



Legislative Assembly of Alberta

The 28th Legislature
First Session

Special Standing Committee
on
Members' Services

Wednesday, December 19, 2012
1:02 p.m.

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Special Standing Committee on Members' Services

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Young, Steve, Edmonton-Riverview (PC), Deputy Chair

Calahasen, Pearl, Lesser Slave Lake (PC)
Dorward, David C., Edmonton-Gold Bar (PC)
Forsyth, Heather, Calgary-Fish Creek (W)
Goudreau, Hector G., Dunvegan-Central Peace-Notley (PC)
Jablonski, Mary Anne, Red Deer-North (PC)
Mason, Brian, Edmonton-Highlands-Norwood (ND)
Quest, Dave, Strathcona-Sherwood Park (PC)
Sherman, Dr. Raj, Edmonton-Meadowlark (AL)
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1:02 p.m. Wednesday, December 19, 2012

[Mr. Zwozdesky in the chair]

The Chair: Okay. I'd like to call this meeting of the Special Standing Committee on Members' Services to order at this time. We'll go through the list here for who's present either in person or by teleconference. We will begin with Dr. Sherman, on my left.

Dr. Sherman: Raj Sherman, Edmonton-Meadowlark.

Mr. Mason: Brian Mason, Edmonton-Highlands-Norwood, on his left.

Mrs. Jablonski: Good afternoon. Mary Anne Jablonski, Red Deer-North, on the right.

Mr. Dorward: David Cameron Dorward from Edmonton-Gold Bar.

Mr. Young: Steve Young, Edmonton-Riverview.

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

The Chair: Thank you. Whom do we have on teleconference, please?

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

The Chair: Thank you.

Anyone else? Is anyone else joining us by teleconference? Not yet. Well, we have a quorum, so I guess we will proceed. Presumably there might be a few others who are coming but might be a bit late.

In any event, let's move on and see who else is here, starting with Dr. McNeil.

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

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

Ms Breault: Jacqueline Breault, manager of corporate services in the FMAS branch.

Mr. Reynolds: Rob Reynolds, Law Clerk and director of inter-parliamentary relations. Merry Christmas.

Ms Quast: Allison Quast, committee clerk.

The Chair: Thank you. I'm Gene Zwozdesky, chair of the committee. Roll call has been done.

Under the housekeeping item banner I just wanted to tell you that I did visit three more constituencies last week, and I'm hoping to visit three additional ones this coming Friday, which would take me up to 21 since I began the Speaker outreach visit tour. I'm not sure that Friday will work out because of scheduling and everything else, but that is my endeavour.

Is there anyone else who has an item to bring to our attention under housekeeping? No items? Okay. Thank you.

Let's move on. You all have before you an agenda. Could I please get a motion to approve the agenda as circulated? Moved by Mr. Mason.

Dr. Sherman: Mr. Speaker, on the agenda I wonder if I can get your permission to move 4(c) up to 4(b) and bump 4(b) down to 4(c) because a lot of the MLA remuneration – that report has already been tabled.

The Chair: Just a moment. Where are we here? Yeah; 4(b) is MLA remuneration. You know what? I don't anticipate we're going to be on the budget very long because we have to finish the budget deliberation today, and we're not dealing with committee issues. So if you'll be patient, Raj, I think we'll get to your items today.

Dr. Sherman: No, but in order of priority, if we can reprioritize my two items, we can make 4(c) 4(b) and make 4(b) 4(c).

The Chair: Mr. Mason has moved that we approve the agenda as circulated. Dr. Sherman wishes to move an amendment to that motion. You're welcome to do so, but we do have a motion from Mr. Mason that's on the floor now. So you have an amendment to it.

Dr. Sherman: Yes.

The Chair: Proceed with your amendment.

Dr. Sherman: My amendment is to move item 4(c) up to 4(b) and move 4(b) down to 4(c).

The Chair: So switch these two around. The net effect, just so that I can have it clearly in my mind and perhaps so that others can as well: when we get to item 4, which will be old business, we will deal with the Legislative Assembly budget estimates, the conclusion of all of that, and then we'll need a motion at the end of that so that we can meet the timelines. Then instead of going straight on to the MLA remuneration review, which would be Dr. Sherman's motion 1, let's call it, he would like to switch that around and deal with caucus and constituency budgets, that motion, first, right?

Dr. Sherman: That's correct.

The Chair: Okay. That seems entirely doable.

Let's vote on the amendment. Those in favour of Dr. Sherman's amendment, please say aye or indicate otherwise. Are there any opposed to the amendment? Seeing none, then that amendment is carried.

Now, on the main motion by Mr. Mason as amended. Those in favour, please say aye. Are there any opposed? None. That is approved accordingly. When we get to it, it'll go 4(a) and then 4(c) and then 4(b).

All right. Let's move on to the minutes of December 10. Could I get a motion to approve these minutes? Moved by Mr. Goudreau to approve the minutes of December 10, 2012, of this committee.

Is there any discussion? Mr. Mason.

Mr. Mason: Thank you, Mr. Chairman. In the minutes – and they're not inaccurate; it just gives rise to a question – five members put forward their names to be on the subcommittee. Who will call that meeting?

The Chair: I haven't yet appointed anyone to sort of chair it, so to speak, but I think the first one that I heard volunteer for it was Mr. Dorward.

David, do you want to comment on that? Would you be willing to be the chair of that subcommittee and to also call the meeting?

Mr. Dorward: Yes. I would be honoured to do so. I would like to have some direction as to the reporting back date, Mr. Chair. Yes, I'd be pleased to do that.

The Chair: All right. There you have it. Mr. Dorward will chair that subcommittee. Thank you, David. The meeting will be called

at his behest, presumably once we've finished our business because we have to conclude our budget talks first here today. We'll look forward to Mr. Dorward informing us as to when that subcommittee will meet.

All right. Thank you for that. Is there any other discussion or are there any other comments regarding the minutes of December 10 and the motion that's on the floor? Not hearing any, not seeing any, I'll call the vote. Those in favour of the motion, please say aye. Those opposed, please say no. Thank you.

Ms Calahasen, would you like to sign in for the record?

Ms Calahasen: Pearl Calahasen, Lesser Slave Lake. Sorry I'm late.

The Chair: No problem.

Ms Calahasen: Traffic.

The Chair: Traffic is traffic.

Is there anyone joining us by teleconference yet? No? All right.

Mr. Quest, sign in, please.

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

1:10

The Chair: Thank you.

We are 10 out of 11. Let's move on, then. We have the minutes approved. We are now going to conclude, I hope, by beginning where we left off, with old business on Legislative Assembly budget estimates.

Hon. members, we had just concluded our discussion with respect to tab 9, which in your binders would be MLA Administration. We had just gotten into a bit of a discussion on the budget variances, and at that point we had to adjourn. I would propose that we move on and begin with the budget with respect to Government Members' Services, which is tab 10. Is that agreeable to everyone? It doesn't mean we can't come back to previous stuff, but officially to move this along, we'll go to tab 10, government services. Is there any objection to that? None. Okay. Thank you very much.

Let's start here. Members, what you have before you now on page 1 of 2 is a summary of what we call Legislative Assembly caucus budgets. In particular, we're looking at some of the budget numbers as they apply, first and foremost, to the largest group of private members, which is government members. Then we'll look at the Official Opposition services budget. Then we'll go to the Liberals, and then we'll go to the New Democratic Party. Then there are some other items that are carry-forwards, but we don't really have to deal with them because we don't have an Alberta Party caucus at the moment, nor do we have any independent members, nor do we have any vacant electoral divisions, and we don't have a caucus funding contingency as such.

Let us begin, then, with the members' services. If you'll now turn to page 2 of 2 under tab 10. This is a sheet titled Government Members' Services: Summary of Budget Estimates. You see before you there a description on the left-hand column called Private Members' Allowance, and basically the private members' allowance tells you in the first number how many private members there are on the government side. Again, for clarity, that's noncabinet members. Then it's multiplied by a factor of \$73,035, which is consistent with all the other caucuses as well, and we come up with an estimate for 2013-2014.

Are there any comments to be offered with respect to this particular page and, in particular, the government members' services budget estimate? Mr. Young.

Mr. Young: Yeah, just a question. In previous charts it's shown a forecast amount. Can you explain the relevance of the forecast amount in this table?

Mr. Ellis: Basically, we're just trying to compare or show a forecast for the current year, what is anticipated in terms of expenses there. That's the purpose behind that number.

Mr. Young: So the forecast would be the same.

The Chair: Just before you go ahead, Mr. Young, Dr. McNeil has a quick supplementary.

Dr. McNeil: We have never presumed to forecast what the caucuses will spend. That's essentially the answer. That's why there's no forecast number there.

Mr. Young: Okay. Thank you.

The Chair: Okay. Any other questions with respect to page 2 of 2?

Ms Calahasen: I don't know if it's the same question. I was trying to figure it out. It says 2012-13 is \$2.5 million and then 2013-14 is \$2.4 million, yet it's the same number. Could you tell me what the reasoning is for that?

The Chair: There's a difference in the number of private members.

Ms Calahasen: So it's not 34. It's different.

The Chair: It's the number of private members going into '13-14. In other words, it currently is fewer than was estimated before.

All right. Any other questions on this page? If not, let us go to Official Opposition Services, tab 11, please. The same thing applies here. You look on the left side. There's a description, and it means there are 17 Official Opposition members in the Wildrose caucus, and they also are receiving \$73,035 per private member. You see the numbers extended outward there.

Are there any questions with respect to this page?

Mr. Goudreau: Well, I'm just curious about the Calgary caucus office estimate at \$83,584. Maybe a question to Mr. Ellis: how is that money used, and what can they use the office for? I'm just curious as to the reason for having a Calgary caucus office.

Mr. Ellis: This arose historically when the Official Opposition wanted to have a Calgary presence, and funds were established for that purpose. That has continued to roll forward over the years with appropriate inflationary increases to today, and the amount is there for funding purposes with no restrictions.

The Chair: Thank you.

Mr. Goudreau, a short supplemental.

Mr. Goudreau: I'm just curious. Is there a Calgary caucus office, and is it being used?

Mr. Ellis: I don't believe the Official Opposition has a Calgary office right now.

The Chair: Let's get Mrs. Forsyth to comment if you would quickly, Heather. Do you have a Calgary caucus office yet?

Mrs. Forsyth: Not at this time.

The Chair: Okay.

Let's be clear that the amount that's allocated for it can be used by the Official Opposition in any way they wish. It's melded in with their larger caucus budget, right?

Mrs. Forsyth: Yes, that's correct.

The Chair: That's correct. Okay.

Let's move on, then.

Mr. Dorward: I was going to change the subject.

The Chair: No. We're dealing with the Official Opposition page.

Mr. Dorward: Okay. Let's go through that first, and I can get back.

The Chair: Yeah. We'll come back to you.

Mrs. Jablonski.

Mrs. Jablonski: Thank you. Just for clarification, we have a leader's office allowance of \$505,444 plus a Calgary caucus office allocation of \$83,584. It doesn't matter whether or not they actually have an office. They can use those funds for anything they wish without restriction. Is that correct?

The Chair: That's correct. In some cases they might just be hiring some staff there, or they might be doing other outreach. It's totally up to them. This is a historic amount that goes back with commensurate increases in every year. My recollection is that it's about 20 or 21 years ago when this particular line item, if you will, was first brought in, and I don't think we've had any complications with it before.

A short supplemental from Jablonski.

Mrs. Jablonski: If this item is unrestricted and doesn't have to be used for a Calgary caucus office, why would we put it as a separate line item, making us believe that there's a Calgary caucus office? Why can't we just include it in another total?

The Chair: I think your point is made, but the fact is that this has always had its own separate calculation, if you will. The leader's office allowance is based on – is it approximately what it costs a minister's office to operate?

Mr. Ellis: That's correct. That was the original.

The Chair: So it has a separate calculation, Mary Anne, and it stands alone. The Calgary caucus office budget for the Official Opposition also stands alone. It's just been a line item historically for about 20 years.

Do you want to comment briefly, Mr. Ellis?

Mr. Ellis: It's similar to what we have for the members' services allowance in that we have a constituency element amount, a communication element amount, a promotional element amount. All of those amounts add up to the total budget available to the member to operate that constituency office. We don't restrict anyone in terms of how much they communicate or how much they spend on their rent. It's a very similar type of item. We want to list out the elements that make up the total funding.

The Chair: Okay. Thank you.

Are you done, then, Mary Anne?

Mrs. Jablonski: Yes.

Ms Calahasen: If I recall correctly, this was actually only brought in to be able to address the issue of when Liberals only had Edmonton members. There was this idea that maybe we should be able to look at a democratic process for the Official Opposition so they can have this. So it hasn't always been there. It was added later on in trying to figure out how we could deal with this. I guess my question is: if that was one of the original intents, then should we actually continue to provide dollars for a specific Calgary office to be able to help those that are also from the south?

The Chair: Well, we can check on it, but my history says that it goes back to about 1991.

Jacque Breault, do you recall this any better, or was it added in later?

Ms Breault: It was done in the 1994-95 budget estimates. It would have been after the 1993 election.

1:20

The Chair: From the discussion we had yesterday, the information I had going into this meeting, Pearl, was 1991, but the staff have since looked it up to give us a more accurate date.

Ms Calahasen: Yeah. I remember when we were discussing this.

The Chair: It's 1994-95 when it first came in?

Ms Breault: As a specific line item. Yes.

The Chair: As a specific line item. Thank you very much.

Okay. Mr. Young, followed by Mr. Mason, followed by Mr. Quest.

Mr. Young: Thank you, Mr. Chair. I understand, and certainly we all benefit from the history of Member Calahasen. It makes sense why it came about. With the Liberals having had most of their presence at that time in Edmonton and none in Calgary, an office does make sense. Fast-forward, and how many elections has that been since? The world has changed. The opposition does have a presence in Calgary, and my biggest concern is that there are no restrictions around this. It says Calgary office, and I'm okay with Calgary office. I'm not okay when I hear: no restrictions.

The Chair: Well, let's be clear. When I used the term "no restrictions" – or someone else did; I forget who did it first – it still means that the monies have to be spent within the rules and the regulations and the guidelines that exist. It's not just free money to do almost anything with. It still has to conform to the proprieties of our budgeting process.

Mr. Young: Fair enough, but that line item is very specific, Mr. Chair. It says "Calgary Caucus Office." That does not mean no restrictions. It doesn't mean staff. It doesn't mean pencils and sharpeners. That means a physical space for them to run their operations out of Calgary. In my mind, if they do not have an office, they should not have the money there. That line item should be removed. If they have the office, they can have the office. Those restrictions should be in place around that.

The Chair: Okay. Thank you. So you would favour it being changed to something that reflects more of the reality such as Calgary caucus presence or something like that?

Mr. Young: No. It reflects it really well, actually. It says "Calgary Caucus Office."

The Chair: I hear you.

Mr. Young: In terms of an office space in Calgary. Rent.

The Chair: Thank you.

Mr. Mason, followed by Mr. Quest.

Mr. Mason: Thank you very much, Mr. Chairman. Now I'm a little confused. They can't take the money in the line item for the Calgary caucus office and spend it on additional staff in Edmonton, for example, can they? If they're going to get the money, don't they have to open and staff an office in Calgary?

