

9:30 a.m.

[Mr. Kowalski in the chair]

THE CHAIRMAN: Well, good morning, ladies and gentlemen. It's 9:30, so let us reconvene.

When we departed yesterday afternoon, we had before the committee a motion that was put forward by Mr. Wickman that basically said that one would look at an allowance for leaders of both the Official Opposition and the New Democratic opposition. The motion said to increase those two office allowances by 3.6 percent. We were in a process of discussion with respect to that matter.

Dr. Pannu, did you want to add something further?

DR. PANNU: I have some numbers here that I just want to bring to the attention of members of the committee, Mr. Chairman. Our increase last year, based on the present method, which excludes \$148,343 from any increase -- we received \$1,550 as an increase, and because the formula wasn't applied to the leader's part of the budget, we lost \$2,670. So instead of receiving \$4,220 as an increase for the overall budget, we received only \$1,550. This year, assuming that the committee approves the 3.6 percent as proposed, we'll lose another \$5,340 relative to last year. So it really puts us progressively in a more difficult situation if the present formula isn't changed.

I just want to conclude by saying that the motion that's under consideration before the committee will certainly address this inequity that's built into the formula that we presently follow. So I would certainly request that we approve this motion and thereby eliminate the inequity that's built into it.

THE CHAIRMAN: Mr. Renner.

MR. RENNER: Thank you, Mr. Chairman. We had some long discussions on this matter just last night and have given it some serious thought. We've come to the conclusion that there needs to be a recognition of overall budgets when we're dealing with the budgets of caucuses and to acknowledge the fact that the leader's allowance that's included in both the Official Opposition and the ND opposition should be included.

However, we've also taken note of the fact that throughout this document the increase that has been used and budgeted for for a market adjustment is 2 percent, and we've come to the conclusion that there needs to be some consistency with respect to the amount of budget that's allocated to caucuses and the amount that is allocated to the rest of the LAO staff. So we're going to be proposing at a later date that the overall caucus budgets should be increased by 2 percent. That will address the problem that has been identified by Dr. Pannu, and I'd be more than happy to get into a little bit of detail at a later time, but for that reason I don't feel that we can support the motion that's on the floor right now.

MR. WICKMAN: Mr. Chairman, in view of the comments made by Rob -- and my arguments all along have been one of equity, one of fairness and that. He's presented a proposal that now is there in the sense that it recognizes that the same percentage increase would apply equally to all three caucuses. In other words, I'm assuming now, Rob, that you're saying that the Tory caucus budget would increase by 2 percent and the overall Liberal opposition budget would increase by 2 percent and the New Democrats' by 2 percent, thus doing away with that increasing inequity that the Member for Edmonton-Strathcona has referred to. So I don't have a problem with that. It's fair, and all I was after was fairness.

DR. PANNU: The 2 percent increase that Rob has suggested -- and we can talk about whether it should be 2 percent or more or less. My primary concern at the moment is that the decision affecting the proposed budget before us will, if not made today, seriously impair our ability to function as a caucus. Therefore, now that we agree on the principle that the formula needs to be changed, I would urge the committee to move one more step forward and recommend changes for the proposed budget to address the problem that my caucus certainly faces. It's a very serious problem. We are part of the Legislature. We therefore think that our performance in the Legislature, if it is impaired, would not work in the interests of the people of Alberta. Thus I call on the committee to take immediate action and change, modify the budget as was intended, I guess, in the motion before us. We can certainly seek some amendment to it if necessary.

MRS. SLOAN: I'm wondering if Mr. Renner could be more specific about the time lines. I think it also needs to be noted that there's a compound inequity inherent in these budgets anyway, just given the nature that it is based on the number of MLAs. So while we might say that there would be a 2 percent adjustment across the board, the reality is that there is a 3 to 4 percent variance between the government's adjustment that's already encompassed in the proposals and the Official Opposition and ND budgets. So I think that inequity would continue to exist even with the 2 percent.

But I'm most interested, Mr. Chairman, in the specifics about the later time and what exactly the intent of the member is with respect to that.

