about so far, so that they have a starting point because they have to start building this budget now based on our decisions for their proposals, which are predicated on their experiences and information and my trips out to constituency offices.

That being said, we would go on to 4(b). You need the whole package here because one relies on the other. For example, under 4(a) everything we've just talked about by and large is made possible by MLAs having their pay frozen again for 2014-15.

**Mr. Mason:** Oh, joy.

**The Chair:** Oh, joy. Yes. But that's how it is.

The benefit is that our constituency office budgets would be able to be increased and given the additional flexibility.

**Mr. Mason:** We've just spent a lot of time on this. I mean, can we not just make a clear decision?

**The Chair:** We would, provided that we get the parameters approved in 4(b) and the motion approved in 4(b)(i).

**Mr. Mason:** So those have to be dealt with first. Is that what you're saying?

**The Chair:** Well, I would prefer that we did because, Brian, it's a stacking effect here. One overarching direction is predicated on approving 4(b) because parameters are involved in some of the proposals, and so, too, is the member compensation being frozen element.

**Mr. Mason:** Well, I'm just not comfortable leaving it sort of: okay, we're just going to send it back into the ether. I really think, like, let's move it. Let's vote on it. If people have amendments, they can make amendments.

**The Chair:** What I hear you saying is: let's approve this in principle. Would that be it?

**Mr. Mason:** Or can we approve it . . .

**The Chair:** Subject to?

**Mr. Mason:** . . . subject to. Sure. That's better.

**The Chair:** Do you want to make a motion to that effect?

**Mr. Mason:** Yeah, sure. I will.

**The Chair:** Okay. Mr. Mason, do you want to take a run at the wording of it? Then we'll fine-tune it.

**Mr. Mason:** Well, okay. I move that the MLA administration proposal be approved subject to decisions relative to the overall Legislative Assembly budget. Does that work?

**The Chair:** It works fine for me.

Is there any further discussion on it? We've had considerable.

Are we ready for the question? All right. Those in favour of Mr. Mason's motion, please say aye. Any opposed, please say no. I think we have unanimous agreement, then, to carry on. That motion is approved.

Let me move now to item 4(b), which is the Legislative Assembly budget estimate parameters. We're looking for approval here, and I'm going to go straight to Scott Ellis on this one.

Scott, if you wouldn't mind, lead us off for the budget estimate parameters. This is a carry-over to something that we addressed at great length last year and touched on at the last meeting, as I recall. Mr. Ellis, please.

**Mr. Ellis:** Yes, Mr. Chair. We have presented this parameter seek in past meetings, I believe. It's broken out into four categories, the first of which is relative to the LAO branch budgets. As we've spoken about previously, we are planning on applying, subject to the blessing of this committee, the 3 per cent for eligible employees in range. That's one element that we're proposing to apply.

We also would be applying any increases in the premium costs for health benefits for LAO staff, similarly any pension plan increases that would be forthcoming. We are consistent with the Alberta public service, holding our health spending accounts at \$950 per staffperson and per MLA. We are applying an adjustment for inflationary factors, where it is actually anticipated that there is going to be inflationary pressure, of a 2 per cent amount. That is based on a maximum forecasted 2.2 per cent change in the Alberta CPI, and it's based on a document that was produced by the Conference Board of Canada for 2014 entitled Provincial Outlook Economic Forecast for Alberta: Summer 2013.

In addition, we are assuming that there will be a slight increase in the number of sessional days and committee meetings and that that will have an effect on our budgets as well, and we will build that particular factor into our budgets.

Moving on to MLA administration, we've touched on a lot of the parameters, as a matter of fact, all of them, I believe, in our previous review under 4(a). Just to reiterate, it would be applying the year-over-year percentage change for staff. Sorry. I was assuming it would be for the constituency offices; rather, we're talking member remuneration here. For member remuneration the annual adjustment clause that we normally would build into a budget has not been built into this budget based on the assumption that it will be, like it was in 2013-14, restricted or frozen. So it is not built into our current 2014-15 numbers, that annual adjustment increase.

**The Chair:** In other words, no increase to MLA pay, to be blunt.

**Mr. Ellis:** That's the way we've assumed it's going to be going forward.

**The Chair:** Yeah. Exactly.

**Mr. Ellis:** We are waiting for that to be confirmed by the Members' Services Committee. As a matter of fact, I believe there is a motion that is on the agenda.

**The Chair:** The next item, in fact.

**Mr. Ellis:** Right.

10:20

**The Chair:** Carry on, Mr. Ellis.

**Mr. Ellis:** The MLA individual retirement investment option is as it's always been, and we are budgeting on that basis. Again, with the MLA benefits plans we're building in any premium increases to the benefits. That is based on what we're advised of and largely due to the claims history involved in the benefit costs.

Going down to constituency office benefits, we are again building in any premium costs that would apply to these benefit areas and any premium or benefit or pension plan increases as well as CPP, EI, and WCB.

**The Chair:** For staff.

**Mr. Ellis:** For staff, the constituency office staff, which is budgeted for in the human resources expense area in the MLA admin budget.

Moving on to the members' services allowances formula, we are applying the 2 per cent inflationary factor to the office operations, as we previously discussed. We're also applying the 3 per cent merit adjustment to the staffing element, as was previously discussed. The 2 per cent inflationary factor applies to the supplies element as well. Then we've got under the communications element the postage rate increase for individually addressed mail. We're applying that. Under the promotional element we're applying the 2 per cent inflationary factor. Then again we talk about the 2 per cent inflationary factor applied to the matrix element as well as the additional proposal with respect to adjusting the ranges that apply to matrix scores and basically relate matrix scores to funding, as we outline in 4(a). In addition, we have also included in our proposal in 4(a) a split between urban and rural operational, office operation basically, and created two separate amounts, one for rural and one for urban.

Moving on to caucus and independent members' budgets, at this point we're assuming that we will be building a 2.7 per cent increase into the constituency budgets.

**Dr. McNeil:** Caucus budgets.

**Mr. Ellis:** Sorry. Caucuses and independent members' budgets. My apologies. So that would be applied to all caucus budgets in 2014-15.

The last funding category is special funding requirements, and that will be brought forward when we bring the budget before the committee on an overall basis.

So that summarizes what our approach would be to bring back a budget to present to you for final approval.

**The Chair:** Okay. The floor is open for discussion or for a motion to approve this. Your choice. Does anybody wish to address any questions to Mr. Ellis?

**Ms Smith:** Mr. Chair, I wonder what the appropriate way is to bring forward a motion arising out of what has been presented, how that would work, because I've taken seriously your recommendation about how we might create some global parameters that would go into how the administration drafts the budget year after year. I would just direct my colleagues to what I have in mind and propose the motion, and you can tell me if it's in order.

What I would have in mind is what appears in appendix A1, which was distributed November 28, on page 6. The language there under annual adjustment, I think, is pretty clear about how we approach the issue of how you have year-over-year increases. It talks about increases or decreases occurring based on "the year-over-year percentage increase or decrease in the Alberta (All Items) Consumer Price Index published by Statistics Canada for the immediately preceding calendar year." What would flow from that, then, would be a motion that for the budget preparation parameters for LAO branch budgets, MLA administration budget, caucus and independent members' budgets the inflationary factor applied shall be increased or decreased by the year-over-year increase or decrease in the Alberta all-items consumer price index published by Stats Canada for the immediately preceding calendar year.

I think I've mentioned now in both Members' Services meetings where we've done budget discussions that I'm very uncomfortable with the fact that we continually try to project forward what inflation is going to be. What my observation has been is that it's never correct. It seems to me that since we've already accepted this principle when it comes to the issue of one part of the budget, it would seem to me that this would be the way of addressing this not only now but in future years to give clear direction to administration about the factor that they would be using.

In this case everywhere in the budget parameter assumptions that it says 2 per cent, it would actually turn out to be, if I can see what Mr. Ellis has put in here, that they're actually expecting the calendar year amount to be 1.26 per cent. So that's a significant difference, a three-quarter percentage point difference. In keeping with the idea that if we put this clearly in policy now, then it makes it easier to give direction to the LAO in future years about what parameters they should be using in making these estimates rather than coming back with the best guess of what inflation is going to be going forward and risk actually overstating it.

I don't know, Mr. Chair, if that motion is in order or how you'd like to me to proceed on it, but I did want to make the case for it.

**The Chair:** Well, I have one general comment, Danielle. There's nothing wrong with everything you've just said, in my quick, cursory listening to it, but my understanding from previous discussions – and perhaps some of them were more internal to just me and the working staff – was that we have to put something in here to get the process rolling. So the 2 per cent inflationary factor is simply an estimate at this point. When you actually come down to it, we're going to get a real number.

Or do we now have a real number? Scott, do you know the answer to that?

**Mr. Ellis:** It won't be determinable until we get to the end of the December relative to MLA pay.

**The Chair:** Exactly. Yes. So it might well wind up that the spirit of Danielle's motion would be incorporated and included already in the actual number once it arrives.

**Mr. Ellis:** Potentially.

**Ms Smith:** I guess I'd have to then get some clarity from Mr. Ellis because it does actually seem to me here that they've calculated what they expect the actual prior calendar year inflationary number to be. It says here under the MLA administration budget that you're expecting it to be 1.26 per cent. If indeed the spirit of what I'm proposing is in line with what the administration is proposing, then everywhere we're talking about the inflationary factor being considered, I would have expected to see that number at 1.26 per cent throughout instead of seeing 2 per cent throughout. There's clearly something else that is factoring into Mr. Ellis's calculations that go beyond the previous calendar year actual. I think that I need to have a better understanding of that.

If there is some difference in how that's calculated, then that's why I think it's important to put the motion forward so that we can make it clear to administration that we're actually looking at the lower number rather than a forward projection of what we think inflation might be next year.

**The Chair:** Yeah. Understood. I've got several people trying to clarify this, but I think there's going to be a difference between the words "inflation" and "CPI" and how the two are used here, and are they interchangeable?

I know, Donna, that you had a question in here, but, David, just on this point, before I go to Donna, can you give us the comment that you had?

**Dr. McNeil:** Yeah. There's a difference between the 1.26 per cent, which is the CPI looking backwards in terms of what it is for this year and what it will be – because that's the formula that's used to adjust the MLA pay – and the projection, which we used, from the Conference Board which we stated in our assumptions. Their projection for inflation for next year, '14-15, is 2 per cent. So that's where the difference is.

As well, the 1.26 per cent right now is a number as of the end of October, I think, or the end of September, and the final number tends to be higher than that as the year goes along. We don't get that final number, that CPI number, until almost the end of March for the calendar year of 2013. So that's the difference between the two numbers: one is a projection, and one is a measure from Stats Canada of what this particular calendar year's CPI is and will likely be to the end of the year.