The Chair: I'll get Mr. Ellis or Ms Breault to clarify. When I asked some of these questions in preparation for the meeting, I understood that this amount gets melded with their larger amount on that page, and they are free to use it howsoever they wish. Presumably they're using it in Calgary for some Calgary purpose, but that is entirely their call.

Mr. Ellis to clarify.

Mr. Ellis: Over history that amount has been there, and there has never been a restriction put on those funds by this committee to restrict the use of those funds for only a Calgary caucus office. We went back in the transcripts to 1994, and that's been the situation coming forward. It has never been restricted. There's no order or provision that mandates that.

The Chair: Thank you.

Someone has just joined us. Sign in, please.

Ms Smith: Hello, Mr. Chair. It's Danielle Smith from Highwood.

The Chair: Thank you. Danielle Smith has now joined us.

Now, it was Mr. Mason who asked the question. Did you get the clarified answer you were looking for?

Mr. Mason: Yeah. Well, I guess I'm a little bit surprised. I know that the Liberal caucus, when it was the Official Opposition, did maintain and staff an office in Calgary. I'm a little surprised that the Wildrose hasn't done that, but I would prefer, rather than changing the budget in the line item, to just create the policy that the money is available but only for the operation of an office in Calgary. That would be preferable from my point of view.

The Chair: Thank you. It's a suggestion only at this stage.

Let's finish the speakers list here. Mr. Quest, followed by Mr. Young.

Mr. Quest: Thank you, Mr. Chair and Mr. Ellis. I'm also a little confused by this. I understand the history now, thanks to Pearl Calahasen. We've got a budget here for an office that doesn't exist, with no restrictions, and it would seem, looking at the leader's office allowance, a fairly substantial year-over-year increase for this office that doesn't exist and has no restrictions. I'm just kind of wondering what that increase is based on, then, since I'm very confused as to what the money is even for in the first place.

The Chair: Are you dealing with the Calgary caucus office line item exclusively?

Mr. Quest: I'm dealing with the Calgary caucus office. I'm sorry; actually, you're right. I'm dealing with the leader's office allowance and, just to supplement, the Calgary caucus office increase also.

The Chair: I suspect part of the answer, Dave, is something to do with the prorating formula, but let's get either Jacquie or Scott to elaborate on that if you would, please.

Do you understand what Mr. Quest is asking?

Mr. Ellis: I believe so.

The Chair: Okay. Mr. Ellis to clarify.

Mr. Ellis: As is outlined in the budget parameters, we've applied a 2.7 per cent increase to the per-member amount, to the leader's office allowance, to the Calgary office, and to committee research. All of those amounts have increased 2.7 per cent from what they would have otherwise been at the beginning of the current fiscal year.

The Chair: The chair is struggling to hear you at that end, especially when there are conversations going on at the side, so just move the microphone closer to yourself.

Are you receiving okay at your end, Heather and Danielle?

Mrs. Forsyth: Yes, actually, we are. We're both intently listening.

The Chair: As long as you're picking up the microphones. Okay. Thank you.

Mr. Quest, followed by Mr. Young. Oh, sorry, Scott; did you finish?

Mr. Ellis: Yes, I did.

The Chair: Okay.

Mr. Quest: Could I just have a supplemental? So it's a 2.7 per cent increase on the amount. Because this is substantially more than 2.7 per cent, what was the other part, Scott? I'm sorry.

Mr. Ellis: Well, the 2.7 is a weighted average percentage increase. What it reflects is a 3 per cent merit increase for staff costs blended with a 2 per cent increase for CPI for supplies and services and those kinds of things. We blend those together. Caucuses typically have about a 70 per cent expenditure on human resource expenses and about 30 per cent on supplies and services, so we do a weighted average calculation because the actual amounts could change.

Mr. Quest: Okay.

The Chair: Right. You should maybe finish that explanation of what you mean by the blended figure because you're really taking 70 per cent of the 3 per cent – isn't that right? – and you're taking a certain percentage of the 2 per cent.

Mr. Ellis: That's correct.

The Chair: Let's have David McNeil clarify that again.

Dr. McNeil: The reason that that increase has more than 2.7 per cent showing there is because the number for 2012-13 is based on what their budget is as of April 23 to the end of this fiscal year as opposed to the whole year. That's why it's higher than 2.7 per cent.

Mr. Quest: Just to back the bus up one more time, it's for staffing, but we don't have any staff.

The Chair: Are you talking about the Calgary caucus office?

Mr. Quest: I'm talking about the caucus office now.

The Chair: I don't know if they have a staff or not. We have Ms Smith on the line and Heather on the line. Could you just rephrase your question more longhand to either of them, and maybe one of them could chime in, please, Mr. Quest?

Mr. Quest: Okay. If I could, I'm just going to focus on the office itself because the office, as I understand it, does not exist. So we've got an allowance here and an increase. I thought Mr. Ellis said for staff, but whatever it's for, we have an allocation, we have an increase, but we don't have an office. Is that correct?

The Chair: Ms Smith.

Ms Smith: Sure. At the moment, no, but we are in the process of searching for a business-centre space in Calgary and negotiating with an individual to staff it on at least a half-time basis. As you can see, the amount is not enough to be able to pay for a full year of office space as well as a staff member. We have been focused on making sure that we've got our legislative staffing in place. Now that we have a little bit of time in the break, we are hoping to be able to staff that at least with a half-time person, probably by the end of January.

The Chair: Okay. Thank you.

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

Mrs. Forsyth: You can add me, please.

The Chair: Thank you. Mrs. Forsyth after that.

Mr. Young: A 2.7 per cent increase on an office that doesn't exist. I'm not sure what happened in the past, but it seems to me – and I see the leader's office allowance here at \$505,444 as well as the 17 times the standard amount for each of their members. I fully support that this be for rent only for a nonpartisan office, but I see there are allowances and amounts that are clearly within the unrestricted realm to be used. I see a line item there for an office. To me, that means a rent only for a nonpartisan office. I'd be prepared to make a motion that that be clarified for this committee and the public.

1:30

The Chair: Do you want to make a motion now? Mr. Mason is contemplating a motion as well. I only have two speakers left on the speaking list, and we can come back to your motion. I have to entertain Mr. Mason first.

Mr. Young: I'll stand by . . .

The Chair: And wait for Mr. Mason. Okay.

Let's hear from Dr. Sherman and Mrs. Forsyth, and then we'll open the floor to some motions if there are any to come forward. Is that agreed?

Hon. Members: Agreed.

The Chair: Agreed. Procedurally we're okay? Thank you.

Dr. Sherman: Thank you, Mr. Speaker. I'd just like to shed some light on this, having had the unique opportunity to have served in government, to be Official Opposition leader and to be second opposition leader. Members of government have the opportunity to meet stakeholders and caucus at McDougall house, that's open to government. As Official Opposition leader it was useful to have somebody on the ground in Calgary and for others to meet in nonconstituency offices because there has to be a separation between constituency and caucus functions. We did find it a chal-

lenge because of the costs of rent and costs of employees. We actually had to transfer funds from caucus here to subsidize that office there because \$83,000 wasn't enough. I recognize the challenges that Ms Smith and the Wildrose are having because our expenses were more than \$83,000 to run that office.

Now, in a democracy I believe all opposition parties should have the opportunity to listen to all Albertans. We do currently have a teeny, little cubbyhole in Calgary, and we have one of our researchers sitting there. I would ask the committee to consider the other opposition parties having some funds available, even for the NDP, to have an opportunity to have a small office and staff. We are using caucus funds for that.

I support the Official Opposition as well as the other opposition parties having the ability to have that Calgary office. I would ask government members to please understand that it is a challenge. I can understand the challenge that the Wildrose is having getting a space and hiring staff. Full-time staff at \$65,000: you're not going to get an office for rent in Calgary. So I would ask the government members to please be understanding of that fact. Unless we could have McDougall house?

The Chair: Thank you.

Mrs. Forsyth.

Mrs. Forsyth: Thanks, Mr. Chair. As someone who was with the PC caucus for a very long time and is now a member of the Wildrose opposition, I'd like to reiterate some of the things that Dr. Sherman has said. We don't have, as I did when I was a PC, the luxury of having meetings at McDougall, having all-day caucus meetings at Government House and separate meetings for dignitaries, et cetera, at Government House. As the leader indicated, we are looking for a Calgary caucus office.

You, Mr. Speaker, have travelled the province, and I know that you have heard of the sky-high rents that we're facing in our MLA offices in Calgary alone. We were forced to move less than a year ago from a very small space, probably the smallest MLA space in the province, and finally, after searching and searching, we found a new spot, which, of course, increased our rent, with the cost of moving and things like that.

We're not opposed at all if the government is prepared to open up McDougall to those members of the Official Opposition, providing us space. I would like to know where in the PC budget the office space for McDougall is included or for when they're using Government House. I mean, that's got to be somewhere in the budget, but I haven't been able to pinpoint it anywhere. If my caucus colleagues from the PC would like to argue about the Calgary caucus office, we're not opposed to them opening up a spot for us in McDougall. I'm sure the rent would be cheap, and I know there's lots of space there.

I think the caucus office is important. There are only two of us there. We've got 15 other MLAs from southern Alberta. As the Official Opposition I can tell you that we get requests all over the province. I get numerous requests in Calgary. Dr. Sherman has referred to the fact that we cannot meet in our constituency office. So we're searching, trying to find places to meet when we're meeting with maybe somebody from the health sector, from the oil and gas industry. I mean, I could go on and on. You know, as Danielle has indicated, we're looking for a space, but the budget and the rent and a salaried employee have been a challenge.

The Chair: Thank you.

Just to be clear, we're dealing with LAO and private members' business here, not government business. I know that everybody knows that. I would just reiterate it.

With Mrs. Jablonski, I think that concludes our speaking list. We can go back to entertaining motions after this.

Mrs. Jablonski: Thank you, Mr. Chair. Just for the record I certainly am not opposed to the Calgary caucus office. I think what we would like to see is that the budget item be used specifically for a Calgary caucus office and not be unrestricted.

The Chair: Thank you.

I believe Mr. Mason, who will be first up next, might have a motion to that effect. But let's keep in mind what Ms Smith just said, that they hope to have something in place by the end of January, and we are dealing with the budget that starts April 1 of 2013 in our estimates.

That concludes the speakers list for the moment before we go to the first potential motion. Let me go back in order now. Just to refresh, we're dealing with the Official Opposition services summary of budget estimates for 2013-14.

Mr. Mason, you had a suggestion or an idea that you might wish to crystallize into a motion, so I'm going back to you first.

Mr. Mason: Well, thank you, Mr. Speaker. I certainly wouldn't want to deprive the government members of the opportunity of dealing with this. In fact, I'm looking rather forward to what mischief they're up to with respect to the Wildrose budget today.

The Chair: Okay. So you're not in a position to put a motion forward. Is that what I hear?

Mr. Mason: No.

The Chair: Okay. Thank you.

I go to Mr. Young, who also had a potential motion. Let's deal with your potential motion. I don't know if you have one or not, Mr. Young.

Mr. Young: Okay. I propose that we maintain. I think that the 2.7 per cent increase is a reasonable amount; \$83,584 is a reasonable amount, and the rationale for it was reasonable for the opposition, as many have suggested. I move that that amount be restricted to rent only for a nonpartisan office.

Mr. Mason: No. It's to cover staff as well.

Dr. Sherman: To cover staff as well.

The Chair: I think previous oppositions have used it for staff as well, but there is a lot more that goes with it. They might use it for newsletters and communications and promotions and whatever. Just phrase your motion, and I'll accept it whichever way you want to put it, but that's the context within which I think Dr. Sherman commented.

Mr. Young: Okay. Consistent with the Calgary caucus office budget line item of \$83,584, that it be restricted to rent and the operations of a nonpartisan office.

The Chair: Okay. Rent and operations of a nonpartisan office. We have a motion on the floor from Mr. Young, which you've just heard phrased. Are there any other speakers to this motion? I have Mr. Mason, followed by Mr. Goudreau. Can I get a signal from teleconference? Danielle, do you or Heather wish to chime in after that?

Mrs. Forsyth: I will speak to that.

The Chair: Okay. Heather will. Thank you.

Let's go with Mr. Mason and then Mr. Goudreau and then Mrs. Forsyth and then Mr. Dorward.

Mr. Mason: Thank you. Mr. Chair, if I can, through you to the Clerk, there are rules that affect opposition caucuses that require them to be nonpartisan. Is that not correct? Does this go beyond the severe restrictions that are already imposed?

Dr. McNeil: Yeah. I think you have to differentiate first between the constituency office, which is nonpartisan because you're serving all citizens, and the caucus office to some extent. I mean, I don't know how you can view it as nonpartisan in that it's representing a caucus in the House, which is representing a party elected by the people of Alberta. You know, there are expenditure guidelines related to caucus offices, so those guidelines would apply equally as well to that office in Calgary.

Mr. Mason: Okay. Then I'll propose an amendment. I'll propose that we amend the word "nonpartisan" to "consistent with LAO caucus guidelines."

1:40

The Chair: Okay. So we have an amendment on the floor which amends Mr. Young's motion by essentially – help me out here, Rob Reynolds – removing the term "nonpartisan" and substituting "consistent with LAO caucus guidelines."

Is that right, Mr. Mason?

Mr. Mason: That's correct.

The Chair: Okay. Do I have that capsulized properly, Mr. Reynolds?

Mr. Reynolds: Thank you, Mr. Chair. I'm sure you do. I'm just trying to capture from Mr. Young whether he perhaps had a written version of the motion.

Mr. Young: I could just repeat it if you want. Then you can add in Mr. Mason's amendment.

The Chair: Are you going to repeat your original motion?

Mr. Young: Correct. For Mr. Reynolds.

The Chair: Okay. So give us your original motion for the record again, just for clarity purposes, Mr. Young.

Mr. Young: That consistent with the Calgary caucus office budget item, the office be restricted to rent and operations of a caucus office consistent with the LAO guidelines.

The Chair: Okay. So you're doing your own friendly amendment to your own motion, which will speed things along here and capture what Mr. Mason wanted anyway.

Does everyone accept that friendly amendment, or do you want us to go through the more formal process? Do I hear any objections? None? Okay. Thank you. Mr. Young's motion is hereby corrected to read as he just enunciated.

Are there any other speakers, then, to Mr. Young's motion?

Mrs. Forsyth: I believe you had me on the list.

The Chair: I did, after Mr. Goudreau.

Mr. Goudreau: Mr. Chairman, I might be ruled out of order here, but we constantly refer back to 2.7 per cent, as we go from \$76,000 to \$83,000, and even the line above, from \$461,000 to \$505,000. I'm really struggling – and maybe it's the cold that's frozen my brain here – to understand how 2.7 per cent is, in fact, a

10 per cent change. I see those numbers as 10 per cent changes, and I just want clarity. Before we do vote on Mr. Young's motion, I want to be able to understand what we've done here because those two numbers, to me, are 10 per cent increases.

The Chair: Yeah. Okay. There's the pro-rated issue and a number of other things that have been referenced, but who wants to tackle this to try and get it into very succinct definitional terms? David McNeil, who should we start with? Jacquie Breault?

All right. Jacquie, tell us who you are once again for the record, and then proceed with the answer.

