

10:03 a.m.

Tuesday, January 29, 1991

[Chairman: Mr. Bogle]

MR. CHAIRMAN: I guess we'll officially declare the meeting open.

A special welcome to Mr. Salmon. As you know, our committee operates on a very informal basis, so, Don, we're pleased to have you here and pleased, Andrew, that you're able to accompany the Auditor General.

This, as you know, is the second and final review of the budget for the office of the Auditor General. We had a preliminary review of the budget in the latter part of last year. There were some questions asked and comments made by members, and I think you have some things you'd like to come back to us with. Then we'll proceed through the budget as you wish.

MR. SALMON: Thank you, Mr. Chairman. I do appreciate being able to be with you today. I sometimes think there's purpose in not having meetings as early in the year as maybe the October one, which was probably the time when we were sort of only five months into the year, whereas now you're beyond the nine, and we're really on the downward for 1991.

We'd just like to make a couple of comments at the beginning, because we have made the submission to you on the request, just to indicate that since October 25 we have, of course, not only been reflecting on the mandate – because that's what we have to do as we look at budgets and as we particularly consider that and the annual report, which consumes a tremendous amount of time in the latter part of the year – but in fact we've been preparing budget documentations and having budget meetings in between trying to get a draft annual report out to the audit committee, which we were able to do yesterday. So that is just about behind us. We'll have that available to the chairman in the not too distant future, and get the budget put together as well, again reflecting that near the end of January makes quite a difference.

In doing this, it has taken us some effort and pondering to consider where we should be, and what we're in a position to talk to today is a reflection of what has happened since October. As you're probably aware and probably can tell from what we have submitted, there were also salary increases to management that came through in November retroactive to June, which had some effect on the forecast and also then reflect into the next year as well and have a bearing on some of the comments that we'll make here in a minute.

So in presenting the letter to you, we felt it was important to really consider all of the figures that we had submitted to you in October. On the first page of that letter, as you can indicate, we came up with an amount totaling \$161,255, which is partly a reflection of doing things in different years because of changes in circumstances that came about. There had been a full swing in the way we educate our CA students, and there have also been some trends regarding our other students that we have in the CMA program. But this particular would mean that we'll pay some money in March because it's required then, and therefore we can reflect a change.

There were also some categorical changes in some of our other supplies and services totaling about \$29,000. In doing some adjusting and reflecting on where we were heading with respect to our networking and some initial savings on some estimates, we were able to reduce our fixed asset needs for the year by about a hundred thousand, coming in with \$161,255.

This then, of course, comes to the reality of the fact that approximately 90 percent of our budget is salaries and benefits, without considering the agents, which are approximately 20 percent. So we've prepared, at the request of the committee, the schedule 1 that's attached to the letter, and that schedule shows what the budget, as we would see it, would look like if we had no difference between the bottom line for '91 versus '92. That of course comes to the reality that there would have to be a deduction in our salaries and benefits of approximately \$250,000, which you can see on the right-hand side of schedule 1. The top two figures total \$250,825. On the basis of reflecting this in relation to people, this would be about six people for a full year, which, as we have forecast based on the hirings and other things we've been able to accomplish in 1991, leaves us not only for '91 but also for this budget that would show the same: a full complement budgeted for of about 159 positions.

Now, we of course felt in October, and still do feel, that the office should be operating at about a 6 percent vacancy of 170 positions. We also realize that we've had difficulties in some cases in maintaining that level, sometimes maybe because of the ability to find the people you need or the other aspect of whether or not you're as aggressive as you should be in your recruitment and in your ability to move your students along to the point where they can also be at the professional level with accounting designation and then providing the opportunity to hire additional students. With all of the changes that have occurred, we've almost got a mushroom right now in that for the first time in the history of the office we've ended up with 11 that are eligible to write the exams in September and another four that probably are going to qualify, and so we're going to have 15 come due in September to write the CA exams. There are also several that will be involved with the CMA program in the current year. But those are all reflected in our estimates of what our staff is and the levels they're at, what we feel that we can acceptably achieve.

Now, going from schedule 1 to schedule 2 is, in our view, something that we can accept as an acceptable level, because what we've done with schedule 2 is sort of take an estimate of what we feel we could achieve. That would be approximately 165 positions, which requires another \$194,000 based on taking the forecast figures and adjusting those to a budgeted figure and considering the increases in salaries, which has an effect on the numbers. So as you reflect dollar figures to pay individuals certain amounts based on salary increases, you end up with fewer positions and more dollars. It would equate to a little bit less than what we had budgeted for in October, when we were looking at about 170 positions, to about 165, which would probably give us a level of systems auditing and ability to complete the financial statement audits we have to do and don't have any opportunity to not do otherwise. We would probably get by this year. However, we still feel there's the choice of whether we would go with 170 or whether we would go with 165.

On top of that, just at the end of December, as you're aware, with all that has taken place in 1990 with respect to Telus – and I have to admit we were involved in the prospectus from the point of view of the financial statements that we had actually audited, although thank goodness the Auditor General was not involved in any forecasting figures. However, as that thing did come about, NovAtel has now been taken over and become a subsidiary of Alberta Government Telephones Commission – I have to remember which one I'm talking about – and we are the auditors as of December 1990. We have been involved with meetings and have made arrangements for an agent, which had to be pretty well automatic because the company already had

their own auditors. So we've moved in as an agency in order to cover the legal aspect of us being the auditors and are going through looking at their estimates. They're in the middle of an audit. They're almost done; they hope to be done in the middle of February. With us having to pay the fee, receiving the dollars, we automatically had to include some dollars in our forecast, which has increased our forecast. That automatically then had to be reflected into a proposed budget in schedule 2, which would include the amount for 1991, again not knowing the situation but having to assume that that corporation could be still in existence as far as being owned by AGT Commission and therefore a provincial agency and part of our responsibility and part of the involvement of including those statements in the public accounts. So that's what happened to us, as we reflected, come the end of December.

With that in mind, then, and with what other matters that have to be taken care of, maybe we could open up to some questions, Mr. Chairman. Then sometime in this meeting we have to maybe talk about a transfer and talk about probably changing the basis on which we would charge fees to NovAtel. So if I could just throw those out as some of the possibilities.

MR. CHAIRMAN: That's an excellent spot to begin. But just before we go into questions, may I suggest that we deal in a general sense with our questions first, and once we've done that, come back specifically to the question of an organization like NovAtel, which is not a normal government activity. It's clearly a private-sector entity. In Don's discussions with me last week I did ask the question: are there other entities like NovAtel that we might in fact be charging back the full cost to? In other words, if they're out there in the private sector, why should the taxpayer through this budget be covering part or all of the costs of the audit? Could that be worked out? So I'd like to come back to that as a specific before we go into the budget in any kind of detail. But let's deal first of all with general questions.

Alan, then Derek.

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MR. HYLAND: That was my question, as related to NovAtel and situations like that and the charge back. I can wait for that.

MR. FOX: My question, Don, has to do with schedule 2. I'm just trying to follow the figures here. Do we separate the bottom third of the page from the top two-thirds of the page, or is the \$11,260,563, the '90-91 budget figure, carried down and these additions to it what you need to complete this budget year? Is that what you need to . . .

MR. SALMON: No.

MR. FOX: Because it's all in the same column there. I'm wondering if the \$11.8 million is what the . . .

MR. SALMON: That's the total on the '91-92 column, which is the first column.

MR. FOX: Right.

MR. SALMON: So in other words the changes from '90-91 are those two items. That's right.

MR. FOX: So the \$11,260,563 is . . .

MR. SALMON: That's our present budget.

MR. FOX: It's your present budget, and it's adequate to fulfill the obligations you have?

MR. SALMON: Well, the forecast is in the middle for that current year. So we're below that.

MR. FOX: Right. Okay.

MR. CHAIRMAN: Any other general questions?

MR. HYLAND: So the forecast is about \$900,000 below next year's proposed budget?

MR. SALMON: Yes.

MR. FOX: Don, my memory tells me that when we've had these discussions in the past, the actual number of dollars spent under the Manpower component is usually considerably less than the budgeted amount because of the problems of keeping a full staff complement and the kinds of changes that occur during the year and, I suppose depending on the marketplace, the difficulty of attracting staff to your office as compared to private-sector offices. What's the current situation there in terms of positions budgeted for? You're budgeting for a certain number of positions over the coming year. I think you mentioned 165 is what you'd like to have on staff.

MR. SALMON: That's what this column is right here in the '91-92: about 165 positions.

MR. FOX: That represents 165 positions.

MR. SALMON: Right. The October one represented about 170.

MR. FOX: One hundred and seventy. And the 1990-91 budget year represented . . .

MR. SALMON: It was 170.

MR. FOX: A hundred and seventy. And what was the actual number?

MR. SALMON: In the current year we're ending up with approximately 159, 160. It's right in there.

The interesting thing about the next year is this business of these students becoming CAs, you might say, and giving you the opportunity to make them professionals, which means that if we're caught too short on this . . . It's not difficult to hire at the student level. It's more difficult to hire on the outside to the professional level. So if we're manufacturing them internally and we were caught on some of our position levels, we could end up having to let some of them go, and that would be sad because we've never had to do that. You know, that is a possibility. It just happens that with the change in the program we ended up with a number that are available. Usually it's around eight to 10. We've ended up with maybe 15 or 16 this year.

MR. WINGATE: What we're saying is that in moving from the current 159, we have a real prospect of going to the 165.

MR. SALMON: Well, easily to 165.

MR. WINGATE: It's entirely possible that we could move to the 170, but we've limited the '91-92 budget to 165 positions.

MR. SALMON: Schedule 2.

MR. CHAIRMAN: Other general questions? Yes, Alan.

MR. HYLAND: So more than half of the increase in the budget from last year is due to the NovAtel fees and Employer Contributions. Is that right?

MR. SALMON: Well, that's Salaries and Wages. Sorry.

MR. HYLAND: Yeah, \$544,000 and change.

MR. SALMON: Right. That's the two figures down at the bottom on your right.

MR. HYLAND: Down at the bottom.

MR. SALMON: Right.

MR. WINGATE: What we've done in that reconciliation is take the '90-91 budget figure as originally submitted and shown what changes we'd like on top of a zero-increase budget; in other words, these two items being NovAtel and the six positions we've been talking about.

MR. TANNAS: The six positions are not identified.

MR. WINGATE: The six positions are in fact this \$194,140.

MR. TANNAS: Yeah. Okay, that's where we were. I was trying to figure that one.

MR. NELSON: These NovAtel fees: will you recover those?

MR. SALMON: That's for the committee to decide today. We are coming with a proposal to recover the full fee rather than . . . The process right now is that we would recover an internal standard fee of our office, whereas we would like to propose today that we recover the full cost. Otherwise, the government ends up subsidizing NovAtel further.

MR. CHAIRMAN: Stan, I wanted to hold that as a specific we will come to once we complete a general discussion: to talk about NovAtel and any other entities out there that are like NovAtel so that we can deal with it in a policy sense.

MR. SALMON: I've got an order; we're going to do that.

MR. NELSON: Because what will happen here is what we need to do: how they can have another part of this budget which would identify revenue.

MR. WINGATE: Yes. If I could comment on that. If the committee decided that we should indeed collect the fees that we're charged by our agent from NovAtel, that would be revenue, but it wouldn't permit us to net against our expenditure.

MR. NELSON: It would go back to general revenue.

MR. SALMON: It goes back to general revenue.

MR. WINGATE: Exactly. So although if you drew up an income and expense account, it could reduce the net expenditure.

MR. SALMON: According to our financial statement in March '90 we've been recovering approximately \$700,000, which went to general revenue.

MR. WINGATE: The point is, we can't spend our own revenue.

MR. NELSON: I understand that.

MR. HYLAND: But at least we know in our minds that you're getting . . .

MR. SALMON: Yeah, this in return, in the net.

MR. FOX: In terms of the general revenue that you indicate by your 1990-91 revised forecast, you're close to \$300,000 under budget over the estimated budget. Does that just go back to the . . .

MR. SALMON: Yes.

MR. FOX: It's money not expended that stays in the General Revenue Fund?

MR. SALMON: Right. It's unexpendable. That's true.

MR. CHAIRMAN: Anyone else? Yes, Tom.

MR. SIGURDSON: I'm hoping that it's appropriate at this time to talk about agent fees. I had asked a question when we last met about the cost of agent fees, and you had indicated that it was approximately \$65 per hour for . . .

MR. SALMON: Rising.

MR. SIGURDSON: And rising. I'm just wondering if there might be any saving by having an increased number of folk employed by your office instead of having those agency fees. If my arithmetic is correct, at \$65 an hour full-time that's \$135,000 a year per person on an agency fee basis. I don't think there are too many people working in your office that are getting that kind of salary.

MR. SALMON: I don't quite know how you figured that.

MR. SIGURDSON: I had hoped for a further explanation on that.

MR. SALMON: How do you do that?

MR. NELSON: It's a simple mathematical . . .

MR. SALMON: What do you do? Do you divide the number of people?

MR. FOX: Run that through.

MR. SIGURDSON: Well, it's \$65 an hour times the number of hours per week, weeks per year. Now, I know that's just very simple arithmetic, but I just wonder about the cost of a person

on staff that would be able to go out and do some of the work that agents are doing.

MR. SALMON: Well, one of the things the community has to realize is that a number of these agency situations – not all – are in areas where our staff do not live. That means that not only would it cost us to do the audits, but it would also cost us travel time and travel costs, which normally would be absorbed by the fact that we're using some of those agencies in those towns throughout Alberta. So there is some aspect of it in Lethbridge, Medicine Hat, Brooks, Peace River, Fort McMurray, Red Deer, and so forth. We're using the firms where our staff would have to travel. It isn't exactly equated to dollars salarywise. Certainly using a firm for attest does mean that we don't need the same number of staff. The whole policy back in 1978 when we first became the office of the Auditor General was to utilize the agencies where we could. Now we've been able to maintain our level pretty well the same without increasing the complement of our office over those years because we've been able to use agents.

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MR. HYLAND: How big a percentage, in rough terms, have the agency fees increased?

MR. SALMON: Over how many years?

MR. HYLAND: Well, you said they're going up. Let's say over the last two years.

MR. SALMON: Yeah. They've been pressuring us in negotiations for fees. It's approximately 5 percent from one to the other.

MR. WINGATE: Yes. In moving from the full cost of the budget, we estimated that we'd settle on a price increase of about 5 percent.

MR. SALMON: Just to reflect. NovAtel is not a normal audit. It will cost us more than the average that you're talking about because NovAtel is a complicated organization that has seven subsidiaries throughout the world. The Auditor General really doesn't have any legal right to audit in Holland, in the U.K., in the southern United States, but we have made a rule where that arrangement is made for all of that to pull together eventually into a consolidated set of statements by our agent.

This fee reflects the cost of NovAtel Communications Ltd. and the consolidation of the subsidiaries. It does not include the costs of the audits of those subsidiaries. So this is to make sure your committee understands that.

MR. WINGATE: The other thing that increased the fee was that the auditors were only appointed by NovAtel towards the end of December.

MR. SALMON: Yeah, it was a switch. They pulled the other auditors out.

MR. WINGATE: It's a December year-end, and the requirement was to finalize the statements by the beginning or the middle of February so that they could be consolidated with Telus.

MR. SALMON: Cutting in with a very short time frame – isn't it? – to complete the audits.

MR. WINGATE: Absolutely.

MR. SALMON: And having to pull their staff, work weekends, do a lot of things off other jobs so they can get this audit done, the fee's pretty steep.

MR. HYLAND: So that was a change from a different company previously? This is a new auditor?

MR. SALMON: That's right. They switched auditors after the kerfuffle, if I may use that word. That's what happened. We're dealing with the new auditors.

MR. FOX: And who is that new auditor?

MR. SALMON: The new auditors are Coopers & Lybrand.

MR. FOX: Coopers & Lybrand. And the previous auditor was?

MR. SALMON: Ernst & Young.

MR. FOX: Was there some implication that the auditors were responsible for . . .

MR. SALMON: A decision of the board. I am not, you know . . .

MR. FOX: Yeah, I know. But I mean, were the previous auditors in some way involved with the revenue forecast that was printed in the prospectus?

MR. SALMON: Right.

MR. WINGATE: If I could just go back to the figures you were mentioning. If you take it that there are about 1,800 hours available at \$65 an hour, in our experience only about 65 percent of that time is chargeable. The rest is for administration and all sorts of other things.

MR. SALMON: Professional development and stuff, vacation.

MR. WINGATE: That would give you a figure of about \$76,000.