**Ms Smith:** Mr. Chair, I'm prepared to go on the list to return to this, but if you're fine with us continuing the conversation, I'm happy to do that. I'll defer to you.

**The Chair:** Would you mind if I just recognized some others here? I've got Donna Kennedy-Glans, followed by Cheryl Scarlett, followed by Brian Mason.

**Ms Kennedy-Glans:** Thank you, Mr. Chair. I sit on the Treasury Board, and this question of how we account for inflation comes up in budgets presented by crossministries as well as LAO. Ms Smith, I'm aware of your point here. You've raised it several times in different venues, so I do understand what you're trying to achieve, I believe.

10:30

My recommendation, based on the experience in Treasury Board, would be to not do something here that's inconsistent with practices that we adapt vis-à-vis other budgets that come forward to Treasury Board for review and approval and that we make sure we are consistent so that we can assess – it's very complicated when people do things in a different fashion. I would suggest that instead of accepting this motion we actually, if appropriate, go back to Treasury Board and Finance and ask for their feedback on this to make sure that we are being consistent.

**The Chair:** Thank you.

Cheryl, did you have a quick comment? No. Yours is done.

Let's go to Brian Mason, please.

**Mr. Mason:** Well, I don't want to draw this out. I appreciate Ms Kennedy-Glans' suggestion, but I think we need to make decisions. I guess, though, Mr. Speaker, if Ms Smith is going to make a motion, I would rather have something concrete to discuss than just a general discussion. So if she's going to make an amendment, I would like to speak to it.

**The Chair:** I don't think there's a motion here that I've received yet. She was asking whether it would be in order to put a motion to this effect, is the way I interpreted it.

Danielle, do you want to comment briefly?

**Ms Smith:** I'd be happy to put the motion forward. I've sent the wording to my staff. I don't know if I should just read it into the record and get my staff to go print it off or how you'd like to proceed.

**The Chair:** Well, I don't want to prevent anyone from bringing a motion forward. I just don't know if we're at the stage where we'd be ready to deal with it today. But it's your prerogative.

Let me get a comment from David McNeil.

**Dr. McNeil:** What we're looking for in terms of this parameters discussion are some decisions with respect to these parameters. If the committee wants to say, "Don't use 2 per cent; use 1.5 or whatever" or "Get the number Finance is using for next year's budget inflation projection," that's fine, too. But we need direction because we need to get this budget finalized within the next two to three weeks.

**The Chair:** Okay.

**Ms Smith:** So how would you like me to proceed, Mr. Chair?

**The Chair:** Well, if you're ready with the phrasing of your motion, I guess there's a spirit, then, for the motion to come forward.

**Ms Smith:** Sure. So Ms Smith to move that in the budget preparation parameters for LAO branch budgets, MLA administration budgets, caucus and independent members' budget that the inflationary factor applied shall be increased or decreased

by the year-over-year increase or decrease in the Alberta all-items consumer price index published by Statistics Canada for the immediately preceding calendar year.

This language, then – if I may speak to it, Mr. Chair?

**The Chair:** Sure. I see somebody trying to circulate something. Who's here from the Wildrose caucus? Is that what she just read out?

Sorry, Danielle. There's something being circulated here. It's in typed form. Do you have it as well?

**Ms Smith:** I do. It's in front of me.

**The Chair:** Okay. I'm just going to read what I see here while it's being circulated. There's a motion to the Special Standing Committee on Members' Services dated November 29, 2013, and it reads as follows: "Ms. Smith to move that the item 'Legislative Assembly Office Branches' in the Legislative Assembly of Alberta estimates for the 2014-15 fiscal year not be increased. . . ."

**Ms Smith:** No. This is not the correct motion.

**The Chair:** Okay. This is not the correct one. This is what I was saying. I don't know if we're ready for this yet. Do you want to take it back and redo it?

Okay. Hon. members, I'm just going to take the prerogative of the chair, while this is being rephrased so that it suits Ms Smith's wording, to move on to the next item, and then we'll have a comfort break shortly thereafter. Is that agreeable to all members?

We'll come back to this one, Danielle.

**Ms Smith:** I appreciate that. Thank you. I'll get in touch with my staff in the meantime.

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

My clock reads 10:34, and I would like to at least get the motion under old business, item 4(b)(i), on the table here. Should Ms Kennedy-Glans be willing to put it forward, this would be your opportunity, Donna.

**Ms Kennedy-Glans:** Thank you, Mr. Chair. I'm very pleased to put forward a motion to the Standing Committee on Members' Services that

- (a) section 1.1(2) of the Executive Council salaries order,
- (b) section 4.1(2) of the members' allowances order, and
- (c) section 2(2) of the members' committee allowances order

be amended by striking out "commencing April 1, 2013 and ending March 31, 2014" and substituting "commencing April 1, 2013 and ending March 31, 2017".

Mr. Chair, I would like to thank you and LAO personnel and professionals for being prepared today to take this motion into consideration in their recommendations put forward and plans put forward in preparation for budget 2014.

As everyone is aware, we had a freeze on MLA compensation for the last calendar year, the one that we are currently in, and what we are proposing is that this continue until March 31, 2017. I feel strongly that in the spirit of solidarity with other public service employees it is imperative that we demonstrate this kind of discipline at this point in time.

I do have to add on a personal note that I am new to this role. I come from the private sector, and it is with great interest that my children, who are now in the private sector, watch their mom continue to propose pay freezes. But I think this job primarily is a job of public service, and in that spirit I put this forward and thank the committee for their consideration.

**The Chair:** Thank you.

The net effect would be to freeze MLA pay for the next three years, right?

**Ms Kennedy-Glans:** Absolutely.

**The Chair:** Can I just ask you: as to form and style, has this been vetted with Parliamentary Counsel?

**Ms Kennedy-Glans:** Yes, it has. And I thank Parliamentary Counsel for their willingness to review this and to review it so capably and so expeditiously.

**The Chair:** Thank you.

We have a motion on the floor, and up for discussion on the motion the first speaker is Brian Mason.

**Mr. Mason:** Well, thank you very much, Mr. Chairman. I'm going to speak against this motion. I want to be very clear why, however. It is certainly my view that we are amply compensated as MLAs, and it is not out of a desire to increase my income or our income that I'm opposing this. But I recognize this motion for what it is, and that is symbolic leadership by example, that MLAs will freeze their salary in order not to become terribly hypocritical when they're imposing wage freezes on others.

It's in that spirit that I'm opposing this particular motion because I don't believe that the government should be freezing its employees' pay. I believe that they should be collectively bargaining an agreement in good faith and that they should submit an unresolved dispute, as per the current law, to arbitration. That may result, and the government has certainly anticipated that it will result, in settlements higher than zero. In a prosperous province, which has the highest inflation in the country, people's costs of living are rising, and we certainly have the capacity to at least ensure that our employees can keep up with inflation and not suffer by attrition a decrease in their living standard. But that is the policy the government has set out, and they're prepared to throw out every norm of labour rules in order to accomplish that.

I don't want in any way to be symbolically associated with this attempt to freeze salaries in the public sector. I don't believe that the government's finances require it, first of all. Just at the second-quarter update two days ago Mr. Horner, the Finance minister, indicated that revenues are now projected to be a billion dollars higher than they were when this budget was first drafted. So there is no compelling requirement for the sort of austerity that the government has put in place, and I don't support it. I would be happy to live for the next number of years on exactly the kind of income that I have right now. To me that's not an issue. But for others who are compensated at considerably lower levels than MLAs are, it is an issue. Costs for them are rising. Many middle-class and working families are struggling to pay their bills. So this sort of direction is something that I want to disassociate myself with completely.

**10:40**

Another point I'd like to make. When the government previously anticipated a decision of this committee – that is to say, the Premier tweeted a year ago that we were going to freeze our salaries before the decision was made – I made, as you may recall, Mr. Speaker, a very serious point of privilege in the committee that the independence of all members had been undermined on this committee by the fact that the Premier's office had presumed to say what the decision of this committee was in advance. That fundamentally strikes at the independence of members and, in my view, is a considerable embarrassment for government members.

Now, in this particular case it has happened again. I received in my mailbox just on Tuesday a flyer from the government outlining their plans for the province, including a bullet point that mentioned a multiyear wage freeze by MLAs, clearly anticipating the motion that's being made today and the decision of this committee. So we in this case, Mr. Speaker, as you know, have brought that point of privilege to the Assembly because that was the first opportunity to deal with it rather than at this committee.

But I want to make that point again, that I find it completely unacceptable that the government should anticipate decisions of this committee, publish them, and distribute them publicly before the committee has even made the motion or considered the motion. I think that must be extraordinarily awkward for members of the government caucus in this committee, and I consider it completely unacceptable.

Those are my comments, Mr. Speaker. Thank you.

**The Chair:** Thank you.

Dr. Sherman, just before you start . . .

**Ms Smith:** I'll go on the list as well, Mr. Chair.

**The Chair:** Thank you. Followed by Danielle.

Anyone else on the teleconference?

**Mr. Casey:** Yes, please.

**The Chair:** Okay. So we'll go Raj Sherman, Danielle Smith, Ron Casey for the moment.

Let's go, Raj.

**Dr. Sherman:** Mr. Speaker, this is the ultimate in cynicism. You know, a number of issues. First of all, on the matter of principle the Alberta Liberals have always said that MLAs should not set their own pay. It's a conflict of interest. We have made recommendations to have a citizens panel work with a judge under your leadership to review our pay on a regular basis, whether it's to increase it, flatline it, or decrease it, because for us to be setting our own pay is the wrong message to send to the public. That's a matter of principle, and this is why I have never voted on making any adjustments to our pay.

Secondly, the reason is – and here's where the cynicism comes in – that it's a politicization. The government has been using this MLA pay issue and has politicized it in their attempt to attack public programs. You know, the government manufactured a crisis earlier this year. We called it the bitumen sham crisis. It took an extreme value in the price of oil and used that as an excuse to attack public programs and give the Premier cover to break her word on every commitment that she made, that got many of these government members elected.

The province is growing. We have inflation. They have essentially flatlined education spending since 2008. When you factor in population growth and inflation, it's been cut. And now we've had amongst the biggest cutbacks in history, at least in our modern-day history. The government has attacked our seniors. They've attacked our students. They've attacked our nurses. For the government to constantly bring up MLA pay issues and pretend to take leadership – it's really sad when they are using this as a guise to legislate Bill 45, Bill 46, attack those very people who actually build this province. The hon. member who brought this motion: she's a rookie. When I was a rookie, in 2008, the Premier and cabinet gave themselves a 34 per cent pay raise. A 34 per cent pay raise. Then we had another Premier that came in and pretended to take a pay cut when they actually took an 8 per cent pay increase. The Wildrose had recommended freezing pay; the

government voted against it. Now the government, again, is bringing forward a motion that Danielle Smith had brought forward. This is where the cynicism comes in.