Ms Breault: Jacqueline Breault, manager of corporate services. This year is rather anomalous in that we had the election period, so April 1 to polling day, where the Official Opposition was the Wildrose opposition. It had a different budget, that was pro-rated for that period of time. From polling day onwards, of course, the Wildrose became the Official Opposition . . .

The Chair: Can I just go back? Who was the Official Opposition on April 1?

Ms Breault: The Liberal opposition.

The Chair: Right. You had mistakenly said the Wildrose. Do you want to just start that over again just so we get it properly enunciated in your words on the record?

Ms Breault: Certainly. Prior to the election the Wildrose opposition had a different budget based on their status at that time. From polling day onwards as the Official Opposition they have received a pro rata of the pieces of the budget that they were eligible for as the Official Opposition. Therefore, the comparable column in 2012-13 is, again, sort of a blended amount based on pre- and postelection factors and the status of that caucus at that time. It's not sort of one year of being the Official Opposition or one year of being another opposition party. It's a mix of the two.

The Chair: I think the issue, though, is that the difference between \$76,000 and \$83,000 in round numbers is greater than 2.7 per cent.

Ms Smith: If I may kind of weigh in on this as well, Mr. Chair?

The Chair: Okay. I'll add you in. On this point, Danielle?

Ms Smith: It is, yeah.

The Chair: Okay. Specifically on this point, I'll allow it. Go ahead.

Ms Smith: I had been confused by this last week as well. Scott and I took some time afterwards so I could understand what the numbers would have been if we had had a full year as Official Opposition as of April 1. Maybe this will help add some clarity. If we had been Official Opposition as of April 1, that line item that says \$461,142 would have been \$492,155, the line item that says \$76,259 would have been \$81,387, and the line item that says \$406,037 would have said \$411,379. It's because we had 23 days in April when we were not Official Opposition; that accounts for the differences in all of those numbers. That's what the prorating issue is. If you take the numbers that I just read into the record and multiply that by 2.7 per cent, then you'll get to the 2013-14 estimate.

The Chair: Yeah. Understood. I think that that's the clarity that has been sought.

Mr. Goudreau, briefly.

Mr. Goudreau: Well, I really appreciate the comments, and I thank everybody for sharing those numbers. Certainly, I can buy that particular argument. Thank you.

The Chair: Yeah. It's a bit of a hypothetical situation there, but it explains it succinctly. For numbers on the page we have to go by reality, not hypothesis.

Okay. Thank you very much, Danielle. Thank you, Mr. Goudreau.

I have Mrs. Forsyth, followed by Mr. Dorward if you still wish to speak. Let's go to Mrs. Forsyth.

Mrs. Forsyth: Thanks, Mr. Chair. What I would like to get some clarification on is the amendment that was brought forward by Mr. Young where he talks about rent and operations. Operations can have a different meaning for different people when you're talking about the operations of a budget, so if he would like to clarify what he considers operations. Does operations mean running the office? Does that include staff? Does that include the mailers that we may look at, that has been done previously?

Again, I want to go back to what I said at the beginning. I know you reminded us that we're talking about LAO staff, but I think that to put things in perspective – and I guess I'm not sure where we would get these numbers – what does it cost to run Government House on behalf of the government, and what does it cost to run McDougall Centre? I know that as a previous PC I utilized McDougall all the time. I have no idea what the rent would be. I think people have to keep in mind some of the roadblocks that we're facing trying to find rental space. As I indicated, maybe we should be writing to the Premier asking her to saw off pieces of McDougall for the opposition members to have meetings, et cetera.

Thank you.

The Chair: Heather, those are very good questions. As you know, we don't have answers for those because Government House is a government-related issue, so it comes up under their budget, not ours. You'll have a chance to ask those questions in the House when main estimates come forward. My recollection – and somebody can correct me if they know otherwise – is that Government House and those types of operations, chief of protocol and so on, typically come up under the Executive Council aspect. So that's where it would be dealt with.

Now to answer the question specific to operations, Mr. Young, what did you have in mind with operations in your motion?

Mr. Young: Well, I have complete confidence in the LAO and their guidelines. I guess my concern is that if you don't have an office, you have no expenses. If you have an office, there's quite a broad range of expenses in terms of heat, power, rent, and staff, and there's a reasonable amount that's afforded that. Until that office has open doors, there's not unrestricted – that's my concern, that this could be used. If it's unrestricted, we should take the line item out, but if there is an office, then let's put it in there. I appreciate the clarity and the accountability around that piece.

The Chair: So my read on it is that by putting in the word "operations," you're giving them full range here for whatever it takes to operate that office.

Mr. Young: Assuming there's an office.

The Chair: Assuming there's an office, to begin with. I understand that.

The guidelines that prevail over the word "operations" as they're understood from LAO's perspective are very wide

ranging. I'm just wondering: Scott, do you or Jacquie want to comment briefly on what typically operations might include?

Mr. Ellis: Certainly. It could include, obviously, rent, utilities, staffing costs, maybe some small supplies and furniture. All those kinds of items would be acceptable expenditures under the caucus expenditure guidelines.

The Chair: Thank you.

I have Mr. Dorward next on the list if he still wishes to speak.

Mr. Dorward: Yeah, just briefly. I believe it will be a quick question because I think I've determined what's going on here thanks to Mr. Mason's help. I just looked forward to tab 12, and under the Liberal Opposition Services – and they're not the Official Opposition now – there is \$5,000 for a Calgary caucus office and no proposed estimate for '13-14. I assume that's the little bit that was left over after the election started, and I'm getting a nod on that. So that's fine; my question is over on that one. I'm supportive of the motion, and I think it's a good thing to have it.

1:50

The Chair: Thank you.

Are there any other speakers to Mr. Young's most recent motion, which for purposes of the record I can read aloud because I've been provided with a typed copy here now? I'll just rephrase it if we're ready for the question. I think we are. Well, here's the motion on which you'll be voting. Moved by Mr. Young that the budget allocated for the Calgary caucus office under Official Opposition services be restricted to rent and operations for the office and that the expenditures be consistent with the LAO expenditure guidelines.

That is the motion. Did I read it correctly, Mr. Young?

Mr. Young: Yes. Spoken quite eloquently, I might add.

The Chair: Okay. Thank you.

Are you ready for the question? The question has been called. Those in favour of Mr. Young's motion as I just read out, please say aye. Those opposed, please say no. That's carried unanimously. Thank you very much.

Let us move over to the next tab, which is tab 12, and it says Liberal Opposition Services. We've had a fairly significant discussion on Official Opposition services, the page before, so are you ready for the question on this page, or does anybody require any clarification or wish to make a comment?

Mrs. Forsyth: I would like to ask about the Liberal opposition, then. Well, I guess I was kind of interested in what Dr. Sherman had to say about the Official Opposition having some operating dollars and rent dollars so they can utilize space in Calgary. Is there a rationale? Is it because, as you indicated earlier, history prevails, that it's the Official Opposition? Maybe someone could clarify that for me.

The Chair: I think Jacquie probably could clarify it, Heather, but basically that \$5,128 for 2012-13 would cover the prorated amount for the first 23 days of April.

Mrs. Forsyth: What about going forward into 2013-14?

The Chair: There's nothing budgeted in '13-14 because they are no longer the Official Opposition.

Mrs. Forsyth: So that's the key, official.

The Chair: That's the keyword, yes. Absolutely.

Mrs. Forsyth: Thank you.

The Chair: Thank you.

Mr. Dorward, did you still wish to comment?

Mr. Dorward: Yeah, just briefly. I just didn't know totally what was in committee support. That applies to any tab in the last three, so it's just a general question. What is that money in committee support for?

Mr. Ellis: Those were resources provided to support members in their roles on the policy field committees, to provide for research, support for administrative services related to committee research.

Mr. Dorward: So mostly salaries, then?

Mr. Ellis: Correct.

Mr. Dorward: Okay. Thank you.

The Chair: Thank you.

Any other questions with respect to the Liberal opposition services page?

Mr. Mason: Maybe I can just sort of throw this out there. Is there any interest at all on the part of other members of the committee to provide offices for the other official parties in Calgary?

Ms Calahasen: Just take the money out of the Official Opposition.

Mr. Mason: Ah.

The Chair: Dr. Sherman.

Dr. Sherman: Thank you, Mr. Speaker. I'd like to request funding for a Calgary office. We do have a little cubbyhole that we have rented. We do have a staff member in there. Currently as the leader of a political party – and Mr. Mason can probably echo this as well – our MLAs still have a lot of stakeholders to meet in Calgary. It's a major city of a million people. There's a lot of activity happening. There are many who want to meet with us, and we really have no place to meet. So I would request funding for that purpose for Calgary not only for ourselves but also for the NDP because currently we're having to transfer what little funds we have from our work in the Legislature to have that presence. Or possibly you could give us an office at McDougall house.

The Chair: Okay. Are there any other speakers to the Liberal opposition services page of our budget?

Mrs. Forsyth: Mr. Chair, if I may, I guess for me it's the same as what Raj and Brian have asked. The Liberals and the NDP have business that they have to do. I guess history is funny. Was there ever a time that all of the opposition parties ever got office space that you're aware of?

The Chair: I'm not aware of any other than for the Official Opposition, but let's get Jacquie Breault, who's been with us for 20-some years. How long have you been with us?

Ms Breault: Since 1988.

The Chair: Since 1988. Okay. Well, you're the right person to ask, then. Could you answer Mrs. Forsyth's question, please?

Ms Breault: My recollection is that when the New Democratic Party was the Official Opposition, they had a Calgary caucus office, that they paid for from their budget. When the Liberal Party became the Official Opposition, they established an office as the Official Opposition and, again, at the 1994-95 budget deliberation meetings asked for the funding. To my knowledge there haven't been any other opposition parties that have had an office in Calgary or southern Alberta besides the Official Opposition.

The Chair: Okay. Are there any other speakers? Mr. Mason.

Mr. Mason: Yeah. I think Ms Smith also.

The Chair: Ms Smith, did you want on the list?

Ms Smith: Yes, please.

The Chair: Thank you.

Mr. Mason: Not an official office, but the policy has indeed changed with respect to government offices. You know, I learned this from Ray Martin, who, of course, was the Leader of the Official Opposition for a number of years and served in our caucus. Again, in his day opposition caucuses had access to Government House for meeting spaces. He said that they regularly had meetings in the big, round room there on the second or third floor. I don't know where it is. I don't know whether that applied to McDougall house or not, but I assume that it would be the same policy.

I guess the point that I would like to make is that the PC caucus, in addition to the funding that they get here, is heavily subsidized by the government and uses government facilities for its caucus activities that are not available to the opposition parties. You know, it's a government policy – it's not something, I think, this committee can direct – but it really does seem to me that there are some serious advantages which have value, that are not reflected in this budget, that accrue to the PC caucus and not to other caucuses.

The Chair: Thank you.

Ms Smith: I think what you're hearing from all of the opposition parties is that the three opposition parties would be interested in seeing if there was an opportunity to meet at McDougall Centre. It would allow all of us, including the Official Opposition, that does have a line item allocation for this, to be able to save some money off the overall budget. I wonder, Mr. Chair, if you'd be willing to approach government to see whether or not there is an opportunity for us to use McDougall Centre for some meeting space. I understand that the Annex falls under LAO responsibility, but I don't know whether or not you have any say in any allocations in buildings in Calgary. Maybe you can answer the question about whether or not you think that's a possibility.

The Chair: Well, I don't have any influence on that particular topic whatsoever. I don't have any input into it, either, as Speaker, and I'm pretty sure that that's consistent with previous Speakers. However, if it's something that the leaders want to get together and talk about, I'm sure you'll probably be able to find a way.

Mr. Young: I appreciate the point by Mr. Mason about the government members, but of our 61 members we are through this

committee only funding 34. So there's a bit of a give-and-take. When we have a caucus meeting, it's not 34 people there. Through the whip's office we have to run caucus meetings and support, to a lesser degree, clearly, for our caucus functions 61 members.

The Chair: Thank you.

Are there any other speakers to this page?

Dr. Sherman: Mr. Speaker, for the purposes of the Liberal budget as the Liberal caucus amongst all the political parties we have the second-most elected members in Calgary. We have three MLAs there, and we regularly have to have caucus meetings. Unfortunately, because of not having that funding or having a meeting place, we're having to fund out of our research budget and research staff here real estate and staff in Calgary. So for us personally it's impairing our ability to really function here at the Legislature because I do need an office down there for our staff and for our stakeholder meetings.

2:00

I would ask all members to help find a solution where all political parties, all of us, have that opportunity to meet stakeholders and have the opportunity to meet in Calgary, whether it's at McDougall house or whether it's having extra funding. My preference is trying to get us all more for less money.

The Chair: Okay. Thank you.

Mrs. Forsyth, followed by Mr. Dorward.

Mrs. Forsyth: Well, thanks, Mr. Chair. I guess the comments I want to make: the dollars that we're discussing are taxpayers' dollars. McDougall Centre is a place that is supposed to be open to the taxpayers of Alberta. I would suggest that we form a committee similar to what we did when we were talking about all of the inequities in the MLA offices. We've talked about the fact that, you know, some of the MLA offices are far, like Mr. Goudreau's, or they're like Dr. Sherman's, and they're dealing with typically a lot of low-income people.

Mr. Young is the whip for the government. I would like to suggest or make a motion that we form a committee with Mr. Young as the whip and the leaders of the opposition parties to have a discussion with the Premier about allowing members of the opposition to have space in McDougall. We're talking about, in my mind, if that was allowed, a cost saving, quite frankly, to Albertans.

The Chair: Do I hear you moving a motion to that effect?

Mrs. Forsyth: Yeah.

The Chair: Or do you want to hear a couple more speakers here? How do you wish to proceed, Heather?

Mrs. Forsyth: I would like to move a motion on behalf of Members' Services that we form a committee with Mr. Young as the whip and leaders of the opposition to sit down and talk about getting usage of space in McDougall and Government House.

The Chair: All right. A motion is on the floor here, and I'm going to entertain it. Are there any speakers to Mrs. Forsyth's motion? I have Mr. Goudreau.

Mr. Goudreau: Thank you, Mr. Chair. You know, I'm very concerned about that. As I travel around the province and I see people, there are arguments to be made to have tons more offices

and availability of free space or different spaces right across the province.

I'm fortunate that I'm able to operate two small offices in my constituency. I would need three or four offices to cover that. Certainly, as I travel around – I go to Cleardale – I will rent a small corner in a restaurant, where I can meet my people. In Rycroft I do the same kind of thing.

It seems to me, you know, there are some existing constituency offices in the city of Calgary that they've got access to, where they can meet with their individuals. As well, a lot of my meetings are held in my constituents' own offices or own places or locations. So it's not that we're preventing people from meeting with other individuals. We have to be innovative in how we catch up with our individual constituents and people that represent broader organizations within the province.

Aside from opening up a real can of worms here to all parties, I'm going to vote against that particular motion.

Mrs. Forsyth: If I may on that point.

The Chair: Yeah. Right after Dr. Sherman.

Dr. Sherman: I guess with respect to Mr. Goudreau's comments, as a leader of a provincial political party, Mr. Speaker, maybe it's a question to you and the Clerk: is it appropriate to conduct caucus business at constituency offices and vice versa?

These are different issues, Mr. Goudreau. These aren't constituency issues; these are caucus issues.