MR. FOX: I'm just going to ask . . . Again, in my memory every year you've come to us, you've been under budget. I mean that you have a forecast, a projected budget, and actual expenditures are somewhat less. What are the opportunities for using some of the almost \$370,000 that you're in a sense saving on this year's budget by not spending it to prepurchase some of the things you require in the coming budget year? I'm wondering what opportunities there are for that sort of thing, and what are the mechanics of that. Like, most of your expenditures are current year expenditures, but if there's a purchase of something you need in the office, what's wrong with buying it now instead of after?

MR. SALMON: Well, some of that reflection is rethinking how we wanted to approach the fixed assets area, and that's one of the reasons for that \$100,000 change.

MR. NELSON: Ninety percent is salaries in any case.

MR. SALMON: Yeah, your salaries are so high that there's not a lot that you can . . .

MR. FOX: I'm just looking at the \$126,000 Materials and Supplies. Is it your desire to always be current with that sort of thing, buy what you need in a given budget year instead of . . .

MR. SALMON: Well, we certainly don't buy stationery and supplies five years ahead. We just buy it . . .

MR. FOX: As you need it.

MR. SALMON: . . . according to the budget. It's not a lot.

MR. WINGATE: The opportunity for us to prepurchase is very limited. Obviously, with salaries and wages you can't do it.

MR. FOX: No.

MR. WINGATE: Agents, you can't do it.

MR. SALMON: So we have a very small amount that you can . . .

MR. WINGATE: And when you get down to supplies and services - I mean, things like travel, you can't prepay that.

MR. FOX: No.

MR. WINGATE: And there's no real advantage in prepaying something. I mean, it's in fact a bit of a waste of resources, because the things that you bought you can't use.

MR. FOX: Yeah, and in terms of fixed assets. But if you need a new computer, you need it on April 1 . . .

MR. SALMON: We've done our best on that, where you've saved. You were going to do it anyway, you needed to do it, and reflecting on where we can make those changes: that's what we had done when we did the forecast.

MR. WINGATE: In the fixed asset area we canceled a number of purchasing plans in the forecast period. That enabled us to draw back quite a bunch of expenditure from the revised budget period; hence the \$100,000 reduction in coming up with \$127,000. We've also effected straight savings in that our original estimates were high, and when the tender prices came in, they were less.

MR. SALMON: The fixed asset area and the computer field is a moving target. It's changing constantly.

MR. CHAIRMAN: Any other general questions? Yes, Alan.

MR. HYLAND: I can see where their problem would be with staff, because that seems like the same thing we wrestle with in Members' Services and our caucus budgets. I think all three are about the same: 92 percent staff. So you have 8 percent movement in what your budget is.

MR. SALMON: Yeah.

MR. NELSON: Just one question. This seems to be one that's come up before. Under the area of Computer Services last year your budget was \$61,800. Your forecast is \$35,500, and now your revised budget is \$51,000. There seems to be quite a discrepancy between the three numbers.

MR. WINGATE: Yes, we've had quite a lot of movement there. In the \$61,800, if we can start with that, we had envisaged quite a lot of processing on the main government data centre. In point of fact, we didn't need that processing; we were able to process the stuff internally. So that produced savings. Instead of having to work on the government data centre, we were able to work on our own equipment.

An additional thing was that we had budgeted for software for microcomputer upgrade of programs. We didn't need to effect that expenditure in the forecast period, but we've restored that contingency in the budget. In other words, there's only so long before you have to upgrade, say, WordPerfect or a spreadsheet program.

MR. NELSON: Well, would that be one of those areas, as Derek has already indicated, that you might access in this fiscal year rather than remove it from the new fiscal year?

MR. WINGATE: That's true. I mean, we could buy the upgrade now, but our feeling was that the system hadn't moved along sufficiently.

MR. SALMON: He could have another upgrade next year.

MR. WINGATE: What we'll do is skip a generation and move to the next one.

MR. NELSON: So, in essence, what you're saying is that you want to upgrade as it's deemed necessary, and it's not deemed necessary right at this time.

MR. SALMON: Right.

MR. WINGATE: That's it exactly.

MR. NELSON: Thank you.

MR. CHAIRMAN: Before we move on, Don, could you refresh our memories again on how we audited AGT? Was that done by your office, or was that done by an agent?

MR. SALMON: No, that was done by our office except we hired an agent to assist us for the last four or five years doing portions of it. One year they did revenue for us; another year they did fixed assets for us. But it was only a portion.

MR. CHAIRMAN: Again, I should have checked the minutes of our last meeting because I believe we did cover this, but could you refresh our memories on the impact that has on the budget, setting aside NovAtel, which is back in? What kind of impact does it have on your manpower, on your budget, now that we're no longer auditing that very large former Crown corporation?

MR. SALMON: It didn't have a tremendous amount of impact on our budget, because of the additions that came in. We had a list of new audits we had taken over and are having to do that

we talked about at our last meeting. Along with those and the offset, there wasn't a tremendous amount of change.

We had discussed at the committee meeting the number of hours that we had spent on AGT. Our feeling was that those hours could be better reflected in the systems audit area. We had talked about the percentage of audit time in the systems audits. We had about 9,000 hours, I believe, in AGT, and we have new audits totaling about 6,400. So it was sort of . . .

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MR. WINGATE: Seven and a half in AGT, Don.

MR. SALMON: Was it seven and a half?

MR. WINGATE: Yes.

MR. HYLAND: So at 9,000 hours of audit, what does that transcribe into in positions, people?

MR. WINGATE: It was seven and a half thousand hours.

MR. HYLAND: Seven and a half? Okay.

MR. NELSON: The difference is a thousand hours, which is about two-thirds of a person.

MR. HYLAND: I'm just thinking how many people . . . I'm just trying to get an idea of how many people it would take to do the audit.

MR. SALMON: To do AGT? It's around six or seven, I think.

MR. WINGATE: Yes; it's about five in chargeable hours.

MR. SALMON: Then we had these new audits that we added, and they were just about offset.

MR. CHAIRMAN: Any other general questions?

MR. WINGATE: There is another point to be added with AGT in that, as Don was saying, we employed an agent to assist us with part of the audit, and the fees were approximately \$100,000 a year.

MR. SALMON: That's why our agency fee didn't change: because we were using the agency loss, not having paid those dollars in AGT, and their increases we absorbed through that \$100,000.

MR. WINGATE: Now, this year we're still the auditors of the AGT Commission, and of course NovAtel will be a subsidiary of the AGT Commission.

MR. SALMON: We're using an agent on the AGT Commission.

MR. WINGATE: We've also got the stub period before the company went public, and the audit of that is estimated to cost at least \$76,000.

MR. SALMON: That's in our forecast.

MR. WINGATE: In our forecast we've allowed for that.

MR. CHAIRMAN: Anyone else before we move on to NovAtel as a specific and other entities like NovAtel? All right; let's move on then to that specific. Don.

MR. SALMON: We have discussed NovAtel in the sense that they're now in the forecast. It's in our forecast figure, and it's also in there in the new budget figure.

The first figure that we've included is an estimate by the agent of what it's going to cost to do the December '90 audit, and then we've projected just a small increase just to cover it; we put \$350,000 in there for the '91 year. We feel that with this audit, because of the fact that it has come into being in the way it has, for us to in any way not recover the full fee would mean that we would be subsidizing NovAtel, and subsequently the government would be subsidizing NovAtel further. So we would like the committee to consider a standing order, an approval that would cover this kind of a statement.

Fees charged to NovAtel Communications Ltd. shall consist of the total amounts paid by the Auditor General to the agent engaged to conduct the audit, plus other costs incurred by the Office of the Auditor General.

Don't forget that in order to process as an agent and to be able to issue those financial statements, which I would sign, we would have to do a review of our agent's files and complete the process before the actual statements could be issued.

MR. CHAIRMAN: Have you identified other entities like NovAtel?

MR. SALMON: The other entities that we've identified, not in a dollar amount but only in the concept – and we haven't tried to work out the actual dollar situation because that would take some effort, and we really didn't do that – without some consideration of other things, would be such things as the Alberta Liquor Control Board, the Treasury Branches, the Workers' Compensation Board, and a number of subsidiaries that exist where you could consider them as commercial organizations, and we could end up being a full recovery there.

MR. CHAIRMAN: All right. But none are as pure as NovAtel . . .

MR. SALMON: None are as pure as NovAtel. That's true. It's very different.

MR. CHAIRMAN: . . . in terms of being completely within the private-sector area and in competition.

MR. SALMON: Right.

MR. CHAIRMAN: Like, ALCB has a monopoly and is the only body.

MR. SALMON: It's a monopoly.

MR. CHAIRMAN: And the same is true with the others.

MR. HYLAND: Treasury Branches is a lot like that.

MR. SALMON: These are the organizations that are classified in public accounts as commercial, but other than maybe some small subsidiaries, we don't have any large where we have this situation.

MR. HYLAND: Wouldn't Treasury Branches be much the same? It competes for dollars.

MR. SALMON: Well, yes.

MR. WINGATE: I think that's why we count Treasury Branches as a commercial enterprise.

MR. NELSON: Well, ALCB's a commercial enterprise. I mean, the hotels are selling booze; there are wine boutiques.

MR. CHAIRMAN: Stan, who do they buy from? They all buy from ALCB.

MR. NELSON: That's all right.

MR. CHAIRMAN: Well, I'm not questioning whether it's all right or not. I'm just stating it's . . .

MR. NELSON: Might as well start now. Eventually it'll be private anyway, so what the hell.

MR. CHAIRMAN: Okay. We have a recommendation from the Auditor General, but with that I'd like the committee to consider, assuming we pass this order, that we ask the Auditor General to go back and do further work on the other entities which have been identified so that we can determine whether we want to extend that into a general policy statement for part or all of the list. Alan, did you want to get in?

MR. HYLAND: That was just what I was going to ask. It was: why single one out when we have - what? - three other possibilities that we named, and I think Treasury Branches is even standing out there more so than the other two. If that's the start of a policy, that's fine, but to do it with just one . . .

MR. SALMON: Could I make sure the committee understands the problem? The problem is twofold. One, in the case of NovAtel, so far as I'm concerned, it's black and white, because it's an agency in the way it came about and it doesn't make sense for us to be subsidizing this. So that's pretty straightforward, and it's a recovery of an agent's fee. In the case of other audits, we might have the situation where we have chosen to put an agency into an organization. When we choose to put an agency into an organization - and I'm not reflecting any future consideration; that's up to the committee - in the past we have decided that if we were imposing the agency, we would charge our standard costs, and we would absorb the difference between the agent's fee that we paid to them because we imposed the agent on the organization. Now, you have the case of, say, the liquor board, where we're using an agent at the present time - but we may change that in a few years and put it on the rotation - whereas Treasury Branches are done by our staff. Okay. So you do have a different reflection.

The other consideration for the committee is whether or not you would like to reflect back on the original order you passed giving us the basis on which we charge our fees. That basis is, at the present time, internal standard costs, which have been defined internally as direct costs. Now, if you were to choose a different way of going about it, we could change that rate to not just the internal standard costs, that direct cost for our staff on the job, but also to include our overhead costs and have a full

recovery for that fee. So I mean there's a little bit of a different angle there.

MR. CHAIRMAN: I think the Auditor General has given us some good words of caution. What he's proposing is that we entertain a motion that would deal solely with NovAtel, and then if the committee wishes, we may direct the Auditor General to go back and do further work and review on the implications, the pros and cons, of expanding that list, looking at the Treasury Branches as probably the next purest, and whether or not we would go beyond that.

Okay. Stan.

10-43

MR. NELSON: I was just going to make a similar comment. I think we should today deal with NovAtel, because it is a pure enterprise. The other material I think we should defer and possibly even have another discussion on it before we give the Auditor General any instruction as to which direction we would like him to go.

MR. SALMON: That'd be fine with me.

MR. ADY: Back to the point that you made about having to assess the other auditor's work on NovAtel. Is that an open-ended thing? Is there sort of a percentage that would fall into place there for a review like that of the total audit?

MR. SALMON: No. It's a very senior individual who reviews the working papers and comes to the same conclusion as the partner does in the agency.

MR. ADY: So it's not a big item?

MR. SALMON: No. It's at high cost because it's the senior people, but it's not a large-time thing, no.

MR. FOX: I want to make a passing comment on us using the word "pure" in talking about NovAtel. I think in terms of its history and development, "jaded" would be a better term to use, especially from the taxpayers' point of view. But we now have before us this entity that is, by whatever process, again in the public domain. I sense a common point of view among members of the committee - and we can test it by way of a motion right away - that certainly NovAtel should pay its way. If there's a cost of audit, which is a normal business practice, then they should certainly, you know, endure that full cost, and I don't see any problem with us passing that motion once it's put on the table.

It seems to me the concern the chairman is expressing is whether or not this has implications or sets a standard by which other audits would be measured. I suppose we deal with those when they come up. It seems to me that maybe a guideline we can use is whether or not the mandate of the entity is profit or service. In the case of NovAtel it's clearly a business enterprise with a specific mandate, and that mandate is to do business and to do it profitably, and as such should pay its expenses. There may be others. Treasury Branches is perhaps a good example. The audit is internal anyway. Some of the entities that are audited either by your office or by agents, it seems to me they have revenues, they make money, they may compete in the marketplace, but that may be sort of an aside to their service

function. I think maybe that's a standard we can use to judge that by.

That being said, Mr. Chairman, I would like move that the committee approve the request by the Auditor General to sign the order. Do we have a number here?

MR. CHAIRMAN: Why don't you just read the motion?

MR. HYLAND: Just read it into the record.

MR. FOX: Okay.

In regard to NovAtel Communications Ltd.:

Fees charged to NovAtel Communications Ltd. shall consist of the total amounts paid by the Auditor General to the agent engaged to conduct the audit, plus other costs incurred by the Office of the Auditor General.

MR. CHAIRMAN: Any further discussion on the motion? Call for the question?

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question's been called. All in favour? Opposed? Carried unanimously.

Is there a further request to the Auditor to do additional work and report back to this committee so that we may consider what future steps, if any, should be taken? Is there a motion to that effect? Alan.

MR. HYLAND: I would move that the Auditor would review other corporations that fees could be assessed to – and I think we mentioned three – and report back to the committee on ways that it could be done and the problems that he sees either doing it or not doing it, how it would affect his operation. Because it seems like – I know from other committees that Treasury, for example, is charging fees to committees and to operations that they never charged before. So if they feel it's pertinent to review, maybe we should be reviewing, too, and charging the fees directly on especially those that operate at a profit. It could come out of profit.

MR. ADY: So where does your motion end?

MR. HYLAND: I was speaking on the motion as well.

MR. CHAIRMAN: Okay. The motion, as I understood it, was merely to ask the Auditor General to review and report back to this committee so that we may consider the matter further. Any further discussion on the motion? Ready for the question?

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question's been called. All in favour? Opposed? Carried.

MR. FOX: Mr. Chairman, may I ask another question?

MR. CHAIRMAN: Yes.

MR. FOX: Don, just so I understand the mandate of the office, I'm just wondering: if even a fraction of 1 percent of NovAtel had been left within the Telus Corporation, would it be beyond your scope?

MR. SALMON: You're talking about the Crown-controlled organization?

MR. FOX: Yeah.

MR. SALMON: You mean where our one share was held by Telus?

MR. FOX: That's right.

MR. SALMON: Yes. Well, it would have been into section 16, but like Crown controls.

MR. FOX: Right. Much like Softco in that sense: mostly in the public domain but some of it not, which prevented it from . . .

MR. SALMON: Right. Whereas this one is a takeover by the commission, which is a provincial agency.

MR. FOX: So all of the reports and financial statements become a matter of public record in the process?

MR. SALMON: Yes.

MR. FOX: I'd like to move that the committee go in camera for a few moments.

MR. CHAIRMAN: All in favour? Opposed? Carried.

[The committee met in camera from 10:51 a.m. to 10:59 a.m.]

MR. CHAIRMAN: Jack?

MR. ADY: Okay. I'd like to make a motion that pertains to NovAtel Communications Ltd.

The following transfer of funding is hereby approved in order to provide funds to pay the agent of the Auditor General for the audit of NovAtel Communications Ltd. for the audit to December 31, 1990:

Do you need the account code? Okay. From Manpower, \$325,000 to Supplies and Services, that same \$325,000.

MR. CHAIRMAN: Discussion on the motion? Yes, Derek.

MR. FOX: And the understanding is clear that by way of the motion just passed, the Auditor General is empowered to recover the fee and related expenses from the company with respect to this year's . . .