I have said time and again that for us to spend and waste time, taxpayers' time, because they finance us, to discuss what and how we get paid: this has to stop. We should not regularly be debating this. I am against voting on our own pay. The Alberta Liberals believe it's a conflict of interest. For the government to constantly use this as an issue to beat up front-line workers and the very people that have built this province: I'm opposed to that.

I share the concerns of Mr. Mason here as well. If the government is very serious about showing leadership – and I will not be voting on this motion, but I will make an amendment to the hon. member's motion. If you're really serious about showing leadership, yes, I recommend that you freeze MLA pay, but I amend it and say: "Lower MLA pay back to where it was in 2008. Do a 34 per cent cut, and then freeze it."

I don't know who wants to amend it. I amended this motion. If you want to show true leadership, cut MLA pay, and then freeze it.

Mr. Speaker, in my usual manner, when it comes to actually voting on it, I will not be voting on this motion, on the government's proposal.

**The Chair:** Thank you, Dr. Sherman.

Let's just be clear on the part about MLA pay increasing by 8 per cent. We have a document on that that says: please look at the overall MLA compensation package. That includes MLA pay and MLA benefits, the transition allowance issue and all of that, and it doesn't come out to an 8 per cent increase overall. Let's just correct the record a little bit in that respect, please. In actual effect, I think it's a decrease.

Let's move on to Danielle Smith, followed by Mr. Casey.

**Ms Smith:** Thank you, Mr. Chair. I will be supporting this motion for some of the reasons why Mr. Mason was arguing against it, ironically. I think it is a symbolic show of leadership by example, made so as not to be hypocritical in asking our front-line public-sector workers to take a wage freeze. I think these symbolic exercises of leadership are very important, and they go beyond being symbolic. It seems to me that you do get credibility at the bargaining table when you're willing to take what you're asking others to take.

That being said, we did campaign on this. We did say that we believed that there should be a wage freeze until such time as the budget is in balance. I would say that had we been elected, a Wildrose government would have some credibility in putting this motion forward. I would say that I think the PCs did not campaign on this, and they certainly did not campaign on the two bills that they're bringing forward in the Legislature to impose it. I believe that this motion could have actually won some credibility at the bargaining table. I think it's very disappointing that the government has short-circuited the bargaining process by denying arbitration because this could have, in my opinion, been one of those measures that would have allowed for the collective bargaining process to play out, having shown the leadership.

**10:50**

Although I support the motion, I support it because I'm being consistent with what we said before, during, and after the election. Also, last year I did propose a multiyear wage freeze for MLAs, with the idea in mind that we shouldn't be increasing our pay at all until the budget is in balance. I disagree with Mr. Mason on this point. Although the government has changed the way it does its



budget document so that we don't have a clear idea of what our total cash shortfall is going to be this year, the estimates are in the order of \$3 billion to \$4 billion.

Whatever the exuberance that the Finance minister may now have for the temporary reduction in the spread in the bitumen prices, we now know that the bitumen price spread has grown again, as it did last year. It's anyone's guess what the year-end deficit number is going to be, but it is going to still be significant. They are going to be short in the order of \$3 billion to \$4 billion, and with that in mind we don't think it's appropriate to see an increase in MLA pay until the full consolidated budget, all three parts of it, is in balance.

I also did say in the October 2 meeting that someone was probably going to come to the conclusion that MLA pay increases were palatable, and I'm glad that that has been recognized on that side. I think that having a multiyear freeze is a good idea, though we are a bit alarmed that it does go out three years. That does seem to imply that the government has no intention of balancing the budget over the next three years, which we think is alarming.

A Wildrose government would get back into budget balance within two years. In our most recent report that we've put forward, we think that the government should aim a little bit higher to try to get back into budget balance sooner so that it can get back to having appropriate year-over-year increases for front-line workers. To me, at a bare minimum, we need to be talking about having year-over-year increases in line with previous years' inflation so that our front-line workers are able to keep up with the cost of living. As I understand it from AUPE, a typical employee is earning \$65,000 per year, and for them to have to forgo year-over-year increases is a lot more painful than for those of us who are making double the amount that our front-line workers are.

I do take the point of Mr. Mason about the particular hardship wage freezes impose on the front line, which is why I think it's incumbent upon the government to get back into budget surpluses quickly so that they can return to being able to give fair wage increases for our front-line workers.

The issue of the point of privilege: I won't go too far into that because I know the chair is going to be talking about that in the Legislature. What I might suggest is that I think it's unfortunate that Ms Kennedy-Glans was not able to take the credit for this very good motion. I would just suggest that maybe they go back to their caucus and their cabinet and make some suggestions. Number one, since this has happened two years in a row now, if they're going to do this, at least allow the MLA who is going to be taking the lead on the committee to be able to be the one who tweets out the news so that there is at least an indication of propriety and respect for this committee.

Secondarily, though, if the Premier is so interested in taking credit for these kinds of decisions, maybe she should actually join the committee, like the other leaders of the parties, if she wants to put forward the motion herself so that she can take credit for it. I certainly wouldn't object to that. Maybe you can propose that to the Premier. In this case, I think it was the Deputy Premier who was the one who was taking credit for the motion. Maybe you want to go back to Deputy Premier Lukaszuk and ask him if he'd like to sub out and onto this committee so that next time, when he tweets out decisions that pre-empt this committee's work, it will at least be appropriate because he'll be a member of the committee and therefore advancing it.

Maybe you may want to go back to the Premier's comms team and discuss that it's not appropriate for them to be sending out high-cost, lofty, multipage brochures on decisions that haven't

been made by this committee. It would have been appropriate perhaps if they'd at least waited for a week and had it dropped in our mailboxes next Tuesday rather than this Tuesday. There are certain things, I think, from just a basic competence point of view that can be improved on the government side so that they can stay in alignment with what the expectations of this Members' Services Committee are and so that we can maintain the respect for the committee's work.

But, with that, I will support the motion.

**The Chair:** Thank you.

I just want to make one point if I could. It's very difficult for us to have this discussion about freezing MLA pay for the next three years without reference to a brochure such as Mr. Mason has just referred to and that I think Danielle Smith obliquely referred to as well and at the same time not rule against you having that freedom of speech at this committee, because the question of privilege, which the brochure is part of now, is something under consideration by your chair, by your Speaker.

I would hope that we don't go into that area of privilege itself, please, because that could put your chair and the entire process into an uncomfortable situation, if you understand what I'm trying to say. Let's do the best we can here to stick as best we can to the issue of freezing MLA wages, unto that issue itself, beginning with Ron Casey.

**Mr. Casey:** Thank you, Mr. Chair. To begin with, I would like to certainly speak in favour of this motion. It's completely consistent with where we've gone with teachers and doctors, and we've been clear all along that that's what the expectation was with the public sector. So I think it's more than appropriate that MLAs follow and, as Ms Smith points out, that we lead by example in this.

I would caution about us being lulled into seeing this \$1 billion surplus and thinking that somehow we have a surplus of cash here to work with. This is simply a mid-term number and doesn't by any means take into account all the expenditures that the government has to deal with in the whole year.

As far as moving ahead, if the province wants to continue to build Alberta – and we do want to continue to build Alberta; we need to build schools and hospitals and highways – we know that we're going to continue to have fiscal constraints. That's just a fact of where we are. With the growth we have today, with 138,000 people last year coming to this province, you can't help but have to build new infrastructure, and trying to do that on a cash-only basis simply cannot work.

We do have a responsible fiscal plan out in front of us, and that fiscal plan will move us forward and bring us to a point of sustainability, but at the same time it's also going to require a lot of fiscal constraint on our part as we move forward over the next two, three, four years. This is simply a part of that as is the agreement coming forward, hopefully, with the public employees. The truth is that, yes, with the bills that are before the House today dealing with arbitration, we would love to get the public-service sector back to the bargaining table. That's what this is about. We didn't leave the table. The province didn't leave the table, but the union did.

This is simply to move us forward, but we're also sending a very clear message that this is part of an overall fiscal plan. We are all a part of this, and we are all going to take some responsibility for that decision to move forward in as fiscally responsible a way as we possibly can.

Mr. Speaker, I'm certainly in favour of this, and I would hope that the rest of the committee members will support it as well. Thank you.

**The Chair:** Thank you.

Steve Young, followed by Raj Sherman.

Is there anyone else on teleconference after that? We'll go as we go, then.

Let's go with Young and Sherman.

**Mr. Young:** Thank you very much, Chair. I just want to thank Danielle for her recommendations for our caucus and the list of stuff to our caucus and our Premier's comms and stuff, but respectfully we'll take that under advisement. Respectfully, all those recommendations to our caucus I think are certainly inappropriate. We'll simply chalk it up to other Wildrose messaging we've found in bathroom stalls.

With respect to this motion it's consistent with the message of our government about living within our means and certainly not being hypocritical, as Brian has said, about the direction we're going in terms of salaries across the province. While we've had some small benefits in terms of our budget that was reported in the last quarter, we don't dig into our pocket and spend the little bit of money we have just when it happens. These are long-term plans, and we're going to have long-term solutions for the long-term stability of this province.

Those are my comments.

**The Chair:** Thank you.

Dr. Sherman.

11:00

**Dr. Sherman:** Thank you, Mr. Speaker. Mr. Young and Mr. Casey have actually proven the point that I was making. This has actually just been a cynical attempt and ploy of the government to attack front-line workers. That's all this motion is about. The reality of the matter is that the economy is booming. It's great. We have amongst the best employment rates in the country along with Saskatchewan. We have amongst the highest incomes in the country if not the world. Oil is at 106 bucks a barrel. Why is the Redford Conservative government unable to balance the budget, and why are they doing it on the backs of front-line workers and doing it by cutting education and cutting health care and downloading responsibilities onto seniors and local municipal leaders?

This was the point I've made all along. MLA pay is being used as a tool for the Redford government to supposedly show leadership. On the issue of MLA pay, it should be independently set by a citizens' panel, the very people whose wages the government sets. It should be set by a panel of citizens working with a justice, working beneath your leadership. We have to stop politicizing this issue. I want to thank the Conservative government members for proving my point.

**The Chair:** Thank you.

Are there others?

**Mr. Quest:** Just briefly, Mr. Chair, what we're doing here is, I think, showing Albertans that we're not prepared to ask anybody to do anything that we're not prepared to do ourselves. It is just that simple. Just going back to Dr. Sherman's comments, we can't continue to fund our operations on today's price of oil or bitumen. Really, the only way to make it sustainable – and I think Dr. Sherman has said this before – would actually be to increase taxes in this province, and increased taxes stifle economic growth, and that's not good for anybody. So in order for us to remain sustainable and not be as reliant as we have been on volatile

energy royalties, this is something that has to be done. That's good for all Albertans.

Those are my comments.

**The Chair:** Thank you.

I have Mr. Mason, followed by Dr. Sherman.