The Chair: Let me move on to Mrs. Forsyth, then, for some clarity.

Mrs. Forsyth: Well, that was my comment. It has been very clear that we do not carry on, for example, Wildrose business in my constituency office. We're talking about our caucus, the NDP caucus, or even the Liberal caucus meeting with individual stakeholders at an appropriate place. I cannot – and I'm sure I can speak for the opposition – have those meetings in my constituency office. I can meet with individuals from my riding to talk about health matters, and I can meet with individuals from other ridings if it's a health issue, but I certainly can't have my caucus or the leader and I meeting with health people in my constituency office as Wildrose members. I think there is some clarification that needs to be made very clearly why we're asking to utilize space in McDougall Centre.

As a former Progressive Conservative and a former minister we met regularly at McDougall with stakeholders, and that happens now. I think we need some clarity around this conversation.

The Chair: Thank you.

Dr. Sherman: Mr. Speaker, you know, this is a committee where all political parties do our best to work collegially to really improve the state of our democracy. That's really what we're discussing here. I would support having a subcommittee with a member from each political party reporting to you. Let's try to move forward here. This is really to improve our democracy. I would ask the government members, who at the end of the day control the majority of the votes here, to please understand that, you know, in the future they may actually be in the second or third position.

The Chair: Okay. Thank you.

Ms Calahasen: Well, as much as I feel for the NDs and the Liberals, and I think the Liberals have one member from Calgary . . . [interjections] Three members? Oh. Three members. So you're even more blessed. We could have cut you off the funding for the Calgary caucus.

I think when we're talking about what the intent of the Calgary office was, it was to be able to make sure there would be a presence in Calgary for those individuals who did not have any members whatsoever voted in from the south. That has changed. Now we have a situation where there are a lot more people who have been voted in in the south for the Official Opposition as well as opposition members.

The NDs are the only ones who don't have anybody over there. So when we're talking about a democratic situation, it's the NDs who I think are at a loss to not have any presence in Calgary. I do feel sorry for them because when we were doing this negotiation in '94, I believe, and in '95, it was to be able to address that very issue of not having a presence in the southern part of the province. So with the money that we voted in for the Official Opposition to continue to get those dollars, now we have the situation where we don't have dollars for the other opposition parties because the Official Opposition is the one that negotiated it very well to be able to have those dollars.

Mr. Speaker, I just can't see us trying to form a committee to be able to look at whether or not Government House or McDougall Centre should be available for other official parties when in fact those two specific areas are for government members and official government business. So I will not support this specific one.

However, I would look at being able to address the issue of the one party that has no elected officials at all in the southern part of the province.

The Chair: Thank you.

Is there anybody on the speakerphone who wishes to come in? If not, I'll go to Dr. Sherman. Speakerphone? Teleconference people? No? Okay.

Dr. Sherman: I guess, Mr. Speaker, then I will look to the committee and perhaps you and the government members to provide us solutions. Where do I as a political leader or even Mr. Mason have confidential conversations on important issues south of Edmonton? Do we have them in your local coffee shop, or would you allow us, Mr. Clerk, to have these meetings within constituency offices? Can we blur those boundaries?

We have actually kept an office open in Calgary for the purpose of making sure Calgary is also represented, but it comes at a tremendous cost to our caucus costs, the fixed expense of having a full-time individual. We've minimized our rent by just getting a smaller room in the basement of an art centre in downtown Calgary.

2:10

I would ask other members to please provide me suggestions of where I'm going to meet other members of our caucus – we have three of them – and very important stakeholders from the oil industry, environmental groups, and health care, you name it. Where should we meet them, at Tim Hortons or constituency offices? I'm asking for solutions here.

The Chair: Okay. Are there any other speakers to the motion?

If not, are you ready for the question? The question has been called on Mrs. Forsyth's motion, which I don't have yet written up, but the essence of it was to create a subcommittee that would

address opposition parties having access to facilities like Government House and McDougall Centre in Calgary so as to provide them with a place to meet.

Now, I've just been given a typed version of that. Mrs. Forsyth, I'll read it out, and then you can tell me if it's capturing the essence of what you've said, okay?

Mrs. Forsyth: Yes.

The Chair: Thank you. It says: moved by Mrs. Forsyth that a subcommittee consisting of those members of the Special Standing Committee on Members' Services who are caucus leaders and chaired by Mr. Young be formed to meet with Executive Council to discuss meeting space for opposition caucuses in McDougall Centre in Calgary.

Mrs. Forsyth: That's correct. That's good. Thank you.

The Chair: Okay. Thank you.

So that is the motion. The question has been called. Those in favour of that motion, please say aye. Thank you. Those opposed, please say no. I would say that the noes have it, so that motion is defeated.

Mrs. Forsyth: Could we have a recorded count, please?

The Chair: A recorded name vote?

Mrs. Forsyth: Yes, please.

The Chair: Okay. Thank you. Let me go again here, then.

Those in favour of the motion, please state your name. I'll begin with Ms Calahasen, on the right.

Ms Calahasen: No.

The Chair: You're against the motion?

Ms Calahasen: I'm against the motion.

Mr. Quest: Against.

Mr. Goudreau: Against.

Mr. Young: Against.

Mr. Dorward: Against.

Mrs. Jablonski: Against.

Mr. Mason: For.

Dr. Sherman: For.

Ms Smith: For.

Mrs. Forsyth: Obviously, I'm for it.

The Chair: Good. For the record we just needed you to say so.

Mrs. Forsyth: Oh. Yes.

The Chair: It's a recorded vote. Thank you.

Accordingly, we have six against and four in favour. That motion is officially defeated.

Now, with respect to this page on Liberal Opposition Services are there any other speakers? If not, we'll move on to item 13.

Hearing none, let's go to tab 13, please, NDP Opposition Services. Let us ask if there are any speakers to this particular page. No? All right. Thank you.

Let us move on, then, to the next page, which is tab 14. Well, if I had my druthers to redo this page, I would title it Alberta Party Caucus Services because it's really the Alberta Party that had a presence for a brief time but no longer has a presence, so there's nothing estimated for them. Are we okay on that page? Okay. Thank you.

Let's go on to the next page. This one is titled Independent Member's Services. We do not have any independents at the moment, so we're not estimating anything at this point. Are we okay with that page? Thank you.

Let's move onto the next page, then. It is titled Vacant Electoral Division. We don't have any vacant electoral divisions at the moment, so we are not estimating anything in that category. Are we okay with this page? We are? Okay.

Let's move on. Now we're dealing with a page called Caucus Funding Contingency. We have no caucus funding contingency estimates.

That concludes all of that major area, and we are now moving to tab 15.

Ms Calahasen: Mr. Chair, before you move forward, could you tell me: what is the caucus funding contingency? What was that for?

Mr. Ellis: At the time that we were preparing the 2012-13 budget – that was prior to the election – we had independent members, so we budgeted in anticipation that that may be the case going forward after the election. However, that wasn't the case. At the end of the election the results were that there were no independent members at that time.

Ms Calahasen: Okay. Thanks.

The Chair: No independents and no new caucuses.

Ms Calahasen: Thank you.

The Chair: Thank you.

We're done with that. We're now flipping the page. Oh. One moment.

Dr. Sherman: Mr. Speaker, the motion was to have a committee study Government House. Just moving back to the Liberal budget, if the committee doesn't want to have a committee study that, I would request that the committee give the Liberal caucus funding in the budget to have a Calgary office. If the government members are not open to us sharing space in Government House, I would request that you and the Legislative Assembly provide the Alberta Liberal caucus funding for operating and staffing a Calgary office.

The Chair: You're putting a new motion on the floor, then, are you?

Dr. Sherman: Well, the last motion was about having a committee look at McDougall house. Since that has been voted down, I would request funding to have an office in Calgary for the Alberta Liberal caucus.

The Chair: Okay. I mean, procedurally I don't have a problem with going back a few pages to where this item was already discussed in whole or in part, but I think that if you're going to make a motion like that, Dr. Sherman, you might want to propose an amount that goes with it because we're really not dealing with theory so much as we are dealing with a budget and numbers here. If you want to make a motion to that effect – I'm not trying to lead

the witness here, so to speak – I think that would possibly, then, be more in order with where we're at today.

Ms Smith: Mr. Chair, could I just seek some clarity on process here?

The Chair: Yes. Go ahead for clarity, Ms Smith.

Ms Smith: My understanding was that we were going through each of these tabs for informational purposes. I assumed that there was some point we would come to where we would be able to make motions for modification, but I don't know if you have a plan to do that in a systematic way or if we were supposed to do that as we were dealing with each tab. I'm just a little bit confused about how you want to proceed on this. I do have a couple of motions that I'd like to put forward as well, but I don't want to interrupt the process that you have in mind.

The Chair: Well, it would have been my wish to get through the entire budget for explanations because sometimes amendments to certain sections might be clarified in the broader discussion, but we have entertained motions along the way. Raj has one here that he wants to present. We've already passed that page, but I did say at the beginning that we wouldn't restrict the discussion in that way. So if you have a motion that pertains to something that's current, right before us right now, then perhaps procedurally we could entertain it now, but let's deal with Dr. Sherman's motion first. Is that all right, Ms Smith?

Ms Smith: Yes. That's fine.

The Chair: Okay. Thank you.

Let's go back to you, Raj. You had a chance to think for a minute or two here, I'm sure. If you have a motion that pertains to your budget, which I assume you do, then please offer it now.

Dr. Sherman: Recognizing that the cost of operating our office as Official Opposition was much more than is currently budgeted, we've cut our rental costs down to as little as possible. Really, to have an FTE and to have a cubbyhole, the cost would be in the area of about \$75,000 with benefits, with minimizing rental space. And that doesn't include expenditures.

2:20

The Chair: Okay. Why don't you make your motion and then speak to it briefly. Are you ready to phrase it?

Dr. Sherman: I would move that we request \$83,584 in funding to staff and rent a Calgary office for the Alberta Liberal caucus.

The Chair: All right. Dr. Sherman has a motion on the floor. Have you concluded your comments, Dr. Sherman? Yes. Okay.

The motion is before you. Are there any other speakers to Dr. Sherman's motion?

Mr. Dorward: Well, I can't be in favour of that. I mean, there's no history, absolutely no history. We're talking policy here, and I think that's a broader discussion, so I can't support this.

The Chair: Any other speakers to Dr. Sherman's motion? Anyone on teleconference? No one here. There are no other speakers.

Dr. Sherman to close the debate on this if you wish, quickly.

Dr. Sherman: I move that

the Alberta Liberal opposition services estimates for 2013-14 be increased by \$83,584 for a Calgary caucus office, for rent and operations.

The Chair: That's just restating the earlier motion he made a few minutes ago and putting it into a form that Parliamentary Counsel and others here would agree with.

Mr. Reynolds, is that correct?

Mr. Reynolds: Yes, sir. That's fine.

The Chair: Thank you.

Okay. The motion has been read out as rephrased moments ago. I'm not hearing any other speakers to that motion, so are you ready for the question? The question has been called.

Those in favour of Dr. Sherman's motion, please say aye. Those opposed, please say no. Accordingly, that motion is defeated.

Dr. Sherman: Can we please have a count on that, Mr. Speaker?

The Chair: Okay. Let me ask those who are in favour of the motion to please state their names now, beginning with Dr. Sherman.

Dr. Sherman: Raj Sherman.

The Chair: Thank you.
Anyone else?

Mr. Mason: Brian Mason.

The Chair: Brian Mason as well. Thank you.

Those opposed to the motion, please state your names. Let's carry on, beginning with Mrs. Jablonski.

Mrs. Jablonski: Mary Anne Jablonski.

Mr. Dorward: David Dorward.

Mr. Young: Steve Young.

Mr. Goudreau: Hector Goudreau.

Mr. Quest: Dave Quest.

Ms Calahasen: Pearl Calahasen.

Ms Smith: Danielle Smith.

Mrs. Forsyth: Heather Forsyth.

The Chair: Thank you.

Accordingly, that motion is defeated.

Now, before we move on to the last major category of the four that I outlined on December 10 – this is to do with the Edmonton federal building and so on – let me just go back to Ms Smith's point.

What is your wish, Danielle? Do you want to put a motion on the floor now, or do you want us to finish off this last bit of business first?

Ms Smith: I'm quite happy to finish off the last bit of business. That would be fine.

The Chair: Okay. That would please the chair as well. Thank you.

Let's go on. We're dealing now with the fourth major category, so to speak. This is the Edmonton federal building redevelopment project, which is broken out into about three major issues. Then, turning over the page, we have one final issue, which is dealing with the employee market adjustment contingency, which we'll get to in due course.

Let us go on with this first page, page 1 of 2. I think we've delved into this somewhat already at the last meeting, but what you see before you is, essentially, \$1.299 million to cover everything pertaining to the design, the tendering, the fabrication, the installing, and the training of staff before, during, and after for the visitors' services space, which includes not only a large number of exhibits but also a new theatre for about 80 people. Then it goes on to talk about another major category there for committee rooms. You see it all on your sheet. Then we're dealing with equipment costs, which are self-explanatory, and infrastructure costs as well.

Let's open up the floor for discussion. I have Mr. Goudreau to kick things off.

Mr. Goudreau: Thank you, Mr. Chairman. I fully support this, and I'm sort of anxious to see the move into the federal building. It's certainly been in the planning for many, many years now.

I'm not against the fact that there's a theatre, but no doubt in the federal building there will be all sorts of spaces. There will be committee rooms; it says that a little bit later on. I know that we entertain a lot of school groups. I'm just wondering if there would be a little bit more information about the theatre, why it's needed and what it would be used for, specifically, considering the fact that there are to be a lot of other meeting rooms there.

The Chair: Thank you.

Are there any other speakers to this page specific to the Edmonton federal building redevelopment project?

Mrs. Forsyth: You could add me, Mr. Speaker.

Ms Calahasen: My question is: how much has that building cost us to be able to get to the point where it will be finished, from what I gather – right? – if we put the \$3.9 million that's being requested?

The Chair: I don't know if we have an answer to the bigger picture other than what's before us here. I suspect that it's the Ministry of Infrastructure that might have some of that detail, but I don't know.

Scott or Jacquie or David McNeil, do any of you know how much the overall project is costing? That's your question, isn't it, Pearl?

Ms Calahasen: Yes, it is.

Mr. Ellis: No, I have no knowledge of that.

The Chair: Yeah. We only know the LAO part.

Ms Calahasen: So this is our portion that we're requesting in order for us to be able to have all the people who are located in this green facility moved over there.

Mr. Ellis: In essence, yes.

The Chair: But not just that. It's the relocation of all private members to that location plus the theatre plus visitor services plus whatever else is on your sheet here. Let's keep in mind that there are – I can't remember how many – 20, 30, 40 exhibits alone.

Do you have a number for us, Scott?

Mr. Ellis: Brian may have a number.

The Chair: Brian, do you have an answer?

Mr. Hodgson: Are you referring to the permanent exhibit, Mr. Speaker?

The Chair: I think so. Just introduce yourself, Brian, for the record. You've just joined the table.

Mr. Hodgson: Brian Hodgson, the director of visitor services.

I think all exhibitry in the permanent exhibit space would amount to around 30, and that's just anecdotal.

The Chair: About 30?

Mr. Hodgson: Yeah.

