

10:30 a.m.

[Mr. Kowalski in the chair]

THE CHAIRMAN: Well, good morning, ladies and gentlemen. It's 10:30 and today is October 5, 1998. This is a duly designated meeting of the Special Standing Committee on Members' Services. The date for this particular meeting was posted quite a few days ago. As well, I also posted the agenda last Wednesday with respect to this meeting. I appreciate those who are here having attended. I do believe that one additional member should be with us shortly. I have no notice that she will not be here.

The agenda that we have, circulated to all members, is a result of a note that I sent to all members of the Members' Services Committee some time ago requesting suggestions from members with respect to an agenda. The agenda was drafted early last week and, as I indicated, was posted publicly on Wednesday last week. All members were given a briefing book either late last Wednesday night or early Thursday morning, so it's certainly been available. The agenda that we have before you was worked out from items that were extending from previous meetings or items that had been discussed in recent months and recent weeks as possible agenda items.

So may we first of all have approval of the agenda? Any discussion on that?

MR. DOERKSEN: So moved.

MRS. FORSYTH: I'll second it.

THE CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: We have a number of minutes from previous committee meetings. We have the minutes of Wednesday, November 12, 1997, and three others in addition to that. So perhaps we'll take them in order. We're seeking now approval of the minutes, and if approved, then we'll deal with the question of any business arising out of the minutes.

First of all, the meeting of Wednesday, November 12, 1997.

MR. RENNER: I move that we approve the minutes of the meeting of Wednesday, November 12, 1997.

MR. HERARD: I second it.

THE CHAIRMAN: All agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: The minutes of Thursday, November 13, 1997, item 3(b) on your agenda.

MR. COUTTS: I move that we approve the minutes of November 13, 1997, for the Standing Committee on Members' Services.

THE CHAIRMAN: We don't really need a seconder. Does everybody agree?

HON. MEMBERS: Agreed.

THE CHAIRMAN: The minutes of Monday, November 17, 1997, item 3(c) in your binder.

MR. HERARD: So moved.

THE CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: The meeting of Wednesday, January 28, 1998.

MR. RENNER: I move that we approve the minutes of the meeting of Wednesday, January 28, 1998.

THE CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Business Arising from the Minutes. The first one we have in your binder, under 4(a), has to do with an update on the year 2000 issue. I have a briefing note for you in that particular document, and I've also asked Mr. Gano to be here as well in the event that there are some questions that may arise out of it.

As far as we are concerned in the Legislative Assembly, the question was: "Is the technology in use by the Legislative Assembly positioned appropriately for transition to the year 2000?" We have a technical overview provided to you that basically looks at the matter, also indicates what has been done so far, and points out what's coming. It's under Other Considerations that I just draw this matter to your attention and perhaps will just clarify what it says under Other Considerations. It says that the technical group that we're working with

can only certify Y2K compliancy on hardware and software that we have specifically reviewed. Any purchases that have been made without consulting ISS cannot be considered as compliant.

Then what is coming? In terms of what we did for the current fiscal year:

Some hardware upgrades are . . . required in the 1999/2000 fiscal year. Forty-six workstations, equally distributed between caucuses, constituencies and the LAO, must be replaced at a cost of \$92,000 by December 31, 1999. This will bring all of the hardware in use by the Legislative Assembly to Pentium level and Y2K compliancy.

Now, these are not additional dollars. These are dollars that we talked about that we had budgeted for several years. Some were to be expended in the current fiscal year. Some were to be expended in the next fiscal year. So don't be alarmed when you see that figure in there. That's just the ongoing replacement costs that were built in.

It's under Other Considerations that I would just like to draw this to your attention. Now, because of the flexibility that we have in the system that we have, there are individual members who can request equipment via the Legislative Assembly Office. We would then review it. Some members have gone out and purchased equipment on their own, and all we're saying in here is that if you have some certain equipment in either your caucus office or your constituency office that we are unaware of, we cannot certify that that will be compliant unless the LAO is advised of the existence of such equipment and is given an opportunity to look at it. That would be pretty small in percentage, pretty small in number. To make the statement that we think we're pretty comfortable, we are in terms of the equipment that we have, in terms of what I'm assured. So I just point that out, and in fact probably we'll be alerting all Members of the Legislative Assembly and constituency offices sometime in the next several months that this is something that everybody has to look at themselves.

In terms of, again, what we have purchased on your behalf, reviewed on your behalf, there should be no great difficulty that we can anticipate at the moment. But as for the existence of some types of equipment that we are unaware of, that you could have had certainly the right to purchase under your own constituency office

allocation, we're not so sure. So just give us a chance to take a look at it, and we will take a look at it. Of course, whoever somebody would have purchased independently from, they would also have a responsibility. Would there be any questions or thoughts on this matter? Okay. That's provided for information.

The second one, the subcommittee report on designation of smoking rooms. My, oh, my. This is one of the more fascinating subjects that we've had to deal with in the past. Let me try to bring you up to date as to where we currently are with respect to Bill Pr. 205. That Bill Pr. 205 received Royal Assent on June 18, 1997. Now, we reviewed the bill, and it was to come into force one year after Royal Assent, but since the last time we had a meeting, in the spring session of 1998 there was a clause in the Miscellaneous Statutes Amendment Act, which was passed, that delayed the coming into force of this particular private member's bill until January 1, 1999.

Now, we are in October 1998, and I understand that there is even some discussion that's ongoing with respect to this bill. So who knows what may or may not happen in the fall session of 1998. All I know is that at the moment, under the provisions of the existing act, designation of smoking rooms in the Legislature Building must be made by January 1, 1999. Otherwise all rooms will be nonsmoking by default. Rooms that are self-contained and which aren't required for access to other offices can be designated as smoking rooms by the appropriate person – that is, the Speaker or the minister – but rooms which are used for access to other rooms in the building, rooms like this one, the Confederation Room, can only be designated as smoking rooms if some part of the room can be walled off and provided with separate ventilation.

So we've had the miscellaneous amendment bill which, as I understand, was given unanimous consent by all Members of the Legislative Assembly in the spring of 1998. When we look back into our minutes, there was a discussion on November 12, 1997, with respect to this. The conclusion of the discussion essentially was that there should be a subcommittee of representatives from each caucus to work on this particular matter. Mrs. Sloan did make a motion to that effect. Ms Barrett did make comments to that. As best as I can understand from the *Hansard* of that particular meeting, Ms Barrett was designated the representative from her caucus. It's unclear to me who the representative is from the Official Opposition caucus, and I'm not quite sure who the representative is from government caucus. Ms Barrett, I don't want to put you on the spot, but if I look at the 1997 minutes, I sort of come to the conclusion that you were the designated chairman of the subcommittee.

10:40

MS BARRETT: I was? I just knew I volunteered to be on the committee.

THE CHAIRMAN: I don't know if your subcommittee has had any meetings with respect to this matter.

MS BARRETT: I can tell you on the record that I've never been contacted by a member of the other two caucuses to identify who was representing which caucus. So obviously we've not had a meeting.

THE CHAIRMAN: Well, this thing continues to evolve. Perhaps I could ask the deputy chairman of the committee, who is also the leading representative of the government caucus, and perhaps a representative from the Official Opposition caucus to meet with Ms Barrett to sort of spin this thing further.

MS BARRETT: Finally I get to chair a committee.

THE CHAIRMAN: Well, it's a subcommittee. It may not be necessarily the one you want to chair.

As it sits right now, my understanding is that we have till January 1, 1999, pending what may or may not happen with this bill into the future, and I simply don't know. I don't know. All I know is that it has moved in the past under miscellaneous statutes. In anticipation of what may or may not happen, you'll note that there are no ashtrays on the table here this morning.

Mrs. Sloan.

MRS. SLOAN: Thank you, Mr. Chairman. I'm wondering as a potential representative to that forum whether or not the legislative offices have compiled any information about what areas within the Legislature buildings might be appropriate for utilization for smoking purposes.

THE CHAIRMAN: Well, if you recall the discussion we had the last time with respect to this, the bill is written in such a way that it does not ask the Speaker to do that. It asks the Members' Services Committee to do that.

MRS. SLOAN: I think that if I recall correctly, the discussion last time was that the Speaker's offices were a potential designated smoking area.

THE CHAIRMAN: Well, under the act it provides that particular kind of opportunity to exempt.

MRS. SLOAN: I'm just seeking your direction as to whether or not that's still in effect. Seriously, are you expecting or asking us, then, not only to survey our caucus colleagues but also to determine what would be the appropriate areas where that might occur?

THE CHAIRMAN: No. Obviously something happened in the spring session of 1998. For something to be in miscellaneous bills, the tradition is that there has to be discussion among the various caucuses. They've agreed to something, because miscellaneous statutes are not debated. So I would be unaware of what transpired or how this came to this point. All I'm saying is that I'm just reflecting on what the reality was. Obviously something happened. In order to get that clause in miscellaneous statutes, there had to be agreement. The tradition is that miscellaneous statutes are not debated, and I don't participate. So I'm in your hands.

MR. WICKMAN: Mr. Chairman, maybe I read the matter incorrectly, but my understanding was that the intent of the bill was basically to ban smoking in public areas within the Legislature Building. But wasn't there, then, that technicality drawn into it, because of the question of the Crown basically owning every property in Alberta, that smoking couldn't be allowed anywhere? Wasn't that the whole hang-up that we got into, that we had to make some type of minor amendment to the bill to correct that?

THE CHAIRMAN: I'm sorry. You're looking at the wrong person. I do not participate.

MR. WICKMAN: But myself, Mr. Chairman, I don't understand what's wrong with having a bill that bans smoking in the Leg. Building or government offices.

THE CHAIRMAN: Again, Mr. Wickman, I can't respond to that. Your caucus agreed to something in the spring of 1998.

MR. WICKMAN: Which I think is good, as a nonsmoker.

THE CHAIRMAN: All I'm saying is that I'm not sure what was agreed to. All I'm doing is reporting on this current situation, going until January 1, 1999, and we agreed to have a subcommittee. Perhaps the representatives from each one can spin it out, and we can deal with it further. Would that be agreed to?

HON. MEMBERS: Yes.