MR. CHAIRMAN: The current fiscal year, yes.

MR. FOX: . . . the current fiscal year's audit.

MR. CHAIRMAN: That's the understanding of the mover?

MR. ADY: Yes. So that becomes an addendum to this motion?

MR. FOX: Oh, no. One follows the other.

MR. ADY: It's just an understanding.

MR. CHAIRMAN: Just a clarification.

MR. ADY: Okay.

MR. CHAIRMAN: Further discussion? Are you ready for the question? The question's been called. All in favour? Carried unanimously.

All right. We can now move back to the budget. Before we go into it, I'd like to call a two and a half minute coffee break so people have an opportunity to get a juice or coffee, and then we'll proceed with the rest of the budget.

[The committee adjourned from 11:01 a.m. to 11:11 a.m.]

MR. CHAIRMAN: The practice we've been following this year is to go through the three elements and then deal with a motion at the end of that period rather than dealing with them section by section. Don, why don't you lead us through the highlights of the changes? We've covered a number of them, so I'm not asking you to be repetitious about what's already been said today, but any other factors you feel should be made. We'll go through the three elements, and then we'll deal with questions and, I presume, a motion or motions.

MR. SALMON: Okay. Mr. Chairman, I think we could probably say that the committee is familiar with the change that took place in adjusting for \$161,255, which is Supplies and Services and Fixed Assets adjusted from the October budget. If you were going to take the budget that we submitted in October and you were to look at the 1991-92 column, you will find that those figures are fully reflected in the new column on schedule 2 based on the information that's in the letter. So other than questions that maybe someone would like to ask on individual items, that has been fully described, as to what we have done in relationship from October to the January one today.

As far as the adjustment of Manpower, and of course in Supplies and Services the agent, it's the two figures that are at the bottom: the \$194,140, which is the increase in Salaries and Wages and Employer Contributions, and the \$350,000 that's included in the agency budget. Those are the only changes from the October budget.

Now, we have included in this budget, based on the fact that we have – and I think that primarily we could talk about Salaries and Wages. In 1990-91 we included estimated increases in our budget of about 4 percent. In the forecast for '90-91 we have included those costs that have been awarded to employees through the nonmanagement process, which is the opted-out groups and others who come through the normal channel, where they received 5 percent in April 1990. Also, the merit increases are included in there, and also there was a 3 percent and a 5 percent for management. In our case, as we awarded those increases, it comes out to approximately, for management purposes, 6.8 percent as an average. Now, those are all reflected within the forecast figures, and then, of course, they must be carried into the budgeting for those positions in '91-92. Included in the '91-92 revised budget is an increase of approximately 5 percent, which has already been awarded for nonmanagement as of April 1, 1991, and 5 percent has been left in there for management as well. So I thought that might be of benefit for you to all understand; it is in there.

Now, other than details, that's basically my explanation of the change. Does anyone want to ask any questions?

MR. CHAIRMAN: Stan.

MR. NELSON: I want to go back to the manpower situation, where you indicated that you presently have 159; you're requesting 165 with the consideration that you have people that are in training that will probably get their CAs and what have you this year. That would give you an opportunity to go to 170 full-time equivalents, I expect.

MR. SALMON: Right.

MR. NELSON: I would like to better understand where you're presently at with 159 and seemingly being able to do the work that is there. Considering the downsizing that's presently taking place in departments, I guess a double-edged question is that it doesn't look very good increasing staff, in one respect, to the Auditor General and decreasing in other areas.

Secondly, I guess the main point I'd like to address is what the impact would be if you were budgeted at 160 people for 1991-92.

MR. SALMON: I think that's a good question. In fact, we've reflected on that considerably. Here's the position. In view of the fact that the majority of our budget is manpower, if we were to budget for the dollars at 160, very likely we would end up with slippage. It's impossible to maintain absolute maximum full positions all year because as people leave and we hire, there's always the problem of delay in getting those people. The other problem that happens is maternity leaves and a lot of other things that take place, and filling those positions isn't always as easy. So to maximize yourself at 160 positions is very difficult. We've looked at it hard, and that's what we're saying. If we had 165, we probably would end up somewhere in the low 160s, but if you didn't have those dollars, it would probably force you to go lower. That's all. That's basically what we're saying.

MR. NELSON: But if you have a known factor as you've described it, and you had the dollars for 160 people, based on the average income and full-time equivalent positions, and you factor in the fact that there is some slippage there, would you not be able to foresee this activity? Of course, at some point in time you might be running at 163 and at some point in time you might be running at 155. If you were budgeted at 160, you could balance that out by factoring this together. That's what they do in the private sector. They have to.

MR. SALMON: Well, I think that's true. That's what you'd do. If you budgeted for 160, you'd probably try to maintain a good portion of the year at 163, knowing you're going to have a slippage down to 157 or whatever.

MR. NELSON: You would average it out.

MR. FOX: Well, I don't quite accept Stan's interpretation here. You're not putting in a budget that reflects increasing staff. Your 1990-91 budget included 170 full-time equivalent staff positions.

MR. SALMON: Right. We're willing to drop to 165.

MR. FOX: And the revised budget estimate involves, as you said, 165. So that's a drop of five full-time equivalents. It's difficult to forecast with certainty – and you've certainly outlined some of the variables that impact on this budget year – exactly what the staff complement will be at any given time. It seems

to me that you're not coming to us and asking for a big increase in staff. In fact, you're budgeting for five positions less than last year, and I think that's a prudent and reasonable request.

MR. HYLAND: When we talked earlier about AGT and the impact of not being the auditor of that, it was about five people and then you said the other organizations that were picked up took almost four people, so the net loss was less than one person. How did we all of a sudden, in this last year and this year, get all these new agencies that you have to audit?

MR. NELSON: That's that 6,400 hours, I guess.

11:21

MR. SALMON: Those have all been absorbed. Don't forget that as we do the work that is provincial agencies requiring financial statements, every time we get an additional financial statement to do that requires a normal attest audit with my signature, it impairs the amount of systems work we can do and affects how much we do in section 19 of our Act, which talks about the review of accounting and management control systems that exist in the various areas.

Now, we play with that figure. That's exactly what we do. We told you at our last meeting that we were running around 18 percent. Now, that can be lessened as these jobs come in. We have no control about the ones we end up having to do, and we have to absorb those. But the thing we keep constantly at is to do the audits we have to do, that require year-ends and financial stuff, at the best and maximize those dollars in those areas and then utilize the rest of the time we have the best we can to help improve the financial administration of these organizations. That's the one little bit of varying factor we have in our budget.

MR. HYLAND: Where did the extra agencies come from that we weren't doing before?

MR. SALMON: These are ones that have been added to our load through various means. We had Charles Camshell hospital come in as a provincial hospital. It wasn't there before. All of a sudden it was taken over by the province. We have Unicare, which was a subsidiary of the University hospital. SC Financial and S C Properties came in under the legislation that brought the corporation in as a provincial agency.

MR. HYLAND: So the majority of it is through legislation.

MR. SALMON: Exactly.

MR. HYLAND: Okay.

MR. CHAIRMAN: Anyone else? Yes, Stan.

MR. NELSON: For some of these departments – for example, Alberta Mortgage and Housing – is there not less auditing time having to take place now that they've disposed of a number of their properties and what have you? There has to be a considerable amount of auditing time that is not now necessary, the same as S C Properties, because they've disposed of so many assets.

MR. SALMON: Of course, that change has just taken place. Andrew could comment in a minute, but also just recently, in fact yesterday, I read for the first time the name of the new corporation and who was assigned to be president.

MR. NELSON: Which corporation?

MR. SALMON: Those mortgages that are moved over through the department. There's still a company that exists.

MR. NELSON: Maybe that's Archie Grover.

MR. SALMON: Yes.

MR. WINGATE: The thing that influences the time on Mortgage and Housing is the number of issues we've got to look at. In the Auditor General's report for the last several years we've been talking about a number of issues there.

MR. SALMON: We've still got some ongoing ones.

MR. WINGATE: A lot of them are still there.

MR. SALMON: I know you've been talking about that for some time.

MR. WINGATE: So that's the factor.

MR. SALMON: The systems still exist. There are many of those systems still there, and they're still working at them.

MR. WINGATE: That's the thing that influences the time, so even if the portfolio they control is much smaller, that which they have sold was not the source of the problems. The source of the problems was elsewhere.

MR. SALMON: We're designed as an office to be of assistance to the various organizations which we audit and the departments of government to help improve financial controls and management controls. We also are required to do the attest audits. The culmination of the Auditor General's report is primarily, a large portion of it at least, through the systems work. Now, maybe some people would like the Auditor General to report nothing, but to me there has to be an ongoing thing there or else the mandate isn't being fulfilled. So you get this weighing – and this is why I was talking to you about this – of that systems audit area. What we would hate to see happen would be a slippage in the amount of systems audit work we can do, because if we can't do it, there's bound to be weaknesses that exist there that won't be found for some time.

MR. WINGATE: Can I add to that, Don?

MR. SALMON: Yeah.

MR. WINGATE: This systems auditing has quite a disproportionate effect on the outputs of our office. Attest audits we have to do; we can't reduce the hours on those. But the attest audits don't produce recommendations for beneficial change generally. Most organizations will pass the scrutiny of an attest audit, but our systems audits are very big contributors to the recommendations that we include in our Auditor General's report. Of our type 1 recommendations in the report that we're working on now, 56 percent of the most important recommendations emanated because of the systems work. If you look at the hours we spent on systems auditing in the calendar year 1990, we spent some 30,000 hours. Now, 30,000 hours in comparison with the total hours of our office is not large, but it produces a very big impact on the Auditor General's report.

What's happened is that between 1989 and 1990 we had a reduction in systems audit hours. We've come down from 37,000 to 30,000. So to some extent we've been trading on the work that we've done in previous years in coming up with the recommendations in this year's report. I think what Don Salmon has been indicating is that we've somehow got to get these numbers up to maintain that level of activity, because it is so very important to our Auditor General's report.

MR. SALMON: Or else you get a drop.

MR. CHAIRMAN: I have a request that I would like the committee to give consideration to. I say this in light of the fact that the government is going through a period of downsizing, and I believe we'll see very significant evidence of that when the budget does come out. I think we should go back to Stan's earlier comment. I think we should take a serious look at reducing the staff from the budgeted 170 this year to 160. I think we should look at that.

I think we should take another look at Supplies and Services and Fixed Assets to determine what can be purchased this year. I'm not suggesting that we purchase a piece of hardware that will be obsolete in a few years or that you'd want to skip to the next level, the next generation. Clearly, I know in our caucus budget and I'm sure the same is true in the ND and Liberal caucus budgets, even though over 90 percent of our respective budgets are made up of manpower, at the end of the year we do try to purchase supplies that will carry us well into and in some cases close to the halfway point in the next fiscal year. We're trying to use the resources we have.

The third item I'd like the committee to take a good look at is what kind of safety net we can place around the \$350,000 we're being asked to approve in agent fees for NovAtel. It is the government's stated objective to sell NovAtel. That may or may not occur. It may occur before this new fiscal year begins on April 1. It may occur two months later. I'd like to ensure that our budget accurately protects those dollars so that if in fact NovAtel does disappear from under the government's wing, the dollars then would stay in a frozen position and not be used in other parts of the category.

I put that out as a request to the committee to consider in terms of how we proceed with the budget. If, in fact, we were to do this, we would need to come back and revisit the budget. The committee may not wish to do that. I merely put it out as a suggestion for consideration.

Stan.

MR. NELSON: I guess we'll deal with these in separate categories, will we?

MR. CHAIRMAN: Well, yesterday we dealt with them all in one, but we're flexible.

MR. NELSON: Well, what I'll do is I'd like to make one motion. I'll just make one comment. If the \$350,000 sticks around, of course that gets recovered and goes into GRF.

MR. CHAIRMAN: Yes.

MR. NELSON: On the first part, with reference to Manpower, I'd like to move that the Auditor General reduce the Manpower budget to reflect 160 full-time equivalent positions for the 1991-92 budget year. That would reflect the comments I made previously.

MR. CHAIRMAN: Discussion on the motion? Tom, Derek.

MR. SIGURDSON: I would certainly like the Auditor General to have the opportunity to go back and then come back to this committee and advise us what that kind of cut would do to the office of the Auditor General. I don't think you should be voting on that kind of motion today other than just to ask for the Auditor General to come back.

11:31

MR. CHAIRMAN: Just for clarification may I ask the mover of the motion: was it intended that the Auditor General would, as I had earlier suggested, come back with a revised budget to show how that would relate in terms of dollars and that at the same time the Auditor General would have the opportunity to express concerns with it?

MR. NELSON: Well, my understanding is that the Auditor General would, in fact, come back and present his case.

MR. CHAIRMAN: Yeah. We would be coming back to a follow-up session. Yes, Derek?

MR. HYLAND: So Stan is . . .

MR. CHAIRMAN: I'm sorry, clarification on this?

MR. HYLAND: Yeah. Stan has moved your suggestion: is that my understanding?

MR. NELSON: Yeah. I moved that the Auditor General reduce the Manpower budget to reflect 160 full-time equivalent positions for the '91-92 budget year. I could add on: to be further reviewed by the committee.

MR. CHAIRMAN: All right.
Derek, and then Don.

MR. FOX: Well, I think we have to be careful here. You know, we're not dealing with a government department where they're allocated a certain amount of money, and in some senses caucus budgets are like a government department, where we're allocated money for a given budget year and the fear is that if you don't spend it, then you won't get it next time, that it will be reduced. So departments go out and try and justify the budget that was approved for that fiscal year and spend it whether they need to or not. I mean, in my experience the Auditor General's office has always come in significantly under budget. It hasn't, as far as I'm aware, made frivolous attempts to spend money they don't need to spend. Certainly that's been the case with respect to the Manpower component.

I know there may be a philosophical reason for the government to feel that privatization of certain entities always results in straight-line sort of savings that you can capture and refer to, but I would take some issue with that assumption. I don't think it's always the case, and I don't think the Auditor General's in the business of making political forecasts about what may or may not be his responsibility over the coming year based on political decisions. I think they have to present a budget to us based on their understanding of what their responsibilities are for the '91-92 budget year and do that. Certainly if those responsibilities diminish in any significant way, then the committee has every right to expect that there would be some money left unspent at the end of this fiscal year, but I would really hate to do anything

to tie the hands of the people whom we depend on - "we" meaning the public in the broadest sense - for information about what is a very complex and expensive operation; that is, the government of the province of Alberta.

MR. CHAIRMAN: Thank you.
Don, and then Jack.

MR. TANNAS: Okay. I'm just trying to get it clear in my mind. We had a preliminary look in October in which there was a 3.7 with a request that you go back and look at zero. In schedule 1 the first column reflects that, but another couple of realities intervene and we in fact get a 4.8 percent increase on the revised. Is that right?

MR. WINGATE: Yes.

MR. TANNAS: In effect, by Stan's motion are we looking at going back to our original request that even with these new realities, we somehow come close to that?

MR. CHAIRMAN: No. I read them as being unrelated in that the NovAtel request itself is something we did not consider in October because it was not in the cards at that time. We're not going back and targeting in any way to a zero increase. It's merely an attempt to look at other ways that we may save dollars and still provide the service.

MR. WINGATE: Mr. Chairman, my understanding is that what you're asking is for us to cut out the \$194,140.

MR. CHAIRMAN: Well, he's talking about five positions. That's the motion. We're on that specific motion right now.

MR. NELSON: Five full-time equivalents.

MR. SALMON: That's six.

MR. WINGATE: Six; yeah.

MR. CHAIRMAN: Okay. Anything else, Don?

MR. TANNAS: No.

MR. CHAIRMAN: Okay, Jack?

MR. ADY: Well, speaking to the motion and in part to some previous speakers, I don't think anybody on the committee is casting a reflection that the Auditor General and his department have been less than responsible. We have a history of responsible budgeting on the part of the Auditor General. If I understand correctly, what the mover is seeking with his motion is that he's asking the Auditor General to do things just a little differently in factoring in the hiring practices so that he can end up by calculating for the slippage that he spoke of so that he can maintain his 160 full-time equivalents throughout the year. It's going to take some innovation in hiring practices to accomplish that, but I guess the question that has to come back and be answered by the Auditor General is whether he's able to do that, firstly, and secondly, whether the 160 full-time equivalents can allow him to do an adequate job. In my mind those are the points that come from that motion, and I feel the committee with that motion is asking the Auditor General to bring in some

changes or efficiency in the hiring practices that would allow him to maintain his 160 full-time equivalents and avoid that slippage.