**Mr. Mason:** Well, thank you very much, Mr. Speaker. I want to indicate, as I did earlier, that I believe this motion is intended to set an example to the workers who are having their collective agreement legislated and having their wages frozen, and I don't believe in that. I believe that those workers should have the right to go to arbitration and receive settlement.

People are falling behind in this province at a time when the economy is booming, and this Progressive Conservative government is merely inoculating itself. It's insulating itself against criticism of being hypocrites for freezing their own workers' wages and not doing it themselves. I can see the logic from their point of view, but it's not logic I agree with because I don't think that the workers of this province, the people that work for us, that deliver the social services and the health care and look after our parks and provide policing services, should have their wages frozen by this government with no way out. This is part of the package that I see.

There's a big difference between us and some of the front-line employees in the province in having our wages frozen. Freezing somebody's salary at \$150,000 is one thing; freezing it at \$50,000 is entirely another matter. This government's attack on front-line workers is something that's going to rebound on them for many years to come, so I cannot support this.

I know that Dr. Sherman is going to run out and not vote on this, but I'm going to take the step of voting against it, not because I think we deserve a raise – we're well compensated – but because I believe that setting the example for workers that they should accept a wage freeze is the wrong example to set.

Thank you, Mr. Speaker.

**The Chair:** Thank you.

Before I recognize Dr. Sherman, is there anybody on teleconference that I can add to the list after Dr. Sherman?

Okay. Let's carry on, then, Dr. Sherman.

**Dr. Sherman:** Thank you, Mr. Speaker. In response to Mr. Quest, I can't let his comments go unheeded. The fact of the matter is that British Columbia is the second-lowest tax jurisdiction in this country. If we had their tax structure, the Alberta government would raise \$12 billion a year more. Saskatchewan is after British Columbia. Premier Brad Wall, the darling of Conservative politics in Canada: if we had his tax structure, we would raise \$14 billion a year more in revenue. Quebec is \$20 billion. The Alberta Liberals already have suggested we go halfway to British Columbia. We don't want to stifle economic growth. We should be the most competitive.

The government has essentially tied the delivery of public programs to the price of a barrel of oil or whatever the price of natural gas is, and these are volatile. This is why their decision-making has been volatile. We do need a little bit of flexibility in the tax structure just so you don't have to promise the world before an election and break all your promises. That's the core of the matter.

This all hinges back to MLA pay. The government is unable to manage its finances. One, they've mismanaged health care. Health care spending is up 43 per cent in five years when the population has only gone up 11 per cent. Two, they're relying too heavily on

nonrenewable resource revenue to fund daily programs. Premier Lougheed would not do what the Redford Conservative government is doing. As a result, the government is attacking the very people it needs to be fighting for, which are the weak, the vulnerable: our children, our seniors. They are attacking the very people that actually build this province, the front-line workers. The government has a major revenue problem and a major mismanagement problem.

Mr. Quest, with all due respect, we did some research. We said: how did Premier Klein pay down the debt? Yeah, he downloaded responsibilities and cut and slashed public programs and delayed and deferred maintenance and infrastructure, but Premier Klein actually had a progressive income tax structure that Premier Lougheed had, that Prime Minister Harper has. He also put an 8 per cent surtax on the wealthy at that time. When they went to the flat tax, it was sold as a tax cut for Albertans. It was actually a tax increase for lower middle-income and middle-income Albertans and a tax cut for the wealthiest.

Mr. Quest, with all due respect, the government needs to show some leadership when it comes to improving our tax structure. We need to go back to a progressive tax structure, better manage our finances, and stop politicizing MLA pay as an excuse to attack front-line workers.

Thank you.

**The Chair:** Thank you.

I have Mr. Casey online, followed by Ms Kennedy-Glans.

**Mr. Casey:** Yes. Thank you. I guess I have to respond to some of the comments that have been put out here. We negotiated in absolute good faith with teachers. We absolutely negotiated in good faith with doctors. We are simply following along with the commitments we made to those people and to Albertans at the time, that we were going to do what we could to bring our wage and public-sector wages into line. We are simply following along with those commitments. This is not setting an example. If it was, we'd have done this a year ago. But we're doing it now, and we're doing it to be consistent with those people.

As far as attacking people, if attacking people means building schools, building highways, building hospitals, reinvesting in Alberta, building Alberta, and building communities here, then I'm not sure what world the leader of the Liberal opposition is referring to. I mean, this is about building Alberta for all people. This is about everyone in Alberta taking part, acting as a community, and participating in the fiscal management of this province and getting us back in line. This is part of a long-term fiscal plan, and it will get us on the right track and get us to where we need to be.

Thank you, Mr. Chair.

11:10

**The Chair:** Thank you.

I have two more speakers here. Then we might try and do what was said much earlier, and that is to make some decisions. So at the risk of sounding repetitive, let's see if we can get to that, starting with Ms Kennedy-Glans, followed by Mr. Quest.

**Ms Kennedy-Glans:** Thank you, Mr. Chair. I just wanted to comment a little bit on this concept of having all parties come to one table in an LAO structure. I am a rookie to politics, but I'm not a rookie to decision-making or complex issues. I've been very encouraged by this. I chair an all-party committee, as you well know, and here, at another table where we have all parties coming together, it's probably irresistible for people to not use this as an opportunity to make a political point. I understand why people

would do that, but at the end of the day in the present situation right now in Alberta I don't know that there is a politician amongst us of any political stripe who wouldn't say that this motion is an appropriate one in the present environment.

**Mr. Mason:** I would. Here I am.

**Ms Kennedy-Glans:** Well, you didn't object to it, Mr. Mason, on the basis of your own views. You're doing it for your own political purposes, which is your right. I'm just saying that as individual politicians, whatever our political stripe, this is the right thing to do.

Thank you.

**Mr. Quest:** Well, just to respond to Dr. Sherman's comments, I guess they were political – we're philosophically in very different places, and I understand that – but he made some good points. We are the lowest taxed province in Canada by far, and we all enjoy the benefits of that. I don't understand philosophically why it would make sense to have substantial pay increases or increases, really, for anybody on the one hand if it means we have to tax it away on the other.

I'll be supporting this motion, Mr. Chair.

**The Chair:** Thank you.

I'm going to recognize Dr. Sherman for the third time on this motion, and I only say that because there are some members who haven't spoken for the first time yet. If you wish to speak, then please do because I sense we're coming to a vote very soon. At the end of the day, folks, as has just been alluded to by a few speakers, respecting all the pros and cons that have been well expressed by all of you, the simple question is this: do you want to freeze MLA pay for three years or not? That's what's incorporated in this motion. So let's try to stick to that without becoming too, too repetitive, starting with Dr. Sherman.

**Dr. Sherman:** Mr. Speaker, I just can't let certain comments go unanswered and undefended. The other members can keep answering my questions, and I'll keep putting my hand up and defending the Alberta Liberal position.

On the issue of building Alberta, the Alberta Liberals fully support building schools and roads and bridges and everything that Alberta needs to be a better province, absolutely. But we also support staffing those buildings, and we support paying that staff adequately and getting them the supports that they need. We've got God knows how many countless hospital beds that are sitting empty and walled in while Albertans are waiting for surgery. We need to hire more staff. We need to pay that staff adequately and give them support and respect. When you give somebody a pay raise, you know, 2 per cent of a little is a little, and 2 per cent of a lot is a lot. A freeze of a lot is still a lot, and in a freeze of a little, they're still getting a little, as Mr. Mason mentioned.

Now, with respect to philosophy there is a big difference in philosophies. You've got two conservative parties whose philosophy is: I've got mine, and you're on your own. Go get yours, as Elizabeth Warren said. The Alberta Liberals simply believe that if we have more people doing well, we as a society will do much better. It's actually good for business, and it's going to save us money with respect to health care and costs of children and youth services and crime. That's what we believe in: equality of opportunity for everyone. We believe in freedom of speech, and we believe that every decision should be made in consideration of future generations. Ours is a fiscally and socially responsible policy and platform.

Mr. Quest, the 10 per cent flat tax was a tax increase for 80 per cent of Albertans, and now that same 80 per cent of Albertans who are building this province – at a time of population growth and inflation we have amongst the highest bills in the country and the highest cost escalations, and you want to freeze their wages. Regular working families are the ones who drive the economy. Yes, industry and enterprise are absolutely important, but when regular families have money in their pocket, that's what helps drive the economy. This whole thing about MLA wage freezes, this cynicism of the politics of the Conservative government, is at the core of what the Redford Conservative government is doing to our province.

Mr. Mason raised a very important point. The government has already predetermined the decision, you know, on the matter of the point of privilege. They've really brought into question the integrity of this whole committee. They've already tweeted it out. Supposedly, there's a brochure out there. It brings into question the integrity of this whole committee, why we're even here discussing this.

Mr. Speaker, I will defend any comments made against Alberta Liberals. If other members want to keep responding, well, I'm going to keep responding back.

Thank you.

**The Chair:** Thank you.

Are we ready for the question?

**Mr. Mason:** I would like to respond to that, Mr. Speaker, if you don't mind.

**The Chair:** Mr. Mason, very briefly, please.

**Mr. Mason:** Well, I'm certainly not prepared to follow the Wildrose's and the Progressive Conservatives' race to the bottom in this province. I want to make that clear. I think this is a symbolic vote. This is really about whether you support the labour legislation tabled in the House the other day about freezing the salaries of provincial employees. This is a so-called attempt to lead by example, and it's an important principle. I would invite Dr. Sherman, who has spent a great deal of this committee's time making very rhetorical speeches, to actually stay for the vote this time and take a stand instead of running out of here like he does every other time.

**The Chair:** Are we ready for the question, then?

**Hon. Members:** Question.

**The Chair:** The question has been called.

**Dr. Sherman:** Mr. Speaker, what's the question? Can you please repeat the question?

**The Chair:** "The question" is the parliamentary term for: are you ready for the vote?

**Dr. Sherman:** Well, Mr. Speaker, on the issue of the question I would like to amend the question.

**The Chair:** You'd like to amend the motion?

**Dr. Sherman:** Yes, I would like to amend the motion.

**The Chair:** Do you have it ready?

**Dr. Sherman:** Well, I'll take whatever motion the hon. members put forward, and I amend that motion to: to return MLA salaries to

where they were before these massive increases, to \$100,000 a year, and then freeze these salaries.

With all due respect to Mr. Mason, I will come back to my original point. MLAs should not be setting their own pay, and as a matter of principle I will not be voting for it. So on this amendment, to add to the cynicism of this committee, you members are welcome to vote on my amendment.

**The Chair:** Hon. member, before you leave the room, can I just tell you that if you have a motion that you want to put forward to return MLA pay to something else, you're certainly at liberty to make a motion like that at the appropriate time, but that is not an appropriate amendment. I'm sure you understand that.