THE CHAIRMAN: Old Business, 5(a), Update on LAO Space Request to Public Works, Supply and Services. I'm very, very pleased to report, in terms of what we were looking at doing in the last several years, that this has now been completed. The renovations and the upgrading on floors 8, 9, and half of floor 10 in the green building, the Annex, have now been completed, and I want to thank publicly the Minister of Public Works, Supply and Services for his support and the senior project manager, Mr. Neil McFarlane, of Public Works, Supply and Services for guiding this project to a successful conclusion. That's been in the mill for several years, and it has now been concluded.

New Business, Request for Funding Reallocation from 1998-99 Legislative Assembly Budget by Standing Committee on Public Accounts. I had requested both the chairman and the deputy chairman to be present with us today to look at and give us some further information on this matter. I see neither here.

Well, essentially what the request is – the Standing Committee on Public Accounts received an invitation to attend the Biennial Conference of Australasian Council of Public Accounts Committees in Perth, Western Australia, from February 21 to 23, 1999. When they were looking at their budget last fall, they had not received such an invitation, and needless to say, in the budget of the Standing Committee on Public Accounts no dollars were allocated to it. So what they had basically done is sent a letter saying that they would like to attend this particular conference. They're looking for \$12,120.

Now, I received the memo and I looked at it. The six-month budget point is October 1, 1998, so usually within the next couple of weeks I will get a pretty good printout as to where we actually are with the Legislative Assembly budget for the fiscal year 1998-1999. I don't have that today. The request here is that they wanted \$12,120 to go and do that. They had not budgeted for it. Their budget in the previous year had decreased from about \$21,000 or \$22,000 to the current budget of about \$9,000 and several hundred dollars.

This is a matter that the committee can either choose to deal with or not deal with. The committee can choose to be silent and can say to me: well, check out your budget to see if it's possible, and if it's possible, perhaps take a look at it or perhaps not take a look at it.

MS BARRETT: I don't understand, Mr. Chairman, when you say, "Check out your budget."

THE CHAIRMAN: Well, the Legislative Assembly budget.

MS BARRETT: Oh, I see.

THE CHAIRMAN: What I said is that the six-month time frame for the budget is basically the last day of September, so I will get a printout in the next several weeks basically showing where we're at for six months, and I'll have a good understanding of what all the other committees have been expending or not expending. In the likelihood that there could be some surpluses from nonexpended in some other committees, whatever committee it is, if the committee had any warmth to doing this, then we could move funds from one

committee budget to accomplish this. All I'm saying is that I just don't know that right now, and it would take some time to do it. It even may be that the information is such that I don't get it back. It may be too late to even consider this thing for this year.

10:50

MS BARRETT: Yeah, but you expect to see this within a matter of weeks.

THE CHAIRMAN: Yes.

MS BARRETT: Well, I'll move that

if committee money is available, it be transferred to Public Accounts so that three members can attend this conference.

MRS. FORSYTH: If I may, Mr. Chairman, on the motion Ms Barrett is bringing forward. You did speak about the fact that the chair and the deputy chair were both invited to this meeting. Requesting the funds of \$12,120 that they're requesting, I think it's important that they be here. Particularly with the information in front of me, I'm opposed to the Public Accounts Committee chairman and vice-chair going to this. I really don't see the information before me offering any suggestions on why they should be going.

THE CHAIRMAN: Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. I would have liked to have heard the chair and the deputy chair explain what possible good this would do for the taxpayers of Alberta with respect to attending this particular conference. Because they chose not to attend, then I don't have that information to consider. Quite frankly, I don't think we should deal with this until we know what it is that Albertans would benefit from by their attendance.

MR. WICKMAN: Mr. Chairman, it was my understanding that the chairman of the committee was going to be here this morning. I don't see him here. It was my understanding that the deputy chair couldn't be here. Possibly we could lay it over until the first item after lunch and communicate with the chairman to be here to answer any questions that may arise before we make a decision as to whether it should be approved or not. So if you'll take that motion, I'll move that

it be delayed until such time as the chair of the committee can be available for questioning.

THE CHAIRMAN: We have two motions here. The second one, from Mr. Wickman, basically says to postpone further discussion of this particular matter till, I guess, sometime later in the agenda. We'll deal with the second one first and then go back to Ms Barrett's. So would all those be in favour of postponing further discussion of this matter until some future time in this agenda – all those agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? So then there's no need to deal with the motion, Ms Barrett, that you had put forth. Okay. So we still have that one.

Item 6(b) has to do with a proposal for change to the constituency services order for constituency staff travel. A member had indicated that under our orders it has caused a bit of a dilemma in terms of administration. I've reviewed the general use of this constituency allowance. You've got it in your book. It's item 3 of the order that you have. That section currently says:

The Allowance may be applied to the cost of

- (a) rental office space, furnishings, fittings and office equipment including electronic equipment,
- (b) office and secretarial assistance and related services,

(c) reasonable living and travelling expenses for staff working for the Member to travel to Edmonton or to the Member's constituency on not more than 3 occasions in a fiscal year.

I reviewed the request put forward by the member who basically says that with the restriction of three times in one year, in fact it could probably be more expensive to do it that way than just literally leaving the thing open. After having reviewed it on several occasions and trying to remember from my own memory as to why that was written in such a way, I basically came to the conclusion that the thought process put forward by the member with respect to this would make more sense if the order in question did not have the number of occasions required.

Under the traditions that we have here, in the constituency allocation there is great flexibility given to all members in terms of how they want to expend those dollars. While we have a number of rules, essentially they provide a great deal of flexibility. My conclusion is that, okay, I guess if you're an urban member who's fortunate enough to represent a riding close to the Legislature Building, your office person, if required to come, can do so very, very easily. Such does not apply in the same way for someone whose office person may be several hundred miles away. While I probably appear to be part of a debate here right now, my recommendation to the committee is that this matter can be dealt with very, very simply by modifying the order in question by crossing out a number of words: "on not more than 3 occasions in a fiscal year." It solves the issue and makes it reasonable, but I stop at that moment with that recommendation to the committee.

MS BARRETT: Mr. Chairman, I thought what Carol Haley was getting at, the member who wrote the memo, was to actually put some kind of dollar figure into the members' orders, and it occurs to me that that would be difficult to do if we don't know approximately how much the Leg. Assembly spends per year on this kind of chattel and support for the staff so that we could, you know, divide it by 83 and figure it out.

THE CHAIRMAN: Well, remember in this case, Ms Barrett, the Legislative Assembly spends no dollars.

MS BARRETT: Is this just for the constituency budget?

THE CHAIRMAN: That's only for the constituency budget. In the same way we don't have a rule that says you can only spend X amount of dollars on electricity in your constituency office, X amount of dollars for . . .

MS BARRETT: It's clear enough now.

THE CHAIRMAN: This is not an LAO expenditure item. There's no cost. There's nothing.

MS BARRETT: Well, then she's right. Let's just delete the words. It's nuts.

AN HON. MEMBER: Agreed.

THE CHAIRMAN: Agreed? Could I have a motion with respect to that?

MR. JACQUES: Mr. Chairman, I would move
to recognize order MSC 6/98.

THE CHAIRMAN: Because October 1 is the half-year point, could we write in October 1 for the date of effect for this particular order? From a management point of view it sort of makes it just a little

easier. So, Mr. Jacques, does that . . .

MR. JACQUES: Yes.

Part 3 of this order comes into force on October 1, 1998.

THE CHAIRMAN: All in favour?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Thank you very much.

Under Other Business we have a subject called Compensation Issues, and we have three items in that particular category: (a) Update on Compensation Adjustments in Government. What I have in here is some background information as a result of discussions that have basically been rather informal, nothing formal about any of this stuff, going on for seven or eight or nine months and as a result of a number of members coming to visit and raising issues on a whole series of matters. We were asked, if all hon. members will recall, at previous meetings for a history of salary adjustments. I recall one of the meetings that we had, the one that was in the Legislative Assembly per se, when one hon. member of the committee said: well, what really has happened in the last number of years and where are we at? So there's some briefing information in here looking at the history of salary adjustments from 1989 to the present.

The first document that you have basically breaks it down into four categories: first of all, one section on the left dealing with bargaining employees – that is, union employees – associated with the government of Alberta; a second column looking at government nonmanagement, non-union employees, including Legislative Assembly Office employees; another one looking at government management and LAO management; and another one looking at Members of the Legislative Assembly. So if you look at the column on the left, the bargaining employees' union, in essence if you took it from 1989 through to the present, in September of 1994 union salaries were reduced 5 percent. In September of 1997 union salaries were reinstated to 98.5 percent of the prerduced dollars. In January of 1998 union salaries were reinstated to 100 percent of the prerduced dollars. In April of 1998 an achievement bonus was provided, 2 percent of the March 31, 1998, salary. Then in September of 1998 a market adjustment pursuant to collective agreements of 2 and a quarter percent was provided for all bargaining units settled to date.

In recent days there have been some mediation, negotiations going on. There is a report that I read over the weekend that basically said that some agreement was reached, but I don't have that confirmed. One of the hon. members may know that, but I just don't know if that's an actual fact. It was just a report.

11:00

The second column, government nonmanagement and LAO employee management. Their non-union salaries were reduced 5 percent in April of 1994. The union ones were reduced in September of 1994. Then in April of 1997 the non-union salaries were reinstated to 98.5 percent of the prerduced dollars. In August of 1997 the non-union salaries were reinstated to 100 percent of prerduced dollars. In April of 1998 an achievement bonus of 2 percent, based on the March 31, 1998, salary, was provided. Then in April, again of 1998, a 2.25 percent market adjustment valuation was provided to government nonmanagement employees. That was not granted to the Legislative Assembly Office employees as a result of that discussion we had at a previous Members' Services saying that we're going to put the dollars in and I'd come back to the committee asking for permission for that to happen should the

government in fact do it.

The third column, government management/LAO management. There was a management pay freeze in 1991. In 1993 senior officials' salaries were voluntarily reduced 2 percent. In 1994 senior officials' salaries were voluntarily reduced an additional 3 percent. Then management salaries were reduced 5 percent in April of 1994. Then in April of 1997 the management salaries were reinstated to 98.5 percent. Then in August of 1997 management salaries were reinstated to 100 percent. In April of 1998 there was a bonus achievement package of up to 6 percent for management. Again, there's a footnote at the bottom that this "does not include adjustments that may have been granted to some government managers through the Productivity Plus Program."

The last column basically deals with Members of the Legislative Assembly, basically indicating that in 1993 remuneration for "office other than," meaning essentially members of Executive Council, the Speaker, and the Leader of the Official Opposition, was reduced 5 percent. Then in January of 1994 the MLA indemnity and tax-free allowance was reduced 5 percent at that time, and that's been exactly the situation since then.

