

[Mr. Kowalski in the chair]

THE CHAIRMAN: Good morning, ladies and gentlemen, and welcome to the Special Standing Committee on Members' Services. It is, I believe, 10 a.m. The day is August 7, and the year is 2001. So to the new members of the Special Standing Committee on Members' Services, may I welcome you to this particular committee. In the years that I've had the privilege of being a Member of the Alberta Legislative Assembly, I always wanted to be a member of Members' Services, and as the years have come and gone, I've had the good fortune of being a member of Members' Services. I always found that it allowed us to do an incredible amount of good work on behalf of the whole organization of the Legislative Assembly of Alberta and all of its parameters, including all the caucuses and the constituency offices and the like.

This particular committee is one of a few in the country of Canada that meets in public, so you'll note that we have *Hansard*. Everything is recorded, and the meeting is public and open to everyone. Most Members' Services or boards of internal inquiries across the country meet in camera. That is the case with the Canadian House of Commons. That is the case in all the jurisdictions perhaps other than Saskatchewan, which just recently has moved to have open public meetings. This has always been our tradition here in the province of Alberta, and I think that gives it a certain credibility and a certain degree of importance. It also provides for some interesting parameters from time to time, because in our Assembly and in our jurisdiction as well this is a multiparty committee, and regardless of whether or not a party has official party status in our Assembly, our tradition has always been to at least have a representative from a party, even if it does not have official party status in the Assembly.

So this morning, again, open meeting, very public. The opportunity to go in camera will be very, very limited. There will be one point during the day or tomorrow when I'll ask for about 15 minutes in camera to discuss a matter that is not on this agenda, has nothing to do with this agenda at all. It is a matter dealing with security, and security is a matter that's best dealt with in private. It has always been the tradition when you talk about those kinds of things, so I will ask the committee for a brief respite for a few minutes of that. Again, not dealing with matters on the agenda; it's more a matter of information and an update, particularly now that we have new members and we've just had new constituency offices and people working in the constituency offices. I want to outline some programs that we have in place and will want to have in place for their benefit to make them more secure and more efficient.

This morning we have on this agenda, about a month ago having circulated notice – it seemed the members would be anxious to have or interested in having or prepared to have, depending on what your travel arrangements are, those of you who are participating in the World Games and those of you who have travel arrangements to go elsewhere in your constituency, whether parades or holidays or the like – that we would have this discussion at this time. We have the time allocation set. You will determine how long we sit and whether or not we will have to be here till 4 o'clock on Wednesday afternoon. You're the custodians of that portion of the agenda.

Included in the document book that you have, which was circulated last week, is information. We're at point 1, Call to Order by the chair. Included in that section are the minutes of the last meeting. Now, they're provided for information only. They dealt with a Special Standing Committee on Members' Services meeting which was held on Tuesday, December 12, 2000, and all of the

decisions and everything else relative to that of course in essence were dealt with in the last Legislature of the Legislative Assembly of the province of Alberta. So those minutes are there for information only. Number 2, Approval of Agenda. You see in the agenda that we have item 3, Old Business; number 4, New Business; number 5, Other Business; number 6, Date of Next Meeting; and number 7, Adjournment.

In terms of additional business that I have, on this particular agenda there's nothing for 3, 4, or 5, but under Other Business I would just like to spend a couple of minutes talking about the budget preparation of the Legislative Assembly Office of Alberta and the parameters that we would use as we build our budget that would go into effect on April 1 of 2002 and stay in effect to March 31, 2003, a general discussion in terms of parameters and thought processes that members of this particular committee might have, by identifying the items that they would want us to take a look at and get prepared for for number 6, Date of Next Meeting. In all likelihood, we cannot make that conclusion until the termination of this particular meeting, so you can just think about that.

I'm only guessing in terms of a process for the remainder of the calendar year 2001, but it would seem to me that if all goes according to the norm and if we follow traditional practices, sometime in November into December the Legislative Assembly of Alberta will be recalled. I've not been notified by the Lieutenant Governor in Council of what that date might be for the reconvening. I would just guess. There is a possibility that it might be a little earlier and, of course, probably not much possibility that it would be any later. So we would probably anticipate additional meetings of Members' Services as we prepare the budget for the next fiscal year, probably looking at the latter part of October or the first part of November. Again, we'll have to be a little flexible with respect to that.