The Chair: Thank you. So that's part of our domain because it comes under LAO. Then there's the new theatre that's going in there. I think it's about an 80-seat theatre.

Can you expand on that a bit, Brian?

Mr. Hodgson: Yes, sir. It is an 80-seat theatre capable of being reconfigured to suit various purposes. As you may be aware, there is a limit as to the throughput we can accommodate with school groups. This theatre would obviate that concern to a degree. At present there is no facility that we have that we can put 80 people in. It's not really practical to consider using the committee space on the second floor for educational and other programming like lectures or other sorts of meetings.

The Chair: Thank you.

A brief supplemental from Ms Calahasen.

Ms Calahasen: Is this the entire amount that we will be needing from LAO in order for us to be finished, or do you expect that maybe there will be some additional costs that will be coming forward?

Mr. Hodgson: That's a difficult question to answer, I suppose.

Mr. Ellis: This is the amount of costs that we're going to incur this particular year. There may be additional requests, but those will materialize as we go forward. Some of those costs are unknown right now.

Ms Calahasen: Thank you.

The Chair: Thank you.

Mrs. Forsyth: Well, Mr. Chair, as I indicated at the last meeting we had, I'm struggling with this, especially now that we've had the latest fiscal update from the Minister of Finance. I just truly am struggling with this. I just think that if you put this out as a priority for Albertans, they'd quickly tell us that they would rather see us use the \$4 million that we're requesting in health care or with our seniors or with education. I'm struggling, to tell you the truth.

The Chair: Okay. Thank you.

Ms Smith: I think you had missed me, Mr. Chair.

The Chair: I'm sorry. Okay, Danielle. I'll add you in.

Mr. Mason: I'm just curious. Now, there's mention of the theatre. I don't see – am I maybe missing it? Is that part of the committee rooms? Where is that?

2:30

The Chair: I think it's a separate area, and it's provided in your handout package – which went out when? – that coloured-sheet handout. There are about 15 pages of description, Brian. This one that went out December 10. We'll just circulate a few more copies in case people didn't bring it with them.

Heather and Danielle, while this is going around, this is the sheet that you would have received back on December 10 called the Alberta Legislature Visitor Center and Plaza, and it goes on to describe in colour the visitor centre, the pavilion, the exhibition framework, the interactive gallery, schematic designs, and so on, and so on. We're just providing this to Brian right now and others who are here at the table.

Mr. Mason: That's helpful, Mr. Speaker, but it still doesn't answer the question: where's the theatre in this budget document? That's under (1) Consulting Services?

The Chair: I believe it's under infrastructure.
Brian Hodgson to clarify.

Mr. Mason: Okay. It's part of the visitor centre. Is that correct? Okay. Here it is: a theatre.

Mr. Hodgson: Yes, that's correct. If you refer to page 11 or 12 in the handout that you've just been given, it is part of the visitor centre. It would also provide us with an opportunity to sort of showcase the province to visitors prior to their touring the visitor centre and allow us, again, that throughput capacity on site here in terms of our educational outreach. So there is a heavy educational aspect to this activity.

Mr. Mason: Right. Now, is the underground pedway going to be extended to reach this?

Mr. Hodgson: Yes.

Mr. Mason: Okay. When they ring the bells, it's going to be a longer walk to get to the Legislature. Have you given any thought to that?

Mr. Hodgson: A larger fitness facility. No, I haven't.

The Chair: Let me go to Dr. McNeil for this. We all have a comment on it, but let's start with Dr. McNeil.

Dr. McNeil: Yes. We have walked the distance. We've walked the distance between the federal building and the Chamber to determine what time might be required for division bells. There will be required to be a change in the standing orders to accommodate that distance. It's about eight minutes minimum to walk that distance, so it might have to be 15. There may be other approaches where you have divisions at the end of the day, for example, like they do in Ottawa and other parliaments as opposed to having that, you know, at that exact time when the division is called. There have to be some discussions, probably in the Privileges and Elections, Standing Orders and Printing Committee, in terms of what changes have to be made in the rules as a result of the federal building.

Mr. Mason: Then it would have to meet. It would have to meet to do that.

Dr. McNeil: Then it would have to meet. Yes, it would.

Mr. Mason: Okay.

The Chair: Thank you.

Mrs. Jablonski: Just a point of clarification. I find that our tour guides that are at the front door of the Legislature are very welcoming, and I think that a lot of people appreciate the fact that they're there. The question is: will we have tour guides at both locations, the new visitor centre and the present location of the rotunda? Has that been included in the cost?

The Chair: Brian, please.

Mr. Hodgson: The answer: yes.

Mrs. Jablonski: To both questions? Yes?

Mr. Hodgson: Yes.

Mrs. Jablonski: Thank you.

The Chair: Thank you.
Ms Smith, followed by Mr. Dorward.

Ms Smith: Thanks, Mr. Chair. Just to build on what Mrs. Forsyth had said, I think we would be remiss as a committee in not considering this budget in the context of the Finance minister's comments today, which seem to imply that things are looking so bleak that there may be an operational deficit. I think that this is an opportunity for us to demonstrate that even though we're dealing with relatively small numbers in the total budget, everyone is going to be asked to make some pretty tough decisions about deferring projects and cutting back. I'm just saying that in the context not only of the discussion we're having around this special allocation but also the discussion that we're going to have on the budget as a whole.

With that in mind, I do know that sometimes it can cost more to defer, and sometimes it's easy to defer certain things to a future year. I just toured a health centre, for instance, in my own riding of Highwood, the Charles Clark centre. They built out two full floors, but they left the basement undeveloped until such time as they had the revenue and operating income that made sense for them. So I know that these are the kinds of decisions that get made all the time in the private sector and in the nonprofit sector.

I would like to hear a comment on which of these line items in this section could be easily deferred to a future year until such time as our finances would allow for us to more easily cover them, and which ones would be a real hardship to defer, in which case it would cost more in future years. Can I get some clarity on that?

The Chair: Just while they're looking up some statistical data for you, Danielle, please, let's everybody keep in mind that we have these consultants and contractors, as far as I know, under contract already. This work is well under way. As I look down this list, I'm not sure where there would be any room to withdraw something from that process right now. It would leave us unable to move into those new premises on the new schedule that we have, which would create some ramifications of a very awkward nature for caucuses, perhaps, and certainly for the visitor centre, the gift shop, and others. I don't know legally where we would stand on getting our way out of some of those contracts either, but we could certainly have a look at that if that's the committee's wish.

Is there anyone at the end there? Mr. Ellis, do you want to make a comment in addition to that, or has that got it covered?

Dr. McNeil, please.

Dr. McNeil: Yeah. In terms of the contracts and consulting services costs those are being incurred now and as part of an ongoing contract. In terms of the committee room costs related to that consulting, we're going to have to move out of this building and have facilities available when we move into that building like this committee room, for example. First of all, the equipment in this committee room and the other one is 10 years old at least. We're going to have to have committee rooms in the other building that will take, our guess, about two or three months to set up once the building is open to be able to do the construction that's necessary and install the equipment that's necessary to be operational there.

That also goes with respect to the equipment costs, the information technology to support the network operations in the federal building. If we didn't do that, we would probably have a three-month hiatus when you wouldn't have any computer services supplied to the members of the Assembly. We're required to build the computer centre in the federal building and get it operating before we can shut down the one in this operation. Those are first two, the consulting services and equipment costs.

I guess in terms of the infrastructure cost if you wanted to not have a visitor centre, not have a gift shop, and leave an empty shell of a building, that would be the option there. I'm not sure that that's what we would want to have there or not there when that building is open.

Mrs. Forsyth: Mr. Chair, could you put me back on the speakers list?

The Chair: Well, go ahead if it's on this topic. We've allowed others to have supplementals. Why don't you proceed, and then we'll go to Mr. Dorward.

Mrs. Forsyth: Well, I'm going through my notes that I have here, and I'm trying to find out – I think it was Mr. Ellis who said some time ago that the visitor centre total was \$5 million, and he talked about the extra electrical and things like that. Are these cost overruns? I guess when you're building a building, it's like building a house. You put the basic structure up, and then you start adding different things to it. Now, was this not included in the original budget when the government decided to go into the federal building, or are these cost overruns?

The Chair: My understanding is that these are issues specific to the LAO, and that's why they're being budgeted for separately.

Let me go back to Mr. Ellis for some clarification and make sure that we've got that understanding down correctly.

Mr. Ellis: I'm sure we've all done renovation projects and started out with a set budget and then gotten into things and realized there were extenuating circumstances that caused the costs to rise. I think that would probably describe some of the situations we've run into with respect to additional structural work that's been required and additional mechanical and electrical to accommodate our visitor centre in that area on the main floor. Those costs weren't taken into account initially. However, based on the plan as we moved forward and developed a visitor centre, those were additional costs that had to be incurred in order to support the visitor centre, so those are costs that we're being faced with now.

2:40

Mrs. Forsyth: Well, if I may, Mr. Chair.

The Chair: Yes. Go ahead.

Mrs. Forsyth: I guess, as I indicated earlier, my dilemma is that we're looking at just about \$4 million. We've had an update today by the Provincial Treasurer, the Minister of Finance, and there's a heap of trouble out there. I mean, if you're going to get \$4 million for the LAO, where the heck does the rest of the money come from? It's got to come from some other infrastructure project. Is that a hospital, or is that a school or something else that's going to go to the back burner?

I can guarantee you that if Albertans had the choice about getting a school that's in a high-needs area where a school is versus the visitor centre – I can understand the equipment costs and what David has indicated, but to approve \$4 million on an infrastructure cost: I understand the Infrastructure minister continually says that he has a priority list of priorities which we've asked about over and over again. I understand you're an independent office of the Legislature. I'm struggling, to be honest, because we're asking for \$4 million, and it's going to come from somewhere.

The Chair: Thank you.

Mr. Dorward: Well, a number of my thoughts have been covered by Mrs. Forsyth and Ms Smith. I'm along the same lines of concern over how much money we're spending. I think, Mr. Chair and others, I have heard that it's impossible to defer these costs because of the following reasons: number one, they're started; number two, they're integral to what we do, and the visitor services wouldn't function the same way for the public; and then, number three, the contractors' costs could go up if we deferred them.

Firstly, could I ask: is that the case? There's no way we can take a corner somewhere, the theatre or something, and say, "That's \$800,000, and we can spend that two years from now once we find the money somehow"? Can we get a real simple answer to that?

The Chair: Well, I have my answer for it, but let's go to you, Brian Hodgson, please, or Diane.

Mr. Hodgson: Well, we're on the cusp, within two or three weeks, of tendering for the project for the visitor centre.

Mr. Dorward: If I walked into the building and saw the space allocated for the visitor centre, would it flat out be bizarre that it wasn't there? Is it tucked away such that we could carry on – do everything now, and welcome visitors – and that could be an area that could be built out later?

Mr. Hodgson: That would be a challenge bordering on the insurmountable, to be quite honest.

Mr. Dorward: Okay.

Mr. Hodgson: The space is prime space on the main floor of the Federal Public Building, so you would come in through the main door looking at a void basically.

Mr. Dorward: Okay. Well, that concerns me.

The next question is a lot more technical. If it's deferred, that's fine. I don't know that I need the answer today. We're being asked to budget \$4 million here for this. In a real world we wouldn't expense this as cash in the same year that we spend the money. I don't know how the LAO exactly allocates that. Would that be expensed, Mr. Ellis, in the first year versus allocating this over, say, 20 years or 25 years of the building's life?

Mr. Ellis: From a cash perspective it will be processed and paid during the fiscal period. From a financial statement perspective we would recognize that as a capital item and amortize it over the useful life of that asset.

Mr. Dorward: Okay. Good. Thank you.

The Chair: Okay. Thank you.

I've had a couple of requests for a brief comfort break. Unless there are other questions, I would proceed with a comfort break for five minutes. Are there any other questions or comments regarding special funding requirements on page 1?

Mrs. Forsyth: Well, Mr. Chair, if we need to have a bathroom break, I'm fine with that, but I think there are more questions that have to be asked about this. I have a couple of questions that I would like to ask.

The Chair: Sure. Proceed, then.

Mrs. Forsyth: Well, following up on what Mr. Dorward said, the visitor centre and gift shop: can they stay where they are right now?

The Chair: Mr. Hodgson, I think you addressed that in part, but go ahead.

Mr. Hodgson: Well, I mean, we can make do with anything, but the reality is that we are very far along on the tendering process here. It would be at this point very difficult indeed to put a stop on a process that will see the tenders let within two or three weeks.

The Chair: I hate to say this, but we'd have to almost look at delaying this project yet again overall because you wouldn't be moving all the opposition and private members into a half-ready space. Do you know what I mean? Unless I have a different understanding of it. I've toured there two or three times, and that's my impression, at least. But I'm at the whim of the committee.

Ms Calahasen: Because it's only one portion of an entire building and I'm not exactly sure if all the rest of the facility will be finished – if the rest of the facility is finished, then we're again at a disadvantage in terms of being able to do what we're intended to do. I don't know how we can piecemeal this specific area if the entire building is going ahead, so that's maybe something we have to consider. I just don't see that. I just can't see leaving this portion out, Mr. Speaker, and then the rest continuing. It just doesn't make sense.

The Chair: Brian, could you just clarify? I think I heard it correctly, but all of what we're talking about here on this page with the exception of committee rooms – committee rooms are on the second floor – is right there on the main floor as you walk in. Is that right?

Mr. Hodgson: That's correct.

The Chair: That's in answer to Mr. Dorward's question.

Mr. Hodgson: There's a theatre, an interpretive centre, a temporary exhibit space, and a gift shop.

The Chair: By temporary exhibit space you're really talking about a gallery for short-term exhibits.

Mr. Hodgson: To showcase Alberta's artistic and other creative talent from across the province on a temporary basis.

The Chair: Okay. But the major part is the visitor centre, the gift shop, and all the infrastructure goes around that.

Mr. Hodgson: That's correct.

The Chair: Thank you.

Mr. Quest: Just a couple of points. I understand the spirit of what Mrs. Forsyth was saying about schools and hospitals, but I think we all know that you don't build a school or a hospital for \$4 million.

My other concern about leaving the gift shop in the basement or downstairs is that I don't imagine there would be an awful lot of traffic for the gift shop anymore. It would be interesting to see how that netted out.

I did have the opportunity to be involved in the design and construction of a large commercial building a few years ago, and the idea of retendering this at a later date and having them come back – you won't do it for anywhere close to what it costs now. I think pushing ahead would be, certainly, my feeling.

The Chair: Thank you.

Mr. Mason: I just want to propose, Mr. Chairman, that rather than sort of debating in a void, so to speak, if people want to change the budget, they should make a motion. We'd debate it, vote on it, and move on.

The Chair: Are there any other speakers to this page? Dr. McNeil has a comment.

Dr. McNeil: The main floor will be the public face of the Legislative Assembly in this federal building. In terms of the gift shop, the exhibit gallery, the theatre, the interpretive centre, they're designed to draw people to the area. There's an outdoor plaza, which will have a lot of sort of outdoor activities in both summer and winter. Not proceeding with this at this time in concert with everything else that's happening in the building I think would leave a significant void as far as the public face of the Assembly, which we're trying to present here and enhance what we already do as far as our visitor programs and the public access to our facility.

2:50

The Chair: Are there any other comments regarding this page? Okay. Thank you.