The next page that you have in here basically is a further printout with respect to senior official compensation adjustments. Again, in 1991 the senior official pay freeze was in effect. In March 1993 the pay was reduced 2 percent. In January 1994 the pay was reduced an additional 3 percent. Then in January of 1997 there was a return of 1.5 percent of the pay reduction. In April of 1998 there was a return of the balance of the 3.5 percent pay reduction plus allocation of achievement bonuses up to 6 percent. You all know that on May 6, 1998, there was an announcement of increases in senior officials' salary ranges and pay effective April 1, 1998. Deputy minister ranges were all adjusted to \$125,000, and all deputy ministers' salaries were adjusted to \$125,000. There was a range there from a minimal possible increase of 11.8 percent to a maximum possible increase upwards of 65 percent.

You all know, again, that one other committee of the Legislative Assembly, the Legislative Offices Committee, essentially provided adjustments effective April 1, 1998, for the Auditor General to \$135,000, for the FOIP and Ethics Commissioner to \$125,000, for the Ombudsman to \$92,000, and recently a new appointment to the Chief Electoral Officer to \$85,000.

We also received a memo from the Public Service Commissioner dated September 25, 1998, as a result of a request to him asking for the historical impact of what's happened in the last several fiscal years. Basically that memo, again, dated September 25, 1998, says that there was a restoration of the 5 percent plus the salary increase of April 1, 1998, of 2 and a quarter percent for the opted-out employees and 4 percent for the management employees and that there was one bargaining unit that was continuing to bargain. My understanding is that what was offered was the complete restoration of the 5 percent plus additional amounts. Again, I gather that over the weekend a positive conclusion was made with respect to this. I don't know the specifics of it, but my understanding is that it was to return everything that was taken a number of years ago plus provide for increases of a minimum of 2.25 percent.

The next piece of paper that you have in here is an order in council, Order in Council 146/98, which rescinded an order in council passed in 1993 that basically reduced government committee rates by 5 percent. That applied to all of the people in the public, essentially not related to the Legislative Assembly, who had had their 5 percent reduction before. It was now to be returned and put back in place as of April 8, 1998.

The next item that we have is leading to the Legislative Assembly budget reallocation. In January of this year the Members' Services Committee approved the addition to the 1998-99 Legislative

Assembly budget of an amount of \$165,000 as a potential fiscal pressure contingency fund. When we did it, I asked for your permission to have it put into the budget. I indicated that the discussions that we were having internally with what was happening with the government would lead us to believe that something was going to happen in the fiscal year 1998-99. The only way we could ever be prepared for it was to have some advance planning with respect to it, so we put in the \$165,000 for the Legislative Assembly Office. The calculation was done for us by Alberta Treasury on the same basis as funds were to be allocated to government departments, and I indicated that none of these dollars would be forthcoming and allocated until I came back to the Members' Services Committee and, number one, verified that the government had moved in this direction – and that has happened; the government has moved in this direction – and, number two, that I would have an allocation broken down for you on the basis of the discussion that we had at that meeting in January.

The discussion we had at that meeting in January was that that \$165,000, because they were manpower-related items, would then be broken down into three areas: one, the Legislative Assembly Office in terms of its manpower component; two, the constituency budget allocation in terms of what manpower allocation was there; and three, the various caucuses in terms of the percentage of manpower allocations in each of the three caucuses.

So what you have on that page is a graph that basically says that this will be the breakdown for the \$165,000, based on the principles that we'd talked about before. The Legislative Assembly Office would get \$72,155 of this \$165,000. By the way, this would then be allocated to all of the employees in the Legislative Assembly Office.

The second one would be the constituency budgets. We did the calculations on the percentage of the human resources budget of each constituency. There would be a maximum of \$44,020 allocated. So we divided 83 into \$44,020, and that basically should come out to, if the mathematics are correct, \$530.

Then the caucuses. Again, under the manpower allocation there would be an allocation of \$48,825. So the amount of \$72,155 that would go to the Legislative Assembly Office would be allocated according to the principle that had been enunciated before through the administration. The constituency budgets would each have an allocation of \$530 for manpower services, and that means each member would have their constituency office budget increased from \$40,172 to \$40,702. The caucus allocation, which currently is that the caucus budgets are based on so many dollars per person in each caucus, would be increased by \$775 and would go from \$42,845 to \$43,620. That would be the manner in which it would be dealt with according to the principles that we discussed in January of 1998.

I said I would bring back two things: first of all, a verification the government has moved in this regard – that's a fact; the government has moved in this regard – and, number two, a breakdown on the principles that we agreed to before. Here are the principles and here are the breakdowns. So I stop at this point in time.

Mr. Wickman.

11:10

MR. WICKMAN: Yeah. Mr. Chairman, one question. The purpose of this allocation, from what I understand, was basically to compensate for the restoration of the remainder of that 5 percent. Is that right?

THE CHAIRMAN: No. It was additional dollars over and above the 5 percent cut.

MR. WICKMAN: Additional dollars for contracts that may be settled within the public service?

THE CHAIRMAN: Yeah. Manpower costs.

MR. WICKMAN: Okay. By my calculations, if we look at the constituency ones for example, I would say that the average constituency staff component would run in the neighbourhood of \$30,000 for salaries. So if 2 percent is \$600, \$530 is less than that \$600. Now, if we're talking in terms of that type of adjustment in salaries, is that on par with the settlements that have been made within the unions that would apply automatically to the non-union staff?

THE CHAIRMAN: Well, the difficulty we have, Mr. Wickman, is that in each constituency budget the hon. member determines what they'll pay, so there is no semblance of any comparability.

MR. WICKMAN: I realize that, but what I'm looking for is a guideline. In other words, if the staff that work for Legislative Assembly Office receive, let's say, a 3 or 4 percent increase, then constituency staff by rights should get that same approximate amount. But we've never been informed as to what these settlements were.

THE CHAIRMAN: I'm sorry; you have been informed what the settlements are in the Legislative Assembly Office. I just outlined that for you and went through the whole history of it. What we don't know and have never gone into, because all hon. members say, "Don't go into it," is how you deal with your own.

MR. WICKMAN: Okay. Fair enough.

THE CHAIRMAN: Mr. Doerksen.

MR. DOERKSEN: Yeah. Mr. Chairman, this goes back to even the previous discussion on the travel for constituency staff. That's very much the member's decision in their own constituency budget, and I think we make those determinations.

MS BARRETT: Well, I'll move the amendment, then, that section 1(3) is amended in clause (a) by striking out \$40,172 and substituting \$40,702.

THE CHAIRMAN: That's supportive of the draft Members' Services Order 1/98. It's suggested that what we should have is first of all a motion to move the whole thing that you see, the \$165,000. The MSC is a consequence of that. Okay?

MS BARRETT: Sure. I'll also move that I'd add to that motion that under the caucus side we delete \$42,845 and substitute \$43,620.

THE CHAIRMAN: The intent of the whole motion is to basically go with the proposal as outlined in the Members' Services book. Ms Barrett.

MS BARRETT: Yes, please. I didn't know what to do with the LAO because it didn't show a difference that I could see.

THE CHAIRMAN: I think we understand that.

MS BARRETT: Thank you.

THE CHAIRMAN: Discussion? Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Opposed? Okay. Thank you very much.

MR. DOERKSEN: Just on that particular order there's no into force date. Would we be inserting all of those?

THE CHAIRMAN: The \$165,000 would be done effective October 1. It would all be paid out in this fiscal year. It doesn't make any difference if it goes back to April 1. We're caught with the amount of dollars anyway. It can't go up or down.

MS BARRETT: Right. Good point.

THE CHAIRMAN: Thank you.

The next item deals with a history of member compensation. Now, I did make some comments just briefly two minutes ago with respect to the remuneration. Attached in here is an amount of briefing materials. If you take a look at the first section, you see an information item looking at members' remuneration 1993 to the present.

Essentially, just to refresh your memories, in March of 1993 there was a reduction in the salaries to the tune of 5 percent for the Premier, the Speaker, the ministers with portfolio, the ministers without portfolio, the Leader of the Official Opposition, the Deputy Speaker and Chairman of Committees, the Deputy Chairman of Committees, and the leader of a recognized opposition party. That occurred in March of 1993. That was the 5 percent.

Then in January of 1994 there was a reduction of 5 percent in the MLA indemnity, the MLA tax-free allowance, and then a variety of special members' allowances – the Official Opposition House Leader, the third party House leader, the chief government whip, the assistant government whip, the chief opposition whip, the assistant opposition whip, the third party whip – and committee members' allowances for the various types of meetings were also reduced by 5 percent.

Now, there are some draft proposals there, but why don't you just skip over them for a second, and I'll bring you up to date with additional information. Go past those three proposed orders. On August 26, 1998, Order in Council 346/98 was approved. That arose out of the Judicial Compensation Commission, and we were advised that the Lieutenant Governor in Council accepted the recommendations of the Judicial Compensation Commission and basically said that the base salary of Provincial Court judges should be increased to \$125,000 effective April 1, 1998. They basically said that the proposed salary increase to \$142,000 was not accepted.

It's item 2 that brought in a rather interesting new index. It said that

the salaries of Provincial Court Judges should be increased effective April 1, 1999 by the same increase as in the Average Weekly Earnings for Alberta as reported by the Statistics Canada survey of employment payroll and hours for the period from January 1, 1998 to December 31, 1998.

I presume that that OC could just as easily have said: could be decreased if the average weekly earnings index goes down.

The next section in here is basically a briefing note on the average weekly earnings index. You have a definition there of how the Statistics Canada Survey of employment, payrolls, and hours defines the average weekly earnings index: "the average dollar amount that employees earn on a weekly basis" and

"employees" include all persons drawing pay for services rendered, or for paid absences, and for whom an employer must complete a Revenue Canada T-4 Supplementary form. Employees include full-time and part-time employees, as well as working owners, directors, partners and other officers of incorporated businesses.

In addition you have a briefing note that looks at the average annual percentage increase for the average weekly earnings that really basically go from 1984 through to 1998. I presume this portion of 1998, because 1998 is not completed yet. If you take a look at those numbers, in 1991 it was 5.3 percent; 1992, 2.7; 1993,

1.7; 1994, 0.1; 1995, 0.1; 1996, 4.2; 1997, 4.0; and 1998, presumably 2.1 percent.