MR. CHAIRMAN: Further discussion? Are you ready for the question?

MR. FOX: Mr. Chairman, on a point of order. I guess it's certainly proper in the context of our discussion for the Auditor General or Andrew to respond. It seems to me that in your letter you covered that. You have some notion of the impact of that.

MR. SALMON: Yes, we know the impact.

MR. FOX: Could I ask that you review that for us before the vote is taken on this issue?

MR. SALMON: I guess my question is whether or not you want me to go back and do some further thinking or whether you'd like to make the decision today.

MR. CHAIRMAN: No. To be clear, the motion as clarified by the mover is that you would go back and do additional work on your budget based on a Manpower component of 160 positions, that you'd come back and advise the committee that this is what would happen if you were to do that, and you then are free to advise us of the negative consequences of such a move. I'm assuming they'd be negative in that you are now proposing 165, so I'm not trying to put words in your mouth, Don.

MR. SALMON: No.

MR. CHAIRMAN: I'm only saying that you would then have the opportunity to amplify the comments in your letter and other factors.

MR. FOX: So the decision is to be made at some time in the future?

MR. SALMON: So the decision isn't made?

MR. CHAIRMAN: This is a decision in principle, based on the motion. There's nothing stopping the committee from enforcing that or reversing the decision when we meet to discuss it further.

MR. NELSON: That's all right. I had a motion like that defeated yesterday.

MR. SIGURDSON: That's already clarified on the second page of the letter, the last . . .

MR. CHAIRMAN: Well, if the committee is comfortable in voting based on the information which is here and allowing the Auditor General to amplify today so that we make a final decision today, we'll do that. But my understanding, at least when I asked the committee to review the issue, was not to rush into a final, final decision today. It was to look at giving direction back to the Auditor General, giving the Auditor General an opportunity to come back in an appeal process and say to the committee: "I can do it. This is what it means in dollar and cents. However, here are other factors I'd like you to consider."

We have a motion on the books right now.

MR. HYLAND: Mr. Chairman, speaking to the motion.

MR. CHAIRMAN: Yes.

MR. HYLAND: I would feel better if the Auditor General had a chance. The two of them have listened to the discussion, and I'd feel better about making the decision if they had a chance to respond before we make the decision.

MR. CHAIRMAN: Okay. Are we ready for the question? Jack.

MR. ADY: I'm not clear on the motion. Is the motion saying that this is not cast in stone but that the motion requests him to come back?

MR. CHAIRMAN: Yes.

MR. ADY: The motion is to come back with a budget, full-time equivalent . . .

MR. CHAIRMAN: For 160.

MR. ADY: Based on him coming back with the information?

MR. CHAIRMAN: That is correct.

MR. ADY: Okay.

11:41

MR. CHAIRMAN: Any further questions? Are you ready for the question? Okay, the question's been called. All in favour of the motion? Opposed to the motion? Would any member like the vote recorded? No? All right. Thank you.

All right; are there any further motions to be made?

MR. SIGURDSON: Is there a time line for getting back to the committee?

MR. CHAIRMAN: No. I think we could ask the question of how much time you think you'd require. Is there a chance we could come back to it this afternoon? We do have a meeting scheduled on February 13.

MR. SALMON: What time this afternoon?

MR. CHAIRMAN: Well, late.

MR. FOX: We're booked till 4, I think. We're with the Chief Electoral Officer beginning at 1 o'clock, but we're booked till 4, and I doubt very much that our deliberations will take that long.

MR. SALMON: At 3 o'clock? Rather than talk now, I'll go away and get my thoughts . . .

AN HON. MEMBER: Collected.

MR. NELSON: Well, there might be some other considerations.

MR. SIGURDSON: Have you got other considerations on the budget?

MR. NELSON: Yeah.

MR. SALMON: Raise them now.

MR. CHAIRMAN: Yes. Go ahead.

MR. NELSON: Well, the other consideration - I don't know whether we need a motion for this - to assist us in this whole matter is to consider other areas such as your materials, supplies, travel, et cetera, that may be able to be either decreased or purchased in this fiscal year. There may be some things you may be able to address there that might help us out.

MR. CHAIRMAN: That's a suggestion.

MR. SALMON: Primarily, though, that's what's reflected in the \$161,000. We can go back and quickly look at it again, but that's really what we're doing in dropping the \$161,000. Because it was a learning curve from five months ago to nine months, we could look at it a little more closely. However, we can do that again.

MR. NELSON: It's your travel that's up considerably.

MR. ADY: Is it the feeling of the committee that we're just going to ask the Auditor General to do that and we're not going to have a similar motion for Supply and Services that we had for the Manpower component?

MR. NELSON: Well, it's my thought that rather than make a motion, he's coming back to discuss this and we won't make the motion.

MR. CHAIRMAN: Yeah. It's the recommendation that further consideration be given.

MR. SALMON: You're looking for any other potential that we may . . .

MR. CHAIRMAN: I took from Derek's earlier comment on NovAtel - if you disagree with what I'm saying, say so, Derek - that it goes without saying that if NovAtel were to be privatized, the dollars would remain intact.

MR. FOX: Well, there would be some explanation of what happened. In the current situation NovAtel was a mixed entity for part of the fiscal year, owned partly by Nova, partly by AGT. Then it became a privatized entity and then came back completely into the hands of government at the end of the year. But the entire cost of the annual audit comes due right away; none of it can be assessed to former owners. So depending on whether or not NovAtel is returned to the private sector and when that occurs, there may be some adjustment to the agency fee.

MR. CHAIRMAN: Yeah, that's my point, that in the 1991-92 fiscal year, if NovAtel were to be privatized partway through that year, whatever portion of the \$350,000 remaining would remain intact.

MR. SALMON: Mr. Chairman, if you don't mind my commenting.

MR. CHAIRMAN: Please do.

MR. SALMON: Maybe the \$350,000 ought to be identified so that nothing would be done with it unless the Auditor General came back to the committee, because there may be other factors that happen in the year that you'd want to say, "Oh; NovAtel's gone, but this happened, so use the money there," so you don't have to . . .

MR. CHAIRMAN: Well, that's what I didn't want to happen, quite frankly.

MR. SALMON: Well, as long as we came back to the committee, it shouldn't be a problem.

MR. CHAIRMAN: No, because . . .

MR. SALMON: I mean, I don't know what's going to happen in this government in the next 12 months. I just don't know.

AN HON. MEMBER: Neither do I.

MR. FOX: I could make a few bold predictions.

MR. SALMON: Anyway . . .

MR. CHAIRMAN: Well, why don't we address that when we come back at 3 o'clock, and if you've got a suggestion for us, we can consider it.

MR. SALMON: I just don't know. If you lock it in, we may have to come back with a special warrant or something. We've never had to do that, you know.

MR. CHAIRMAN: Well, that's considered at the time.

As you know, you need the permission of the committee to transfer dollars from one group to another but not within a group. That would be under Supplies and Services as a fee to an agency, would it not?

MR. SALMON: Yes; right.

MR. FOX: Wouldn't it be sufficient, then, in the context of this discussion to just . . . That's been identified as a concern. You don't need to come back with that, but we'd appreciate an explanation if NovAtel's status changes during the year.

MR. SALMON: We'll all know about that, and I'm sure I'll have to explain it.

MR. FOX: Yeah, and just knowing what the effect is. It's not a transfer between elements.

MR. CHAIRMAN: No, we've discussed it. Members of the committee are fully aware.

MR. FOX: NovAtel ain't going back to the private sector in this coming fiscal year; I can promise you that.

MR. CHAIRMAN: Oh, you can, can you?

MR. ADY: Can you?

MR. FOX: Not until the taxpayers take a heck of a bath.

MR. ADY: I'll take whatever you can afford to lose on the bet.

MR. FOX: Well, I'm more concerned about what the taxpayers are going to lose, Jack. I mean, someone's got to think about the taxpayers.

MR. CHAIRMAN: All right. Anything else before we conclude? Let's do it now.

MR. HYLAND: Do we need to do the Auditor?

MR. CHAIRMAN: Yes.

MR. NELSON: I move we recess.

MR. HYLAND: Hold it, Stan.

MR. CHAIRMAN: Can I ask you to withdraw that motion for a moment, please?

MR. NELSON: Sure.

MR. CHAIRMAN: There are two other items, and if we can deal with them now, we'll free up a little time later. One is the discussion on the appointment of the auditing firm.

If I may back up again to item 6(a), Review of Annual Financial Statement for the Office of the Auditor General. Don, are there any points you'd like to highlight in the material provided by Kingston Ross Pasnak?

MR. SALMON: Mr. Chairman, I felt that the presentation was adequate. We had a chance to review the matters with them before they were finalized and discussed any of the other concerns that they had, and we feel that it's a fair presentation.

MR. CHAIRMAN: Yes, Alan.

MR. HYLAND: I move we accept the auditor's report from the accounting firm.

MR. CHAIRMAN: The question's been called. All in favour? Carried unanimously.

Okay; if we can now move down to 7(a). That's discussion on the appointment of the auditing firm. I think we had earlier agreed in our committee that we would look at a similar fee.

MR. SALMON: I believe they submitted to you an estimate.

MRS. KAMUCHIK: No, they didn't submit an estimate.

MR. SALMON: Oh, they didn't.

MRS. KAMUCHIK: No.

MR. SALMON: Or indicate in a letter approximately how much?

MRS. KAMUCHIK: No; that was the year before, when there was a question when they had presented the committee with an \$18,000 invoice. This year was \$11,900 because they'd had the practice and were familiar with the system. I called your office when we were preparing the budget for the committee for

1991-92, and we have received no indication whether they're going to have an increase in fee. So we still budgeted \$11,900.

MR. CHAIRMAN: Well, based on our previous discussions in the committee, I thought we had tentatively agreed to renew the contract at the same fee as last year. Is that the recollection of other committee members?

MR. SALMON: Is it possible for you to double-check that?

MR. CHAIRMAN: Sure. Well, let's hold that until this afternoon.

MR. SALMON: Yes, can we do that? Let me just double-check to see if there's something in our office.

MR. CHAIRMAN: All right; we'll bring that back, then, at 3 o'clock.

MR. FOX: If my memory serves me, Mr. Chairman, the concern was one that I expressed in the context of our committee's budget estimates for the coming fiscal year. We included a fairly arbitrary number with respect to payment of audit fees, which projected an increase which we didn't really know was justifiable or necessary. We thought that it would not send a healthy signal to the firm we would engage that we're automatically budgeting for an increase in the audit, because there may be some reason to assume that as they've acquired expertise and familiarity with your department, that would be reflected in a hold-the-line kind of fee.

11:51

MR. CHAIRMAN: Very good. That's correct, Derek. So we'll hold the item until this afternoon, when we'll see if there's any additional information.

Now, Stan, we're ready for your motion.

MR. NELSON: I just move a recess until 1 o'clock.

MR. CHAIRMAN: Could I ask that it be 1:15? We've spoken with the Chief Electoral Officer, who will be available at 1:15.

MR. NELSON: Fine.

MR. CHAIRMAN: All in favour? Agreed.

[The committee adjourned from 11:52 a.m. to 1:17 p.m.]

MR. CHAIRMAN: Okay; I officially declare the meeting open. A special welcome to Patrick Ledgerwood, Chief Electoral Officer for the province of Alberta. This is a follow-up to our meeting of the past year, when we went through the budget in a very preliminary sense. We're now back today to go through it in detail.

The practice we've followed, Pat, with the other two officers – and of course we've tried to keep the meetings informal, as in the past – is to go through the various sections. If you'd lead us in an overview through the entire budget, including the new elements that were not there in the past due to the proposed enumeration, then we'll go back and deal with it in terms of general questions. What I would suggest is that we deal first with those elements surrounding the enumeration, try to separate the things out of the budget which are new to this

year's budget and which were not part of last year's – that would include the enumeration and the deputy returning officers across the province and so on – and then deal with the part of your budget that we can relate to last year.

If that's satisfactory, we can proceed.

MR. LEDGERWOOD: Thank you, Mr. Chairman. I think everybody is familiar with the format in that this is the format we've used in the last couple of years. We're broken into three elements: Administration Element, Election Element, and Enumeration Element. We show what we actually spent in 1989-90, what we budgeted for and was approved by this committee for '90-91, and then the forecast, how we're actually coming in relation to the budget on our expenditures, and what we're primarily looking at today, the estimate for '91-92.

At the chairman's suggestion let's go directly to annex C, which is the enumeration. I think there are several points that we should consider on an enumeration. We'll be looking at the role of the Chief Electoral Officer, the requirements for an enumeration, the frequency of elections in the past, the Electoral Boundaries Commission task, any court challenges and their impact on the Electoral Boundaries Commission, and also the timing for enumeration '92 if there's not an approval for an enumeration in '91.

I think you appreciate that my role is apolitical and that my task is to be ready with trained staff and material to conduct an election at any time that the Premier so chooses. So one of the requirements for a successful election is a viable list of electors. I think the experience we gained at the Spirit River-Fairview by-election after Grant Notley was killed, which was a couple of years after the general enumeration and the election – the returning officer, who was a very capable individual, experienced in his duties and responsibilities, and also a local United Grain Growers buyer indicated that there was not a necessity to do a special enumeration in that it was a very stable community. As I think Mr. Sigurdson will remember, we had a lot of congestion at the polls because there was a lot of movement within Spirit River-Fairview and a lot of people had moved out and moved in. So the recommendation from the returning officer was never ever again to go two years and have a by-election without doing a special enumeration.

We took that lesson to heart. At the recent Edmonton-Strathcona by-election we compared the list of electors from the '88 general enumeration, which was updated at the '89 general election, to the data at the special enumeration. We found that in the single-home dwellings the error was from 20 to 40 percent between the two lists of electors, in the apartment complexes in Edmonton-Strathcona the changes were running as high as 80 percent, and in the area frequented by university students, 95 percent. So I think we can safely say that any list of electors that is more than a couple of years old is not valid for political purposes, nor would it be valid to conduct a general election. We're now at that point when the list we gathered at the general enumeration in 1988, updated at the general election in 1989, really is not suitable for conducting a general election.

I passed out copies of the Election Act. I think we reviewed this last time. If you would go to section 14, it says:

Subject to section 14.1, the enumeration shall be conducted during the period of September 15 to September 30

(a) in the 2nd . . . year following the year in which the last general election was held.

That means that we should, according to this section, conduct an enumeration in 1991.

We're also familiar with section 14.1(2), where it points out that

if a Commission is appointed, the Chief Electoral Officer may, at his discretion, not proceed with an enumeration in the calendar year in which the Commission is established.

With that in the background, we know that the commission has been established. In my opening remarks I said that we were to be prepared for a general election. I think it's general knowledge, as we've pointed out before, that since the Progressive Conservatives were elected, the average between elections has been three and a half years: specifically, three years, six and a half months; three years, seven months; three years, six months; and one at four years, one and a half months but balanced by the most recent general election, which was two years, 10 and a half months. So we're looking at three and a half years between elections. The last election was called in February of 1989. Three and a half years would take that to August of 1992. For those of you who think elections aren't held in August, I can tell you that in Alberta five of our 22 elections have been held in August.

I think we should also factor in the fact that the municipal elections are going to be held in October 1992. The federal election was held in November '88, so if we're looking at a four-year term, then we're looking at a federal election in the fall of '92. I think the most important part we have to keep in mind is the political opportunities, what issues are going to come up, what opportunities the Premier will use to renew his mandate.

The other point I wanted to talk about was the commission. I think we have all reviewed this many times. Normally a commission is appointed at the first sitting of the first session following every second general election, so theoretically the commission should have been appointed at the first session. The special select committee, an all-party committee, was established, and they were to report at the first sitting of the second session. I think we're aware of the reasons the report was delayed until the second sitting of the second session. The commission was established on December 18, 1990. It's at this point, under normal conditions, that the new boundaries would be in place. So we're about two years behind the cycle. I can tell you that the chairman of the commission was appointed on January 10. The members were appointed on January 23. The commission has yet to hold its first meeting. Nonetheless, the time clock started when the Bill was assented to on December 18, and we must complete our interim report by mid-September of '91 and our final report by mid-March of '92.

1:27

It is my hope that we can work as a very, very cohesive team and complete our interim report early this summer and the final report by this fall. I'll tell you some of the reasons I think we should push to get that completed, certainly this calendar year if we can. I think we should also be aware that even if the commission does their work, the Act requires, at section 10:

If the Assembly, by resolution, approves or approves with alterations the proposals of the Commission, the Government shall, at the same session . . .