Can we turn the page, then, and deal with this last item? Then we'll have a short break if that's okay with the committee.

On page 2 of 2, under tab 15, is a thing called Employee Market Adjustment Contingency. Now, I'll just clarify what this really is in case there is any misunderstanding or obscurity regarding it. We don't yet know what the union negotiations are going to be insofar as some of the costs for employees go, and as you know, our formula, so to speak, for funding LAO employees' remuneration has to be consistent with what might be awarded to the public service employees. So this is simply a contingency amount. Should it be needed, it would be provided for because we really don't know. We've not heard anything about those negotiations, nor would I have expected to, but when these negotiations come up, we typically put in a contingency amount so that it's there and we don't have to come back and have this discussion again to find the money. We have to provide for it.

Is there anyone with a comment or a question regarding page 2 of 2?

Mr. Mason: What's the assumption, Mr. Chairman, in terms of a percentage?

The Chair: I have no assumption for this page, but we did deal with – was it 3 per cent? What were we looking at? Four per cent? Yeah. We've already got something budgeted in here.

Dr. McNeil to clarify.

Dr. McNeil: This is a calculation based on a 4 per cent market adjustment. If what the union and the government agree to would be 2.5, then we would allocate 2.5. This is just a fund to ensure that if there is a settlement, then hopefully this would be sufficient to fund that settlement.

Mr. Mason: It's a contingency. I understand that.

The Chair: Okay. Are there any other comments or questions here?

Ms Calahasen: Is this the normal process of being able to put in what your thoughts are in terms of a contingency when we're dealing with negotiations? Is this normal?

Dr. McNeil: Well, normally we would know that. You know, if the union agreed to a contract over three or four years, we would have put in what that percentage was for the first year, the second year, the third year of the contract. Because we don't know what the agreement will be, we put in an amount. We don't know what that number will be, so we put in an estimate, not based on any particular assumption other than hoping that it would cover whatever settlement is reached.

Ms Calahasen: It just seems strange that you would put in something if you're negotiating. You don't know what it's going to be.

Dr. McNeil: We're not negotiating. This is something that the government is negotiating with AUPE, but once that settlement is reached with AUPE, then the government normally applies that settlement to the opted-out and the excluded group, the management group. That is what would apply to your staff, constituency staff, caucus staff, LAO staff.

The Chair: It's more prudent and wiser for us to put something in, Pearl, so we put a million bucks in, basically.

Ms Calahasen: Okay. Thanks.

The Chair: All right. Are there any other questions or comments?

Mr. Dorward: Yes, Mr. Chair.

The Chair: Mr. Dorward.

Mr. Dorward: Yeah. I wanted to thank Mr. Mason for that question because his question was what I was going to say that people would ask. This is kind of a dangerous thing, I think, and it's kind of a classic chicken-and-egg situation, where someone puts a contingency on and somebody asks, "Well, what percentage is that?" and then they say, "Well, it's there." I don't understand the need for it because I do believe we'll meet. I think that if a change needs to be made to our budget – and we're over budget, quite frankly – for a very practical reason of our acceptance of the terms of something that's negotiated in the future, then I think we're just over budget, or else we have a meeting and change the budget. But to put in a number which is a contingency, to me, it muddies the waters relative to any particular negotiations that are going on. I don't think it's necessary.

The Chair: Thank you. It's in keeping with previous precedent and practice given the situation we're in right now.

Mr. Mason: Well, it's very normal for public organizations dealing with negotiations of collective agreements to put forward a contingency if they don't know what the settlement is. Certainly, we did that in the city of Edmonton all the time.

But let's keep in mind that we are not doing the negotiating. We're not leading the negotiation. We're not signalling to anybody what we're prepared to settle for because those negotiations are between the AUPE and the government, and we just need to respond to that because that's the policy, that our increases mirror what's negotiated between the government and AUPE. We're not setting a policy or making an offer or leading anyone to believe that 4 per cent is going to be the deal. We just react. So it's entirely, in my view, appropriate. Maybe it should be higher.

The Chair: Hopefully, it's not something that anyone would attempt to use as a negotiating figure either.

Mr. Mason: No, no, no, and that's the point that I'm making, actually, that we're not signalling anything to the union by this.

The Chair: All right. Are there others?

If not, then I'm going to ask you to entertain a very short – and let's keep it short – five-minute comfort break.

But before we do that, Ms Smith, you had a couple of amendments. Maybe this would be the appropriate time to put them out so people could have a look at them during the break. Would that be amenable?

Ms Smith: Yes. That would be fine.

The Chair: I haven't seen your motion yet. Who has it?

Ms Smith: Duncan, I gather, has it.

The Chair: Duncan, here you are.

Can we ask him to circulate it now?

Ms Smith: Yes. Absolutely.

The Chair: Thank you.

Duncan is now circulating an amendment proposed by Ms Smith in writing. You have it coming around, and you can have a peek at it during the five-minute comfort break. I have 2:55 on the clock, so let's reconvene as sharply to 3 o'clock as we can. Agreed? Accordingly, let us recess now for five minutes.

[The committee adjourned from 2:56 p.m. to 3:04 p.m.]

The Chair: We have quorum now. A few members are not back yet, but let us proceed here.

Ms Smith, you have an amendment that you would like to put forward. It has been circulated. Let's call this notice of amendment 1(a) in case there are others.

Does that sound right, Mr. Reynolds?

Let's title it number 1(a). Okay. Ms Smith, you have the floor.

Ms Smith: Thank you, Mr. Chair. Once again, keeping everything in the context of the announcement that the Finance minister made today about the financial situation of the province deteriorating even further from the Q2 update, I think that this committee can go some measure towards setting the tone for how we do budget deliberations when we get to other department spending. One of the things I would notice – and I think that as a Wildrose caucus we've made this a bit of a cause and a push from our perspective on how we should deal with finance – is looking at how we limit

your spending increases to no more than inflation plus population growth, generally.

In the case of our budgets here we believe that we should be looking at what the previous year actual inflation rate was because when you look historically at some of the difficulties the government has had in maintaining a level of increase in operating spending that is sustainable, it seems like looking forward to try to guess what inflation will be next year is virtually always wrong. If you go back and look at what we thought it was going to be versus what it actually is, it almost never works out. I would note that that is certainly the case for this past budget year. My recollection is that this 2012-13 budget had anticipated inflation being 2.3 per cent, yet if you look at page 1 on the budget preparation parameters for this budget, it does actually say that the Alberta CPI from December 2011 to December 2012 was 1.5 per cent.

With that in mind, it was in keeping with that – the difficulty in trying to predict next year's inflation, the fact that we do have severe restrictions now on what we can do because of the changing economic climate in Alberta, and also the fact that we have an opportunity to set the tone for future discussions – that I'm proposing this motion, which would

amend the 2013-14 estimates for the Legislative Assembly of Alberta by reducing the increase for the line item Caucus Budgets to 1.5 per cent, resulting in a reduction to the subtotal from \$7,147,000 to \$7,064,000.

I've discussed this with members of caucus. I'm also the signing officer on my caucus. I know we certainly would be able to operate our caucus within that parameter. I do also recognize that the way these formulas are worked out or how our leader's budget is determined and how the leader's budget is determined for the other opposition parties are all interconnected. I also understand that the way in which the per-member allocation is calculated is consistent across all four caucuses. This is the reason why I'm suggesting a reduction that would impact all four caucuses, so that I don't end up having a scenario where we're proposing just a reduction for Wildrose opposition and ending up having a complication in how the formulas work out.

I would ask the members, in keeping with the fiscal reality that we're facing today, that they vote in favour of this motion.

The Chair: Yeah. Thanks, Danielle. I'm just clarifying a little procedural point here. Your points were noted. I don't believe we have a main motion on the estimates yet, so your motion would be a motion motion, not an amendment to a motion.

Ms Smith: Okay.

The Chair: Does that matter to us at this stage, Mr. Reynolds? Can we receive her motion as a motion in the same way we receive the others?

Mr. Reynolds: Yes, of course, Mr. Chair. That's a very good point.

The Chair: Okay. Thank you. This would be notice of motion, Ms Smith. Understood?

Ms Smith: Understood.

The Chair: Okay. Thank you.

Are there other speakers to the motion that has been proposed by Ms Smith, as circulated? Are there any? No other speakers?

Are you ready for the question, then? You're not ready for the question, either? The question has been called.

Okay. Let's move on with the vote, then. Those in favour of Ms Smith's motion as circulated, please say aye. Those opposed, please say no. The noes have it, so that motion is defeated.

Ms Smith: Can I get a recorded vote, please?

The Chair: Certainly. Those in favour of this motion, please state your names now, starting with Ms Smith.

Ms Smith: Danielle Smith.

3:10

Mrs. Forsyth: Heather Forsyth.

Dr. Sherman: Raj Sherman.

The Chair: Are there any others in favour? No.

All right. Those opposed to the motion, please state your names. Let's start over here with Mr. Mason.

Mr. Mason: Brian Mason.

Mrs. Jablonski: Mary Anne Jablonski.

Mr. Dorward: David Dorward.

Mr. Young: Steve Young.

Mr. Goudreau: Hector Goudreau.

Mr. Quest: Dave Quest.

Ms Calahasen: Pearl Calahasen.

The Chair: Accordingly, that motion is defeated.

Ms Smith: I do have another supplementary motion now that that one has not passed.

The Chair: You have another one? Okay.

Duncan, do you know of this one as well?

Ms Smith: Yeah. I gave Duncan three. The second one is no longer relevant, so the third one would be the one that I would put forward.

The Chair: Okay. So we have one coming around now, which, again, would be retitled Notice of Motion with today's date. It's just going around quickly.

Can I assume, Heather, that you have a copy of it already?

Mrs. Forsyth: Yes, I do. Thank you, Mr. Chair.

The Chair: Thank you.

We're going to call this – what's the title sequence here? – 1(b). This will be motion 1(b), just so we know what we're talking about.

I think everyone has a copy now, Danielle. Would you read your motion into the record and then comment on it?

Ms Smith: Certainly. I move that

the 2013-14 estimates for the Legislative Assembly of Alberta be amended by reducing,

and there are three subpoints here,

(a) the increase for the item Legislative Assembly Office branches to 2 per cent, resulting in a reduction to the subtotal from \$22,703,000 to \$21,929,000;

(b) the increase for the item MLA Administration to 2 per cent, resulting in a reduction to the subtotal from \$36,557,000 to \$36,434,000;

(c) the increase for the item Caucus Budgets to 2 per cent, resulting in a reduction to the subtotal from \$7,147,000 to \$7,099,000.

Once again, this is in keeping with the fiscal reality that we're facing in Alberta where the projected revenues are decreasing even beyond what we saw in the Q2 update. I think it's important for this committee to set the tone and to take a smaller increase in our budgets overall so that we, hopefully, can have some influence on the discussion that happens in other departments. We know that every other department is going to have to face this very difficult discussion, and I think that we show some leadership by putting forward a budget that would be above the actual rate of inflation from last year but below what the projected rate of inflation is for this year. As I've already mentioned, I have skepticism that the rate of inflation projected for this year will be accurate. There hasn't been much success in accurately predicting that in the past.

This is the kind of motion – I made my comments at the last Members' Services meeting – that I would hope would come at an earlier phase and frame the actual details of the budget deliberations that happen among staff so that there is some early direction about how to get to the targets that we're looking for. I know that there will be some work that will need to be done, should this motion pass, to be able to find those individual line items, the particular budget line items for each of the departments. However, it does seem to me that it is the department staff that have the best idea of where we might find these modest savings over what has been presented.

I do think, though, that the global message that we're sending by showing an overall decrease in operational items for each of these areas, including our own caucus budgets, would send the right message about how we're responding to the fiscal reality, being fiscally responsible. We're doing what we can in this area, and hopefully we'll see government do the same type of belt-tightening and pencil sharpening in other areas.

So I would ask that you support it.

The Chair: Thank you. You were cutting in and out just a little bit there.

Did everybody get Ms Smith's message? Yes? Okay. Thank you. Are there any other speakers, then, to this motion?

Mr. Mason: I have a question. We've done a little bit of number crunching on the budget, and I think most of the departments are pretty well in line. Human Resources has a 5 per cent increase; your office, Mr. Speaker, 2 per cent; the Library, zero. House services and visitor services are both in at 4 per cent; IT, at 5 per cent. Caucuses are getting a 3 per cent increase. The real outlier here is the budget for FMAS, which, according to our calculations, is a 17 per cent increase, more than triple the next closest. I wonder if we could get an explanation for that. I believe that their budget also includes funding for several additional staff. I know that we've been over this a little bit at the previous meeting, but I would like a response on that.

The Chair: Okay. Just in terms of where you're at so that everyone is on the same page, if I look at the estimate summary, the first tab, and then the first page, which is a snapshot, is there a single line item there that you're addressing your comment to, Brian?

Mr. Mason: Well, if you look at the first line, Financial Management and Administrative Services, on page 1 of 1, it goes from . . .

Mr. Dorward: But that's not part of the motion, Brian.

Mr. Mason: Is that not covered by Ms Smith's budget?

Mr. Dorward: No, I don't think so.

The Chair: Yes, it is. It's her (a).

Mr. Mason: The first one, (a), Legislative Assembly Office branches. She's grouped them all together, but I'm just asking about one as a subset.

The Chair: Mr. Ellis, do you or Jacquie want to comment on Mr. Mason's question?

Mr. Ellis: As I understand it, the question is: what gives rise to the 17 per cent increase in the FMAS budget?

The Chair: First, can you just clarify that the 17 per cent increase exists between the forecasted amount – which amounts are you talking about here?

Mr. Ellis: I believe he's talking about the 2012-13 estimate and the 2013-14 estimate. Is that correct?

Mr. Mason: Yes.

Mr. Ellis: There are three elements that, basically, make up this increase. First of all, we're applying the 3 per cent merit adjustment to staff we currently have under our employ. There's a second impact in that the budget for employer contributions and benefits has an increase as a result of that 3 per cent. Plus, there have been premium increases in terms of a lot of our benefit costs that were discussed in detail.

Mr. Mason: Those apply to other departments equally, do they not?

Mr. Ellis: Exactly.

The third factor is that we're building in additional staff to accommodate the MLA expense reporting motion, that was passed in November. We're going to be setting up a system that will address the reporting requirements and do so in a way that is planned. It's going to be accurate. It will ensure that the information that's put forward is accurate, is properly protected in terms of the FOIP Act, and members will have an opportunity to review those transactions prior to them becoming public. So it's a matter of putting into place the processes and the support systems to allow that MLA expense reporting to take place.

Mr. Mason: How many additional staff, Mr. Ellis, do you require for that?

Mr. Ellis: We're saying one FTE, but there may be some additional hours required by other staff.

Mr. Mason: There's a \$241,000 increase in your budget. That's more than one staff.

Mr. Ellis: That's correct. That \$241,000 includes all three items that I mentioned previously.

Mr. Mason: Okay. Thank you.

The Chair: Thank you.

Mr. Dorward: I wonder out loud if we shouldn't ask Ms Smith to break those down and split them into separate motions, but I don't know if it's necessary, depending on some of the other questions.