Secondly, on the issue of who should be setting MLA pay, that too is not part of what would be an acceptable amendment to this motion here. It's a good issue, that you might want to raise again at the right time, but right now, nothing that I've heard in what you've said constitutes an amendment that would be in order, I'm sure.

Parliamentary Counsel, did you wish to chime in on that any further?

**Mrs. Forsyth:** Mr. Speaker, can I just interrupt for a minute? I just want to ask if anybody else is on teleconference. I'm getting a lot of breakup, and I know that Mr. Casey and Ms Smith are on the line. I don't know if it's my phone or if they're getting breakups all the time when people are speaking.

**The Chair:** It's an acceptable interjection.

Ms Smith, are you receiving us loudly and clearly, or are you entertaining breakups there as well on your telephone?

**Ms Smith:** I am now. I did have some trouble with Dr. Sherman cutting in and out, but for the most part it's been pretty clear.

**The Chair:** Mr. Casey?

**Mr. Casey:** Yes. It seems to be mostly Dr. Sherman.

**The Chair:** It might be, Raj, that you're speaking a little too closely to your microphone. You're almost eating it, so to speak. It's a stage word, eating the mike. Nothing literal. Okay. So if we just pull back from the microphones a little bit, perhaps that will be good.

The question has been called, then. Let me ask: those who are in favour of the motion as proposed by Donna Kennedy-Glans, to essentially freeze MLA pay for three years, should now say aye. Those who are opposed should please say no.

For the record I believe it's Mr. Mason alone who has voted no. Is that correct, Mr. Mason?

**Mr. Mason:** Yes.

11:20

**The Chair:** I assume you wanted it noted, so I have now noted it.

Accordingly, that motion is carried, and MLA pay for the next three consecutive years shall be frozen unless it proves otherwise by something else.

At that point I note, hon. members, that it is 11:21 a.m., and we need a comfort break for nine minutes. I will reconvene this meeting at 11:30 sharp.

Thank you.

[The committee adjourned from 11:21 a.m. to 11:30 a.m.]

**The Chair:** Hon. members, it's now 11:30, and we need to reconvene our meeting. I hope that people who are on teleconference are able to rejoin us at this time.

Let's take stock of where we're at. We are now at item 4(c) coming up, which would be a brief update. I wouldn't mind if we went to that because I understand that the Wildrose workers are still trying to properly craft or recraft the motion that Danielle Smith wants to put forward here.

Cheryl, do you mind if we just jump to 4(c) under old business and tidy that matter up? Then we'll come back and deal with the two outstanding issues, one being Danielle Smith's motion, the second one being the overall direction that we wish to provide to our staff for budgeting purposes.

**Mrs. Scarlett:** Absolutely, Mr. Chair. I just wanted to acknowledge, as a follow-up to what was requested at the last meeting with respect to former member benefits, that we're continuing to gather information, including a cross-jurisdictional survey. We will continue to work on this, and we'll be bringing it back to this committee at a future meeting.

**The Chair:** Thank you. That was put here only because the previous minutes said that it would be brought forward. Does anybody have any comment or question that they want Mrs. Scarlett to consider prior to her coming back to this committee with a further update?

Not hearing or seeing anyone wanting to pursue that, I'll just say thank you, Cheryl, for that brief update, and we'll look forward to more of the same at the next opportunity.

Let us go back now if we could, please. Did the Wildrose caucus members manage to craft the motion that Ms Smith wanted to present? Or, Danielle, are you ready to speak to it and present it yourself?

**Ms Smith:** I'm sorry; I'm not too sure who's in the room. Is Barb Currie there, or is Bill Bewick there?

**The Chair:** I don't think either one is here yet. Would you prefer we came back to this?

**Ms Smith:** Yes, please.

**The Chair:** Okay. Let's do that.

Let us move on to new business for a moment, then, if we could, item 5(a), member's services allowance, constituency staff travel expenses outside of the constituency, Constituency Services Order RMSC 1992, c. C-1, section 3(c) and (d). Mr. Ellis, are you prepared to lead this off as I work on reviewing where we're at with Danielle's motion?

**Mr. Ellis:** Sorry. Mr. Speaker, could you repeat that, please?

**The Chair:** Under new business, item 5(a), constituency staff travel expenses outside of the constituency.

**Mr. Ellis:** Sure. This is a matter that has affected some staff travel in some of the constituencies, and members have brought it to our attention. Basically, the Constituency Services Order under section 3, which is entitled General Use of Allowance, specifies whether or not staff can be reimbursed for travel.

There are two provisions that affect staff travel. One is: "reasonable living and travelling expenses for the staff of a Member's constituency office in connection with travel within the Member's electoral division." Basically, that allows a member's constituency staff to travel within their electoral boundaries on any business that they have to do within the constituency. There's another provision, (c), that allows "reasonable living and travelling expenses for staff working for the Member to travel to Edmonton or to the Member's constituency." That basically

allows staff in both the Legislature office and in a constituency office to travel back and forth between a member's constituency and the capital.

However, in certain cases members have brought forward situations where they wanted their staff to travel outside of the constituency but not to Edmonton.

**Mrs. Fritz:** Mr. Chairman, could we wait for the presentation until those are distributed? We haven't had the documents yet.

**The Chair:** Oh, I'm sorry. I thought it had gone out.

**Mrs. Fritz:** Sorry. We might have to start over.

**The Chair:** Was this not posted online?

**Mr. Ellis:** No.

**The Chair:** It wasn't posted online? Okay.

It has gone to those who are on teleconference?

**Ms Quast:** Just now.

**The Chair:** Just now?

**Ms Quast:** Yes.

**Mrs. Fritz:** Thank you. We just received the documents.

**The Chair:** My apologies. I thought it had already gone out, Yvonne. Thank you for flagging it.

Hon. members, you should now have in your hands, one way or another, a document titled Members' Service Committee Meeting, November 29, 2013, agenda item 5(a), and then in red letters: request for MSC consideration.

Now, we had actually probably thought at the table that this would come up a little bit later, that we would actually finish off with the parameters discussion and the Wildrose motion. But that's not quite ready, so we've jumped ahead in our agenda to 5(a). I apologize for that, and I'm sure Scott would apologize as well. Nonetheless, we all have it now.

So if you'd like to basically start over but be a lot shorter in your presentation now that we have a document in front of us. Start from the beginning, please.

**Ms Smith:** Mr. Chair, do those of us on the call have a copy of that?

**The Chair:** It went out from our secretary, Allison Quast. How long ago?

**Ms Quast:** Just a few minutes ago.

**The Chair:** It went out a few minutes ago, Ms Quast says, so it should be accessible to you.

Scott, if you wouldn't mind, just start over. Just tell us what the ending to your speech is, first, so that we'll know where you're heading, and then give us the rationale behind it.

**Mr. Ellis:** The ending to what I will go through in a few minutes here is that the members have requested that we review the Constituency Services Order, section 3, and determine if there couldn't be a change to the order to allow constituency staff to travel outside of a member's constituency boundaries for specific types of travel. Education and training would be one. The travel would be preapproved by the member and relevant to the duties and responsibilities of the constituency staff member.

**The Chair:** Okay. I would support that this is an important issue, based on my travels around the province talking with constituency office staff. They want this issue discussed and decided. In that respect, they're looking for something in the affirmative to give them some flexibility. That is not necessarily unanimous, however.

Mr. Ellis, can you give us the rationale behind that or anything else you might wish to say?

**Mr. Ellis:** Well, as I started to say, the allowance is somewhat restrictive right now in terms of what constituency travel expenses are allowed to be paid out of the member's services allowance. Specifically, it is within the electoral division and between Edmonton and the constituency office. The members who put forward their concerns basically wanted their staff to travel to locations outside of their constituency boundaries for educational and training purposes. In some ways I can understand why they would want to do that. Not every education opportunity occurs in Edmonton or within their constituency boundaries.

We took under advisement their concerns and have come back with some possible wording that would allow this travel to take place if it's the will of the committee that that be allowed. I have some specific wording that has been drafted by Parliamentary Counsel. It would mean an amendment to subsection (d), creating a subsection (d.01), and it would read:

reasonable living and travelling expenses for the staff of a Member's constituency office to attend a seminar or other non-partisan event in Alberta related to the performance of the staff member's duties in the constituency office.

**The Chair:** Hon. members, we're on page 2 of the handout that you just received, in the middle of the page, where the quotation starts – right? – about three-quarters of the way down.

**Ms Smith:** Mr. Chair, I can provide some context for this as well because I know that it's a situation that one of my MLAs has faced, if that would be helpful.

11:40

**The Chair:** Yeah. I'll just ask Scott: are we ready for the discussion now? I think members will have it. They've got the gist of it. Is there anything further you want to just conclude with, Scott, quickly, before I go to Danielle and then Yvonne Fritz?

**Mr. Ellis:** The only other thing would be the date when we would make this order effective.

**The Chair:** We can't hear you.

**Mr. Ellis:** The only other thing would be the effective date of the order.

Can you hear me now?

**The Chair:** Something has gone dead here. Sorry, Scott. Are you on your microphone?

**Mr. Ellis:** Yes, I am.

**The Chair:** Sorry. Say that again, please.

**Mr. Ellis:** The effective date of this order, the change in the order: it's suggested that we consider April 1, 2013. There would be no budget effect as a result of that because it would be paid out of the current MSAs as they are already budgeted.

**The Chair:** Okay. Let's go to Danielle Smith, followed by Yvonne Fritz for some discussion on this.

**Ms Smith:** Yeah. I can recognize that this may not be the case for most members. I think most members would have constituency assistants who are within an easy drive of Calgary or Edmonton, where a lot of training takes place. But I know that our Member for Cardston-Taber-Warner wanted to send his constituency assistant for training on workers' compensation claims, which, of course, as you know, is one of the major call volumes that come into our offices. That was when we discovered that there was this difficulty of his not being able to pay for those expenses for his constituency assistant.

I don't know how many constituency assistants will be in this position, but certainly for our rural and remote members who are trying to get to Calgary or Edmonton for training sessions that are not available elsewhere, this would be a very good amendment to accommodate that.

**The Chair:** Thank you. The last 10 seconds of your speech were very clearly understood. The first 30 seconds were not, but we got the gist of it. It just seemed muffled, Danielle, so whatever you just did in the last 10 seconds is preferable from a sound communication point of view, please. I see our sound engineer nodding his approval. Thank you for that observation.

Yvonne Fritz.

**Mrs. Fritz:** Thank you. Just for clarification, does this include seminars? In the handout it says: to attend a nonpartisan event. There are two wordings I have here. That's why I'm asking the question.

**Mr. Ellis:** Good point.

**Mrs. Fritz:** The handout that we just received about five minutes ago says one thing, but I've got another one here about the order where it says: "reasonable living and travelling expenses for the staff of a Member's constituency office to attend a seminar or other non-partisan event in Alberta related to the performance of the staff member's duties in the constituency office." So it does include that. Is it preapproved, then, by the member?