So if we delay it until the spring, it doesn't necessarily mean that legislation has to be passed at the spring sitting, because it can be passed at the same session, which could be the fall of '92.

. . . introduce a Bill to establish new electoral divisions for Alberta in accordance with the resolution.

I think we should keep that in mind as well.

The other point that I wanted to have the committee think about was the court challenges and any impact that any court challenge or court decision may have on the legislation, also the

timing of the commission. I think the two Calgary groups that are challenging the current boundaries will have some impact. We've heard that the city of Edmonton officials, city of Calgary officials, and also the NDP and the Liberals are talking about court challenges. We know that the government is preparing a reference. Once that reference starts, then all of the other court challenges are placed on stay, so we'll have to wait and see how the government reference case goes. I think the Saskatchewan court decision should be out sometime next month, and that could well have an impact. So what we're looking at are court challenges and court decisions which may impact on the boundary commission. Until those decisions are rendered, of course, we have no idea what the impact is going to be and how it will affect the current legislation and the way the commission operates. What we're particularly interested in is the timing of the new boundaries.

We're looking at the new boundaries for enumeration in 1992. I think if you turn to section 12(2) of the Election Act, you will see that the Electoral Divisions Act must be amended before May 1 in order to conduct a general enumeration in 1992. One of the problems we have if the legislation is not passed until May 1: we have a requirement in the Act on June 1 to write the constituency associations and ask for qualified and available individuals who can act as enumerators. One of the problems we have, of course, is that it must be the returning officers who carry out this task, so sometime between May 1 and June 1 we must get new returning officers appointed. I think our experience has been that it's very difficult to do that in one month. Now, individuals like Mr. Nelson, of course, anticipated and gave us the name of his returning officer very early, however, there were some that we didn't get until October of last year, so there was a long delay.

I think you'll appreciate that once the returning officers are appointed, we must train them. They must then go back to their electoral division and subdivide it into polling subdivisions. They must then give us the maps. We have to check the legal description of each polling subdivision against the lines drawn on the map before we send it over to mapping. Mapping has indicated that it will take them 50 working days in order to complete the new polling subdivision maps. That's hiring three contractors with two individuals each. Of course, if they can hire more contractors or more individuals, the time will be less.

Talking about the constituency associations that we have to write to, those constituency associations are established based on the '89 general election, where we will superimpose the results of the 1989 general election on the new boundaries and determine at that vote who would have won the new seat. That will determine which constituency association president we write to. So the parties are involved. They must very quickly establish new constituency associations and provide us the names. There is a provision in the Act, section 16(5), that tells us how we will determine the constituency association presidents we write to. Also, 16(3) tells us the time frame that we must exercise this, and if we go back to 12(2)(b), this is where provisions are made to register the constituency associations in accordance with provisions in the Election Finances and Contributions Disclosure Act prior to their coming into effect.

So, basically, to ensure that the Premier is provided with the flexibility to call an election prior to enumeration being conducted on the new electoral division boundaries, I recommend that a general enumeration be conducted this fall.

MR. CHAIRMAN: I'd like to suggest to the committee that we first ask questions for information or clarification. Then if there

are comments that you wish to make, we'll do so. But let's first of all get all the facts on the table.

Derek.

MR. FOX: Thank you, Mr. Chairman. I'd just like to ask some questions with respect to the time lines, Pat, because they seem to be crucial. With the Bill proclaimed December 18, the interim report would be presented no later than that date in September, with the final report presented no later than that date in March of '92. Now, if those time lines were strictly adhered to, I assume the government would draft legislation embodying those changes and present it to the spring session of the Legislature in March or April of '92 for debate and subsequent passage by the Assembly. The date of May 1 comes into force here in terms of the pending enumeration process.

Assuming everything went well, according to Hoyle, and deadlines were met in time, you're telling us that gives you enough time to have an enumeration based on the new boundaries in September of 1992.

MR. LEDGERWOOD: We would be pressed, and as I mentioned, there are a couple of critical factors: if they pass the legislation by May 1, if they give us returning officers. I think you all know me, and you know I'll make it work.

MR. FOX: Let's say that if the commission guidelines are adhered to in the strictest sense, like not going any longer than they're allowed, then everything from that point on would have to happen very well, no glitches, like clockwork, in order to have an enumeration on new boundaries in September 1992.

MR. LEDGERWOOD: You've expressed a good appreciation of what has to happen.

MR. FOX: Okay. Now my question. You've raised a number of possible concerns about things that could derail the process. I'll assume for a moment, and hope this won't be held against me in the Chamber at some point in the future, that the government will act from this point on with the very best of intentions to expedite this process, to do it as best they can, to ensure that we have an enumeration September '92 on the new boundaries so we're election-ready for some point after that.

There are a number of things that could derail the process unrelated to decisions of government, unrelated to actions of the opposition, unrelated to anything that politicians in Alberta do, and you've mentioned them, like possible court challenges. Maybe the first question I should ask: even if the judge who's reviewing the legislation for possible violation of the Charter of Rights gives it a clean bill of health, is it possible for a court challenge to be brought against the boundaries once proposed, or once announced, that would delay the process?

1:37

MR. LEDGERWOOD: It is my understanding that some of the groups are prepared to do that.

MR. CHAIRMAN: Just a clarification. The last thing you said was "delay the process."

MR. FOX: I'm sorry. I should be clearer. We as a Legislature having acted in good faith, the government's done everything to help the process, and we've got new boundaries proposed and approved by May 1. Are there other things that could interfere with the process that would make it impossible for you to hold

an enumeration based on the new boundaries in September of '92?

MR. LEDGERWOOD: Well, it's kind of hypothetical. I think you're talking about the court challenges. I think my answer was that some of the groups have indicated that if they're not happy with the boundaries, they will go to court.

MR. CHAIRMAN: Assume we win the court case. There's nothing precluding someone from trying another angle at having the legislation struck down. That does not mean that the world comes to an end. We continue to work the boundaries. Even if by some chance we lost the court case, there are critical decisions to be made. Do you appeal it to the next level? Any changes to be made must come back to the full Legislature. The commission itself cannot change the legislation, the process to be followed.

MR. FOX: I guess what I'm trying to get at here: unless there are things I don't understand here, it seems to me very possible that something could happen somewhere along the way that would tie this up in a court of law and mean that it would be necessary for us to have an election prior to resolution of this whole question based on the old boundaries. In fact, the timing and process of the next election would be removed completely, by someone other than politicians, from the process of redrafting the boundaries and gearing things up for the future.

MR. LEDGERWOOD: That's one of the reasons I would like to have a current list of electors established in the fall of '91 on the current boundaries.

MR. CHAIRMAN: Any questions for clarification? Alan, and then Don.

MR. HYLAND: If you follow what Derek is saying and if the Act is won, let's say - let's take that angle - and found to be fair, and somebody doesn't like it so they appeal it, while that appeal is going on, you can still go on with your enumeration on the new boundaries, can you not, if this committee gives you approval?

MR. LEDGERWOOD: Oh, we will. Yes.

MR. CHAIRMAN: Don, Tom, and then Stan.

MR. TANNAS: The reverse of that: again, if we were to follow Derek's scenario and you did have everything shut down and we did have to have an election on the old boundaries, an enumeration could be done prior to such an election, couldn't it?

MR. LEDGERWOOD: Uh huh.

MR. FOX: Can I clarify what I meant? Because I think we're relating to each other here. We've only got a 28-day election period, so there's not enough time to hold an enumeration once an election is called, prior to that election being held. I guess what I'm saying is that, yes, we could go ahead and hold an enumeration based on the new boundaries, September '92, but that may not have any application or relevance to an election that's going to be called. We might be prevented from holding an election based on the new boundaries because of subsequent court challenges to the process we're going through here. So even though that's proceeding the way it should and the

boundaries are being established, we may be forced by circumstance, by time, to hold an election based on the old boundaries. I'm just trying to get that clear in my head.

MR. CHAIRMAN: On that specific point, Alan? Don, you on the same point? Because then I'll go back to our list of Tom and Stan.

MR. HYLAND: Is it not true that one of the court cases is based on the old Act, not the one we just passed but the old one? So if we worry about that, we could be without any Act.

MR. CHAIRMAN: Alan, that's not relevant to the current situation.

MR. HYLAND: Okay.

MR. CHAIRMAN: Don.

MR. TANNAS: Well, I guess maybe mine might not be relevant either. I was just taking what he was saying. So we're really going to spend \$4 million on the off chance that this all comes apart.

MR. LEDGERWOOD: Or that there is a general election called.

MR. CHAIRMAN: Or that there's an early election while the boundaries commission is doing its work.

Okay. Tom and then Stan.

MR. SIGURDSON: If an enumeration were conducted in September of 1991 and we changed boundaries in May or June of 1992 and an election were called for August of 1992, which is one of your concerns if you go on a three and a half year scenario, we would then be having an election on new boundaries. Because they're really quite small, do you think we would be able to take those polling subdivisions and fit them into the new constituency boundaries?

MR. LEDGERWOOD: Many of them will fit in very nicely because they will be in the centre and they will be the same. But those on the periphery, of course, are where you're going to run into difficulty, particularly in the rural areas where they may be listed by post office box number or rural route number, and we don't know which side of the line they're on.

MR. SIGURDSON: So if you had to use that scenario, any adjustment, then, would be minimal compared to having to go out and scramble to have an entire enumeration based on new boundaries.

MR. LEDGERWOOD: No; I think you've made an inductive leap there. I don't think it would be minimal, because remember, now, we're anticipating that there will be significant changes to all of the boundaries. So the periphery area for the ones we're worried about: that's where we'd run into difficulty.

MR. CHAIRMAN: The opening paragraph of the report you helped draft, Tom, is that all 83 constituencies will see their boundaries change, some in a minimal way but many in a very major and significant way.

MR. FOX: Can I ask a question related to that? It's germane.

MR. CHAIRMAN: Go ahead.

MR. FOX: In a sense we're dealing with three electoral maps. We've got the province of Alberta as our big electoral map, and that doesn't change; it's always the same. Then we've got an intermediate electoral map, which is the 83 constituencies, and that's the one that's going to change dramatically. Is it possible for us to look at the smallest electoral map, and that is the polling subdivisions, and say that we might be able to go through this without changing that smaller map at all, that we make the boundaries of the new constituencies consistent with existing polling divisions? Like, if you're going to take some space from Redwater-Andrew and add it to Vegreville, that you do it in terms of adding a polling division or two. So we may be able to keep the big map and the little map exactly the same, with a couple of exceptions, and change the map in between, which is the way we organized those polling divisions within the province of Alberta.

MR. LEDGERWOOD: A couple of problems. One of the problems, of course, is that polling subdivision maps are designed for up to 450 electors, and the criterion that the commission must use is not electors but total population. So you're going to have that difference.

MR. FOX: But it may be something that could be overcome if we're dealing with the problems of either having no enumeration or this enumeration.

MR. CHAIRMAN: It would be one more condition you'd be placing on the commission, and their task is already quite significant in trying to ensure that the constituencies fall within the plus/minus 25 percent range, recognizing the changes that have to occur, and that one seat will disappear and one more will be added in another area. It's quite an added burden to the commission.

MR. LEDGERWOOD: No. Even at the '83-84 commission, when we used electors, certainly the polling subdivisions were taken into account, but in many, many cases, as Mr. Sigurdson will remember, we split polling subdivisions.

MR. CHAIRMAN: Stan, you're next.

MR. NELSON: Well, I hear a lot of speculation and gray matter here, and I think we've got to get down to black and white. It just bewilders me to understand. We've got a commission out there that's been asked to do a task by the Legislature, assuming that there will be new boundaries in the next election, whenever that may be. At the same time, Mr. Ledgerwood is coming and asking for \$4.1 million to conduct an enumeration for which it is likely there will be new boundaries. We'd be taking \$4 million of taxpayers' money this year and possibly taking \$4 million - and I'm speculating here again - the following year, so enumeration for the next election is going to be \$8 million or \$9 million. I don't know whether I'm prepared to risk \$4 million when we don't have those moneys to expend, when we have this other task taking place where, in essence, we're going to have new boundaries.

1:47

MR. CHAIRMAN: Stan, we're jumping ahead a wee bit. We wanted to first of all see if there are any questions that members had for clarification.

MR. NELSON: Well, I'm coming to my question.

MR. CHAIRMAN: We're anxious to get it.

MR. TANNAS: Alex.

MR. CHAIRMAN: That's what happens when you sit next to Derek.

MR. NELSON: My question is: based on what you have already indicated, Mr. Ledgerwood, why are you so eager to risk \$4 million of taxpayers' money when it may not be necessary?

MR. LEDGERWOOD: I guess I would have to have you put yourself in my position. Would you be prepared to tell the Premier, if he wants to call an election prior to everything being in place, that it was just not possible because you were not prepared?

MR. NELSON: Sure.

MR. FOX: I'm glad he's the officer and not you then, Stan.

MR. CHAIRMAN: In fairness, the Chief Electoral Officer is coming with a request.

MR. NELSON: I understand.

MR. CHAIRMAN: We all read him very clearly. He's doing what he believes he must do, recognizing that the committee has the final say on the budgetary matters.

I think, Alan, you had a question for clarification.

MR. HYLAND: Relating to this, has ever in the history of Alberta an election been called while any sort of redistribution has been going on, to the best of your knowledge?

MR. LEDGERWOOD: Not that I'm aware of.

MR. CHAIRMAN: Go ahead, Derek.

MR. FOX: If I may respond to that as well. If it hasn't, it's likely because we've followed a set timetable, a timetable that has in this case been disrupted by almost two years. The commission normally is to be established in the first session of the Legislature following every second general election. Now we're going into almost the third session, with the commission just starting to do its work.

MR. HYLAND: Sessionwise, yes, but not a lot further in years, because normal sessions before that had gone four years.

MR. FOX: Two. We're two years into the term, you know.

MR. HYLAND: Yeah; okay.

MR. CHAIRMAN: May I ask for clarification, Pat, on the total dollars in the element, \$4,110,970. Is some of that money money you'd propose whether we go ahead with the enumeration or not? I'm thinking of the fees for our deputy returning officers, because they are now in place. Are there parts of that which can be pulled out and that you would propose be expended

whether we proceed with an enumeration or not? Or is that the actual figure we're dealing with?

MR. LEDGERWOOD: In the case that the enumeration was canceled, we would require about \$345,000 to meet other contingencies in the enumeration area.

MR. NELSON: Such as?

MR. LEDGERWOOD: Well, what we would require, of course, are things that we have no control over: returning officers' honorariums; we would hope that we can do some mapping and training; we should be looking at our enumeration forms; we should be looking at the preparation of the electoral division map. I think I mentioned that I was hoping that the commission can complete its activities in this calendar year so that certainly by next spring we can start our preparation. I think I explained that between May and June we put ourselves in a very, very serious time constraint.

MR. CHAIRMAN: For clarification, Pat, even if the commission completes its work during this calendar year, there's no certainty that the Legislature will be called back this fall. In the past years we have not been sitting in the fall. We made an exception this past year specifically because of the Electoral Boundaries Committee report. So we may not be dealing with the report until the spring of 1992 in any event.

MR. LEDGERWOOD: I think you know my philosophy, sir, that I will not spend money to train returning officers or purchase supplies of any type, whether they be forms, guides, or training aids, unless they're required. In the off chance that the money is in the budget and it's not spent, then there's no problem. But if the money is not approved and there's a requirement, then of course we're back into the very time-constrained activity of trying to get the money to pay these people, to order the forms, to get the maps done.

MR. CHAIRMAN: One more comment and then I'll turn to Alan, and that is that it might be appropriate then, after Alan's comment, to deal with the question of the enumeration. If we're going to proceed with it, then that's straightforward. If we're not going to deal with the enumeration, we then would need to go through this line by line to see what parts of the \$4.1 million should stay in in any event, and you've outlined or identified in a general way for us what you think they should be.

MR. LEDGERWOOD: I can give you very specific recommendations on that, sir.

MR. FOX: You mean prior to making a decision?

MR. CHAIRMAN: Well, I thought that what we might do is make a general decision on the enumeration first, because if we're going to proceed with it, then obviously we're talking about the larger figure. If we're not going to proceed with it, then we need to talk about what portion, or all, of the \$345,000 would stay in the budget for this year. I was just trying to find a way to bring it down so that we're dealing with it in a way that's understandable.

Okay. Alan, and then Tom.