I do have a question for Ms Smith. The first, (a), is a reduction of \$774,000, or about 3.6 per cent, on a \$22 million budget there. Was your thought that we would just throw this back to administration and say, "Find a way to lob \$775,000 out of there, please," or were you saying that every one of those eight line items should

be reduced pro rata, or was there any particular area within those eight line items where you felt that the explanations that you got when we went through them in detail, in the last meeting particularly, were areas that you had concern with?

Ms Smith: Sure. I'd be happy to respond to that. In any private organization that I've been involved with in a budgeting process, it's very unusual for the staff to come forward and tell the senior management team or the board of directors what they think the year-over-year increase should be. In the budgeting processes that I've been involved in, what happens is that central direction comes down from the board of directors or the senior managers, and then it is up to the staff to come up with a proposal for their budget line item all within the broad global parameters.

3:20

I'm new to the government budgeting process, but I do find it backwards, and I do think that this is work that should be done by the administration. With the expectations we've set, we have an obligation to Alberta taxpayers to make sure that we're not increasing our year-over-year budgets in a way that's unsustainable. I would argue that the climate being what it is, this is in keeping with the expectations Albertans have of us and that it should be up to the administration to take . . .

Mr. Dorward: I can't understand what she's saying.

The Chair: Sorry, Danielle. You're cutting out very badly now, and we're missing – are you on a hand-held speaker? Danielle, did we just lose you?

Mrs. Forsyth: I believe we did.

The Chair: Yeah. She was starting to fade. You probably heard it, Heather, did you?

Mrs. Forsyth: I could not hear what she was saying, to be honest with you. It kept cutting in and out.

The Chair: Well, she'll come back on very soon, I'm sure.

In the meantime are there any other speakers to this issue or this motion? Anyone else?

Dr. Sherman: Mr. Speaker, I always think that before we get big increases, we should always look at if there are opportunities to find efficiencies and every few years re-examine every line of spending. I support fiscal discipline at the Legislature at a time when we're asking Albertans to make do with less. I support looking at minimizing management and other expenditures and maximizing front-line expenses. I do in principle support belt-tightening here as well if we're asking all Albertans to do the same.

The Chair: Thank you.
Danielle, you're back with us?

Ms Smith: Yeah, sorry. I've just changed my phone. I was having some problems with my Bluetooth. Would you like me to try to answer that again?

The Chair: Yeah. Mr. Dorward had a point, and in the intervening time, while we were waiting for you to come back on, Dr. Sherman made a couple of comments. But let's go back to Mr. Dorward's question, which I think you understood and you were starting to answer.

Ms Smith: Certainly. I was just saying that in the context of the budgeting processes I've been involved with before in the nonprofit world and in the private-sector world, the process I'm observing is a bit backwards. It's unusual for staff to come forward with their budget asks in the absence of having a global target which has been set by senior management or a board of directors. The normal process I'm used to is that the senior management or board of directors comes down and indicates what each department's year-over-year increase is going to be, and they cannot exceed it. Then it is up to those departments to work to put together a budget that falls within those parameters.

I would think that this is the kind of proposal that I would hope we would entertain in May or June for the subsequent budget year so that we're giving the direction to administration so that they don't end up having to go back and redo a bunch of the work. What I would say is that having set what we think the overall target should be for the increase, it would require administration to go back and identify those areas which make the most sense within their departments. I think that that is work that the administration has to do, and that's why I would set the global amount and then leave it to the discretion of the staff to make the recommendations for how they'd get there.

The Chair: Thank you.
Are there other speakers?

If not, are you ready for the question? The question has been called on the motion from Ms Smith numbered 1(b). Those in favour of the motion, please say aye. Those opposed, please say no. Accordingly, the noes have it, so this motion is defeated.

Ms Smith: Can I just get a recorded vote on that, please?

The Chair: Okay. Let's go quickly. Those in favour of the motion, please state your name, starting with Ms Smith.

Ms Smith: Danielle Smith.

Mrs. Forsyth: Heather Forsyth.

Dr. Sherman: Raj Sherman.

The Chair: Thank you. Are there others?

Those opposed to the motion, please state your names, beginning with Ms Calahasen.

Ms Calahasen: Pearl Calahasen.

Mr. Quest: Dave Quest.

Mr. Goudreau: Hector Goudreau.

Mr. Young: Steve Young.

Mr. Dorward: David Dorward.

Mrs. Jablonski: Mary Anne Jablonski.

Mr. Mason: Brian Mason.

The Chair: Thank you. Accordingly, that motion is defeated.
Now, did you say that you had another one, Ms Smith?

Ms Smith: No. If the first one had passed, I had an alternate, but with the first one failing, this was my alternate. I'm fine. Thank you, Mr. Chair.

The Chair: Okay. Thank you.

We're basically done with the budget. Could I get a motion now to approve . . .

Mr. Dorward: Mr. Chair, I have a comment.

The Chair: Mr. Dorward. Sorry. Okay.

Mr. Dorward: Yeah. Could we just discuss process a little bit? I think that we should know now exactly what timing we have and what we don't have. I am in favour of going back to Mr. Ellis as the management group, if you will, the board of directors, as Ms Smith, I think, said, and asking them, once they've proposed this: can he find in the budget \$300,000, for example? That is the number I wrote down on my piece of paper. What would be the implication of that? That is the appropriate way to budget.

The management – senior management, I must emphasize – have come to us with their thoughts very well laid out, very well tabbed, and it is only appropriate for us to respect them and to go back to them and not make a hard and fast decision but to seek their advisement. A haircut, if I could use those words, of \$300,000 in the first subtotal as shown on the estimate comparison by centre code: what would be the effect? Is it possible to be in there cutting back? Does it mean fewer flights for committees? Does it mean that staff would be laid off? These are things that we need to know. I care too much about people's jobs and all of the work that we have to do in the Assembly to just approve, quite frankly, a motion that would send back and mean that people would lose their jobs overnight. That's not what I'm about. I do need to know that information. My question, Mr. Chair, is: do we have time to wait until a date when we can meet again and have that come back under advisement as to, say, a reduction of \$300,000?

The Chair: Just before Mr. Ellis goes to answering the numbers side of it, can I just tell you that from a timing perspective, David, we are looking at this, I was hoping, as the final meeting. We could meet next week if you wish or in New Year's week, and that would be our last chance because the final date, as you know, is January 15. We need – and I clarified this with staff yesterday – at least eight to 10 clear working days for them to now put this all into the format that is required for submission. In actual fact, we would back up January 15 by about eight to 10 days.

Is that right, Mr. Ellis?

Mr. Ellis: Yes.

The Chair: Okay. Thank you. So let's keep that in mind.

Now, I'm not averse to meeting next week or during – whatever it is – New Year's week, but that's where we would effectively be at.

Now on the numbers, Mr. Ellis.

Mr. Ellis: I gather the question is: what would the repercussions be of decreasing the LAO branch budgets overall by \$300,000? Right off the top of my head, given the fact that we're primarily a human resource cost centre, there's likely to be impact on people's wages. We would have to meet the requirements of providing in-range adjustments to staff that we mirror through government, and we wouldn't be able to do that for all staff, which would have an impact on the number of staff we have. Obviously, we'd have to take a hard look at some of our other cost areas, but I would think that the main thrust of the reduction would be towards our human resource costs.

The Chair: Mr. Dorward, a supplemental? Are you good with that explanation?

I have Mr. Mason.

Mrs. Forsyth: Please add me.

The Chair: Okay.

Mr. Mason: Yeah. Well, I just want to come back to the FMAS budget because it just doesn't really quite add up for me. The answers we heard to the questions were broken down into three parts. The first two, as I recall, were similar to other departments', and Mr. Ellis informed us that the big increase was additional staff. They're going in this budget from 13 to 14 FTEs, but if you look at the human services budget, they're going from 10.5 to 11.5, so they're also adding a person.

3:30

The increase in earnings, the difference in the earnings: I was just going to try and calculate that before you called on me, Mr. Chairman. The difference in earnings and employer contributions which make up the difference: the increase in those appears to be quite a bit less in the human resource budget than it does in the FMAS budget. If I'm wrong, let me know. As I said, I was just trying to add up the numbers right now. It looks like this is about \$50,000 in human resources, and in FMAS it looks to be . . .

Mrs. Forsyth: Two forty-one.

Mr. Mason: No. I'm just looking at the earnings numbers right now. It looks to be, you know, \$160,000. I just don't understand why it's so much more if they both apply to just one increase in FTE.

The Chair: Okay. Just to remind you all, we have 28 minutes remaining officially. I'm not in any particular rush after 4 o'clock, but I do know there are some people who have other appointments, so let's keep our questions and our answers as brief as we can as we're going into the home stretch, bearing in mind that we still have some other business with Dr. Sherman's two motions.

Mr. Ellis: Well, I can speak to the FMAS side of things. Basically, that \$241,000 increase can be broken down into a benefits increase of \$80,000, leaving \$161,000 in remuneration, which would be made up of one FTE plus additional hours that we suspect will be incurred over and above that FTE with respect to design and set-up of the computer systems, et cetera, that we're going to be implementing in response to the MLA expense reporting.

Mr. Mason: So this is work that you're contracting out to set up the system. Is that right?

Mr. Ellis: Well, we don't know that exactly yet. We've just started to now get into planning for how we're going to address this particular reporting need and whether we contract it or whether we have it in-house. We're dealing with those decisions right now.

Mr. Mason: All right. So is earnings the right place for it?

Mr. Ellis: At this point, because I'm uncertain whether it's going to be contracted or not, I put it there.

Mr. Mason: Okay. Thank you.

The Chair: Thank you.

Let's move on to Mrs. Forsyth and Mr. Quest.

Mrs. Forsyth: Well, thanks, Mr. Chair. Again, I want to go back to the fiscal reality that was brought forward by the Provincial Treasurer today. I'm sure he will be going to all of the departments, et cetera, telling them that because of the bleak picture that we're facing, there will have to be maybe a zero per cent increase or a 2 per cent increase. I'm concerned about the example that we'll be showing by doing this.

I know that Alana DeLong in one of the other meetings said that it should be a flat 2 per cent right across the board. I believe that she did not lose that vote. You've repeated over and over again that you're an independent officer, but we're looking at some substantial increases in some areas. We're looking at some interim funding, from a projected amount of \$439,000 on the Edmonton federal building redevelopment project to just about \$4 million. Again, I'm very uncomfortable with the example that we're setting.

The Chair: Thank you.

Mr. Quest: To Mr. Ellis: in the preparation of these estimates do you do kind of a zero-based percentage, a good, better, best, if you like? These don't just come from nowhere. By the time you arrive at these numbers, you've looked at a number of different options, I would think.

Mr. Ellis: Normally each year we sit down and do an environmental scan as to what we expect going forward. That was the same process that we employed this time around. We have not gone back to sort of a zero-based or value-based budgeting approach, like the government is employing in certain departments, in some time although we did do that about three or four years ago, I believe, and looked at efficiencies that could be gained throughout the organization and at that time made some reductions to stay within.

There was a time period when we had three budget years where we were flatlined. We had no increases for three years, and that forced us back into looking for efficiencies to be able to make the thing work. We haven't done a value-based approach to this particular budget. We've developed the parameters and presented them as such. I think that this is the way forward for us right now.

Mr. Quest: Well, just as a very brief comment – it came up earlier a couple of times about senior staff and boards of directors – something that I think most successful boards do is have confidence in their senior staff and their ability to do these forecasts accurately and to look at all the potential efficiencies and so on. I'm certainly planning on supporting this.

The Chair: Thank you, Mr. Quest.

Just for the record you should know that your chair grilled the staff in preparation for all of this being brought forward, and so did the Clerk. We grilled them pretty deeply. We're sympathetic to what's being said here about Alberta's fiscal reality. None of us are immune to that, and we're very sympathetic to the fact, too, that the LAO is dealing with additional members and other realities. It's refreshing to have other members offer their comments and opinions officially on the record.

Let's hear some more of them. I have Dr. Sherman, followed by Mr. Dorward.

Dr. Sherman: Thank you, Mr. Speaker. You know, we always want to get a bigger bang for the buck for the taxpayer. Just

looking at all the budgets for each of the areas in the Leg. Assembly, the biggest outliers here have been the employer contributions, significantly above estimates and forecasts from 2012-13 to 2013-14. If you add all of them up, just the extra above for '13-14 is about \$804,000 alone in the six different departments. These are major, major outliers in all the budgets of all the departments. If these are major outliers in the one area, I would request you to zero-base budget every department and see where you can find efficiencies.

The Chair: Fair enough.

Dr. McNeil: In terms of the employer contributions those are fixed costs that relate to the actual costs of benefits. The reason that they're outliers is because there have been significant increases in benefit costs. For example, nonmanagement pension costs: the employer contribution has gone up. Group life insurance costs, Canada pension plan costs, employment insurance costs: those have all gone up more than 2 per cent, more than 3 per cent. Why those are outliers is because of the increase in employer contributions. We don't determine that. Those are determined by the government and by the providers of those particular benefits.

Mr. Dorward: I appreciate that conversation relative to the employer contributions, and while I tried my best to understand what was being said – and we did have some general conversations regarding this before – I can't help but think there's something in this area. I just blasted down the forecast amount for the employer contributions for six of the tabs, and I came to about \$2,200,000. Then I looked at the '13-14 budget, and it came to \$3,055,000. That's an \$821,000 increase, which is a 37 per cent increase. That's a fairly hefty kind of an increase. My question is: is it really going to go up 37 per cent?

The Chair: Did you follow where he's at, Scott?

Mr. Ellis: No.

The Chair: Could you tell us which page you're on and which line you're on there, David? I was struggling to try and find exactly which line you were looking at. Under which tab?

Mr. Dorward: Sure. I can detail those.

The Chair: Thank you. Just briefly, which tab were you talking about?

3:40

Mr. Dorward: Well, there were actually six tabs, so we could start with human services, for example.

The Chair: Okay. Human Resource Services is tab 2, okay?

Mr. Dorward: Yes.

The Chair: And you're on page 2 of 2?

Mr. Dorward: Yeah. Just let me make sure here.

The Chair: Do you want to just pull that together, David? I'll go to Mr. Mason in the meantime. You have six different references.

Mr. Dorward: I just did pull it together, Mr. Chair. I've got it. If you go to tab 1 . . .

The Chair: Tab 1 is Financial Management and Administrative Services.

Mr. Dorward: Correct. The forecast is \$240,000, and the employer contributions estimate is \$364,000 for '13-14, so that's \$240,000 up to \$364,000. I did that for tab 1, tab 2, tab 3 – I can go through each number if you want me to – tab 4.

The Chair: Okay. It's all dealing with the employer contributions.

Mr. Dorward: Every single one.

I took the next six tabs in a row from tab 1, so 1 through 6, and the increase from forecasts to estimate is \$821,000, 37 per cent. It's okay if it is that number – I get that – but it's a big number. I just wonder if there isn't some room there, if we could possibly put a challenge back to Mr. Ellis and say: can you take a tighter view of that? We might find our \$300,000 or \$400,000.

The Chair: Mr. Ellis, are you ready to address this?

Mr. Ellis: I can speak briefly to it. Just sort of supporting what David has spoken to already . . .

The Chair: You mean David McNeil?