So would there be any comments from the members with respect to the approval of the agenda, changes and/or the like? Do you agree with the agenda? Could I have a motion for the approval?

MR. BRODA: So moved.

THE CHAIRMAN: Mr. Broda moves. Second? Ms Haley. Discussion? Thank you.

At this point let me introduce some of the people around the table. All the Members of the Legislative Assembly who are members certainly are here in full force, and I appreciate that. The only member who is unavailable today is Mr. Bill Bonner. Mr. Bonner informed me that he does a lot of volunteer work with youth hockey players, and he's accompanied such a group to Hokkaido for an international child/early youth hockey tournament. He really regretted not being able to be here but said that he was committed to this a long time ago and he didn't really feel that it was right on his part to be absent from that volunteer commitment. So we wished him well and a safe journey there and a safe journey back.

Dr. McNeil is our Clerk and sits at the table with us. Cheryl Scarlett is the director of human resources. Soledad Boado is keeping our minutes today. Rob Reynolds is our Senior Parliamentary Counsel and would be an adviser to us and other Members of the Legislative Assembly in the room as well. Susan Purdie from my office will assist us as we continue to go through this.

So that being done, let me then take you to item 3, Old Business. Item 3 says, "Extended benefits to constituency, Caucus and Legislative Assembly Office staff," and identified is the chair. In essence, there is nothing in your binder with respect to that, but there was a note that came out – well, actually there is under section 3(a)

a blue sheet. At the last Members' Services meeting, after the budget for the Legislative Assembly was dealt with, several members of the committee asked that

the Chairman undertake a study of the feasibility of offering extended benefits to constituency, Caucus and Legislative Assembly Office staff and report back to the Committee at a future meeting.

In that motion that was put forward, there were three basic aspects to look at, and it was done prior to the election that was held in the spring of 2001. At that point in time members wanted a breakdown, an explanation in terms of the termination date for office staff. We all know what the rules are and the process that went into it.

10:10

If you look at the three groupings that are in there, one is constituency office people. Our current arrangement is that each MLA in the province of Alberta has an allocation for their constituency. We have a formula to determine that allocation. Once the allocation is determined, the member is advised that this is his or her budget allocation for that fiscal year.

That member then does a variety of things, and all of these are subjective to the will of the member. There are no basic rules other than the fact that the member can determine how these dollars are allocated. If the member chooses to have a constituency office, then dollars are put in his or her budget for the running of that constituency office. If the member chooses to have an office person, then dollars are allocated by the member for that particular person and whatever the benefits are. They can include everything from participation in the pension plan to nonparticipation in the pension plan, benefits or no benefits, and the like.

In terms of the caucus our tradition basically is that the caucus leaders determine the allocations within their caucuses. Dollars are allocated on the basis of the number of members in the caucus, but after that, the internal decision-making is by the caucus leaders in each of the three caucuses as to what is provided and how much is provided and when it's provided and the like.

In terms of the Legislative Assembly Office, well, those rules are very, very clear. We have a standard hiring policy, that's very transparent and open. People essentially are hired as the result of competitions. We have packages that have been negotiated, discussed with these individuals over the years, and it's very, very clear what their benefits are and what their benefits are not.

As a result of those three looks that we've had to date, the fact that we have new members who are just getting experience now in dealing with a constituency office and are struggling with these budgets they have and where they're going and where they're not going, as a result also of the fact that we have a different configuration for the three caucuses and in the background there also are negotiations going on between the government and the employees of the government through the Alberta Union of Provincial Employees, perhaps the best thing to do at the moment is to just forestall any further discussion on this matter pending that negotiation result. One of the traditions we've followed in the Members' Services Committee is that we would try and provide to employees associated with us the benefits that the government would have with all of its greater amount of employees. This might be one of those matters that we would continue as we continue to prepare the budget for next year as well.

That's the brief report that I can provide at this point in time. Are there any questions or comments hon. members would like to make? Mr. McFarland.

MR. McFARLAND: Thanks, Mr. Chairman. Clarification, especially for the newer members that have new constituency office people: the constituency staff are not members of AUPE; correct?

THE CHAIRMAN: No, they are not.

MR. McFARLAND: Did I hear you indicate that they are eligible for a public service pension?

THE CHAIRMAN: You're talking about members in your constituency office? If you as a member want to provide that provision to allow your constituency office person to participate, you make that individual choice. Some do and some do not.

MR. McFARLAND: Okay. Thank you.