**Mr. Ellis:** Yes. The confusion is that we had put forward a document that had some suggestions as to what might go into the specific wording in the order. Parliamentary Counsel reviewed that and put forward a document that has some slightly revised wording. You should have a draft of that in front of you right now. I'm presuming you do. That would be the wording that would be going forward.

**The Chair:** I mean, the bottom line on the preapproved thing is that as MLAs we all sign off on our local expenses anyway.

**Mrs. Fritz:** Right. Absolutely.

**The Chair:** If this were to go through and be approved right away, then that wouldn't change. But I want to read into the record the actual wording of a potential draft order. It would read as follows if you're of that spirit.

Pursuant to section 39 of the Legislative Assembly Act (RSA 2000, c. L-9), the Special Standing Committee on Members' Services makes the following Order, being the Constituency Services Amendment Order (No. XX):

1 The Constituency Services Order . . . is amended by this Order.

2 Section 3 is amended by adding the following after clause (d):

(d.01) reasonable living and travelling expenses for the staff of a Member's constituency

office to attend a seminar or other non-partisan event in Alberta related to the performance of the staff member's duties in the constituency office.

It would have force and effect going back to April 1, 2013, if it is your wish to do so.

Are there any other speakers?

**Mrs. Fritz:** I wanted to actually speak to that now that I know what the order is. It is different than what was presented in the document, so I appreciate that and knowing that it is seminars as well. Also, I appreciate the thoughtfulness that has gone into this order. It's timely. I know that all of us as MLAs really do have the opportunity many times to have our constituency staff attend seminars – and they haven't been able to in the past – and have these costs paid for. You know, they've paid it on their own if they've attended, but the increase in their education – I know we do IT here in Edmonton, so they're able to attend. Mr. Speaker, you have staff as well coming to Edmonton to meet, and you have excellent subjects that they can learn about that would assist them in the constituency offices.

Also, over and above that, we have our ministers. The Minister of Health recently had an event – I think it was a conference – that constituency staff could attend in the Lethbridge area, and they were unable to have their expenses reimbursed. So there are two things I'm pleased about with this. One is that it's going back to April 1, 2013, and hopefully it does accommodate those that couldn't have their costs paid since that time and also for the future. Kudos to you. I just really think this is good. It's something I'll call successful in our week, I think, that we did some good work here with this.

**The Chair:** Thank you.

I have Rob Reynolds wishing to make a quick point of clarification here.

**Mr. Reynolds:** Just a few things. One, this hasn't been moved yet.

**Mrs. Fritz:** Then I'll withdraw everything I said and say it again.

**Mr. Reynolds:** No, no, no. What I was going to say was that when it is moved, if you'd like to propose an amendment, you certainly could add your wording such as "when authorized by the member" or "when preapproved by the member" if you wanted.

**Mrs. Fritz:** That is redundant because, as the Speaker said, we already have it.

**The Chair:** Yeah. We already signed off on all those things anyway.

Just to be clear, the only reason that I read that into the record as a potential draft motion, should anyone wish to make it, is just because some members don't have the advantage of having it in front of them. To facilitate the discussion moving forward, I read the potential draft.

Has this now been sent to the people that are on teleconference?

**Ms Quast:** Yes.

**The Chair:** Yeah. Teleconference folks, you should have a thing stamped "draft" in the top right-hand corner, which, as I say, has the facility of us as MLAs allowing our staff to be recompensed for reasonable living and travel expenses if they're performing a duty of a nonpartisan nature, an event, attending it outside their

boundaries, or attending a seminar for educational purposes or whatever.

**Mr. Mason:** Do you need a motion?

**The Chair:** We do need a motion to that effect.

**Mr. Mason:** Then I'll move it.

**The Chair:** As drafted?

**Mr. Mason:** Absolutely.

**The Chair:** Okay. That motion, then, is now on the floor as moved by Mr. Mason. I don't think I need to read it again, but if anyone wishes me to, I can. Are we good? Any objection to proceeding? All right.

Are there any final comments? If not, then let's vote on the motion as moved by Mr. Mason, which is in the form of a draft that I read earlier. Those in favour, please say aye. Those opposed, please say no. That is a unanimous decision. Carried.

Now, can we go back and see if we can tidy up the motion from the Wildrose caucus? I have the 11:45 a.m. version, which is what I'm going to call it.

Ms Smith, would you like to, then, read this motion into the record, and then we'll take it from there, please.

**Ms Smith:** Certainly. I would move that for the budget preparation parameters for LAO branch budgets, the MLA administration budget, caucus and independent members' budgets the inflationary factor applied shall be increased or decreased by the most recently available year-over-year increase or decrease in the Alberta all-items consumer price index monthly published by Statistics Canada.

Would you like me to speak to it?

**The Chair:** In just a moment.

I just want to point out that normally what we would like to see is an actual number, but you know the actual numbers aren't given to us until March. I think what I see here, Danielle, that you've done is that you've put in the third line the phrase "the most recently available year-over-year," so the most recently available. We have something available, in other words. We have a real number. So if this were to succeed, our staff would have a guideline to go by. Maybe in your comments you could tell us what the most recently available stat is that you researched.

11:50

**Ms Smith:** Certainly. What I'm attempting to do here is to try to create a policy that can be giving direction to administration on a go-forward basis. That's why it's written in a generic form. Not only would it apply to this; it would apply to future budgets until Members' Services would decide to change it. The language that I'm using replicates the kind of policy direction that we have given the administration when it comes to making annual adjustments to year-over-year pay for MLA raises, and as we've seen, we can override that, when necessary, to face the current circumstances.

To me, having a general policy statement so that we don't have to make the argument again and again and again, every time we come back, I think would give a clear indication of the kind of direction we want to give to administration when they're going forward and drafting these proposals.

Ms Kennedy-Glans is absolutely right. Part of what I'm hoping to do here: by establishing this at Members' Services, it might have influence on how the government does these kinds of

adjustments for every other government department. The concern that I raised here is relevant across all government spending, that when we try to ask administration to use a crystal ball to look forward to what the number might be for next year, it has proven time and time and time again to be inaccurate. I think I read into the record the last time I made the argument that when you look back over the last 10 years, the estimate for inflation has been in some cases more than double what the actual amount of inflation is, in some cases dramatically so.

The way to be able to solve that problem for our budget here at Members' Services but more generally for the government across the board is to use actual numbers. I recognize the complexity of trying to do this. Because we start earlier with Members' Services, it would be ideal if we were able to use a number that reflected the actual year-over-year increase or decrease from the previous calendar year. That's how I had initially spoken about wording it. But keeping in mind the complexity that is faced by the administration in coming up with an actual number, I would say that we should then look at what the most recently available year-over-year increase or decrease would be. My understanding is that that number is 1 per cent, based on what my research staff, Bill Bewick, has pulled up. But it is something that we could then use year over year.

I, again, do hope that this would be something that the Treasury Board would consider when they're applying it to all other government departments.

**The Chair:** Thank you.

Let's go to Donna Kennedy-Glans, followed by Mr. Young, followed by Mr. Mason. Can I add anyone else on the teleconference list to this list I just read? Okay.

**Ms Kennedy-Glans:** Thank you, Mr. Chair. I'm going to start off by saying that I'm a lawyer, and I always get a little nervous when people who aren't lawyers practise law. My husband is a CA, and he always gets really nervous when I try to practise accounting, and with good reason. I think that here today we're trying to be accountants. I guess what I would say, Ms Smith, is that I understand your point – I think it's a meritorious point – but we have to allow the experts within the LAO with the professional training to make these determinations. I think it's valid to ask, you know: is this number we're using for CPI or for inflation consistent with what's being done in Treasury Board and in the budgets of other government entities, including ministries, that bring budgets forward to Treasury Board? I think that's a very valid question, and I hope that we can ask that, but I think it's kind of backwards for us here as nonexperts to be offering expert opinion about something that we're not experts in.

I know that may be irresistible to the politicians, but I am a rookie, so I would suggest that we not do that. I would suggest instead that we invite our experts who understand accounting and finance to have a discussion with Treasury Board and Finance and come back to our table and report on that. I think this whole approach of delving into areas of expertise that we're not trained in is fraught with risk.

**The Chair:** Thank you.

Mr. Young.

**Mr. Young:** Well, thank you. A very valid point, Donna.

The question I have is around the consumer price index. It is essentially a basket of goods, just a summary of all the goods in Alberta. So why the all-items CPI? I mean, with very little looking,

you can find out there are many versions of a CPI that exclude certain base goods or soft goods or volatile goods. There is a core CPI. There is a CPI that excludes food, energy, and taxes, that is very appropriate for a different kind of financial accounting. There is also a CPI-W, that excludes things that are inversely weighted to their volatility.

Can you explain me to, Danielle: why is it this CPI and not those other ones? They all have their appropriate purpose. The LAO and financial accountants, as Donna pointed out, are the experts in this field and use the appropriate measures and tools, of which these are all one of them, to make appropriate budget estimates based on the specific requirements of the LAO.

**The Chair:** Danielle Smith, do you want to come back to that quickly? Then we'll go to Mr. Mason. Very short.

**Ms Smith:** Certainly. I think that expecting that that may be the argument the PC members of this committee would have put forward, that's why I directed them to the language and wording that is in appendix A-1, that has been drafted by the experts, that talks about the annual adjustment that would happen under normal circumstances to MLA pay. If you want to consult that, it's on page 5 of the document that I'm looking at, the document that was circulated November 28, 2013.

I'm a big fan of symmetry, and when I see language that seems to work and give clear direction to the administration, having been drafted by experts, I tend to think that we should adopt that same language and that same type of approach. So if you see there, it talks about how "the Alberta (All Items) Consumer Price Index published by Statistics Canada for the immediately preceding calendar year" is the one that is used in that measure. In keeping with what the experts told me about how difficult that is since we don't actually have the full calendar year available to us, that is why I made the adjustment that we would be looking at the most recently available year-over-year increase or decrease.

So it's in keeping with what has already been decided. The parameters that the experts have already told us to use for wage increases: it would just be applying them. In every case that you see where inflation adjustments are recommended, instead of having the 2 per cent figure, we would be asking the administration to go and look at this actual amount.

With due respect to the experts, I have an economics background, so I know that forecasting and looking forward can be a pretty tricky business. For fun, those of you who haven't been to the certified financial analyst conference every year, where they look forward and try to use their crystal ball to predict what prices are going to be for exchange rates or for inflation or for oil and gas prices, what they do there is that they end up getting the experts who make the prediction to come back the following year to explain why they were so wrong.