MR. HYLAND: Pat, in the amounts that you said; for example, in the \$345,000 or whatever allotment you can see in getting

ready for an election . . . It's been how many years since we made any changes to the Election Act and also the Election Finances and Contributions Disclosure Act? And I thought there was one other. I guess the long and short of the question is: have you had any indications from the House leader that any changes will be made in these? You don't want to have 10,000 of these on hand and the Act be changed or something like that, whereas normally when the Legislative Assembly Act has been changed that sets the constituency boundaries, there have been some changes to all the others as well.

MR. LEDGERWOOD: Mr. Hyland, I don't work through the Government House Leader. My entrée to cabinet is the Attorney General, and I have provided him with recommended changes. His indication to me is that it's not a priority of government at this time. I think I'll leave it there.

MR. CHAIRMAN: Okay. Tom.

MR. SIGURDSON: Just one question, Mr. Ledgerwood. Is it your recommendation that we have an enumeration?

MR. LEDGERWOOD: Yes.

MR. CHAIRMAN: Yes. He said it was.

MR. SIGURDSON: Okay. I just wanted to clarify that, because in my reading of section 14 and 14(1), I'm not sure that the committee has the authority to . . .

MR. CHAIRMAN: Yes, it does. Let's not go through that again.

MR. SIGURDSON: Well, I'm just reading it and . . .

MR. CHAIRMAN: Well, you can read it all you like, but this committee controls the purse strings.

MR. FOX: Let's hear what he has to say.

MR. SIGURDSON: Let me just go through it, because it's entirely at the discretion of the Chief Electoral Officer in the year that a commission is appointed. It's entirely at the discretion of . . .

MR. CHAIRMAN: If you'd like the matter referred for a legal opinion, we'll do so, but this committee will not be held hostage on that point. It's been discussed. I've discussed it with the Chief Electoral Officer. I've discussed it with the Attorney General. Now, if you want to put the whole issue on hold and refer it for further legal input, we'll do that.

MR. SIGURDSON: No. I don't want to, you know, get you upset, but . . .

MR. CHAIRMAN: Well, Tom, with due respect, we dealt with it, and you and I have had this same discussion.

MR. SIGURDSON: I've just read it again, and if I look at section 14.1(2), which deals with an Electoral Boundaries Commission, it seems that it's at the discretion of the Chief Electoral Officer.

MR. CHAIRMAN: Would you like to make a motion that we refer the matter then?

MR. SIGURDSON: For an opinion to Parliamentary Counsel?

MR. CHAIRMAN: No, for an opinion from the Attorney General.

MR. SIGURDSON: Well, I'm sure that there must be . . .

MR. CHAIRMAN: Because I've dealt with the matter. Now, if you want to further delay it, we'll delay it.

MR. FOX: I don't think he's suggesting it. He's just raising this concern, and I don't see why we can't spend five minutes discussing it here. I mean, if you've talked about it with somebody else, that's great.

1:57

MR. CHAIRMAN: We on the committee have discussed this on previous occasions: the authority of the committee. I'm saying that if you want to delay the matter, we'll delay it, but it is not an item you're going to deal with in five minutes from Parliamentary Counsel or anybody else. I'll request the Attorney General to come.

Pat, you may want to comment further, because the matter's been dealt with. Well, let me ask you a question. Do you feel that the authority of the committee is to approve the budget or that we have no choice?

MR. LEDGERWOOD: Well, certainly if the committee does not approve the budget for an enumeration in 1991, then there is no way I can conduct an enumeration.

MR. CHAIRMAN: Alan?

MR. HYLAND: That was my question.

MR. SIGURDSON: But then it's the committee setting the discretion of the Chief Electoral Officer.

MR. CHAIRMAN: It's a committee decision, just as this committee is answerable to the House. If we had chosen not to renew the contract for the Chief Electoral Officer last year, if we had chosen to select someone other than the person we selected for the new Ombudsman, when the term of the Auditor General comes up: that's part of the responsibility of the committee. I'm not suggesting for a moment that we can duck; we can't. The Chief Electoral Officer is making the same recommendation to this committee I'd make if I were in his shoes, that we have an enumeration. If this committee overrides that recommendation, I am certain there will be a certain amount of criticism which those members of the committee who support the decision will have to stand up and take. But I'm saying that this is where the decision is made.

MR. HYLAND: Would it be our responsibility and not his?

MR. CHAIRMAN: That is correct.

MR. SIGURDSON: I appreciate that, and I can appreciate the fact that if the committee were to turn around and say to any

officer of the Legislature that certain changes have to take place within their office structure, that the committee has power over them, then I'd support that. If we were to tell them that the staff complement of each office had to be reduced and that was a committee decision, that's one thing; that's the power of the committee. But when I see in legislation that the Chief Electoral Officer has the discretion to conduct or not conduct an enumeration, I'm not sure that the committee then has the authority to turn down that which is discretionary to an officer of the Legislature.

MR. CHAIRMAN: Well, for the third time, the Chair then will ask you to make a motion, if you so feel inclined, to have the matter tabled, and we'll ask the Attorney General to review it.

MR. SIGURDSON: I would then have to move that motion, because I'm not comfortable with my understanding of section 14 and 14.1(2).

MR. CHAIRMAN: We have a motion on the table to table the matter pending a review by the Attorney General. A tabling motion is nondebatable. All in favour? Opposed? It's defeated. Let the record show a recorded vote, please.

[For the motion: Mr. Sigurdson, Mr. Fox, Mr. Chairman]

[Against the motion: Mr. Ady, Mr. Drobot, Mr. Hyland, Mr. Nelson, Mr. Tannas]

MR. CHAIRMAN: Alan was next on the speaking list, and then Derek.

MR. HYLAND: No. I was going to move that to bring it to a head.

MR. CHAIRMAN: All right.

MR. FOX: Is the implication of this then, Mr. Chairman - I mean, certainly the Chief Electoral Officer can't do something that he's not given money to do, so in a sense we're removing his discretion. Is it likely, then, that there are consequential amendments to legislation required if that enumeration is not going to be held?

MR. CHAIRMAN: When we reviewed the Chief Electoral Officer's budget in October, we dealt with this very matter. I then sought out opinions from everyone from the Chief Electoral Officer to the Attorney General and his staff. The rights and obligations of this committee are clear, and we have that obligation to deal with it.

MR. FOX: Okay. I guess what I'm asking then: if we make the decision not to approve a proposed expenditure, would it be incumbent on the Attorney General or someone else in government to put forward an amendment to the Election Act if something...

MR. CHAIRMAN: If that were the case, then we couldn't deal with the issue here. The Chief Electoral Officer would be the person to make the decision, and we'd be providing the dollars regardless. You're asking now if we need to go back and change the legislation to legitimize?

MR. FOX: Oh no, I'm not saying going back, and if you'd let me finish, you'll hear it. I'm saying that if in the coming session of the Legislature we don't approve the expenditure, is it incumbent on the Attorney General or someone to introduce an amending Act that says: notwithstanding sections 14 sub whatever, 14.1 sub whatever, there shall not be an enumeration held on September 15 or 30, 1992?

MR. CHAIRMAN: I believe you're debating the motion just passed. No; you can raise it any way you like.

MR. ADY: I believe, if I understand this correctly, that if this committee is to deny funding, then clause (2) kicks in, and "the Chief Electoral Officer may, at his discretion..." His discretion is going to be that he cannot conduct an enumeration. Is that not correct?

MR. CHAIRMAN: I'm sorry, Jack. I didn't hear you.

MR. ADY: If this committee denies the funding, then clause (2) of section 14 comes into play.

The Chief Electoral Officer may, at his discretion, not proceed with an enumeration in the calendar year in which the Commission is established or the calendar year following the calendar year in which the Commission is established.
So at that point he has discretionary power to not conduct it.

MR. CHAIRMAN: Okay; Louise has just reminded me very properly that the chairman does not vote on an issue unless there's a tie. In my enthusiasm to show support for the intent and the spirit of the motion, I jumped in and voted. Reluctantly, we'll have to reduce that to a - what? - 5 to 2 vote from a 5 to 3 vote.

Alan.

MR. HYLAND: Mr. Chairman, I would like to move that we do not do an enumeration.

MR. NELSON: Can I suggest to you, if I may, Mr. Chairman, that we move...

MR. CHAIRMAN: Is this a friendly amendment?

MR. NELSON: Yes; that we do not provide funding for an enumeration.

MR. HYLAND: That's what I was going to say. I was going to give the amount; no, we can't give the amount because we don't know the amount. That we do not provide funding for an enumeration in the '91-92 fiscal year.

MR. CHAIRMAN: Okay. I have a motion on the table. Anyone wishing to speak to the motion?

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question has been called.
All right, Derek.

MR. FOX: I'd like to speak strongly against the motion. I think the Chief Electoral Officer is coming to us saying that not only subject to the provisions of legislation as it's currently constituted but based on considerable experience in the office

and indeed the history of the timing of elections in the province of Alberta, the only way he can prudently be prepared for any political decisions that may be pending at the Premier's discretion, we need to hold an enumeration in September of '91 based on the old boundaries.

I don't think one can assume that the almost \$4.1 million would be money lost or money not well spent. If there is not an election held on the new boundaries, the Chief Electoral Officer could point out that we sometimes have two, perhaps three, enumerations between elections in preparation for pending votes. So it's not such a simple matter as it is in the federal case of just having an enumeration timed with each election. That's not the way our legislation works.

I appreciate the guidance provided by members with more experience on this issue than me, that the polling subdivisions aren't directly transferable from one constituency to another. But I think there is some information that could be useful to us based on this enumeration even if the boundaries do change. I just think that we are in an unreasonable and unnecessary way tying the hands of the people we expect to work for us. There isn't anyone here that can give me or the Chief Electoral Officer assurance that there will not be an election called within the three years and six months time frame. Even if there isn't, we have no assurance that the new boundaries, regardless of the process, regardless of the amount of good faith and time invested in it, will be useful for us in the next election. Regardless of what process is used, it may well be that the next election is going to be held on the old boundaries, and I think we need to be prepared for that. I speak strongly against this motion.

MR. CHAIRMAN: Okay.

Jack, and then Don.

MR. ADY: I think I have to come at this a little bit from the position of the Chief Electoral Officer. I can see that under the Act he has a responsibility to be prepared for an election. That's what he's coming to this table to ask for. However, any way you want to count this, if we have an enumeration in the fall of 1991, we're going to have two enumerations prior to the next election unless we have a snap election. But there'll be an enumeration following it. We're going to spend . . .

MR. FOX: A snap election? Three years and six months?

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MR. ADY: Well, just a minute. We'll have an enumeration in the fall of '91. If there is no election, we'll have another one in the fall of '92. So we have a very high risk of spending an extra \$4 million of taxpayers' money on an enumeration.

MR. NELSON: A possibility in the fall of '93 too.

MR. ADY: I think in this period of time the responsibility of this committee is to watch out for the dollars, and I support the motion. I just can't see us spending \$4 million based on the chance that we're going to have an early election. That's the risk we have to take.

MR. CHAIRMAN: Thank you.

Don.

MR. TANNAS: I was going to say, to pick up on Derek's comment on this, that you can't have a guarantee, but it would seem reasonable to assume that with all the events that are

going to occur in '91 - like the federal census; then you look at the '92 year with municipal elections, the high potential of a federal election - post-'92 is a lot better bet. If a government has in place a boundaries commission that's coming in with new boundaries and so on and then goes back to the old boundaries with a snap election, that would be viewed, I'm sure, by the public in a punishing kind of way. So I don't think this government is likely to even consider that.

MR. SIGURDSON: I wouldn't want to try and second-guess the Premier as to when he might next want to call an election.

MR. ADY: Sure. Go for it.

MR. SIGURDSON: Well, I wouldn't have guessed that we would have had an election two years and nine months - 10 and a half at the return of the writs - into a five-year term. Once wounded, I'm not going to try and stick my neck out to guess when the next election might be.

I know, though, that political machinery being what it is, if the Chief Electoral Officer finds that an election is quickly called, an enumeration has to be conducted whether it's on old boundaries or new boundaries. Before the 1992 enumeration is conducted in September of next year, it may be very difficult trying to have sufficient enumerators going throughout the province once the writs are dropped. Party machinery - I speculate that it's the same for all political parties, that once the writs are dropped, the important information to get out is the political message. That's the nature of the beast. Trying to find 50 or 60 enumerators per constituency when you've got 50 or 60 people that you want to carry a political message is going to become secondary. I just worry about election readiness in the event that there is a snap election sometime in 1992 between, what I would suspect, May and September.

MR. CHAIRMAN: Derek.

MR. FOX: Okay. I'm just going to follow up, Mr. Chairman, and take exception to the term "snap election" being used to describe an election that would occur three years and six months after the last election. That is not a snap election; that is the standard term of office for the Conservative government in the province of Alberta since 1970-71. That's not a snap election. What the Chief Electoral Officer is saying is that in order to be ready for whatever happens, but playing the odds and using the electoral experience, we need to have an enumeration in September 1991. So talk of a snap election is, in my view, not relevant.

I'd like to ask some members of the committee to perhaps respond to this question. If you consider it a waste of money to approve \$4.1 million in expenditure for an enumeration you say we don't need, why do you not consider it a waste of money to recommend to the Chief Electoral Officer that certain returning officers be appointed in your constituency and honoraria be paid to them when you know they won't have anything to do? I mean, let's be consistent here.

AN HON. MEMBER: Training.

MR. FOX: We've appointed a bunch of people at the recommendation of certain members, and now we're saying we want to appoint them and pay them even though we're not going to give them anything to do. I'm not saying we should justify the

appointment by giving them something to do; I'm just asking for consistency here.

MR. CHAIRMAN: Stan, and then Alan, and can Alan close the debate, please?

MR. NELSON: Mr. Chairman, first of all, I will respond because when we ask for appointments of returning officers, we do so knowing that there may not be any work available for them many times, which means no remuneration. That's the understanding I've always had in requesting certain appointments, as I'm sure all members would also indicate. If they were to have returning officers designated, it would mean they don't get paid until such time as there is work available. They work under those understandings. In any event, there are opportunities here, possibly, for enumerations in '92 and '93. There's no magic time frame for an election, but at the same time, I'm prepared personally to take the risk that there will not be an election in 1992. I'm sure that if there's any consideration by the Premier to do so, I feel very confident that there will be ample opportunity to conclude any necessary enumeration prior to that happening.

I'm concerned that we are asking departments to downsize that are putting people out of work, that are doing all kinds of things to try and balance a budget that the people of this province are telling us to balance. Quite frankly, if I felt the need, that we were going to require this enumeration at an early date, then I would support the request. However, it is my feeling - and I'm prepared to take the risk, including taking the Chief Electoral Officer off the hook and putting it on my shoulders as saying no. That's what I intend to do, and I will take any heat for it if I have to.

MR. CHAIRMAN: Are there any others? Alan, are you closing debate?

MR. HYLAND: Thank you, Mr. Chairman. Part of the comments I would make Stan has said. We're dealing with the '91-92 budget. If things get slowed down in the commission or whatever the challenges, we still have the window of '92-93 that we can look at approximately this time next year, that the Chief Electoral Officer can look at when he's preparing his budget and bringing it to us. Those of us that will vote in favour of this will obviously be taking certain responsibilities, and that will be, in my own instance, informing the House leader and the Premier that we have made this decision and passed this motion. Along with that comes the responsibility for us to say that we can't do an enumeration in a 28-day election. It's an impossibility. So anything that has to be done has to have more lead time.

MR. CHAIRMAN: Okay. Ready for the question? All those in favour?

MR. ADY: Of his motion?

MR. CHAIRMAN: Of the motion. Opposed? It's carried.

MR. SIGURDSON: Record it, please.

MR. CHAIRMAN: You wish it recorded? Those in favour were the mover, Alan; Don, Stan, John, and Jack. Opposed were Tom and Derek.

MR. TANNAS: Can I ask a couple of questions, still on the enumeration?

MR. CHAIRMAN: Sure.

MR. TANNAS: One is: if you were to do it in September of '92, how soon would it be ready so that then an election could be held?

MR. LEDGERWOOD: Our experience in the 1982 general election was that we had completed the enumeration on September 30. The election, as I recall, was about October . . .

MR. TANNAS: October 5 or somewhere around there?

MR. LEDGERWOOD: Somewhere very quickly. So the problem was that there was no revision to the lists of electors, and we could not bring the copies of the lists to Edmonton for reproduction, where we have them reproduced for pennies. It was an expensive enumeration because some of the local photocopy operators charged us as much as 25 cents a sheet to photocopy.