DR. MASSEY: Mr. Chairman, I understand that the study that was to be undertaken will be delayed until after the negotiations. Or has the study been done?

THE CHAIRMAN: Well, the study is as much verbal as it is anything. We work with this all the time. The way the timing was of this, Dr. Massey, is that we had a lot of new members. So we first of all had to provide the information to the new members, what was available. Some were surprised to see how much, and some were surprised to see how little. So you had a whole variety of things that went into it.

One of the documents that I have in here that we'll be sharing with you – actually, we'll be providing a recommendation with respect to it – is looking at the actual constituency office allocations as a result of another thing that we did as part of this whole study to try and make it fairer than the previous formulas were. So there are some adjustments upwards for some members and some adjustments downwards for other members, and cash seems to be the solution to most of the problems.

No, nothing is going to be delayed. We'll just continue to work with it, unless the committee has something you want to move further at this point in time.

MR. MASON: Mr. Chairman, are there limits on what can be offered, in terms of caucus or constituency staff, other than minimum labour standards? I mean, does the Legislative Assembly have any sort of minimum standards in terms of remuneration or benefits or hours of work or any of those things?

THE CHAIRMAN: No. The tradition that we've always followed here in Alberta as a result of the direction of the Members' Services Committee is that the members would be the drivers of all of those decisions. The members have said – and jealously guarded the independence – that they wanted to deal with that particular budget. So it's not at all inconceivable that if an hon. member had a constituency office allocation of \$65,000, that particular member might choose not to have a constituency office but pay an assistant \$65,000 a year.

MR. MASON: Okay. But if you do hire someone, then you are required to meet the standards of the law in terms of labour standards and so on.

THE CHAIRMAN: Oh, absolutely.

MR. MASON: You don't have a completely free hand.

Are there any programs that you can access in terms of benefits that don't come directly out of your constituency budget?

THE CHAIRMAN: I'm totally unaware of that, because you determine who you want to hire. We don't even get involved in that.

The person actually is under contract to the Clerk. But in terms of outside income for that particular individual?

MR. MASON: No, I don't mean that. I mean in terms of benefit packages and so on . . .

THE CHAIRMAN: Over and above what we currently offer?

MR. MASON: . . . that aren't charged directly to your account that are available from the government.

DR. McNEIL: No. The only thing that is outside your constituency budget that provides you with some funding is the STEP program, summer temporary employment. In terms of benefits, there are none.

MR. MASON: They are entirely funded from the constituency budget.

10:20

THE CHAIRMAN: Additional questions on this matter? Can we move on, then? That would be fine? Okay.

Item 4, New Business, Member Compensation. Well, in the last Members' Services meeting that we had and then in the prelude to the election and the postelection, in the last number of months numerous members have come and visited with the chair. A previous Members' Services Committee had suggested to the previous chairman that some reviews be undertaken from a factual point of view to see what the situation was across the country of Canada: who was where and what was happening with respect to compensation for members. As a result, then, I put together a package of information for you. If you don't mind, we'll just go through section (a) in terms of what this documentation is. We have additional copies of this documentation. It's freely available to any who are sitting with us as guests here this morning. I don't know where that documentation is, but it's all there in terms of availability.

So just to take you through this rather quickly – and I'd be happy to answer any questions. If you don't mind, maybe we'll go through the first section. People said: "Well, okay. How do you do a comparison across the country in terms of seats, population, and average population per constituency?" You see that first graph, that first sheet, that basically breaks down the whole situation in Canada, wherein the Senate of Canada has 105 seats and the population of Canada is 30.8 million, so the average population per Senator in this country is 294,000. Then you go down to the bottom where Nunavut, our newest creation in the country of Canada, has 19 seats. The total population of Nunavut is 27,978, and the average population per seat in Nunavut is 1,473. You see Alberta with 83, a population of 3,022,000, and an average population per seat of 36,420 people. That's just pretty factual information.

The second document you have in there is Member Indemnity and Expense Allowance Comparisons, sorted again by the total across the country of Canada. The effective date? This material should be true as of July 1, 2001, but you can see the effective date when all of this material would have kicked in.