THE CHAIRMAN: Well, we have a motion before us, so I can only assume here as chairman of the committee that one would deal, first of all, with the motion of Mr. Wickman, and then something else would happen after that. But we have Mr. Herard first.

MRS. SLOAN: Today.

THE CHAIRMAN: Oh, this budget has to be done today.

Mr. Herard.

MR. HERARD: No. I'll pass. Thank you.

MR. WICKMAN: I'd like to see an amendment to my motion, though, to reflect what Rob said. He's said it, but he hasn't put it in motion form. As it is, the motion that's on the floor is the 3.6 percent.

THE CHAIRMAN: That's right. On the leaders' offices allowance.

MR. WICKMAN: Yeah. But I'd like to see that amended to the 2 percent across the board.

MR. RENNER: Well, I'm prepared to make a motion to that extent.

MR. WICKMAN: I don't want to get into a reverse position where we're advocating 3.6 percent for the leaders' allowance but only 2 percent for the members' allowance. The consistency is important.

MR. RENNER: Well, Mr. Chairman, I thought my comments were quite clear. I was proposing that this motion be defeated, and then I intended to follow it up with another motion.

THE CHAIRMAN: Okay. We have two choices.

MR. WICKMAN: I'll withdraw my motion.

THE CHAIRMAN: All right. That was one of the choices, to withdraw the motion. So Mr. Wickman has withdrawn his motion on the 3.6 percent.

Mr. Renner, did you now want to say something?

MR. RENNER: Yes. I'm prepared to deal with the overall budget, Mr. Chairman, which would include the issue at hand, and then we'll have a motion on the table that we can discuss.

There are a number of items that we would like to see addressed in the overall budget, and we'd like to propose some changes. We'll deal with it in three sections. One has to do with the issue regarding the LAO. Basically the budget consists of three different areas. One is Leg. Assembly Office and the related expenses to Leg. Assembly Office, the second is the MLA administration and the expenses related to that, and then the third is government member services. So we would propose some reductions in each of those areas, and I would propose that those numbers be recorded separately.

9:40

First of all, we have examined very carefully the Leg. Assembly Office, and the two basic components there are one for human resources and then one for operational expenses. We are in complete concurrence that the budget figures that pertain to human resources are reasonable, and we support those. We also support the increase in staff in a couple of areas, the transfer in another. So in that area we do not propose that there be any changes made to the budget.

We do have some concerns with the operational side of things. Travel primarily is one of the concerns that we have. The chairman noted yesterday that the travel estimates are for full-fare economy for the maximum number of members to attend. There's a significant travel budget under House services and also under legislative committees: Public Accounts, Leg. Offices, heritage fund, and Members' Services.

We feel that there is a sufficient amount of leeway to reduce the budgets in those areas and still allow for a reasonable amount of travel by members so they can fulfill obligations but not necessarily travel at full-fare economy or not necessarily send a full complement of members to a conference. If there's a conference that we are entitled to send five members to, we can probably have a reasonable presence from Albertans with two or three members. So we think there's room for some savings there.

We also think that the \$100,000 that's proposed for enhancements to commemorate Alberta's centennial in 2005 is an excellent idea. We like the chairman's proposal to honour the history of Alberta and this building by putting some kinds of enhancements in place. We do, however, have some concern with including \$100,000 in this budget without having a specific plan in place, without having some opportunity for the committee to review and see what these plans are. So we're suggesting that that \$100,000 would not be included in this year's budget but that a note would be made in the interim, between this year and next, that there be some more concrete proposals brought forward. At least we would support inclusion of a reasonable sum into subsequent budgets leading up to 2005.

So overall we would propose that on the first cumulative financial statement, which is page 1 of 1, Estimate Comparison by Center Code -- it's right at the beginning of the summary -- the subtotal of \$6,330,469 be reduced by \$170,000.

The next item is MLA administration. We discussed yesterday the transition allowance and the fact that it's proposed that there be an annual accrual of transition allowance. We feel strongly that there needs to be consistency in this area. This is not unlike election expenses. It's not unlike a number of issues that the government deals with from time to time that are not necessarily an annual occurrence, yet there are no other places where the government sets

up an accrual. Historically the government has operated on a cash basis, and we feel that it would be inconsistent with other government budgeting processes to set up this accrual.