Mr. Ellis: Yes. Sorry. Dr. McNeil has just alluded to it in terms of some of the benefit costs that have increased. Specifically, the nonmanagement pension amount in the area of our branch alone, FMAS, equates to a 68 per cent increase. We're going from \$71,000 to \$120,000. That's an increase of the rate. I believe it's up to 16.72. At any rate, it's a significant increase in the nonmanagement pension premium that's going to be charged going forward from January 1 of this year. That's a significant amount when you apply it to all the different branches. As I mentioned, we're largely a human resource intensive area, and when you have those kinds of increases, they impact the budget in a major way.

In addition, we've had benefit cost increases in terms of the premiums we pay for dental, health, all of the extended health coverage that we have. There have been premium cost increases that are beyond our control. They're based on the usage of the overall plan that's combined with a number of different employee groups throughout the public service. Those costs are basically ones that we can't really avoid unless we disband the plan.

The Chair: Mr. Dorward, a brief supplemental on the same subject, and then we'll go to Mr. Mason.

Mr. Dorward: Well, maybe we can go to Mr. Mason. Then I have a motion.

The Chair: Thank you.

Mr. Mason, please.

Mr. Mason: Okay. Thanks very much. I focused so far on financial management and administrative services and compared it with human resource services. I'm also looking at the House services budget, which also includes a one-FTE increase in the budget but very substantial increases in budgeted earnings and employer contributions. In FMAS the increase in earnings is \$161,000, with an \$80,000 increase in employer contributions. With human resource services it's \$50,000 in earnings and \$38,000. Basically, I want to follow up with Mr. Ellis on this. It looks to me like about double on employer contributions. Now, you'd only pay contributions, wouldn't you, if you hired permanent staff? Or would you pay it if you hired contract staff?

Mr. Ellis: It depends on the situation. Typically contract employees would not be eligible for benefits.

Mr. Mason: Okay. So there's room in your budget there, if you just look at the employer contributions as the limiting factor, for two FTEs if a comparison with human resources is fair. If you decide that you want to hire additional staff over and above the FTE that's listed here, what steps do you have to take? When we approve this budget, does it limit you to these FTEs, or can you use that money to increase your FTEs without coming back to the committee?

Mr. Ellis: Well, whenever we adjust FTEs, it's up to senior management approval to do that, so that would have to go before the Clerk and the Speaker for approval.

Mr. Mason: Okay. Thanks.

The Chair: Thank you.

We have 15 minutes on the clock. Are there any other comments or questions?

Mr. Dorward had indicated that he had a motion he wanted to bring forward. Let me hear the thrust of it if I could, please. Are you ready with it?

Mr. Dorward: Yes.

The Chair: Okay. Mr. Dorward has a motion.

Mr. Dorward: That the LAO staff report back in writing to the Members' Services Committee this week regarding the effect on LAO operations if the 2013-2014 estimate of \$22,703,000 is reduced by \$300,000, with the understanding that the committee would discuss that, consider it, ponder it over the weekend, and meet on Monday.

The Chair: Oh, boy. I hear what the motion . . .

Mr. Dorward: Let's go with the motion, not the timing, to find out what the reduction would be.

The Chair: Monday is a holiday officially, right? Monday is December 24.

Mr. Reynolds: All offices are closed.

The Chair: All offices are closed on Monday, and all offices are closed Christmas Day. What about Boxing Day? Is everything closed here Boxing Day as well? Yes? They're closed as well.

Well, there's a motion here that's been put forward. Do you want to proceed with it, or do you want to reconsider the timing on it?

Mr. Dorward: Well, I'm not hearing a lot of excitement about just simply finding out from management what the effect of a reduction in the budget would be, so I'm fine to carry on a discussion without making the motion.

The Chair: It's a valid point, and I understand where you're coming from.

I want to say something from the chair's perspective as I sort of look through all of this. I realize where we're going with the discussion, but, you know, as I looked at our budget estimate for 2012-13, on the bottom of page 1, under the very first tab, which is the estimates comparison, the estimate was \$65,414,000. The forecast actual is closer to \$61,335,000. I think what it tells you is that our LAO administrators from the top all the way down are pretty fiscally prudent when it comes to preparing their budgets and defending them and then actually implementing them.

From the budget estimate to the actual is a reduction of about 6.6 per cent, and I wouldn't be surprised if we had something again that comes in under budget because that's how good budgeting ought to work. But you have to try and anticipate best- or worst-case scenarios, and I think that's what they've done here.

I'm just a little bit cognizant, first of all, of the clock before us in terms of the Christmas break coming up and so on, so I'm not sure, David Dorward, how to proceed with your motion or if you're sensing the will of the table to reconsider it. Could I have you comment on that, please?

Mr. Dorward: Well, I'll not officially put my motion forward because I'm not hearing a lot of discussion at the table relative to the timing or the urgency of making a correct decision. I do take a lot of comfort in what you just said, and I personally do have a lot of faith and understanding that the senior executives that we have working for the LAO are excellent, and they're able to find dollars within the budget that we will set. Now, we aren't able, you know, to control that. We trust that they do, and they've done a great job in the past, so we'll carry on and assume that they'll find the dollars and react to the fiscal reality that we are in in Alberta.

The Chair: Okay. Well said.

Mr. Young, and then we're going to have to get a motion on the floor here to approve these estimates or not.

Mr. Young: I have a lot of faith in you, Mr. Speaker, and the LAO staff. I'm also cognizant of the fact that we are at a point of change. We've asked this committee to implement some activities relative to expense disclosure policy, and those have had costs incurred as a result. While there has been value to Albertans, I think that we need to recognize there are costs associated with that and the HR costs as well. So with these changes we've asked for from this committee as well as the move to the federal building, I think that we should trust in the professionalism and the diligence of the LAO staff and support the motion.

3:50

The Chair: Thank you for that.

I think the overarching message from everyone's perspective is that we're intending to hold everyone's feet to the fire on this budget, the LAO staff: the directors, the managers, and others down the line. I think that has been the case over the years, and I think it will be again.

Now, I wouldn't mind, if you're ready, to get a motion on the floor, just in case there's a lot more discussion on it, to approve the 2013-14 Legislative Assembly budget estimates in the total amount of \$71,421,000. If we're ready for that, I would entertain that motion because then I have to ask for discussion on it. I'm thinking we've had a lot of discussion, but I don't know where it's going to go, and we have about nine minutes on the clock today. Again, I'm not in any rush personally, but I know there are others who have commitments.

Mrs. Jablonski.

Mrs. Jablonski: Thank you, Mr. Chair. I move that we, the Members' Services Committee, accept the budget of \$71,097,000 for the LAO.

The Chair: We're looking at the line to be voted. The line to be voted in my books says \$71,421,000.

Mrs. Jablonski: My apologies. I'll rephrase that to say that the Members' Services Committee accept the total voted expenditure of \$71,421,000 for the LAO.

The Chair: Would you be willing to change "accept" to "approve"?

Mrs. Jablonski: Yes, I would be.

The Chair: Thank you. That would put it into good parliamentary form, I'm sure.

The motion has been made by Mrs. Jablonski that the 2013-14 Legislative Assembly budget estimates be approved in the total amount of \$71,421,000.

Are there any additional speakers to this motion?

Hearing none, those in favour of the motion, please say aye. Those opposed, please say no. We have two noes. Accordingly, that motion is carried. Thank you for that.

Now we have a couple of other things we have to deal with very quickly. One of them is a consequential amendment.

Ms Smith: Sorry, Mr. Chair. I went on mute accidentally. Can you do a recorded vote on that?

The Chair: We could quickly. Those who were opposed to the motion, please tell us your names.

Ms Smith: Danielle Smith.

Dr. Sherman: Raj Sherman.

The Chair: Were there any others opposed?

Mrs. Forsyth: Heather Forsyth.

The Chair: So Danielle Smith, Raj Sherman, and Heather Forsyth were opposed.

Those who were in favour of the motion, please announce your names quickly, starting with Mr. Mason.

Mr. Mason: Brian Mason.

Mrs. Jablonski: Mary Anne Jablonski.

Mr. Dorward: David Dorward.

Mr. Young: Steve Young.

Mr. Goudreau: Hector Goudreau.

Mr. Quest: Dave Quest.

Ms Calahasen: Pearl Calahasen.

The Chair: Okay. Thank you. So there you have it.

Now, what's being circulated to you is basically housekeeping pertaining to the motion that has just been passed. As you know, some of the items here have to be amended in our constituency services order, and that's on the sheets in front of you. These are strictly consequential amendments that must now be made. I'm hoping that everyone now has a copy of those.

Did you shoot them over to Danielle Smith and Heather Forsyth? Okay.

Just to be clear, we're not adding anything to anything. We're not introducing anything new here. These are 100 per cent consequential amendments that are now necessary to our member's services order.

Everybody has it?

Mrs. Forsyth: Yes. I just got mine, Mr. Chair.

The Chair: Thank you.

Could I get a motion, then, to usher these particular amendments into our process? Would someone please move that we approve the amendment orders as circulated.

Ms Calahasen: I will.

The Chair: Moved by Pearl Calahasen. Are there any speakers to it?

Hearing none, those in favour of the consequential amendment orders as circulated, please say aye. Thank you. Any opposed, please say no. Thank you. That is carried.

Now we can deal with Dr. Sherman's motions. Please, Dr. Sherman.

Dr. Sherman: Thank you. In the spirit of openness and transparency we passed a motion not too long ago to disclose MLA expenses. I ask all members of the committee to support the motion that's before you. Do I need to read it out, Mr. Speaker?

The Chair: Well, you're dealing with a motion on caucus and constituency budgets, right?

Dr. Sherman: That's correct. Has that been circulated?

The Chair: These are ones that were circulated on December 10, were they not?

Were they circulated, Allison?

Ms Quast: No.

The Chair: Oh. They haven't been circulated. They were held back at the request of your caucus person, but here they are now.

Ms Calahasen: Read it out.

The Chair: Yeah. Read it out.

Dr. Sherman: Be it resolved that

the Special Standing Committee on Members' Services adopt the following policy on disclosure of constituency office and caucus expenditures:

- (a) That the document entitled Budget vs. Expenditure Report prepared by the Legislative Assembly Office, LAO, for caucuses and constituency offices be posted quarterly on the Legislative Assembly's publicly available website without any identifying personal information.
- (b) Information posted concerning staffing expenses, manpower, in the Budget vs. Expenditure Report prepared by the LAO would only contain aggregate amounts for caucuses and constituency offices and would only be posted if the amounts were for more than two employees.
- (c) The information disclosed under this policy would be for expenditures commencing January 1, 2013, and must occur no later than April 30, 2013, and 30 days after the end of each following quarter of the fiscal year.
- (d) This policy may be referred to as Members' Services Committee Policy on the Disclosure of Caucus and Constituency Office Expenditures.

Mr. Speaker, this would give us amongst the most transparent expense disclosure policies in the country, not only on MLA expenses but also constituency and caucus budgets as well. I ask for unanimous support from all members of this committee.

The Chair: Okay. Thank you.

Let's just be clear that this was scheduled for the previous meeting on December 10. However, at the request of the person

that had provided these to the chair, they were withheld until such time as Dr. Sherman had a chance to raise them himself and present them himself. I want to be clear why this is now coming forward at this time. We didn't have time on December 10, and it looks like we're running short of time right now, but for the record that motion has now been read, and I wonder if there are any speakers to it at this time.

Mrs. Jablonski: Mr. Speaker, I don't have a printed copy of that motion. Did we receive a copy on December 10?

The Chair: No. As I said, we were specifically requested to not circulate a copy until Dr. Sherman was ready to present it himself and speak to it.

Mrs. Jablonski: Mr. Speaker, I would not support this. The reason I wouldn't support it is because I haven't had an opportunity to review it carefully or to talk to our caucus about it, so I will not be supporting it.

The Chair: Well, I have a suggestion that given the time and everything else – and I am sorry that we're near the end of the clock for today given everyone's schedule. But the motion has been read aloud, and there is a second one. Now, we can adjourn debate on the first one given the hour, but I'm wondering how we deal with the second one, Raj. Would you like that circulated now so that members have it for the next meeting?

Dr. Sherman: Yes, please.

The Chair: Then we can table the discussion on both of them until that time.

Is that a reasonable approach for everyone? Is anyone opposed to it? So it's unanimous that we'll follow that approach. He has read the first one into the record. You can pick that up in *Hansard*, but it'll also be circulated to you, and Ms Quast will send it electronically to Smith and Forsyth as well.

The second motion that he has is going to be circulated to you now, and also it will be at your behest for the next meeting of this committee. Thank you for following that process so that Dr. Sherman will get his chance to re-present these motions and have them debated and discussed.

That being the case, I have only one other quick item here to deal with, and that is an update from the chair of the subcommittee that was established last meeting. Dr. Dorward, would you like to update us – Mr. Dorward. I'm going to get you a doctorate yet. Mr. Dorward, would you like to please update us very briefly with where you're at with the subcommittee meetings?

4:00

Mr. Dorward: I've done a lot of studying in my life, and that would have to be an honorary, I think.

Yes. I polled tentatively everybody on the subcommittee. I think there are five individuals. I'm thankful to report that everybody, I believe, is available on January 29 and, I hope – and I didn't indicate in the note to everybody – January 31 for an hour and a half meeting from 1:30 to 3. I've received a note from the committee clerk. I'd recognize that she'll be away, so we need to co-ordinate exactly what we'll cover during those two meetings, but that should be sufficient to at least get that process started.

The Chair: Okay. Thank you.

The 29th is a Tuesday, is it, David?

Mr. Dorward: What did I put on the sheet, the 29th and 31st?

The Chair: It says here January 29, 1:30 to 3 o'clock, and again January 31, 1:30 to 3 o'clock. January 29 is a Tuesday, January 31 is a Thursday, and we'll deal with it accordingly, okay? That's your advisory to members who are on that particular committee. I think we're just about there.

I have a request from Dr. Sherman. Would he be allowed to just read for the record what his other amendment is? It's very brief. He's not presenting it now. He's just reading it into the record for information. Dr. Sherman, proceed quickly.

Dr. Sherman: Thank you, Mr. Speaker. The next motion pertains to the MLA compensation review. If you recall recommendation 15, the legislation needs to be changed to review MLA compensation, so my motion is as follows: be it resolved that the Special Standing Committee on Members' Services recommend to the Legislative Assembly of Alberta that the government introduce legislation to establish an independent process to review, determine, and implement remuneration for the Members of the Legislative Assembly and that the committee recommend that Bill 214, Members of the Legislative Assembly Remuneration Review Commission Act, introduced by former member Mrs.

Abdurahman in the Assembly on February 15, 1994, be a framework for that legislation.

The Chair: Okay. Thank you. We don't have two motions on the floor at the same time; that was just for information. It will have to be officially presented at the appropriate time.

That being the case, I think we've dealt with all items. Is there anything else anyone wishes to raise quickly?

Mrs. Forsyth: If I may, Chair, I'd just wish everybody a Merry Christmas and all the best in 2013.

Ms Smith: I will second that. Merry Christmas, everyone. I look forward to seeing you in the new year.

The Chair: Let the record show that all members wished everybody a very Merry Christmas and a very Happy New Year.

With that, we'll entertain Ms Calahasen's motion for adjournment at 4:03 p.m.

Ms Calahasen: Please. Thank you.

The Chair: Thank you, everyone. God bless you all as we move forward into the new year. Thank you.

[The committee adjourned at 4:03 p.m.]