The indemnity for members of the House of Commons, \$131,400. They eliminated their tax-free allowance, grossed up their basic salary, added 20 percent to get to \$131,400. That went into effect – they did it retroactively from June to January 1, 2001. For the Senate, you can see the figures for the indemnity of \$106,400; for Quebec \$71,714 with a tax-free allowance of \$12,789; for the Northwest Territories \$75,540 and then two types of tax-free allowances to gross those up; for Ontario \$78,007, and that's

effective April 1, 1996. There's an asterisk under there because there is a review going on in Ontario. My understanding, in discussions with officials of Ontario in the last several weeks, is that by September, next month, by the end of next September they will see an adjustment in Ontario, perhaps putting that number on par with the number for members of the House of Commons at \$131,400.

British Columbia, Saskatchewan, Manitoba, and Alberta. Alberta on this graph, with a base indemnity of \$41,052 and tax-free allowance of \$20,526 for a total of \$61,578, essentially on the indemnity base comes in, I think, ninth in the country of Canada at April 1, 2001. Then you go to Newfoundland, New Brunswick, and Nunavut. You can see Nunavut, with a base salary for their elected people of \$55,413, and down to P.E.I. That's basically a comparison. Alberta, for all intents and purposes, is about ninth on the list.

Members also asked for perspectives on first ministers, cabinet ministers, and leaders of the opposition. Again, July 1, 2001. House of Commons: the first minister, the Prime Minister, gets \$131,400 in addition to the \$131,000 that he receives as a member of the House of Commons. Ministers in Ottawa receive \$63,000 a year. Quebec is second. Nunavut, with its 19 members, pays its first minister \$70,455 and its ministers \$64,138. Alberta pays its Premier \$64,092 and its ministers \$50,736. Ontario again is under review. Then you go to Newfoundland, Northwest Territories, and down to Yukon, which pays its first minister \$28,971 and its ministers \$21,147. To the best of the knowledge we have, that basically is where the reviews are, Ontario the one that has this matter under review.

The next information you have is a flowchart that compares the various positions in all the provinces and all the jurisdictions in Canada, everything from minister without portfolio to Leader of the Official Opposition, Deputy Speaker, Deputy Chairman of Committees, whips, and all other groupings that have eligibility for compensation. In Alberta this compensation is provided to all leaders in various caucuses that are a recognized party. So in the case of Alberta the leader of the recognized Official Opposition would receive a stipend equivalent to that of a minister, but such would not be provided to the third party House leader because the third party House leader in the province of Alberta is a member of a party that has only two members, and in order to be recognized as a party in Alberta, you must have four.

You had a situation recently develop, as an example, in British Columbia, where the composition of their Legislature currently has 77 in the majority and I believe two in the minority. The minority asked to have official party status, and that request was not met. So there are two members in the official – I guess Official Opposition may not be the correct term. There are two members in the opposition but not recognized as an Official Opposition party.

The next document you have is a flowchart that basically looks at the salary ranges of deputy ministers and senior officials associated with the government of Alberta. The date is there and also an asterisk indicating that the salary rate for deputy ministers is I guess – well, it's not a range; it's just a number – \$135,200 for those particular deputy ministers and the Public Service Commissioner. You can see schedule 2, which looks at salary ranges of other people. Salary range D is \$100,589 to a maximum of \$135,200, then salary range C from \$86,528 to \$120,490, salary range B, which is another limit in salary range, and salary range A, which is another limit as well. They cover all the people appointed by orders in council in the province of Alberta in senior positions, and my understanding is that this is currently under review and does not include cash bonuses associated with the particular performance

measures associated with them.

The next document, Government Salaries, is one that was published in one of these communication tabloids that we have published by private individuals in and about the building and shows salaries of people associated with agencies that receive their funding or their authority from the government of Alberta, and they're dated basically 1999 to 2000, nothing current beyond that. The salary of the president and CEO of the Alberta Treasury Branches is \$527,000, a \$107,000 change from the previous year. The chief executive officer of the Calgary RHA is something like \$418,000, the chief executive officer of the Workers' Compensation Board at \$355,699 at that particular date, and other individuals that are associated in a variety of organizations in and about the province of Alberta.

The next document you have are salaries of chief executive officers of the various regional health authorities in the province of Alberta for the year ended March 31, 2000 – so it's dated by 15 months – and indicates that the Chinook regional health authority CEO receives \$178,000 a year, the Calgary regional health authority shows \$400,000 a year, the Northern Lights regional health authority shows \$131,000, and other individuals follow in various ranges.