11:20

You also have an additional briefing note here looking at economic indicators, cumulative percentage change from 1992, in Alberta. I might add that the most recent economic indicator for Alberta for the average weekly earnings index for July 1998 was \$619.12 per week, and the change from the previous year, from July 1997 to July 1998, would be 2.96 percent. These things were taken off the Internet from Statistics Canada, and they show that from a July to July item, the percentage increase would have been 2.96 percent, but the previous month index, from June 1997 to June 1998, showed 3.24 percent. What I'm basically saying is that these things go up and down month to month, but the one from the Judicial Council would be December 1997 through to December 1998.

In the discussions with a lot of members they basically said: well, when did the last major public review of these things occur? I said: well, we'll get the information for you. So you have also included in your binder some comparatives. The last major public review that was held was in 1994. You have a document in there: the project report put out by KPMG Management Consulting that was done in 1994, 1994 MLA Total Compensation Study. You have the whole document, which is just simply a xerox copy of the document that occurred and was presented then.

There was one rather significant thing that was put in there, and it was called a total compensation comparison with information based on the 1992 Peat Marwick study and updated in 1994 that basically said: well, okay; how would you compare? You as elected people, whether private members or ministers, members of Executive Council, your total compensation basically in 1994, which they argued was the indemnity and salary and expense allowance – and then they gave a value, an average value I gather, for committee allowances, a certain amount. The 1994 comparative was \$59,970 for members, and for members of Executive Council it was \$99,330. What would be the public comparator and what would be the private comparator? In other words, if you were in the public sector versus the private sector.

Their conclusion was that for members the public comparator would be \$70,072. The private comparator would be \$87,329. For ministers your total compensation was \$99,330, and if you were in the public service, the comparator would be \$131,512, and the private comparator would be \$237,419. I happened to be a member of Executive Council in 1992, 1993, 1994, and I remember seeing this particular document and somebody saying: well, does that mean you people are going to give yourself a raise from \$99,330 to \$237,419? After you smiled, you know, for 10 seconds, you quickly walked away from that one and weren't going to touch it, period. You weren't going to go in that direction either.

So look at that, because you asked to have this background information provided in previous meetings or over the summer. I took this particular document. I asked the Clerk to send a letter to one of the authors of the particular report, and we sent a letter to SVS Strategic Value Services Inc., which is a private consulting firm that looks at these particular matters, and received a letter dated September 23, 1998, back from the gentlemen. I just quote several paragraphs.

This letter report responds to your request that we examine changes in the Canadian public and private sector compensation markets.

The intent is to take this letter to a Members Services Committee meeting, at which the topic of MLA compensation will be discussed.

This particular report goes on. He basically says that he has looked at the documents from 1992 and 1994. He's involved this thing on a national basis, and he's looked at some other sectors, provinces in Canada. He's looked to see what they have done and

what they have not done. In the last paragraph on that page he says:

In each of the four jurisdictions selected . . .

And the four jurisdictions that he's selected are the Canadian House of Commons, the province of Nova Scotia, the province of Ontario, and the province of British Columbia.

. . . there has been some increase in total compensation since 1994.

In total, the increase averages in excess of 19%. Over that time, Alberta MLA compensation has not increased. Currently, that puts Alberta more than 28% below the average of the selected jurisdictions.

You see in this particular document that you've got comparatives there, including MP/MLA compensation; Canadian and Alberta salary increases, the second graph; and the third one, Alberta government increases. His second last line in his whole document is:

Based on this cursory review, we conclude that, indeed, MLAs have lost ground, and that the gap is at least 5%, excluding any additional disadvantage suffered through cancellation of the pension plan.

The next piece of paper that you have in your book is a member compensation summary that is dated August 1998. We basically did a survey across the country of Canada and tried to be totally, totally comparable in terms of where everyone is. You can see the Canadian House of Commons on the current one. Their current basis in 1998, which includes the adjustment that they made in May/June of 1998, as I recall, looks at a basic indemnity with a taxable allowance of \$87,300. That would be the highest in the country. Ontario would be second at \$78,007. The Senate would be third at \$75,900. Quebec would be fourth at \$72,816. British Columbia would be fifth at \$69,900. Saskatchewan would be sixth at \$61,322. Manitoba would be seventh at \$59,255. Newfoundland would be eighth at \$57,042. Alberta would be ninth at \$54,630. New Brunswick would be 10th at \$52,360.08. The Yukon would be 11th at \$48,456. Nova Scotia would be 12th at \$45,195. Prince Edward Island would be 13th at \$41,528. The Northwest Territories, interestingly enough, in addition to providing each member with a total basic indemnity and taxable allowance at \$36,748 allocates to each member an additional \$18,665 if they have no portfolio, and if they do have a portfolio, then there's an additional amount that goes into there. So that basically is the factual analysis that we found in August of 1998.

The next sheet that you see is a member compensation summary dealing with a pension and/or RRSP situation, and again it's August 1998. You can see that a number of jurisdictions in the country have a pension plan: the House of Commons, the Senate, Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec. There's a modified pension/RRSP plan in Ontario, a pension plan in Yukon, the Northwest Territories, an RRSP scenario in Manitoba and British Columbia, a money purchase plan in Saskatchewan, all with employer contributions going from 5 to 10 percent, depending on the jurisdiction. In the case of Alberta there is no pension or RRSP and of course no employer contribution as well.

The next series of sheets that you have is a review of the House of Commons salaries and allowances. That is Bill C-47, which was dealt with in 1998. Now, our Members' Services meetings here in Alberta are in the open and are in the public. It has always been the tradition of this Legislative Assembly to have these kinds of meetings with *Hansard* and open. In Ottawa that isn't the case. In fact, I believe there are only a couple of jurisdictions now in Canada that actually go to an open kind of meeting such as this. So what I'm saying is that I can't give you the background as to how they arrived at certain things and certain parameters in Ottawa in the House of Commons, but what we do know is what happened. The document that you have in here clearly points out the increases that are going to be dealt with by Members of Parliament in their sessional allowance. You see the figure for 1997, you see it for 1998, and you

see it moving in the year 2001.

11:30

You also see other sections and categories in here dealing with nontaxable allowances, and then you see the allocation for the Prime Minister, for the ministers. That's over and above what they would get as MPs for their sessional allowance. Interestingly enough, in the Canadian House of Commons the Speaker makes more money than a member of Executive Council. It's never been the tradition fostered here in the province of Alberta. I'm not advocating anything; I'm just reporting here very, very factually. You can see the other kinds of scenarios.

Now, in Bill C-47 some very interesting things occurred. If you look at the next page, they do have a pension plan, an absolute pension plan in the Canadian House of Commons, and you saw the numbers of the contributions a little earlier. They also have a severance allowance now in the Canadian House of Commons, plus they also have something else: a supplementary severance allowance. You had this situation that occurred where members, if they were part of the pension plan, had an opportunity to stay in the pension plan. For those who were not part of the pension plan, there now has been created two additional allowances: one, the severance allowance and, two, the supplementary severance allowance. Two of them. You can see under the severance allowance that that basically is a lump sum amount equal to 50 percent of the aggregate; that is, the aggregate of the sessional allowance under section 55 of the Parliament of Canada Act, which in essence is the salary for all members. Then over and above that they add to that the allowances under sections 60, 61, and 62 of the Parliament of Canada Act. They also add any title that you had. If you were a minister, your salary is added to that. If you were the Prime Minister, your salary is added to that. If you were the Speaker, your salary is added to that. So it's an aggregate of the whole. If it were to happen to apply here in the province of Alberta and it would apply, say, to the Speaker, it would be not only the allowance paid as the MLA but also the special allowance made in the position of the Speaker. That's for the severance allowance.

Then you have this very interesting thing called the supplementary severance allowance. It's payable to those eligible for a severance allowance who were entitled to elect, under certain sections of the act, to be a participant in the Members of Parliament retiring allowances and did not elect in the amount. So you get a lump sum amount equal to one-twelfth of the sessional allowance and any salary or allowance under these previous allocations.

What's really interesting – if you flip over to the last page, there's an example. If you were to calculate the severance allowance and the supplementary severance allowance payable to a Leader of the Official Opposition 55 years of age who is retiring with 12 years of service in 2001 and is not a participant in the Member of Parliament retiring allowances, you would find that such an individual would, number one, receive under the severance allowance a sessional allowance of \$69,708, a leader's allowance of \$53,148. That's a total of \$122,856. The severance allowance would be 50 percent of that, for \$61,428. Then you would get the supplementary severance allowance if you served for 12 years, and if the total that you had received in those 12 years on an annual basis was \$122,856, then you would get an additional \$122,856. The severance payable would be \$61,428 plus \$122,856, for a total of \$184,284. That's what is included in Bill C-47. That's the reality for someone of a certain age serving 12 years and leaving at a certain time. Now, that is the information that essentially has been requested of me, which I now provide.

In the discussions that I had, again, with a large variety of private members and other members the suggestion was made: well, what

do you think we should do? I said that I was prepared to come forward with some suggestions on the basis of what I had heard, what I had been advised, and the reality of what was in existence in other jurisdictions in Canada. So I have before the Members' Services Committee today several recommendations that the committee may choose to consider.

First of all, if you look at the draft Members' Services Committee Order 2, the suggestion there is that the 5 percent that was eliminated – and again, there are two groups of people in here that we're talking about. We're talking about those associated with Executive Council and other offices in March of 1993, and then we're also dealing with those individuals who saw their adjustment in January of 1994. Members' Services orders 2 and 3 are essentially two draft orders saying that the 5 percent should be returned. The suggestion is that the 5 percent should be returned as at October 1, 1998. So essentially, in terms of the total of the 5 percent, it would be for the six months going to April 1, and that would apply to all of the titles that basically had their adjustments reduced between March 1993 and January 1994.

I'm also suggesting for consideration that in all of these cases as well, if one wanted to look to the future, one could adopt the principle of the average weekly earnings index that was included in the judicial compensation review that was put into effect retroactively to April 1, 1998. I am not suggesting that. I am suggesting that there be absolutely no retroactivity with respect to any of this consideration and that should the Members' Services Committee choose to deal with this, one could look at April 1, 1999, as the starting point for any adjustment upwards or downwards based on the average weekly earnings index. In essence what would happen is that when December comes along, we would look at the average weekly earnings index in Alberta from December 1997 through to December 1998 – we would know that sometime in January – and that would be the adjustment upwards or downwards as of April 1, 1999, and so on. The same principle would then apply to those committee reductions that would go into effect.