We also recognize at the same time that there needs to be an allowance and a contingency, or whatever one might like to call it, should there be some unexpected resignations of members in the interim. The chairman indicated yesterday that he felt we should allow for a maximum of three members at maximum eligibility in any particular year, and we concur with that. So we would suggest that approximately \$775,000 be removed from the line "MLA administration" to reflect that. That would leave about \$375,000 in place for the transition allowance for any members that should become entitled to it throughout this year.

Finally, Mr. Chairman, we get to the line for caucus budgets. It's reflected there in three different lines: government member services, Official Opposition services, and New Democratic caucus services. That's a total of \$3,338,284. We would propose that the 2 percent increase I referred to earlier would be on the 1998-1999 estimate of \$3,240,319. Add 2 percent onto that and allocate it to each government caucus on an equitable basis, using as a base the per member allowance in last year's budget of \$43,620. We propose a 2 percent increase to that to arrive at a new per member allowance for this budget. Then we also propose a 2 percent increase to the leader's allowance for the Official Opposition and the Calgary caucus office and also a 2 percent increase to the leader's allowance for the New Democrat caucus.

That should result in an overall increase to this budget of approximately 7.1 percent, which is fairly substantial in today's environment, but we recognize that the vast majority of that, almost in the neighbourhood of 5 percent, is to address the issues related to human resources. We feel that the balance is reasonable at about a 2 percent increase in operational expenses throughout the whole centre.

It's a rather long-winded way, Mr. Chairman, but my motion, then, would be that

the subtotal for LAO be reduced by \$170,000, the subtotal for MLA administration be reduced by \$775,000, and the subtotal for caucus allowances be reduced by approximately \$33,000.

I don't have the exact figure, but by our calculation it works out to approximately \$33,000. That's my motion.

THE CHAIRMAN: We have a motion. I think perhaps the only thing that really needs clarification is -- if you had that last figure for the subtotal for the caucuses, it would be very easy to deal with the motion per se. Did Mr. Jacques or Dr. McNeil or anybody calculate that? It's 2 percent more than \$3,240,319. Is that correct?

DR. McNEIL: It's \$3,305,125.

THE CHAIRMAN: So it's reduced. That's your \$33,000-plus reduction.

MR. RENNER: Yes. So that would be the exact figure.

9:50

THE CHAIRMAN: Okay. So the motion before the committee now -- it's a three-part motion -- is that
the number for the LAO read \$6,160,469, that the number for MLA administration read . . .

I don't have it. It's \$775,000 less than \$14,855,452, whatever that is.

DR. McNEIL: It's \$14,080,452.

THE CHAIRMAN:

. . . and that the subtotal for the various caucus services would read \$3,305,104.

That's everybody's understanding of what those numbers are in the motion?

DR. McNEIL: Is it \$3,305,125?

THE CHAIRMAN: Mr. Jacques, do you have the numbers calculated as well? The last one would be \$3,305,125?

MR. JACQUES: I didn't calculate that.

MR. RENNER: It's \$3,240,319 times 102, whatever that is.

THE CHAIRMAN: That's correct; 102. So \$3,305,125.

So we have a three-part motion before us. Okay. We're open for discussion on the motion or we can proceed.

SOME HON. MEMBERS: Question.

THE CHAIRMAN: All those in favour of the motion, please raise your hand. All those opposed, please raise your hand. Okay. So it's carried.

That having been said and that having been done, there was no advice from any additional members prior to when we reviewed the agenda about additional business, so the date of the next meeting is the next item.

DR. McNEIL: In terms of the decisions yesterday regarding the members' services allowance, we need an order, so here's a draft order to pass out. This just reflects the numbers that were discussed yesterday with respect to the increase in the postage rate and the communications allowance and the allocation of additional funds for the constituency allowance.