2:17

MR. TANNAS: I had a second question. The other thing is that as I read section 14, if the commission brought forward its findings in March of next year, as they are obliged to do, and if we put into place the legislation, you could have an enumeration in June, could you not?

MR. LEDGERWOOD: In June of 1992?

MR. TANNAS: Yes.

MR. LEDGERWOOD: If you put the legislation in on May 1? As long as you gave me the returning officers well in advance and you gave me enough time to get the polling subdivision maps prepared, fine. But as I mentioned, you're looking at two- and three-month lead times prior to that.

MR. ADY: A question on that point. What about section 14, where it says that "the enumeration shall be conducted during the period of September 15 to September 30"? Can you waive that?

MR. LEDGERWOOD: Only for special enumerations.

MR. ADY: Well, what constitutes that? Does the circumstance that he describes constitute that?

MR. LEDGERWOOD: Well, you know, if the Premier were to take me into his confidence and advise me that he was going to call an early election and recommend that I conduct a special enumeration, you can bet your life there would be a special warrant prepared that afternoon.

MR. TANNAS: I mean, it says in just what Jack has quoted, "subject to section 14.1," which is the report of the boundaries commission. That "subject to" is the reason for my question. That's the window.

MR. CHAIRMAN: I'm going to suggest, Pat, that rather than going on with other parts of the Enumeration Element today,

you be given the opportunity to go back and determine what parts you'd like to come back and recommend we leave in the 1991 budget and that we would go back to the rest of your budget, unless you're prepared to proceed today.

MR. LEDGERWOOD: Mr. Chairman, I'm prepared to proceed today on the basis that I can tell you which particular codes of the Enumeration Element I would like to see approved for this budget.

MR. CHAIRMAN: Fine. Why don't you distribute that, and we'll take a short, two and half minute coffee break.

[The committee adjourned from 2:18 p.m. to 2:30 p.m.]

MR. CHAIRMAN: Okay, I think we'll proceed.

MR. LEDGERWOOD: Mr. Chairman, would you like me to continue on the Enumeration Element now?

MR. CHAIRMAN: Yes, please.

MR. LEDGERWOOD: Earlier we discussed amendments to the Election Act. I can tell you that there has been an individual appointed to pilot the amendments through the House to go with the Election Act and the Election Finances and Contributions Disclosure Act. I don't know what the status of his work is, but assuming the amendments will be passed at the spring session, we can then go ahead and start to order our enumeration supplies using the amended forms and guides and brochures and that type of thing. Now, I've no idea whether the Acts will be amended at the spring sitting.

On the Enumeration Element under Manpower, what I'm showing there is just half a man-year, and this is to give us flexibility to hire individuals for short periods in conjunction with office activities. So that's reduced from a full man-year. Now, on the Supplies and Services, this is assuming that the boundary commission is able to complete their deliberations in calendar year '91 and pass it to the Legislature and that there will be a fall sitting. So we're assuming here that we will be able to do some enumeration activities in preparation for an enumeration to be conducted on the new boundaries in September of 1992.

So what we're seeing here are Travel Expenses for returning officers; the Contract Services I think we discussed just a moment ago. The data processing is standard at \$13,000, and these are expendable materials and supplies, such as rulers, pens, pencils, erasers, that type of thing. The Fixed Assets: this is data processing equipment that we discussed when you visited the offices. We would have the computer out front compatible with the two computers in the back of the office, and we would establish a local area network. So the total there would be \$345,450.

Are there any questions on any of these?

MR. CHAIRMAN: First of all, Pat, how much of this is on the assumption that there will be a fall sitting and that the fall sitting will be able to deal with the boundaries commission report and pass it?

MR. LEDGERWOOD: That is on that premise, Mr. Chairman. I think, as I mentioned earlier, if in fact the legislation's not passed, then we will not be expending any of these funds.

MR. CHAIRMAN: Well, another option, then, is to eliminate those parts of the proposal that are based on that premise, with the flexibility of a special warrant if indeed two things occur: if the boundaries commission can complete its work and submit it this fall, and indeed there is a fall sitting and it's passed. That's another option so that you could continue to do your work. If we were going to do that, what dollars would we be looking at out of the \$345,000?

MR. LEDGERWOOD: Well, we would be looking at the returning officers' fees for mapping and training; we'd be looking at preparation of electoral mapping: those items directly related to preparation for enumeration '92.

MR. CHAIRMAN: What I'm trying to get at, Pat, is that out of the \$345,000, if we wanted to defer those elements of this budget that are based on an early final report by the Electoral Boundaries Commission and a fall sitting, at which time the report would be passed, what could be pulled out and then dealt with by this committee in the form of a special warrant?

MR. LEDGERWOOD: Okay, starting at code 512A, Travel Expenses, of course we wouldn't have any travel expenses for returning officers, so we could eliminate all of that element. Contract Services: we would still require the honorarium to be paid to the returning officers. That's \$74,700.

MR. NELSON: Why?

MR. LEDGERWOOD: Because the returning officers are appointed by order in council and we pay an honorarium of \$75 a month. What we do is charge our expenses for honoraria and that type of activity to the next event. Our next event, theoretically, is going to be the enumeration, so we charge the returning officers' honoraria to that event. So we would need the honoraria of \$74,700.

We could eliminate the fees. Enumeration Forms: it doesn't matter whether we do that now or next time. I would just as soon have the items in the warehouse as be scrambling around at the last minute trying to order them. It's your decision on the \$80,000. Preparation of Electoral Maps: again, we could eliminate that. That would be an item we would have to come back to on special warrant.

MR. CHAIRMAN: Okay.

MR. LEDGERWOOD: The data processing: we would need that \$13,000 for the networking and setting up the system. The 512P, Materials and Supplies: again, they have a very long shelf life, so I would just as soon have them on the shelf as be trying to scramble around to get them next year. And the AST 386 computer is the one that I briefed you on when you visited the office.

MR. CHAIRMAN: Pat, if we deferred the elements you've mentioned, why would we not also be able to defer the half-position at the top?

MR. LEDGERWOOD: Part of that half position is associated with the new computer and setting up the software packages and the local area network. I think I mentioned to you that we had a contract with PWSS, who came in and did an evaluation of the office, and it's their recommendation that we purchase this

particular type of computer and that we set up the local area network. They have some guidelines, and actually they have individuals within PWSS who could come in and set this system in motion for us. Because it's on a cost-recovery basis, we would have to pay that individual.

MR. CHAIRMAN: All right.
Stan.

MR. NELSON: Just a question on that particular item. It's \$12,200 total or do you just need the \$6,800?

MR. LEDGERWOOD: No; we need the installation charges and the setting up. As I understand it, there is a requirement for hard wire from one computer to the other.

MR. NELSON: So would it be possible to pay for that \$12,200 out of this year's budget? I see your forecast is about 12 and a half thousand dollars less than your budget. Could we not bring that forward into this year?

MR. LEDGERWOOD: We'd love to, but as you know, Fixed Assets is something that's very, very sensitive. That's one of the items we're very closely monitored on. If the committee would give me authority to spend that money out of this fiscal year's budget, we would have the order placed within the week.

MR. NELSON: I think that would be useful.

MR. CHAIRMAN: If a request comes forward, we'll consider it. We've been encouraging the other two officers to do the same thing. If there are supplies, materials, fixed assets that can be purchased now, other offices do that.

MR. FOX: If you have room in the current-year budget, unexpended funds.

MR. CHAIRMAN: Yeah. That's right.
Okay. Any other general questions? Yes, Derek.

MR. FOX: It looks to me, then, Pat, if my figuring is correct, that you're asking for \$345,450 based on the assumption that there would be fall approval of the legislation requiring you to do some things in preparation for a September '92 enumeration. If we took that assumption out, we would reduce that \$345,450 by only \$138,850, the figures being the \$41,500 under 512A and then two elements from 512K, \$37,350 and \$60,000. Are there any savings or expenditures that I'm missing on those?

2-40

MR. LEDGERWOOD: As I say, the enumeration forms are also dependent on getting legislation passed. I would be reluctant to spend any money on any forms, guides, brochures, anything.

MR. NELSON: Take that out too.

MR. FOX: So I should add \$80,000 to that, so we're dealing with \$218,850. In a sense, the scope of the decision we're making now is whether to include that in this year's budget in case you need it, and if you don't, then you won't spend it, or whether we should not include it in the budget, and if you do need it, then you come for a special warrant somewhere in the neighbourhood of \$218,000. Is that it?

MR. LEDGERWOOD: That's good appreciation.

MR. CHAIRMAN: All right.
Yes, Stan.

MR. NELSON: If everything's going to be removed from this, why would you need 511C and 511E when basically all you're using is the honorarium for Contract Services? Hopefully, you'll request that the \$12,200 be placed into this year's budget, which means that the only request would then be for the \$7,200 and the \$74,700.

MR. LEDGERWOOD: I think you may have been out, Mr. Nelson, when we were talking about that wage position. That was a contract position in conjunction with the local area network, where we would have a programmer come in and assist us in setting up our computer system. The \$635 in 511E is the WCB contribution, and that's a fixed amount.

MR. NELSON: Yeah, I understand that. It goes with the tendered position.

MR. LEDGERWOOD: The employee contributions are fixed amounts on contract where they get holiday pay and other.

MR. NELSON: It's based on that contract amount, wages. I understand.

MR. TANNAS: Nonreusable Supplies for Enumeration Use, 512P?

MR. LEDGERWOOD: These are items that we provide.

MR. TANNAS: This is the pens and erasers and so on?

MR. LEDGERWOOD: Pens, erasers, clipboards. There are certain items that we don't even ask the enumerators to return. There are a certain number of clipboards that are broken. There are a certain number of rulers that are broken or lost. These are what we call class C items. They're expendable items.

MR. TANNAS: If you're not doing them though, why would you keep that in there? You know, you could either pick it up in this year's budget, if you have something remaining . . .

MR. LEDGERWOOD: You may remember that our budget for the last couple of years has been so close to the margin that . . .

MR. TANNAS: You don't have any.

MR. LEDGERWOOD: There's no flexibility.

MR. TANNAS: All right. It could be removed, couldn't it?

MR. LEDGERWOOD: Uh huh.

MR. CHAIRMAN: Alan?

MR. HYLAND: Mr. Chairman, I assume this is the right place to make a motion - if it's not, then I'm sure somebody'll tell me - to approve in principle the Chief Electoral Officer to transfer out of this year's budget the amount of \$12,200 that he has for

the purchase of data processing equipment, to use it out of this year's budget as long as he has the flexibility.

In speaking to it, that would say, then, that he has asked us – which is contrary to what we've done, but we've discussed this verbally – that upon a request this approval would kick into place, when the paper was received either by the chairman or the staff of the committee, and allow the office to go ahead with the purchase of that equipment this year or as soon as possible so it's in place and can be used.

MR. FOX: If I might by way of friendly amendment, I believe, Alan, you said that \$12,200 be transferred out of this proposed budget. That's not been approved.

MR. HYLAND: Yeah, I should have said existing budget.

MR. FOX: Yeah. What you're suggesting is that surplus, unspent money in the '90-91 budget be transferred to the Fixed Assets element to enable the purchase of this equipment.

MR. HYLAND: Yeah.

MR. CHAIRMAN: Yeah, and what the Chief Electoral Officer would do is come back with a formal request to move any dollars, whether it be Manpower or Supplies and Services, into Fixed Assets. As I mentioned, we did that earlier today and we did it yesterday with the other two officers.

Pat, anything further to add to that?

MR. LEDGERWOOD: No. That's a good suggestion. I appreciate it.

MR. HYLAND: I think by doing it this way, it speeds it up in that it's just something we picked up and the system can go ahead and be done after we've received the paperwork.

MR. CHAIRMAN: Any further discussion? Are you ready for the question?

MR. NELSON: Question.

MR. CHAIRMAN: The question's been called. All in favour? Carried unanimously. Thank you.

Are we now ready to deal with the remaining parts of the element, or is there more time needed?

MR. NELSON: Just one question.

MR. CHAIRMAN: Yes, Stan, go ahead.

MR. NELSON: The \$7,200 for Nonreusable Supplies for Enumeration Use, then, would not be required?

MR. LEDGERWOOD: No. We could delay that until next year.

MR. NELSON: Okay. In essence, what we're talking about, then, is a budget total of \$94,200 that is required under the Enumeration Element, and that would include the honorarium for the returning officers, the wages for the nonpermanent position, and the employer contributions. If that's the case, I will therefore move that the \$94,200 be approved for the Enumeration Element of the '91-92 budget.

MR. LEDGERWOOD: I think, Mr. Chairman, we should be looking at Data Processing Services as well. Many of those are fixed costs in that we have no control over what other departments charge us for processing.

MR. NELSON: Okay. Well, if that's the case, Mr. Chairman, I will honour that request and change that to \$107,200.

MR. CHAIRMAN: One hundred and seven thousand two hundred dollars . . .

MR. NELSON: The \$107,200 would be in place of the \$94,200, as I indicated in my motion.

MR. CHAIRMAN: Okay. It's clear what the motion covers?

MR. FOX: Can you just fill in those elements for us again, Stan?

MR. NELSON: The elements that would be included in that motion are 511C, Wages, \$17,750; 511E, Employer Contributions, \$1,750; 512K, Contract Services, returning officers' honorarium, \$74,700; 512L, Data Processing Services, \$13,000; which equate to \$107,200.

MR. CHAIRMAN: Okay. Any further discussion on the motion? Yes, Derek.

MR. FOX: I'm wondering, then, that if we're to approve that, the major element of that expenditure is the \$74,700 honorarium to be paid to the returning officers appointed. Now, I recognize it's \$75 per person per month, but overall it adds up to a fair little bit of money for people who don't have anything to do in that year. We're not proceeding with a new enumeration. What would these people do over the next year? Is it just a matter of having, again, some form of election readiness, people there if we need to gear up for an unanticipated call or a by-election in a given constituency?

MR. LEDGERWOOD: That would be part of it. I would hope that these individuals, because they have a lot of expertise in the local area, will be making submissions to the commission with data that will be used in the commissioners' deliberations. The returning officers have just completed their mapping exercise in preparation for the enumeration we were going to conduct in September '91. We have, I think, about 70 of the returning officers who have completed the mapping; I think we're short about a dozen or so. Of course, they're the ones that keep track of the local area, and when we establish the new boundaries, hopefully many of these returning officers will be reappointed.

MR. CHAIRMAN: Any further discussion on the motion? Are you ready for the question?

MR. HYLAND: Question.

MR. CHAIRMAN: The question's been called. All in favour? Carried unanimously.

Okay. Now we can back up, Pat, to the other elements in the budget. Would you like to go over the Administration Element?

2:50

MR. LEDGERWOOD: Okay. If you'll turn to appendix A, which is the Administration Element, we went through that line

by line in October. I'd be prepared to answer any questions that any member may have.

MR. CHAIRMAN: Are there any questions? Let's deal with Manpower first, under Administration.

Pat, one question. It relates to the 5 percent cost of living increase and the 3 percent merit. We've asked a similar question of the other two officers: what that averages out to in your operation. Because while the 5 percent is there and is automatic, the 3 percent is an optional figure.

MR. LEDGERWOOD: Because I don't fall in that category, I only have three managers who fall in that category. My deputy is a senior manager 3, the director of registration financial operations is a manager 3, and the director of election operations is a manager 3. I was able to take their current salaries, that gave me a figure, and I multiplied by 3 percent. Because of the assessment where on merit those that are assessed at 4 get higher than those that are assessed at 3, the deputy received a 3.1 percent increase, and the two other managers received a 2.9 percent increase. I used the full 3 percent.

MR. CHAIRMAN: Well, we'll go into that in more detail on the 13th, but I wanted to double-check. You used the full 3 percent.

MR. LEDGERWOOD: I cannot imagine a manager facing his staff, if he's given authority to have a 3 percent pay raise, saying, you know, "Fine, fellows, but I'm only going to give you 1 percent."

MR. CHAIRMAN: Well, it's called "merit." It's not called "cost of living," and there are others who have given less than the full amount.

MR. HYLAND: We're talking the 3 percent merit, not the 5 percent that was by contract?

MR. CHAIRMAN: Yes.

MR. HYLAND: We're talking the merit that you're supposed to get if you produce, if you do your job well.

MR. LEDGERWOOD: Well, I think you look at the office. I've been chief now for five years. During that time I've conducted two general elections, a senatorial election, four by-elections, two general enumerations, several special enumerations, and several plebiscites. I've got a very professional staff. They've assisted me. We've received nothing but accolades, and I think they deserve a merit pay.