The total budget impact of a 5 percent MLA and related remuneration reinstatement from October 1, 1998, through to March 31, 1999, for this fiscal year would be \$126,386. That's what it would amount to to cover the 83 MLA indemnity and expense allowances, other additional indemnities for offices other than MLAs, special members' allowances, legislative committees. That's what we're looking at in terms of what the cost would be: \$126,386.

Now, ministers' salaries are not paid under the Legislative Assembly Office. They come out of various government departments, so that would be a cost there as well, but it would not come under the Legislative Assembly. The figures I gave you here are Legislative Assembly Office numbers in terms of doing that.

You have one additional draft Members' Services order that, again, looking at this, is very clear in terms of the discussions and the consultations and the thoughts and the interests of hon. members. While there definitely was some interest in an MLA pension plan, the conclusion as a result of these consultations did not lead me to believe that that was a matter that hon. Members of this Legislative Assembly wanted to have pursued. That is, the conclusion was no to an MLA pension plan, and the same conclusion was provided to an RRSP or a modified RRSP.

11:40

Now, some hon. members were very familiar with what had happened in British Columbia. Some were very familiar with what had happened in Ontario. But the conclusion basically was, in terms of consultations that I had with hon. members, that there seemed to be no interest in moving, although a lot of people really said, you know, that a pension plan was something that should be reviewed

and should be in place, always with "but not as rich as the previous pension plan." My mind process did not lead me to believe that there were sufficient numbers that showed an interest in either a pension plan or an RRSP in any shape or form.

So the conclusion basically then led to: "Well, okay. Fine. Is there any other interest in anything else?" There seemed to be some interest in looking at the re-establishment allowance. Perhaps call it a transition allowance or some other kind of allowance or use the same name. It wouldn't seem to make a great deal of difference to a lot of people. The bottom line was the same. So we came up with a suggestion that we take the current Alberta re-establishment allowance, which basically says that for each year of service that you have, a compensation allowance will be provided to you called the re-establishment allowance in the amount of one month's indemnity and one month's expense at the highest level attained multiplied by the years or parts of years of service to a maximum of 12 years and a minimum of six years. There were some people who said that, well, the minimum of six years certainly did not seem right. We did have one situation of an hon. member being elected in a by-election and serving, as I recall, for a very short period of time and receiving the minimum of six months' payout.

There seemed to be a view that in essence the 12-year thing should be fair, and there also was consideration that the re-establishment allowance should be based on total earnings of a member, following what had happened in Ottawa. So it not only would be based on the MLA compensation. If you were a minister, that would be added. If you were the Leader of the Official Opposition, that would be added. Plus whatever appointments you had with the Legislative Assembly. A large number of members also argued that it should be based on other appointments that you would have – some of these appointments would be government appointments – and that that should be the base, not just the MLA one.

Lots of discussions occurred on that, and lots of evaluations were done. Then, again, I was led to believe that basically there would not be enough members who would basically look at the whole compensation package as per what's going on in Ottawa but that essentially the one month should be changed and should be changed to two months.

So what you've got in here is a recommendation with some modifications, basically going back as to where you would start your count of 12 years. Twelve years: that seemed to be pretty firm. Nobody was going to increase it to 20 years or to 25 years. In essence, the MLA pension plan in the province of Alberta – while the adjustments were made in 1992-93, 1993 essentially, the plan itself was created in 1989, and those members who were elected in 1989 and served for four years found by 1994 that that pension plan was now eliminated for them, and their contributions that they made from 1989 through to 1993 were returned to them. Nothing in addition to that. That was it. They lost that benefit. So 1989 was the year in which that plan essentially was created.

The proposal basically then was: "Okay. Fine. Twelve years, starting the count in 1989." Now, I was elected in 1979, so if this were to go, the count for me for my years of service would begin in 1989. The previous 10 would not be counted for this particular proposal. So I look at that, and here are the words that basically seem to be kind of interesting.

- 9(1) A transition allowance shall be paid to
 - (a) every Member who resigns their seat as a Member,
 - (b) every person who was a Member at the time of dissolution and [either]
 - (i) does not stand as a candidate for re-election in, or
 - (ii) is defeated at

the election immediately following dissolution.
That is the same principle that has existed to this point in time.

- (2) The amount of the transition allowance to be paid to a person eligible under subsection (1) shall be calculated by multiplying the highest rate of Members' monthly indemnity and expense allowances received by the person by
 - (a) one month for every year of service prior to March 20, 1989, and
 - (b) 2 months for every year of service from March 20, 1989, up to a maximum of 12 years of service.
- (3) In calculating the years of service under [this proposal], the most recent years of service shall be first counted.
- (4) For the purpose of calculating the amount of a transition allowance, no person shall be credited for any years of service as a Member for which that person has previously received a payment under this section or the predecessor section.

We have two Members of the Legislative Assembly today who were able to access the re-establishment allowance in the past. So section (4) is written in there to make it very, very clear as to what that would mean.

- (5) A person who is eligible to receive a transition allowance may elect to be paid the amount of that allowance over a period of up to 4 years,

called a transition allowance. We've had this reviewed essentially with the appropriate authorities, and it follows through basically with the same kind of principle contained in the transition allowance that occurs in Quebec. Quebec has a transition allowance, I understand, in addition to the pension allowance, if I recall that correctly.

So there in a nutshell is the review. One last thing in here is how you would then pay for any transition allowance, and subject to what may or may not happen is the proposal in which basically the transition allowance would be budgeted in terms of where we are at.

Hon. members, that basically is the review that has been requested. I have provided recommendations with respect to this coming out of what was asked of me: to try and build bridges, if it's possible, among the various caucuses. I appreciate the frankness that hon. members provided, and I can only leave you with what seems to be a consensus now.

Mr. Renner.

MR. RENNER: Thanks, Mr. Chairman. To get the discussion started this morning, I would like to make a motion, and then with your indulgence I'd like to speak very briefly to the motion. I would like to move that

the committee amend Members' Services orders according to the draft Members' Services order amendments 2/98, 3/98, 4/98, and 5/98, as circulated, and that the effective date be October 1, '98.

In essence, Mr. Chairman, what I'm proposing is that we would adopt each of the draft proposals in front of us. Effectively what that would do is restore the 5 percent rollback for all Members of the Legislative Assembly, for members of Executive Council, and for Members of the Legislative Assembly who serve on Legislative Assembly committees. It would also implement the annual increments, starting in April of 1999, in accordance with increases or decreases, as you pointed out, in the average weekly earnings of Albertans, and I think that's a reasonable number on which we as elected officials should be basing any increases or decreases in our compensation.

11:50

It would also implement, as you have discussed, the proposal for a transition allowance, and I think you went into good detail on the transition allowance. I think it's fair to say that pensions for elected officials are and will continue to be extremely controversial, extremely difficult to come up with anything that would be fair or be perceived to be fair. I think that this proposal is a reasonable solution for members in lieu of any RRSP contributions and/or

pension availability. I think that this is reasonable, and I'm sure that I look forward to some further discussion. I would ask your indulgence that I be allowed to participate further in discussion should I feel it necessary.

MR. DOERKSEN: Mr. Chairman, thanks for your overview. I'm going to add my own history to the particular discussion, if you don't mind, and I understand we're now speaking to the motion that was made by the Member for Medicine Hat.

If you recall, in 1993, if my memory serves me right, almost 50 of the 83 members were newly elected to the Legislature for the first time, and I was one of those. When I go back there, there was a change in the works. We set out with a bold and aggressive plan to restore the fiscal picture, reduce the size of government, and we set the goal of reducing expenditures by 20 percent. One of the things that we suggested Albertans do at that time was contribute to that program by volunteering to take a 5 percent cut in their own wages, their own salaries. Many of them did so willingly, and because of that, we were able to accomplish more than we ever thought possible. The members of the Legislature – and I was here – at that time knew, at least in my opinion, that we needed to lead by example. By doing that, we also were the first ones, I think, to take the 5 percent reduction as members of the Legislature.

So approaching this issue and when we talk about compensation for members, I have always maintained and I think many other members have maintained what I call the first out, last in philosophy. The analysis we have before us today from the briefing book provided has very thoroughly indicated that at least 75 percent of the public service has had their 5 percent reinstated plus that, and the remaining 25 percent have at least been offered it and are pending settlement. So for the most part I think that the restoration of the 5 percent has been achieved in most instances.

It's also been my opinion that when you look at members' compensation, you need to find a trigger point for review of compensation. It's always been my preference – and I know it hasn't happened today – that we would have used, for instance, the pay-down of the net debt as the point in time when we'd review members' compensation. We're not quite there, but we've almost made it. Hopefully by the end of this fiscal year that will have been accomplished. So we're not quite at that point, but we're close. We've made significant progress.

Looking at the annual adjustments, the orders that talk about the annual increase that will happen April 1 of every year, and using the average weekly earnings as a point for consideration, if you look at page 4 in the KPMG compensation study that was presented to us – and I've written this quote out so I don't have to refer to it – I quote from that document. They said:

To avoid the historical cycle of multi-year freezes followed by large and therefore unpopular increases to catch up, we recommend that the Legislature develop and adopt a compensation policy that enables compensation adjustments to be made on a prudent, regular basis.

The proposal you presented to us today or that's before us today proposes that regular increase based on the increase in average weekly earnings, and I think that's a fair mechanism to use and, hopefully, will take away some of that cyclical thing that the report referred to. The term is new to Albertans, so we have to recognize that it won't necessarily be widely understood. But the evidence before us shows that it does track closely inflation rates and does track or should track, obviously, other settlement patterns that we see.

I am going to be proposing an amendment at the end of my comments, Mr. Chairman, to reflect the part that can also mean decreases to compensation, and I'll bring that back after I finish my

comments, if I may.

Now we're moving to the transition allowance that's before us. On page 20 of the KPMG report: "Overall, we conclude that the re-establishment allowance is fair, except for the aspect of career interruption." What they are referring to in that particular comment is, of course, the existing one month's pay for every year of service, that is currently in place. The report also is very clear in its presentation that the lack of a pension for members is out of step with the public sector and with the private sector, and they do suggest the implementation of a group RRSP plan as an alternative.