Experts only have available at their disposal the same crystal ball the rest of us have, so I don't think that we should think that we're in some way not up to the task of being able to establish this. I think the best way to be able to avoid the problem is to look at actual numbers, previous-year actual numbers, so that we are keeping up with inflation but we're not trying to guess. Unfortunately, the record of the experts that the government has been using for Treasury Board to establish this, quite frankly, hasn't been very good for the past 10 years.

That's why we actually as politicians, I think, are obligated to try to give clearer direction to administration so that we can get something that more closely approximates, when you look in hindsight, what the actual inflation levels are. The very best way to do that is to take the guesswork out of it completely and to look



at previous years' actuals, based on a parameter that we're already using, to be able to establish that for MLA pay increases in a normal year.

I hope that takes some of the mystery out of it for Donna Kennedy-Glans and for Steve Young. You don't need to be an expert in accounting to be able to approve this motion. I think that it actually is the responsible thing for us to do, to give that clearer direction to administration.

**The Chair:** Thank you.

Let me go to Mr. Mason, please.

**Mr. Mason:** Well, thank you very much. I just wanted to indicate that I agreed with Ms Smith's comments with respect to our role, not with her motion. It is clearly the responsibility of the committee to determine how the budgets are going to be set. I think Ms Kennedy-Glans kind of walked into a trap there because this is neither a legal nor an accounting matter; it is an economics matter, and Ms Smith has some knowledge in that area.

**12:00**

But I don't agree with her because instead of taking economics projections going forward – and in this case I'm given to understand that we use the Conference Board of Canada economic projection; we don't just pull this number out of a hat. The real issue here is: do we want to look forward or backward? The problem with Ms Smith's amendment is that she has us looking backwards, and the conditions of the year ahead may be far different from the year behind.

To me, it's a bit like – well, I used to drive a bus, as some people know – trying to drive a bus by looking in the rear-view mirror. I don't think it's the correct approach. I do think that we should be looking forward using the best advice we have. You know, obviously, nobody is going to predict anything ahead of time a hundred per cent accurately, but I think we need to get the best economic advice we can looking forward, trying to anticipate the conditions we're going to be entering into in the coming year.

I agree with Mr. Young's point as well, that CPI is not necessarily the exact tool because the mix of things we're looking at is very different than doing your grocery shopping. It's much more specialized than that.

All in all, I think we should go with what's been proposed, and that we should reject this amendment.

**The Chair:** Thank you.

Are there any other speakers? Anyone on teleconference?

Dr. Sherman, then.

**Dr. Sherman:** Thank you, Mr. Speaker. I support the principle but not the details. At the heart of the matter is that we need sustainable, predictable funding just as we have to run government programs, even to run the Legislative Assembly. I support the intent, but I don't support the details of what Ms Smith has here. There have been many good points raised by everybody on the committee.

**The Chair:** All right. Thank you.

Is there anyone else before we call the question?

**Mrs. Forsyth:** Mr. Speaker, I'm obviously going to support what Ms Smith has brought forward. I think when we look at the forecasting that's been done by government before, it hasn't been all that great. So I just want to be on the record that I'm going to be supporting her.

**The Chair:** Let's be clear. This is not necessarily government forecasting. We may use some of their statistics, Heather, as you know, but this is LAO's best attempt to move us forward with their approach.

**Mrs. Forsyth:** Well, I'm not going to argue with you on that point. Members' Services is a committee that's valued by everyone in government. We have already made some decisions which are going to be leading as far as the MLA wages. Even though you don't want to say that government is different, Members' Services tends to set an example. So I am going to say that I still support what she's saying.

**The Chair:** I'll just let that one go.

Are we ready for the question?

**Ms Smith:** Yeah. I'd like to have a recorded vote on this one as well, Mr. Speaker.

**The Chair:** All right. Thank you.

Those in favour of the motion, please indicate your name and your vote.

**Mr. Mason:** This is the vote on the amendment, is it not, Mr. Chair?

**The Chair:** This is the vote on the motion.

**Mr. Mason:** Is Ms Smith's not an amendment; it's a motion?

**The Chair:** It's a motion.

**Mr. Mason:** Okay. I apologize.

**The Chair:** It's a motion, and I've called it the 11:45 a.m. version. We're having sound troubles here. I don't know. There's microphone feedback. Something is going on.

In any event, Danielle Smith has moved the motion, which you have in front of you, that reads that

for the budget preparation parameters for LAO branch budgets, MLA administration budget, caucus and independent members' budgets the inflationary factor applied shall be increased or decreased by the most recently available year-over-year increase or decrease in the Alberta (all-item) consumer price index (monthly) published by Statistics Canada.

Let's go around the table, starting with Mr. Quest on my left. Tell us if you're in favour of the motion or not.

**Mr. Quest:** Not in favour.

**Ms Kennedy-Glans:** Not in favour.

**Mrs. Fritz:** Not in favour.

**Dr. Sherman:** Not in favour.

**Mr. Mason:** Not in favour.

**Mr. Young:** Not in favour.

**Ms Smith:** In favour.

**Mrs. Forsyth:** In favour.

**Mr. Casey:** Not in favour.

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

Okay. So it would be quite conclusive, then, that this motion has failed.

That being said, I want to now just return, if I can, to the document that had been circulated in this respect by Mr. Ellis, titled Proposed 2014/2015 Budget Preparation Parameters, and get approval, then, for this and for the earlier discussion we had on MLA administration budget, which in terms of your agenda would be items 4(a) and 4(b), the first part that deals with parameters only to be approved so that our staff can go on and prepare the next tentative draft budget or prefinal budget, as it may be, and bring it back to us.

Do we have that approval from all of you, hon. members?

**Mr. Mason:** Do you need somebody to make a motion, or is it moved? Is it on the floor?

**The Chair:** Well, we could move it formally, Brian.

**Mr. Mason:** We must. Yes.

**The Chair:** Would you like to move that?

**Mr. Mason:** Yes, I'm happy to.

**The Chair:** Okay. Brian Mason has moved that we approve the two items that I just referred to.

I wonder if there are any other comments anyone wishes to make. We've had a thorough discussion.

Thank you, then, for forgoing that opportunity to comment further. Are you ready for the question?

**Hon. Members:** Yes.

**The Chair:** Those in favour of that motion as undertaken by Mr. Mason, please say aye. Those opposed, please say no. I hear one no, and the rest are ayes. That motion is carried.

LAO staff, you can prepare the next tranche for our deliberation. We will get one more look at the prefinal. It might be just mailed out to you.

**Mrs. Forsyth:** Mr. Speaker? Sorry. You don't give us enough time to get back off of mute. I am voting against it also.

**The Chair:** I'm sorry. I did pause, but maybe there's a delay today.

**Mrs. Forsyth:** I have to tell you that I'm getting terrible feedback. This is the first time it's happened. Maybe we can check that.

**The Chair:** Okay. I apologize on behalf of the telecommunications universe on that one because we've had nothing but problems today on a variety of occasions.

Heather, can I just go back? You wanted to be recorded as being in favour of the motion?

**Mrs. Forsyth:** No, not in favour.

**The Chair:** I'm sorry. Opposed to the motion. I was going back to Danielle's motion. My apologies. I mean the one moved by Mr. Mason just now. You are not in favour of it.

**Ms Smith:** Can we get a recorded vote? It might be a little bit easier to clarify that way, Mr. Speaker.

**The Chair:** Well, I think we've got it. Everybody is in favour of it except Danielle Smith and Heather Forsyth. Is that agreed?

Okay. Hearing no objection but a lot of, "Yes, that's correct," comments, that's how it will stand, Danielle. Okay?

**Ms Smith:** Okay.

**The Chair:** All right. Thank you.

Let's move on, then. We're on the agenda. By the way, thank you for allowing me to move around the sequence of our agenda, which was precipitated in part, at least, to help accommodate the redrafting of the Wildrose motion debated a little while ago. That flexibility is much appreciated by all of us.

Let's go to new business. Item 5(b), member travel allowance. Mr. Mason.

**12:10**

**Mr. Mason:** Can I get this distributed, please?

**The Chair:** Okay. There is something about to be distributed for Mr. Mason. I wonder if you wouldn't mind to just introduce it briefly, Brian, while it's going around so that we can save time. A reminder that we must adjourn by absolutely no later than 1 p.m. Members have flights to catch and the like and other commitments to make.

Let's go. Mr. Mason, please.

**Mr. Mason:** Thank you. Members will be aware that there was recently – and I'm sorry; I'm not sure exactly of the time, but in the past year – a change to the expense policy with respect to MLAs. Previously MLAs submitted their expenses for meals, but as part of the overall reorganization of expense policy and so on MLAs were put on the per diem that had previously existed for staff. As a party leader, as someone who does quite a bit of travelling, I've struggled a bit with the per diem, and I have set out for you the research that we've done on this. Our per diem is \$41.55 a day. It is amongst one of the lowest in Canada. The House of Commons is \$90.15, B.C. is \$61, and you can see the other numbers there.

I was asked about this just during the break by one of the reporters. I explained what our per diem was, and he said: boy, I get \$60 a day. We actually had my staff do a little bit of meal research as well to try and get some sample amounts. Now, you can actually save money, apparently, by having a breakfast sandwich at Tim Hortons. You can get that under, but if you have a full breakfast at the White Spot – you know, your amount is \$9.20 for breakfast – it will be \$15.84. For lunch, as you can see, we're allowed \$11.60. Lunch with just a main course and a soft drink is \$16.30, and a meal at, you know, not a bad but not a super fancy restaurant, Joey Tomatoes, with soup, fish, soft drink, and dessert will cost you \$44.07. The per diem is \$20.75.

I'm not sure how you want to proceed with this, Mr. Chairman, but I would suggest that we could refer this matter to the LAO staff to calculate. I mean, I don't expect people to take my figures, but I just wanted to do it for illustrative purposes. Perhaps we could have some research into it by the LAO in terms of a new per diem, or we could adopt the policy that is used for government employees when they travel, which is a per diem of, I think, \$41.25 . . . [interjection] It's \$41.75. So that number in this thing is not correct. It's actually \$41.75 or a submission of receipts. If we adopted that, I think it would give the flexibility we need.

Since we have decided that we'll be now posting our expenses online and being accountable for them, I think that some discretion can be tolerated. Of course, that is exactly the system that we had before a year ago, where it was just based on receipts.

So I will leave it to what the other members want to do.

**The Chair:** The hon. Member for Edmonton-Riverview.

**Mr. Young:** Thank you, Chair. Well, this was part of my overall motion that this committee did support, and we capped the housing allowance to a reasonable amount. We saw from your

deliberation at the beginning there that it translated into savings there but recognizing the per diem cost. The intent of that motion at the time was to be consistent, not picking the price of coffees and of Rigolletto's. You know, it was to be consistent.

**Mr. Mason:** They're examples.

**Mr. Young:** Yeah, I know. I'm not being facetious, but you recognize the challenges of how much somebody has for lunch.