MR. NELSON: You haven't had a lot of change, have you?

MR. LEDGERWOOD: No.

MR. CHAIRMAN: Well, we'll follow up on that specific on February 13, and we'll do that in camera.

Stan.

MR. NELSON: Well, that's okay. I was just going to indicate that that's the reason there are merits. That's how you judge them rather than by just handing out, because I know some managers haven't given any.

MR. LEDGERWOOD: I'm very fortunate. I have a very professional staff.

MR. NELSON: Okay.

MR. CHAIRMAN: Any further discussion on Manpower? Okay.

Supplies and Services. There's quite an increase from both the budgeted and the forecast figures for 1990-91. I can't recall; did we discuss that in any detail in October?

MR. HYLAND: Most of that's in Contract Services.

MR. CHAIRMAN: Which includes?

MR. LEDGERWOOD: You may recall, Mr. Chairman, that it relates to lawyer assistance for the office.

MR. CHAIRMAN: Lawyer assistance. That's right. I think you had - what? - \$15,000.

MR. LEDGERWOOD: Fifteen thousand dollars for lawyers' fees.

MR. CHAIRMAN: Okay. Any further questions?

MR. NELSON: Yeah. I'm just trying to figure this thing out here.

MR. CHAIRMAN: Go ahead.

MR. NELSON: In the area of Manpower, from the 1990-91 forecast to the '91-92 estimate, you've adjusted that to an increase of some 9.3 percent.

MR. LEDGERWOOD: Okay. You may recall that my salary increase is included in there, as well as the 5 percent and the 3 percent merit.

MR. CHAIRMAN: Well, we'll deal with that on February 13, though. It may be part of the global dollar figure here, but the committee will deal with that as a separate item.

MR. NELSON: The global figure is about 9.3 percent over the forecast, which is roughly about the same thing: 9.3 percent, 9.2, point something, percent over last year's budget and forecast. That 9.3 percent seems a phenomenal salary adjustment, and that's what I'm trying to express here. I realize we're going to discuss the area of increase and what have you on the 13th, but I'd like to know how you get a total increase in there of 9.2 or 9.3 percent. I assume that the next line is a similar amount, \$460,600.

MR. FOX: Why don't you figure it over the '90-91 budget, Stan, because the '90-91 forecast may be slightly lower as a result of unfilled positions.

MR. NELSON: Well, let's say 9.2 percent, because it's not even a thousand-dollar difference.

MR. CHAIRMAN: Let's just wait. Pat may have the answer.

MR. LEDGERWOOD: Well, I don't want to get down to discussing individual salaries in *Hansard*. I don't think it's . . .

MR. CHAIRMAN: Would you like to go in camera?

MR. LEDGERWOOD: Yes.

MR. CHAIRMAN: Okay. Can we have a motion to go in camera?

MR. FOX: I move that we go in camera.

MR. CHAIRMAN: Thank you. Carried unanimously.

[The committee met in camera from 2:58 p.m. to 3:05 p.m.]

MR. NELSON: Mr. Chairman, I will therefore move that the element A, the Administration Element, and the Election Element be tabled until February 13.

MR. CHAIRMAN: A friendly amendment. Could we deal with the Administration Element alone so that we can have some discussion on the Election Element?

MR. NELSON: Okay. Sure.

MR. CHAIRMAN: Thank you.

MR. NELSON: That will be that the Administration Element be tabled till February 13.

MR. CHAIRMAN: Thank you. Okay.

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question's called. All in favour? Carried unanimously.

Now, if we could move over to the Election Element. Pat.

MR. LEDGERWOOD: The Election Element, Mr. Chairman, is based on the hope that there will be an amendment to the Election Act this year.

Now, on the deletions, if we could leave in Travel by the Chief Electoral Officer's Staff so that I'm able to send my staff to whatever conferences they're required to attend. Also, I would like to have some flexibility so that they could visit returning officers and become more familiar with particularly the problem areas in the province. The travel by the returning officers: I think we can delete that \$20,750. The same on Contract Services; we can delete Resupply of Election Act Forms and Guides. If the Acts are amended, then I'll have to come in with special warrants to get all of the items I need there. We can eliminate the returning officers' fees for attending training sessions. I would like to see approval for the \$10,000 for forms and guides associated with Election Finances and Contributions Disclosure Act in that this is ongoing in that we still have our constituency associations and our parties even though we don't have candidates. So we have to work with those individuals, and remember that we're working with volunteers, so we try and provide them with the latest information. Even though the Act is not amended, we're going to have to reproduce some of our forms so that we can pass these to the volunteers.

The contentious item last year - at the bottom, the \$50,000 for the 1905-90 report - I'll leave up to the committee.

MR. CHAIRMAN: So we have a recommendation from the Chief Electoral Officer that we include Travel by Chief Electoral

Officer's Staff for \$2,000; Resupply of Election Finances and Contributions Disclosure Act Forms and Guides, \$10,000; and the question of whether or not we go into another printing and an update of *A Report on Alberta Elections*, \$50,000, is left with the committee.

So the pleasure of the committee is what? Alan.

MR. HYLAND: I would move that we approve the 1991-92 estimates, those numbers that you outlined.

MR. CHAIRMAN: Which numbers?

MR. HYLAND: What's the total tally? Well, let's do it by element, I guess then. Under code 512A, \$2,000, and under 512K, Resupply of Election Finances and Contributions Disclosure Act Forms and Guides, \$10,000.

MR. CHAIRMAN: Okay. Any discussion on the motion? Yes, Tom.

MR. SIGURDSON: Can I just ask, with respect to the . . . Oh, on the motion? If the Chair will allow me the question then. I'll try, and you can rule me out of order.

MR. CHAIRMAN: The Chair is always accommodating.

MR. SIGURDSON: With respect to *A Report on Alberta Elections*, are you getting many requests for resupply?

MR. LEDGERWOOD: Well, as you know, it's a very popular book. We have no extra copies now. We've provided them to all and sundry, and people are still interested in obtaining them. I think possibly the report by the special select committee, which used a great deal of the data from that report, may satisfy some of the people who are wondering about it, particularly former boundaries. As you know, it is an excellent reference guide used by universities, community colleges, high schools, public libraries, community libraries. Nothing but accolades from those people that use it.

MR. CHAIRMAN: Stan, and then Derek.

MR. NELSON: Mr. Chairman, I agree with the Chief Electoral Officer that the book was exceptionally well done, and we did all receive a copy of it. I guess the question I have is: could this \$50,000 that's requested . . .

MR. CHAIRMAN: Excuse me. Can I suggest that we hold that? That's not part of the motion.

MR. HYLAND: It's not part of my motion.

MR. CHAIRMAN: If we deal with this motion and a member wishes to come back and address the \$50,000, we can.

MR. NELSON: All right. Fine.

MR. FOX: So we could add that by way of vote to the Election Element. We're merely voting now on the \$12,000 recommended expenditure?

MR. CHAIRMAN: That's correct.

AN HON. MEMBER: Question.

MR. CHAIRMAN: The question's been called. All in favour?
Carried unanimously.

Yes, Stan.

MR. NELSON: Now I'll ask my question. Would there be an opportunity to get a return of the full cost of the production, of this request?

MR. LEDGERWOOD: I think I can answer exactly the same as the last time you asked me that question: that I don't think so, because people are not going to buy it, particularly the small community libraries. High schools likely would not, maybe some universities, some community colleges, but not in the numbers that we've provided them in the past. Of course, the main users of this book initially were the political entities.

MR. NELSON: Okay. Thank you.

MR. FOX: I'm wondering if you could tell us when it was last published. Stan mentioned that all members got a copy. I suspect it was before the '86 election then.

MR. LEDGERWOOD: That is true. It was right after the 1982 general election, so it included data from our first election in 1905 to the 1982 general election.

MR. FOX: So it's currently two elections and various and sundry by-elections and the senatorial election out of date.

MR. CHAIRMAN: The Chief Electoral Officer did mention that the Select Special Committee on Electoral Boundaries borrowed heavily, particularly for the historical part, and there's a reprint of maps and certain information which is certainly assisting. I don't know how many copies of the report are left. You're not sure either, Pat? I think we're down to a few hundred, but as Pat has said, that's something that has satisfied some who are working on papers or the like.

Yes, Don.

MR. TANNAS: I was just going to say that as a sometime historian, it would seem to me that the ideal time to reprint this would be after the '92 or '93 election, whenever it will be, when you've got . . .

MR. CHAIRMAN: Ninety-four.

MR. TANNAS: Or '94.

You've got a major redistribution, you've got two general elections besides the one we're talking about, and all the things Derek reminded us of, including the senatorial election, which maybe by then will still be the only one. In a time of restraint I think that might be a good historical thing to hang it on.

MR. NELSON: The information is available, anyway, Mr. Chairman. I mean, it's available off the report that comes after each election.

MR. CHAIRMAN: Are there any further motions on the Election Element? All right; any further questions on the budget, recognizing that we're coming back on the 13th to deal with section A? All right.

Thanks very much, Pat. We look forward to seeing you on the 13th. We'll wrap up your budget and then deal with that other matter.

MR. LEDGERWOOD: Thank you very much, Mr. Chairman and members.

MR. CHAIRMAN: Okay. There's one other agenda item I'd like to address today if time permits, and that's section 8(c), which covers the budget estimates for the committee. We've gone through this in a general way before. How would you like to deal with it? Do you want to go through it page by page?

3:15

MR. FOX: Well, why don't we, Mr. Chairman? I think we can do that fairly quickly.

MR. CHAIRMAN: Sure. Let's do that. All right. Starting with Allowances and Supplementary Benefits. We've got conferences at the beginning: registration fees for the COGEL conference, the Ombudsman Conference, and the Comprehensive Auditing Foundation Conference. Conference attendance fees: a slight increase over last year. Yes, Don.

MR. TANNAS: We had a talk - I can't remember whether it was formal or informal - on the Ombudsman Conference. If we were going to be part of the panel, would that be an extra person? That would be one of the two?

MR. CHAIRMAN: One of the two.

MR. TANNAS: Okay.

MRS. KAMUCHIK: If I may, Mr. Chairman. If the committee's going to be part of the panel, they're willing to waive the conference registration fee. So we could have a saving.

MR. TANNAS: So if we did send a third person, it wouldn't have an impact in here?

MRS. KAMUCHIK: My understanding is that they would waive the registration fee for the person taking part on the panel.

MR. CHAIRMAN: Okay. Good.
Yes, Derek.

MR. FOX: Another question on this. We were discussing the merits of sending a member or two to this public accounts conference, and I'm wondering where that would be reflected in fees, or is there no fee?

MR. CHAIRMAN: We continue working with the Public Accounts Committee here, but we're not aware of any fee at this time. The invitation extended to us did not make any reference to fees. If you recall, the public accounts conferences held here in Canada don't have a fee, and that's something we've asked be addressed, because it's so unfair to the smaller provinces.

Anything further on the fees for conferences? Okay.

Going on to page 2, the conferences themselves. We've listed them.

MR. HYLAND: At the rates they've got going down in the States, we may have some room on the airfare going to North Carolina.

MR. CHAIRMAN: Yes, it's possible. Again, it's booking in advance.

MR. HYLAND: There some of the rates are - you can go down there cheaper than you can come up here.

MRS. KAMUCHIK: If you leave from Great Falls, Montana, as well, you could probably get a better rate. But then whoever goes - if it's an Edmonton member, then we have to consider the driving.

MR. CHAIRMAN: Derek.

MR. FOX: Can I just raise a sort of a technical item. Maybe it's Louise I should be asking. When we're dealing with our estimates or our proposed budget, we've got two columns here, '91-92 estimate and '90-91 estimate. Now, I assume the '91-92 thing is our proposed budget that we're deliberating upon. I'm not sure if the '90-91 is the forecast or the approved budget figure. I'm just wondering.

MR. CHAIRMAN: We had that yesterday, did we not?

MRS. KAMUCHIK: Well, what was handed out yesterday was the total expenditure to date not counting . . .

MR. FOX: Yeah, that's the forecast.

MRS. KAMUCHIK: Right. The forecast was not prepared. The 1990-91 estimate is what the committee approved last year. So that's the actual.

MR. FOX: Okay. So just in terms of consistency, because we're reviewing the budgets of these three officers, maybe we could change that word "estimate" to "budget" - that was the approved budget 1990-91 - for comparison's sake.

MRS. KAMUCHIK: That could be done.

MR. CHAIRMAN: Good comment.
Okay. The next page, page 3. Yes, Alan.

MR. HYLAND: Again, the question - and I think I asked it last year - on the chairman's vehicle. Assuming there are no major changes in committees, the present chairman's vehicle comes from a different place. If we don't have a chairman's vehicle, why have it in the budget and then have it returned? Why even have it in there?

MR. CHAIRMAN: I agree. I've raised this question. I raised it last year, and we decided as a committee to leave it in, keeping in mind that the makeup of our committee goes before the House on an annual basis. I'm under the understanding that the makeup of the committee will stay as is barring some request by one or more of the caucuses to change its makeup. There's \$4,800 that we can eliminate from the budget that's not going to be spent, as far as I know. I'd be more comfortable seeing that eliminated, and if by chance there were a change in chairmanship and it needed to come back, the committee could deal with it as a special warrant much the same as we've agreed to do with the Chief Electoral Officer.

MR. HYLAND: The same for the next page. It's \$500.

MR. CHAIRMAN: Yes.

MR. HYLAND: It just follows through with the same idea.

MR. TANNAS: Yeah.

MR. HYLAND: And the following page, \$300.

MR. CHAIRMAN: Well, do we have a motion? Alan?

MR. FOX: Can I be sure before you make the motion?

MR. HYLAND: Yeah.

MR. FOX: In terms of 1990-91 expenditures is it true, then, that we've had no expenditures on any of those?

MR. CHAIRMAN: Zero. Absolutely none.

MR. HYLAND: Yeah.

MR. FOX: They're all dealt with in other ways?

MR. CHAIRMAN: Yeah.

MR. HYLAND: Yeah. Okay? I would move that we take all the costs associated with the chairman's vehicle out of the budget of the committee. That's the simplest way, isn't it, other than naming them?

MR. CHAIRMAN: Yeah.
Don.

MR. TANNAS: Just for clarification, are we talking about then leaving the item in there and putting zero dollars, so that a subsequent committee has got that item?

MR. CHAIRMAN: The item should stay. It's just the dollars we're removing.

MR. TANNAS: Great.

MR. HYLAND: I just said remove all costs.

MR. TANNAS: Okay. Thank you.

MR. CHAIRMAN: Any further discussion on the motion?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Call for the question?

HON. MEMBERS: Question.

MR. CHAIRMAN: All in favour? Carried unanimously. Okay.
Page 6, the Auditor General's office. Now, we're going to deal with that item when we meet with the Auditor General on the 13th.

MR. FOX: Right. We asked for further information.

MR. CHAIRMAN: Hosting the meetings, page 7. Louise, do you have any idea what the actual is for that? I think we dealt with that.

MRS. KAMUCHIK: Well, it's on the expenditures that were handed out yesterday, and I'll give you the exact figure, if I can find it.

MR. FOX: It's \$407.95 expenditure to date.

MR. CHAIRMAN: Right.

MR. TANNAS: So then we can have a party.

MRS. KAMUCHIK: No, I don't think you can.

MR. NELSON: I don't think we can.

MR. CHAIRMAN: Page 8.

MR. HYLAND: How would we get a one-third increase in conference attendance when the conferences are closer, i.e., there's less travel time and stuff like that?

MR. CHAIRMAN: Well, we have the new addition.

MR. HYLAND: Oh, right. Sorry.

MR. CHAIRMAN: Okay, anything else? Are you ready for a motion to approve the budget as amended?

MR. HYLAND: With the exception of the Auditor's . . .

MR. CHAIRMAN: That's right.

MR. NELSON: We'd better hold the whole thing until you get the Auditor.

MR. CHAIRMAN: That's right.

MR. TANNAS: So we don't begin the discussion again, why don't we approve the budget with the exception of one item which will await the 13th?

MR. CHAIRMAN: Are you comfortable with that?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay. The motion is that we approve the amended budget, leaving out page 6, the audit of the Auditor General's office, and that will be dealt with on February 13. All in favour? Carried unanimously. Thank you. All right; that deals with our item.

A motion to adjourn? Alan.

MR. NELSON: Are we going to recess till the . . .

MR. CHAIRMAN: Let's deal with the motion first. A motion to adjourn. All in favour? Carried unanimously.

[The committee adjourned at 3:25 p.m.]