What the order before us does not introduce is a pension plan or a group RRSP plan, and I think that's the correct decision to make. In an effort to recognize the years a member serves, the transition allowance does so in lieu of a pension, which hence makes it a little different than the one month's salary for 12 years of service. The nice thing about this – well, from a public point of view, in my mind – is that it's a specific, identifiable amount, which is very unlike the other pension, which was ongoing, with indefinite payments made until whenever. So we do have an amount that can be clearly enunciated to Albertans, that this is what will be received upon leaving office in the government.

I also want to note that the previous re-establishment allowance – and I think you've noted this in your comments – had a six-month minimum, and that has been removed from the order. Again, I agree with that and support that notion. Again, it would have been my preference on these adjustments to have picked the payment of the net debt and to have moved forward from that point in time. As I have said, we are almost there, so I will support the motion. But I do want to add that I would like to propose the following amendments which will apply to orders 2, 3, and 4. I think the wording is the same in every one of those, so I'll only propose the one wording change. I'd like to propose that

we change the wording that says "shall be increased by the same increase" and replace it with "shall be increased or decreased by the same percentage increase or decrease"

so that it's clear that it will go up or down depending on what happens with the average weekly earnings. Of course, we don't anticipate that there will be any decreases because we believe in Alberta, that it's going to continue to go forward, but I think that'll make it clear that we will share in any increase or decrease as everybody else.

So those are my comments, Mr. Chairman.

12:00

THE CHAIRMAN: Okay. Now we have a situation where we have an amendment to a motion.

MS BARRETT: Question.

MR. WICKMAN: Mr. Chairman, isn't that really just a friendly amendment? Isn't it an understanding that that would automatically occur even without that wording?

THE CHAIRMAN: Ms Olsen is next on my speaking list, but I also heard the word "question" called.

MR. RENNER: Why don't we just vote on the amendment?

THE CHAIRMAN: If I recognize you, Ms Olsen, you're speaking on the amendment.

MS OLSEN: No.

THE CHAIRMAN: Should I call the question on the amendment?

HON. MEMBERS: Question.

THE CHAIRMAN: The question on the amendment essentially means that in draft Members' Services orders 2, 3, 4, and 5, where it says "shall be increased by the same increase," that would be changed to "shall be increased or decreased by the same percentage increase or decrease."

MS BARRETT: By the way, Mr. Chairman, I think that just refers to 2, 3, and 4.

THE CHAIRMAN: Sorry. Correct; 2, 3, and 4.
Any comment?

MRS. SLOAN: Just a general comment in principle with respect to the precedent we are setting at this table. I think it is hugely hilarious that the Members of this Legislative Assembly wish to establish a precedent that forevermore members of the Assembly will be afforded an increase or a decrease, that we are not following the same precedent which we require members of our public service to follow in that they must negotiate or go through a process of review and negotiation for establishing their salary and benefits.

The comments with respect to the deficit and the debt I think are oddly coincidental. I think it's very appropriate that we have one of the lowest salaries and benefits plans in the country. We are a province that has chosen to fund our health care system at the lowest rate in Canada. We have some of the lowest rates of SFI, of disability, of service allowances for handicapped people. With respect to the context that this is occurring in, with all due respect to the chair, there is no record of the consultations that have taken place with the members. There has been absolutely no public consultation on the matter that is before us, and I think it sets the wrong precedent in many facets for this committee, all of which are going to benefit from these motions if passed, to be discussing it with no public process, no public record, and no public debate on the issue.

I'm opposed to the amendment, and I'm opposed to the main motion. Thank you.

THE CHAIRMAN: The question has been called on the amendment. All those in favour of the amendment, please raise your hands. Those opposed? The amendment is carried.

It's three minutes after 12. Traditionally one breaks for lunch. Do you want to keep going, or do you want to break for lunch?

MS OLSEN: A five-minute break?

THE CHAIRMAN: You're the next speaker.

MRS. FORSYTH: Mr. Chairman, in all fairness, I already have an appointment that I've got booked for noon, so it makes it difficult for me. I'll be back at 1:30; it's from 12 to 1:30.

THE CHAIRMAN: Do you want to break, then, until 1:30?

MS BARRETT: Yeah, we'd better do it.

THE CHAIRMAN: Okay. We'll have a break and be back at 1:30.

[The committee adjourned from 12:04 p.m. to 1:30 p.m.]

THE CHAIRMAN: Ladies and gentlemen, it's 1:30. We'll now reconvene.

Before we go back to where we were on the agenda, Mr.

Wickman, just when the meeting adjourned, you indicated to me that you had a consultation with a colleague of yours who is also the chairman of the Standing Committee on Public Accounts.

MR. WICKMAN: Yeah, I talked with him, Mr. Chairman. He was told that it wasn't necessary to appear. So if he wasn't to be here by 12, he said to just let the item die.

THE CHAIRMAN: Okay. [interjection]

MR. WICKMAN: It's dead.

MRS. FORSYTH: Gone? Perfect.

MR. WICKMAN: In other words, he wants to save \$12,000.

THE CHAIRMAN: On our agenda we were dealing with a motion that is before the committee, and the next speaker on my list is Ms Olsen. Mrs. Forsyth, you also caught my eye. Was that to talk about breaking?

MRS. FORSYTH: Yes.

THE CHAIRMAN: Ms Olsen.

MS OLSEN: Thank you, Mr. Chairman. At this point I would like to move that

we divide the question – that is, the discussions on 2, 3, 4, and 5 – and that each one of those be treated as a separate item.

THE CHAIRMAN: We have a motion, then, before the committee to divide the main motion. I guess this is an amendment to the original motion. So we'll deal with that one now.

MR. RENNER: I would speak against that amendment. I think that there's adequate opportunity for discussion of all of the points in the one motion. Due to the fact that a number of the individual items are interrelated, I think that it would be difficult to deal with them separately, and I would urge all committee members to not support the motion.

MS OLSEN: Mr. Chairman, if I may.

THE CHAIRMAN: To close the discussion.

MS OLSEN: The motion that I've asked for, to divide, I believe is a reasonable motion that allows for separate discussion on each particular issue, that being the reinstatement of the 5 percent rollback that Assembly members were subject to in '93, '94, and that the issue of other allowances, the transition package, any future remuneration, that those issues be dealt with separately. I think that those are all separate issues. While they may in fact all deal with members' compensation and benefits, I think the debate and discussion on those issues is different.

THE CHAIRMAN: We have before the committee the amendment to the motion as proposed by Ms Olsen. All those in favour of the amendment, please raise your hands. All those opposed to the amendment? The amendment is defeated.

Mrs. Sloan.

MRS. SLOAN: Thank you, Mr. Chairman.

I had the distinct pleasure in 1993 of being in the public service. Being a registered nurse at the time, I had the further distinct

pleasure of being asked to the first roundtable on health care. We were not asked to take the 5 percent. Let me clarify that for the record. We were put into group discussions where that was on the agenda. It was there in cement; there was no consultation. I think it's rather coincidental that this government has chosen to take a similar yet opposite approach to the reinstatement of their salaries and benefits at this time.

We have a series of motions before us today that identify specific areas for increase in our compensation package, and I question that there's no merit to discuss them individually. The transition allowance is basically a pension in drag. It's just that you don't have the political courage to discuss it for what it is, and I think that rather than these issues being shrouded in secrecy and obscure terms and being conducted in a committee room that only contains members of the government and opposition parties, we should be discussing them in a broader fashion. There should have been a great deal more consultation put before this committee, consultation with the public, with due respect to the chairman's work.

To reference the comments that I made this morning and to also correct a statement on the record, not all of the public service has received their 5 percent rollback. Yes, there are negotiations that are in process. There are some agreements that have not been ratified, but even with that being said, we have a huge number of employees that do work in contracted-out and private fashions that are paid deplorable wages in this province, child care workers for one. We don't see fit as a government to put in place provisions and financial support so that the people that are caring for future generations can receive enough of an income to live on, but we do not hesitate to bring forward the reinstatement of increases and benefits in our package before we've adequately addressed those issues.

There was a suggestion, I believe, made within the KPMG report that an independent commission would be one avenue. That is certainly an avenue that the Liberal caucus would have chosen to explore before we went through the process in the manner that we are dealing with it today.

With those comments, Mr. Chairman, I would again voice my opposition to the process in which these matters in this motion are being proposed. Thank you.

THE CHAIRMAN: Ms Olsen, then Ms Barrett.

MS OLSEN: Thank you, Mr. Chairman. I am very concerned that we have rolled this entire issue into one package. I believe that given the recommendations in the past and when we talk about an independent commission, that the KPMG report refers to, we need to talk about all compensation in an independent commission, not allow a precedent to be set where we as MLAs are not subject to having our salaries reviewed and that every year we happen to receive whatever the Alberta weekly index is at. It's not likely that there will be a reduction in that rate.

To be honest with you, when the judges' salaries were discussed, a question was put to that particular minister – I was there – as to whether or not those salaries would in fact go down based on that rate, and the minister said that he hadn't anticipated that that would happen. So there's nothing written into that particular contract dealing with the fluctuations that may exist, and here we are trying to make a point that we'll abide by that rate. We'll certainly look good by taking the fluctuations, either an increase or a decrease, but I think that we need to call this package what it is. It's an attempt to increase the transition severance, whatever you call it, to a level that might be considered gold plated by those outside of this Legislature.

I think that this needs to go to an independent review for discussion. I think my colleague was very clear in that, that the 5 percent rollback that the members were subject to – there was no

discussion on a government policy at that time, so the government is at liberty to reinstate that. My bigger concern is with the process and the other package that we seem to be wanting to accept.

With those comments I, too, would voice my disappointment with that particular process.

1:40

THE CHAIRMAN: Ms Barrett.

MS BARRETT: Thank you, Mr. Chairman. Well, I'm glad to see that some of the Liberal caucus came onside to a position I took in 1989, twice on the record asking for an independent commission. My honourable friend Mr. Wickman twice stated on the record: no, no, no, we can't do that. So I'm pleased to see this. If that's the sentiment of the committee, I'm perfectly happy with that. Are either of you moving a motion?

MS OLSEN: We moved a motion. We lost it.

MS BARRETT: No. On the independent committee.

MS OLSEN: Nope. We haven't moved a motion.

MS BARRETT: Okay.

I'm not sure if I'm hearing the concerns of the table right. There are a couple of options here as far as I can see, Mr. Chairman. One is that if this motion passes, the big motion, to be clear, I assume one could always write to the Provincial Treasurer and say: count me out. That's always an option. Okay.