THE CHAIRMAN: This is the only administrative detail that has to have follow-up, so these are some additional members' orders. The first one just basically is the clause as the result of that manpower adjustment. That's for constituency allocations, and the second one is the mailing one. This is just simply following through with what the decision was yesterday. Perhaps if I had a motion with respect to this, we can deal with it if we want.

MR. JACQUES: So moved.

THE CHAIRMAN: Mr. Jacques. All those in favour, please raise your hand. Thank you.

MR. DOERKSEN: If I could propose one further motion, that in subsequent years the budget be prepared on a three-year business plan basis, as is the custom for all government departments.

THE CHAIRMAN: That would be quite fine. I'll be happy to attempt that, but there is going to be some input that you're going to have to provide in terms of the business plan, like how many MLAs we are going to have into the future and a whole series of other questions. So all we can do is make a business plan on the assumptions that we currently have in state, and I have no difficulty at all doing that.

MR. DOERKSEN: That's correct, Mr. Chairman. Budget three-year business plans are meant to provide a template for the future, recognizing the fact that there are always changes and always things to be examined. But it gives us a better idea of what's coming down the road, particularly when you look at your proposal there for some historical things. Those are the kinds of things that are helpful in a longer term plan.

THE CHAIRMAN: I have absolutely no difficulty doing that. It's just the assumptions we'll have to agree on at the beginning, and I guess that would be the fundamental thing to it. Actually, in the future it should be relatively easy because the decisions were made by the Members' Services Committee last fall with respect to the compensation for MLAs. That's an ongoing thing. The formula has been set for that, so that should be easy to deal with. Unless there are some dramatic other things, it'll just simply be numbers.

MR. WICKMAN: Not on that point, but on another point, if I could, dealing with the budget. Mr. Chairman, one of the difficulties we have -- and I can understand the problems that the administration have in compiling the information and that. But with the documentation, ideally it would be nice if we had it in sufficient time that we could actually get some input from our caucus. I understand that's not really possible, but bearing that, in this instance, for example, I got my documentation because I drove back to the Leg. on Friday afternoon. Other members didn't get theirs until Monday morning. It makes it very, very difficult to analyze the figures and have meaningful debate if there isn't sufficient time to study them. Some of the figures, I have to admit, weren't completely clear to me because there was a significant change in the structure, for one thing, and there simply wasn't sufficient time for members to sit down, study it, and discuss it amongst themselves ahead of time.

THE CHAIRMAN: Perhaps there would be some merit early in the fall to have a, quote, prebudget meeting, if you wish, to ask for input and the like. We might look at that in September or something like that. Just your thoughts before we build into this; that might be helpful.

MRS. SLOAN: Assuming that we're about to adjourn . . .

THE CHAIRMAN: We still have a motion. We have the Members' Services order.

MRS. SLOAN: That's fine. I'll reserve my comments, then, until after the motion is dealt with.

THE CHAIRMAN: Okay. Mr. Doerksen.

MR. DOERKSEN: No.

THE CHAIRMAN: Oh, Mr. Jacques had the motion. We have the vote on the Members' Services order. All those in favour . . .

MR. RENNER: No. We voted on that. We've got Mr. Doerksen's motion on the three-year business plan.

MR. DOERKSEN: Or did you just wish to suggest that you're going to do that?

THE CHAIRMAN: Oh, I don't need a motion for that.

MR. DOERKSEN: Okay. Well, I'll accept that.

MRS. SLOAN: I would just like to acknowledge the work of the LAO in preparing this budget. I have enjoyed the information that's been put before us. I think it was done in an extremely comprehensive manner, perhaps the most comprehensive that I have seen from any division that exists within the legislative structure in this province. So I think that that acknowledgment and appreciation by the members, not only those members present but all the members of the Assembly, should be noted in the transcripts today.

Thank you.

THE CHAIRMAN: Additional items that any member would like to raise?

Then the date of next meeting will be at the call of the chairman in consultation with the deputy chairman.

I'll ask for a motion of adjournment then. Mr. Coutts.

MR. COUTTS: Just a motion to adjourn.

THE CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Thank you very much.

[The committee adjourned at 9:59 a.m.]