10:30

The next document is the Disclosure of Salaries and Benefits for Superintendent Positions; that is, school superintendents. This is now mandated by law, by legislation passed by the Alberta Legislative Assembly. You can see where you have this again to 1999, so it's dated by two years. You can see the salaries in there with the benefits of the various school superintendents throughout the province of Alberta at various levels here and there along the way. They range, as best as I can understand, up to \$174,510.

The next section in there is section 2, which is a copy of the report by the Commission to Review Allowances of Parliamentarians. This is a report that was tabled in Ottawa in late May 2001, reviewed by the Canadian House of Commons, and implemented by the end of June 2001. Essentially what happened is that the various salaries of members of the Canadian House of Commons were reviewed. The base included a tax-free allowance. The tax-free allowance was grossed up, a 20 percent adjustment was added, and they arrived at a base of \$131,400 for Members of Parliament; the Prime Minister, \$262,988. The Speaker, the Leader of the Official Opposition, cabinet ministers, and ministers of state went to \$194,640, secretaries of state and leaders of other opposition parties to \$176,320. The House leader of the Official Opposition gets \$164,400. Then you look at the base salaries and indemnities and salaries for additional responsibilities including the chief whips of the government and the Official Opposition, and they would arrive at \$155,400.

They looked at their pension, continued their pension, and made some modifications with respect to the percentages that went into the payout in the pension. Basically they have three participation numbers. I believe that for years of service prior to 1995 it's based on 5 percent per year, from 1995 to 2001 it's based on 4 percent per year, and after 2001 it's based on 3 percent per year. So it is in place; it continues. That's the most recent information with respect to that matter.

Now, that's an overview on member compensation. When I discussed this matter with various members over the last number of months, I think it's probably safe to say that a large number of members thought that politicians in Alberta, elected people in Alberta, were not very competitive in terms of their salary adjustments when it comes to comparisons to other people across the country but had some reticence or reluctance to broach the subject of adjustments to their salaries. I provide that for information, and

if there are any questions coming out of this, I'd be happy to hear them.

DR. MASSEY: Mr. Chairman, I noticed that back on one of the other documents it refers to a policy to move toward the federal . . .

THE CHAIRMAN: In Ontario, yes.

DR. MASSEY: In Ontario. Do they have a policy? Is that laid out as a policy, or is there a statement that indicates that?

THE CHAIRMAN: Actions, I think, probably are the way they've described it. They had undertaken a review of the number of seats in Ontario a few years ago. They basically said that they were going to reduce the number of MLAs in Ontario to equate with the number of MPs in Ontario, and they did that. They reduced the number in their House to equate with the number of MPs. I believe the number is 103. Included in that review, then, was also the view that a member of the parliament of Ontario has much more work than any member of the House of Commons, and those comments have been made publicly by various leaders in Ontario.

DR. MASSEY: So there's no written statement; it was just action.

THE CHAIRMAN: Oh, I'm sure there probably is something written, because it went hand in hand with the electoral review at the time.

DR. MASSEY: I guess that leads me to my next question. Do we have any written statement as such here in terms of our intent as a committee?

THE CHAIRMAN: No. We have no written policy, none that I'm aware that this committee has ever dealt with, saying what value it's at – ninth position, third position, fourth position – nothing like that at all. I'm not aware of it.

DR. MASSEY: Thank you.

THE CHAIRMAN: There has actually been no review made on a salary basis in Alberta since 1994. We had reports done in 1993 and 1994. Those are public documents. Basically there were recommendations made, but the committee went the other way and instead of providing any adjustments upwards basically went down 5 percent and then reinstituted that a couple of years ago and held the line for those years until we developed this formula several years ago that would basically see an annual adjustment based on the average weekly earnings index in the previous year in Alberta. The formula would kick in on April 1 of each year. This year it was just above 3 percent. Last year it was just above 1 percent.

The second section is background information with respect to member benefits, (b)(i), long-term disability insurance program. If a Member of the Legislative Assembly were to become disabled, then a program would kick in to assist that Member of the Legislative Assembly. To my knowledge never in the history of Alberta, going back to 1905, has any member ever qualified. So we have a program; no one's ever qualified. In doing the research, in doing the review of all of this, we came across really a rather interesting scenario that virtually everything in terms of the package dealing with members had been delegated to the Members' Services Committee except one item, and that was the item dealing with long-term disability insurance.