The other thing that I'm not sure about – and it just seems to me that maybe, maybe, I can bridge this gap here – has to do with going from one month for every year of service for the purposes of transition payment to two months for every year of service, but under both circumstances it was to a max of 12. Correct, Mr. Chairman? Would people be happy with splitting the difference, going one and a half? By my calculations it looks to me like it wouldn't cost the Assembly much more, if any more, to go with the proposed new formula. But if that's the concern, then I'm pretty sure we can calculate it in such a way that it wouldn't cost the taxpayers any more. Did you do some calculations on this? Is it in this package?

THE CHAIRMAN: Mathematically it's very, very simple. If you're currently one and you go to two, that doubles it, and if you go to one and a half – if you want me to do it for you, I can do it in about 30 seconds.

MS BARRETT: No, no. I thought that part of the reason this was in front of us the way it is is because if a member serves for one year, for example, or less than one year, the member should not be entitled to a six-month severance package. Have I got that right?

THE CHAIRMAN: Yes.

MS BARRETT: Do most MLAs serve just one term? I think that does factor into it.

THE CHAIRMAN: Is that a question you want to address to me?

MS BARRETT: I guess so.

THE CHAIRMAN: There was a review done a number of years ago that I found rather interesting, and I hope that my memory serves me correctly. I think that someone once did a complete analysis of all

the people ever elected in Canada, and that includes the House of Commons and all the provinces, going as far back as those provinces were initiated. The average length of service for an elected person in this country is 8.1 years. Now, that's everybody. I don't have the number for Alberta, but I think earlier this morning somebody indicated that in 1993 there were 50-plus new members elected. So that means the vast majority of people in this Assembly now are in their fifth year, maximum.

MS BARRETT: Thank you. I'll just do some calculations.

MR. WICKMAN: Mr. Chairman, when this matter was discussed in our caucus, there were varying degrees of opinion, and there are varying degrees of opinion amongst the three of us here today. The member to my left here made reference to an independent commission. In my nine years as councillor and my 10 years now as an MLA I've gone through this on a number of occasions, and there is no system that is win/win for both the population and the elected representative. There is no easy way of doing this. There is no way of doing it that doesn't have some downfall.

Yes, I did make some negative comments about the process of an independent commission back in 1989 based on certain things that had happened at city hall, but I must remind the members as well that subsequent to that, I did make a motion to establish an independent commission of five people, which resulted in the expenditure of \$125,000 and that KPMG report we have in front of us, and that's as far as that motion went. I believe that motion is still there in the books someplace.

I don't have a problem with restoring the 5 percent. When the Premier made the indication that 5 percent was going to be cut off the top first and restored last – everybody hasn't gotten back the 5 percent, but 75 percent have. The others, most of them, have had the opportunity, although those contracts all haven't been ratified. It's not that they're not being ratified because they're not being offered the 5 percent but because additional benefits are being asked for. Let's face it. So I don't have a problem with the 5 percent.

The concept of tying in future increases for the remainder of this term to the average weekly earnings, whether it be an increase or decrease, is a viable alternative, and that shouldn't be a difficult one for the general population to accept. We're talking in terms of very modest increases rather than getting into a situation like we did in 1989, when we tried to make up for 10 previous years by taking 30 percent in one shot.

The severance portion of it I do have a problem with. I have a problem with it, to be quite frank, because at the end of this term I'll have served 12 years. If I choose not to seek re-election, I benefit the most out of our particular caucus. I benefit to the maximum. I look at that as an additional \$57,000, whatever. At the same time I look at the elimination of the pension, which was a value to each member of \$20,000 a year. The public doesn't always realize that, and I accept that, but that pension was worth \$20,000 per member. So in a 12-year period of time you're looking at \$240,000, which I would have benefited from as an individual MLA sitting for 12 years, being eliminated. I don't disagree with that. That pension was way too rich. I think we all look back now and we realize that, and that's what got us into trouble.

The other point I have to make is that back in 1989 the question I was asked the most repeatedly by my constituents was: "You voted against the increase. Are you going to accept it?" That's what I had to defend more than anything else. I didn't believe in a two-tiered system where you have some MLAs getting certain benefits and the other MLAs not getting those benefits even though they do, supposedly, equal work.

My reading of this caucus is that this package is going to be

approved. It's not going to be split. I have no alternative, in my point of view. To satisfy myself, to satisfy my constituents, if I do intend to take the benefit, I have to be prepared to take the criticism that goes with it, and there will be criticism.

On that basis, Mr. Chairman, I'll be voting yes to the proposal.

MRS. SLOAN: Well, it's just a point of information, Mr. Chairman. The leader of the third party did not preface her remarks as to whether or not she was supporting or opposing the motion in question. I'm wondering if she would be prepared to do that on the record.

MS BARRETT: I'll let you know when it's time to vote.

MRS. SLOAN: All right. Thank you.

MS OLSEN: Again I look at this whole issue of an independent commission to review member compensation. The KPMG report recommendation was to

appoint an independent commission to review member compensation periodically, say once every three to five years or, like parliamentary members, at every election.

I think that's a reasonable approach to go as opposed to adopting the average weekly earnings. That way our compensation gets reviewed on a regular basis, but it's not setting a precedent that others don't have.

MR. RENNER: There are two points I would like to make. First of all with respect to using the average weekly earnings as a benchmark for MLAs' compensation, there's inference being made that this is tying the hands of the Members' Services Committee, and I think that is really quite an error in logic. This committee is an all-party committee of the Legislature, and it is up to this committee to change the rules from time to time with respect to members' services. This committee, as we sit around this table, may well agree that for the time being this average weekly earnings is reasonable, but there's nothing to prevent future committees from determining that for whatever reason at that point in time it's no longer reasonable.

1:50

I don't think it's fair to say that this is tying the hands of future committees. I think it's bringing about some kind of a logical way of dealing with MLA compensation on a somewhat systematic basis and not getting hung up in periodic adjustments whenever they do happen, and they will happen, be it five years or 10 years down the road. Without having some kind of a process in place for periodic amendments or changes to compensation, you end up with the situation, which has been alluded to, that was dealt with in 1989. The KPMG report clearly indicates that some kind of an annual review or annual increment is much more preferential to having huge sporadic increases every 10 years, as sort of has been the issue in the past.

The other thing that I would like to comment on is the issue of the severance package that's before us. I think it's fair to say that there has been some discussion among us, whether it be informally or not, regarding alternatives. RRSPs come up and have been mentioned by members around the table. The problem with RRSPs is they do not affect all members equally. Some members, due to circumstances that they have or personal financial circumstances, are not able to benefit from RRSP contributions. Just in the way incomes are structured, the way that members have structured their own personal finances, RRSPs may or may not be an opportunity that's open to all members.

The other thing to keep in mind is that anytime you get into a matching RRSP program, the fact of the matter is that once funds are in an RRSP – although they're in a separate fund – they are essentially compensation to members by another term. If there are matching RRSP dollars going into a member's RRSP fund and that member chooses to liquidate that fund, it's up to that member to do it. So matching contributions are essentially increases in compensation.

What we have before us deals with reasonable adjustments to compensation and onetime severance or relocation or whatever you want to call the package, at a reasonable level, that is not ongoing. Mr. Wickman indicated that under the old pension plan the value to the member was \$20,000. Well, I think we all agree that that pension plan was overly generous, but any kind of a pension plan is going to have a significant value to members, and that value over time far exceeds any value that's contemplated under the motion before us.

So, again, I can just say that I support the motion before us. I think it's fair and reasonable.

THE CHAIRMAN: Mrs. Forsyth.

MRS. FORSYTH: Thank you, Mr. Chairman. I've been listening very intently to the conversation before us, and I keep feeling that I should feel guilty about what we're discussing right now. Probably when I started campaigning in 1993, I could feel guilty going to the doors and trying to explain the pension plan of the people previously in the Legislature, and yeah, I think you should feel guilty about what they were getting. Then the Premier took it upon himself to cancel the pension plan and backdate it to 1989.

I would have to say that I don't have a problem going before my constituents to talk about the 5 percent, and I will relay all the information to them in regards to the package, whatever we determine at the end of the day, by a newsletter which I do every month. At the end, when we go to the polls the next time, then the constituents of Calgary Fish-Creek especially can make their determination on whether they like the pension and the compensation package before us.

I have done a lot of talking with my constituents over the summer, and quite frankly, with all the news in the papers, I have not had one call to discuss this. You know, your constituents can determine how hard you work and how you keep up with them and do the work for them. Again, I think it's up to the voters.

Thank you.

THE CHAIRMAN: Mr. Herard.

MR. HERARD: Thank you, Mr. Chairman. Interestingly enough, this is my first time to be part of a committee that deals with one's own remuneration package, and it is uncomfortable. But it reminds me of a session that I attended as part of having been honoured to go to a Canadian Parliamentary Association meeting. There were parliamentarians from all over Canada there, and one of the issues that was discussed for half a day was the total failure of federal/provincial legislators and so on in dealing with remuneration.

As you can well appreciate, when you're sharing experiences with people from all over Canada, virtually every type of independent, so to speak, committee had been tried across the country. Some had judges leading them; some had committees with or without politicians. Everything essentially ended up failing with respect to being able to deal with these things effectively. So I guess I can understand better sitting here now, today, some of the frustrations that were expressed during those sessions.

The bottom line came down to one simple fact, that none of the

provinces or the federal government had ever involved the boss in the discussion, and the boss is the voter. I came back from that particular conference with certain biases, and one of them is that in my view the people who elect us ought to have a say with respect to our remuneration. Having said that, I believe that they, too, can be really no more than recommendations coming to a committee that has to make a decision, and that's essentially because of the way that this whole process is structured. This committee does have the responsibility to make the decision.

Certainly I can see through this experience here today that the conclusions of that particular day or half a day of discussion involving parliamentarians from all over Canada are that really the big failure is we don't involve the people who elect us, and I certainly would like to see a process that would allow that to happen. But at the end of the day it would still come down to a committee like this that would have to ultimately vote on the result.

I think what we have before us is the result of a flawed process. However, I believe that it is a reasonable attempt to in fact balance the interests of those people who were elected prior to 1989 as well as in '93 and the current folks in '97. So I will be supporting the motion.

THE CHAIRMAN: Mr. Jacques, followed by Mr. Coutts.