The intent of it was to be consistent with the government. So I certainly support the member's motion to come back to that with the LAO if they had some research in terms of what that means. But the intent of the original motion was to be consistent with the public sector on that.

**The Chair:** Thank you.

**Mr. Mason:** Well, to respond, to actually be consistent with the public sector, it should be \$41.75 or submission of the receipts. That would solve the problem, and we wouldn't have to do more research if that's what committee members would like to do. Otherwise, I would support sending it for a bit of research.

**The Chair:** You know, Brian, my sense of this is that everybody might want to visit back with their own caucuses. I'm not trying to pre-empt – if there is such a word – what the mood or the spirit here is, but it's one of those issues that does require a little bit more digging and detailing because I think we're tied to what, in this case, the government's rates are. So we want to be a little bit careful. I'm prepared to go whichever way you want. Do you want to take a vote on this motion right now, committee members, or do you want to take it back to your respective caucuses and have a little bit of discussion and come back with a formulated opinion based on what your own members have said? This affects all 87 of us.

**Mr. Young:** I'm prepared to make a direction to have . . .

**The Chair:** I think Mr. Mason wants to crystallize this into the form of a motion.

**Mr. Mason:** No. I wanted to see what the rest wanted to do.

**The Chair:** The overall? Okay. All right.

**Mr. Young:** So table this to the next meeting so we can go back to our respective caucuses and discuss it broadly with our colleagues as well as direct the LAO to provide some kind of direction and – I appreciate that you've done a lot of work here already – basically take this research and just maybe expand it a little bit.

**Mr. Mason:** Sure. You can verify everything.

**Mr. Young:** I'm not questioning it.

Then we can have a fulsome discussion and decision from that point and a motion that we can either support or not support.

**The Chair:** Okay. I see Brian Mason nodding that he's okay with that approach.

**Mr. Mason:** Yeah. That's fine with me. That's fine.

**The Chair:** Okay. Let's officially table this to the next meeting, then, perhaps for more discussion and a decision. Agreed? Okay. That's agreed. Thank you.

Let's move to item 5(c). Mr. Mason, you have the floor again on custodial services.

By the way, could I just say thank you to both you and Donna Kennedy-Glans for giving us such advance notice of the motion in Donna's case and, Brian – I don't know where yours is going – on your point. We were able to circulate it to everybody on Monday, and that's as much advance notice, I think, as anyone could appreciate to get on either of those two issues. To you two members, thank you very much. It helps us a lot.

Mr. Mason.

**Mr. Mason:** Thanks very much, Mr. Chairman. This last point is perhaps more of a question for staff because it may not be something in the jurisdiction of the LAO. I have written to Minister Drysdale about the plans for custodial services in the new building. Currently our custodial services in the Annex and probably in the Legislature Building as well are actual government services staff, government employees, and my understanding is that the plan is that when we move to the new building, to the federal building, this service will be contracted out.

Do people have a copy of this letter?

**The Chair:** They should have. It was circulated Monday night.

**Mr. Mason:** Oh, you do. Okay. There are three points. I felt that we should really be consulted, first of all. Secondly, before this was brought in-house, we were not satisfied with the level of service and the cleanliness. Finally, we've had a problem with security relative to one of the private contractors leaving through confidential documents, which we have addressed previously, Mr. Speaker, with your predecessor. Those are our concerns. I don't know if it's up to the committee how the custodial services will be provided. I suspect it's up to the minister. But I want to raise it here and just see if there's anything that we can do.

12:20

**The Chair:** Thank you. Is there anyone else who wishes to chime in on this item?

**Ms Smith:** I'll chime in.

**The Chair:** Danielle, followed by Steve Young. Okay.

**Ms Smith:** I share Mr. Mason's concerns. We had a contractor come in one other time for I think the moving of office furniture, and they ended up lifting one of our staff member's iPad. Fortunately, it was able to be tracked down, and we were able to get it returned. But I have to say that I share Mr. Mason's concerns about contracting out when you know that many of these private, contracted businesses have a huge amount of staff turnover. Our staff and our MLAs do leave expensive items around. They do leave confidential documents around.

We have had no problem whatsoever with any of the custodial staff that are currently cleaning the Annex for us. They're very professional. We've had no issues with cleanliness, no issues with security, no issues with feeling like we had to be concerned about confidential documents.

I do think that this is the kind of thing that should be decided by this committee. I'm not sure how this decision was made without consulting with the caucuses, but I would want to see a reversal of that. If the Annex is going to continue to be maintained as an empty building, then perhaps that's where the private contractors can do their work, and then we would be able to have the existing staff come over with us to the federal building. I have to say that I

share Mr. Mason's concerns that this decision was made seemingly without consideration of those aspects.

**The Chair:** Thank you.

Anyone else? Mr. Young, and then Dr. Sherman.

**Mr. Young:** Thank you very much. I'm not going to share good experiences or bad experiences, but I think it certainly begs the question, and I'd like some more information in terms of the background checks for the people. We've had questions around security, and that certainly is a very valid point in terms of the reassurance around that, and also the standards of cleanliness that need to be considered. Then we need to find out from, in my understanding – and I'm certainly open to being corrected – the Minister of Infrastructure in terms of the decision. I don't think a decision has been made, but I'm certainly hoping to find that out.

I think our discussions, for our own confidence, should be around background checks, whomever you are. I don't care if you're a government employee or a contractor; there need to be assurances around the security and the background checks of the individuals. What is the standard of service we're asking for? Is it appropriate for what we need in our individual offices? I'm not going to point fingers at this person or that contractor, but certainly I think we might have input into the standards.

**The Chair:** Dr. Sherman.

**Dr. Sherman:** Thank you, Mr. Speaker. I support Mr. Mason and echo the comments of Ms Smith. We make some very important decisions here, whether it's the government or opposition. In the security and the integrity of the building we must maintain the best practice and have the highest standards for individuals, and I support Mr. Mason in raising this concern.

**The Chair:** Thank you.

Are there others?

**Mrs. Fritz:** Just a brief comment, Mr. Chair. I think that this is timely, and I'm glad to see that the discussion is here today. I don't know. As Mr. Young said, I'm uncertain, you know, if there's contracting out for the building as it opens or whatnot. But I can tell you that the staff in the building here are sure talking about it. They are concerned – and I'm sure that that's partly why this is here today – and they have been for some time. Everybody is looking forward to when the building opens, but many of the staff, if they wanted to move over there, are uncertain whether or not they'll be contracted out or if they will lose their job here. If you just step outside this room, you can talk to the staff there, and you'll hear it from them if they chat with you.

So it's timely, and we do need some clarification. I don't know where that will come from, through your office or through LAO.

**The Chair:** I was just going to propose that perhaps in order to – I've got the gist of where members are coming from. This is a new issue to me as well. If you would like, I wouldn't mind sending a letter to the Minister of Infrastructure asking for clarification on what the plans are, if there are any plans, and find out something really quickly on this before it marches down the road too far, so to speak. Is that an acceptable approach?

**Mr. Mason:** That's a good idea. I just wonder, though, Mr. Speaker, if Dr. McNeil can shed any light on what the planned arrangements are.

**The Chair:** Okay. Then Mr. Young.

**Dr. McNeil:** I've had no consultation with anybody. I haven't been approached by anybody. I think Scott can elaborate. Essentially, I think we've been told that this is what's going to happen but have not had any involvement in it as far as that decision-making process.

You mentioned that the service was privatized in this building for a period of time. It was contracted out, which was a very unsatisfactory situation. There was quite a differentiation between the service that was provided in the Legislature Building and what was provided in the Annex, so over time we raised a lot of issues and a lot of complaints about that differentiation. Eventually they came to the conclusion that the contractors were not, you know, performing up to scratch, and that was changed back.

I have no idea what the process was with respect to the situation as far as the federal building is concerned.

**Mr. Mason:** It is government services' decision. Is that right?

**Dr. McNeil:** Yes. We have no part in that process. We have had no part in that process.

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

**Mr. Young:** Just to supplement what your suggestion was, Mr. Chair, around finding out the status of that, I'd also think that we should find out what our role is, because I think we have some valuable insights that have been shared by other people in terms of where we'd like to be. Even if it is the minister's decision, perhaps there's an opportunity for this committee to provide some recommendations or some concerns on that decision. So I'd like to have some kind of feedback on what our role can potentially be in that decision.

**The Chair:** Okay. With your concurrence, then, that's how we'll proceed. I'll get a letter off as quickly as I can on your behalf and on behalf of 87 members in total. I think it's a serious issue that everybody could chime in on.

That would be acceptable to you, Mr. Mason?

**Mr. Mason:** That's great.

**The Chair:** Okay. Thank you. That's what we'll do.

That basically is it unless anyone has any other new business to come forward.

If not, then let me conclude the meeting this way. First of all, thank you. Some excellent progress has been made on some very complex issues that affect not only us but all 87 MLAs, affect our offices, affect our staff and other people that we work with. That was good progress.

We will have another meeting called fairly shortly. It may be a teleconference meeting because it might be moved forward by us sending something out to you for your review in terms of the budget. We'll just figure out how quickly we can get that done, so I don't want to obligate myself too far down that way, but we do need to have one final look at what the actual filed budget is going to look like.

Scott, please keep that in mind.

**Ms Smith:** Mr. Chair, can I just add an agenda item for you for the next meeting? Can you give us an update on the delay of the 2011-12 Legislative Assembly annual report and explain some of the reasons for that? I don't need that now, but if you could put that on the agenda for the next meeting.

**The Chair:** Yes. Certainly. It just went to print I think a few days ago. I saw it for the first time on Monday, Danielle, but David McNeil can give you the reasons why it was held up.

**Dr. McNeil:** The annual report of the Legislative Assembly Office is done on a calendar year basis, not a fiscal year basis, so the 2012 annual report will be published in the next week or so. It includes the financial statements for the fiscal year '12-13, so we have to wait until March – well, probably until May or June before those financial statements are completed for the fiscal year '12-13. This is the normal time of year when the standing orders call for the report to be tabled. So there's no delay from the historical past in terms of the tabling of this report.

**The Chair:** Okay.

**Ms Smith:** Thank you for that.

**The Chair:** Thank you.

For those who are here, we'll adjourn to continue our discussions informally over a hot lunch that is provided here, so I encourage you to do that.

The next thing, then, is that the date of the next meeting will simply be at the call of the chair. If it's possible to circulate dates in advance, I'll do that, but otherwise it may be one of those teleconference type meetings. So that's it in terms of the date of the next meeting.

The last item is a motion to adjourn. Moved by Mr. Young that we adjourn this meeting. Those in favour of the motion to adjourn, please say aye. Those opposed please say no. Accordingly, the meeting is adjourned.

We'll see you soon again.

[The committee adjourned at 12:30 p.m.]