2:00

MR. JACQUES: Thank you, Mr. Chairman. I want to say at the outset that I appreciate the thoroughness with which you presented the information in the package today. I also know of the informal chats, if you like, that you've had with various members in trying to get a sense, as you've indicated, of what some members wished or did not wish, and I realize that's not an easy process.

I do want to comment as well, however, on the transparency issue that is there. I think you highlighted it in your comment indicating that this is one of the few committees in any parliament in Canada that has always dealt and will continue to deal with this thing in a public manner. If we look at the House of Commons and the charade that happened there last June, I think we need compare no other to know that we have a much better system.

The other thing I wanted to comment on was Mr. Wickman's comments about what he went through. I had a similar experience when I was on city council in Grande Prairie and through other organizations, and I guess I've come to the conclusion over the years that when you deal with these types of issues, there is no, quote, right way to do it. If there was, everybody would be doing it. It would also seem to me that most committees, commissions, no matter what you call them, do essentially what was done in '93 and do essentially what was done in '94, which to a large extent you have done and complemented that with the up-to-date data which you presented today.

One of the first things that they do generally is hire consultants to find out what is happening in, quote, respective jurisdictions, the peer, if you like, equivalency. They look at not only of course what's happening in the government sectors, but they look at what's happening in the private sectors and within the government structure itself in terms of their employees. All of those things collectively indicate some form of ranges, but ultimately the final decision comes down to something. You can't escape it. There's no magical formula out there. There is no right way that says that this is wrong or this is right. I think you have to approach it from the point of view: is it reasonable under the circumstances? Does it make sense? Is it transparent? Can you easily explain it? In my mind, those things meet all those tests.

I recall back in January of 1994 coming home one weekend from Edmonton, and my wife said to me: "I just want to confirm

something. I want to make sure I got this straight. When you were nominated in March of 1993, they eliminated the pension plan in April of 1993." I said, "That's correct, dear." She said, "After you got elected, you reduced your salary by 5 percent." I said, "Yes, dear." She said, "I'm not particularly sure I like that picture." But I think the issue was that as we went through that process, it was the right thing to do. It was defensible, and it made sense to me. I believe what we're doing today can meet those same tests. It's not exorbitant, and I think certainly if one looks at every other jurisdiction in terms of pension plans, Alberta stands out very significantly. Again, I'm not saying that's right or wrong, but that's a reality. That's the way it is, and that's the way it's going to continue.

The issue of the transition allowance. I think if you want to argue the fact that one month is roughly what happens in the private sector, certainly it has been adjudicated in many court decisions in dealing with dismissal issues. So the balance, if you like, in terms of the additional one month, that we are debating today, is essentially in place of or in substitution for what might otherwise be considered a pension plan. Mr. Renner is correct, dead-on when he says that it comes nowhere near the value if you had a pension plan, even based on some of the minimums that the other provinces are doing. So I think in those terms it makes sense, again is transparent, and again I believe it serves well the taxpayers of this province.

Thank you.

THE CHAIRMAN: Mr. Coutts.

MR. COUTTS: Thank you, Mr. Chairman. I listened to the debate with interest today because I come to this table having, a bit prior to being elected in 1993, close to 24 years in the private sector, where I determined my own compensation, my own salary, and negotiated with my staff on a regular basis what their compensation would be. Then having been elected in 1993, I realize some of the reasons why I ran for public service, not realizing that a few years later we would be around the table discussing some of those reasons.

I felt at the time that the compensation package in terms of the pension was too lucrative, and I had many people telling me that very same thing in 1993. It's strange that in 1997, after some changes were made and the confidence in elected officials seemed to be regained to a certain extent, there was some recognition by the electorate, particularly in my constituency, that some sort of compensation or some sort of pension should be put in place so that when re-establishment or transition did take place with an elected member, it could be done with some ease. But there was always caution in 1997 and there's still caution today saying: when you make those decisions and when your Members' Services make those decisions, let's remind ourselves that we should not get ourselves back into the pre-1992 situation. So my responsibility here today is to keep in mind all of those comments, not only those from my constituents, and the very reasons why I ran back in 1993.

I've also combined a number of consultations that I have had with people around the province in various other committees that I'm involved with. When I look at an opportunity to talk about MLA compensation, I get a clear message: let's not get back to the situation that we were in prior to 1993. Members of the opposition who I deal with on a couple of committees have talked to me about MLA compensation: when will it be brought up? Of course, I always mention the Members' Services Committee as the avenue for bringing their thoughts forward.

So in view of all of the information you have put together, much of it at the request of individuals, when I look at what has been compiled, I think it's a very, very good package. The mere fact that we now get the 5 percent back, being the last people to do so or to be offered it, the mere fact that we made changes where there is no

pension or no RRSP provision, and the mere fact that in this package the re-establishment or transition allowance is basically in lieu of a pension tells me that the re-establishment allowance is not an ongoing thing. It's final. It's over once you're finished as an elected member of this province. I think that's what the people were looking for back in '93, I think that's what they re-established themselves with in '97, and that's what I'm hearing today, that once a person is finished with his or her public service, whatever re-establishment they get, it is not ongoing and it is final. It is for those reasons that today I will be supporting this motion.

Thank you.

THE CHAIRMAN: I have no additional members who've advised me they want to participate further.

Ms Barrett.

MS BARRETT: Yeah. Having listened to all of this, I think government members generally have taken quite a balanced approach to this. I was talking to Raj Pannu at lunchtime today, and he said that if he was on this committee, he would vote against this because the transition allowance has the effect of doubling it. Having listened to all the comments, I must say that the only part of this whole package that I find even potentially objectionable is this element. I don't think there is a problem over the 5 percent. I don't know if it really is as low as 75 percent of the public-sector employees that have got their 5 percent back. Is it as low as 75 percent? Anyway, I have confidence that if the government is going to sit at this table and take its 5 percent back, it's going to do the right thing, and any contracts that haven't been ratified are going to be ratified with the 5 percent rolled back in for the public-sector employees. I feel comfortable about that. The part I don't feel comfortable about is the transition allowance.

2:10

However, I'm going to cast my vote in favour of this package because of something that was clarified earlier. Unless anybody tells me differently, you can opt out of this. You can go old formula or new formula. Have I got that right? So if my constituents come up and knock on the door and say, "I want you to take just one month's pay for each year that you worked, not two," I can do that.

THE CHAIRMAN: No. I have to deal with that.

MS BARRETT: Okay.

THE CHAIRMAN: You always have the right as a Member of the Legislative Assembly to return your dollars by simply writing a cheque to the Provincial Treasurer.

MS BARRETT: It has the same effect though.

THE CHAIRMAN: But I'm not going to entertain again where one person will say something today and six weeks from now write me a letter and say: oh, I changed my mind; would you give me everything back but don't tell anybody? Now, that's not transparency, Ms Barrett.

MS BARRETT: That's not what I was talking about.

THE CHAIRMAN: Okay. As long as it's completely understood here that the committee makes the decision; it's applied. What an individual member chooses to do with their dollars is his or her business. I can only give you one example in recent memory of an individual here in the city of Edmonton who was elected. The

Members' Services Committee made a decision. The member went and purchased X thousands of dollars worth of loonies and told all of his constituents to come to his office and each take one loonie.

MS BARRETT: And he got broken into the night before. He did.

THE CHAIRMAN: I don't know if he got broken into or not. All I know was that was his or her choice. If that's what an individual chooses to do, that's his or her choice.

MS BARRETT: Okay. But just to further clarify. I don't play games, Mr. Chairman. I wasn't talking about doing that.

THE CHAIRMAN: It's got to be transparent. It's got to be open, Ms Barrett.

MS BARRETT: So if people come up and knock on my door and say, "I don't want you to take that new formula; I want you to take the old," I can tell them in all confidence: if that's the way you want it, then I'll just write a cheque to the Provincial Treasurer for the difference.

THE CHAIRMAN: Or to whomever. If you want 85 charities in your constituency, do it to them.

MS BARRETT: Okay.

HON. MEMBERS: Question.

THE CHAIRMAN: The question has been called. We have before the committee a motion as amended. The motion as amended was put forward by Mr. Renner, and basically it says that the committee will approve draft Members' Services orders 2, 3, 4, and 5 effective October 1, 1998. All those in favour, please raise your hands. Opposed, please raise your hands. The motion is carried.

MS BARRETT: Mr. Chairman?

THE CHAIRMAN: Yes, Ms Barrett.

MS BARRETT: I forgot to do this because I'm always five minutes late. I forgot to add one item to the agenda. I wonder if I could just give notice of information, please, before we adjourn.

THE CHAIRMAN: You certainly can, if choose to do that, at this point in time. Proceed.

MS BARRETT: Now?

THE CHAIRMAN: Yes.

MS BARRETT: I just want to advise members of this committee – please don't hang me over this – that I'm also on the FOIP Review Committee, and one of the things that came up two weeks ago when we met was whether or not member disclosure should come under the purview of the Freedom of Information and Protection of Privacy Act. There was a strong sense that, no, we don't want to do that. However, I said: well, why don't I bring the item to Members' Services, and of course I didn't get around to doing that. This is just my way of giving notice that I will draft up a memo for all members of this committee to have a look agree to that may end up being a members' order. If there isn't, we'll just have to deal with it in FOIP, but I think the FOIP committee made it pretty clear they didn't want to. So I'll get the memo to you by the end of the week.

Thank you, Mr. Chairman.

THE CHAIRMAN: So that item is for information?

MS BARRETT: Yup.

THE CHAIRMAN: Okay.

Date of Next Meeting, number 8. The announcement has now gone out. You've all been advised that the House will reconvene formally on November 16, 1998. One has no idea how long that session will be. My suggestion would be the following: at the conclusion of the House rising, whenever that is, shortly thereafter we reconvene the Members' Services meeting. The process would then have to begin in terms of the preparation of the budget for the next fiscal year and any other items that members would want to bring to the attention of the committee. So I will send you a memo very, very shortly reviewing what I've just said here now and asking you for your thoughts in terms of the preparation of the agenda for the next series of Members' Services meetings. There will certainly have to be more than one, I would think, because it would entail the preparation of the budget, but that would be after the House rises. If it's a few days, it would be after that. We'll try and find a mutual time by way of the normal consultation.

Are there any other matters that hon. members would like to raise today? Then can we have a motion for adjournment?

MRS. FORSYTH: I'll move to adjourn.

THE CHAIRMAN: Okay. Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Thank you.

[The committee adjourned at 2:16 p.m.]