So we agreed, then, that what we would do is ask that legislation

be changed to delegate this responsibility to the Members' Services Committee. That was done this spring. You all agreed to it. There was unanimous consent of the Legislative Assembly to a change in the Miscellaneous Statutes Amendment Act. So responsibility for this matter of determination of the disability aspect has now been delegated to the Speaker and this committee, and that delegation would come into force on proclamation by the government. The legislation has been approved, but it hasn't been proclaimed yet.

10:40

What we have to do in the ensuing months is take a look at this matter, take a look at this question, and ask ourselves: what should be put in place? If a Member of the Legislative Assembly today were to become disabled – and I repeat that never in the history of Alberta has any member ever been eligible for it – in essence there would be an outside carrier who would come in and adjudicate it and determine what compensation would be provided to the member.

However, the principle – the principle – for disability is that in essence you no longer are in your position. So you really have this kind of conundrum. If an individual who is not an elected person is disabled and cannot do his or her job, invariably that person can qualify for a disability pension, but someone then comes in to fill that position. In the case of a Member of the Legislative Assembly who is disabled, if one of the basic principles of disability is rehabilitation, the member then goes on a process of rehabilitation. In the meantime, somebody else becomes the MLA. Once the rehabilitation is complete, how does that person go back to his or her original position as MLA? It doesn't work. In the past when we had a pension plan, the pension plan was the great protection for this, because the individual, instead of going on disability, left and qualified for the pension, and that in essence was the disability plan. So we have this really, really interesting scenario that makes it very, very unique for only this group.

We've had several individuals in recent years who were ill, and this is what's really prompted the attention. One former member of this committee was in hospital for three or four months, and the member, I know, felt that he could not conduct his duties as a Member of the Legislative Assembly. My advice to him was that he could and he had no option but to remain as a Member of the Legislative Assembly, because we really didn't have a very good plan to help him. If he went under long-term disability and if in the meantime he resigned, then he could never come back. So we simply carry members. Members are members. The only people who can get rid of MLAs are the electorate, our constituents. Our constituents are the only people who can cause someone here to leave – no one else can – other than of course for criminal conviction and things like that, which have never happened.

So it's an interesting situation. It's an interesting one that we have some more work to do on, and as we go forth in the next number of months, this will be one of the interesting matters before this committee.

Mr. Broda.

MR. BRODA: Yes. Mr. Chairman, just a question: do other provinces have any long-term disability in their legislation?

THE CHAIRMAN: Virtually every other province has a pension plan, which allows certain things to happen. We don't have one. It's a complicated business. I've summarized it in a precis form, so I've given general statements.

MR. BRODA: Thank you.

THE CHAIRMAN: Will that be fine then? It's a matter we have to deal with, but right now we've got the situation in place that Executive Council would make the decision if today somebody were to become disabled, not Members' Services. Until the new legislation is proclaimed, this matter rests with Executive Council.

Liability insurance. We pay on an annual basis a premium to an organization, part of Alberta Treasury, that provides insurance benefits to us. That's called risk management, and we've all heard about it. Traditionally the prime purpose of risk management – we have an insurance policy that covers damage to your constituency offices if you were to experience a flood, a fire, a break-in, and damage in your constituency office. I've had the misfortune on one occasion of having flooding in the constituency office that I have in Barrhead, a large amount of flooding because of a backup of something in the town water system, and lost a fair amount of materials that I had purchased from the Interpretive Centre, as an example, including several hundred books of *The Alberta Legislature*, which are now out of print. They were four inches above the ground. The water hit two inches of them, and of course the books all swelled. So 200 of these books are gone, and the books are out of print.

Risk management will come in and provide compensation to the Legislative Assembly, which will in turn provide compensation to the individual member for the replenishment of those particular things. Traditionally that's been the kind of charges we've had. The annual premium that we pay is \$70,000, except that as of July 1 of this year they want \$130,000. So one of the items that we have to talk about this morning is you helping to get us some additional dollars to pay for it.

In the last year, too, another issue has developed, and it had to do with an individual member. Also included in risk management is protection for a Member of the Legislative Assembly should he or she be sued by an outside force. There was a process prior to February of 2000, and then this committee looked at another process after February of 2000. Prior to 2000 one Member of the Legislative Assembly was sued. A court case ensued, and risk management took the portfolio. It went on and on, and finally there was a settlement. You all know the publicity that went along with the settlement.

We made a policy change in terms of how an individual who was being sued would deal with the question in February of 2000. At that time this committee indicated that the policy would be that if an individual were to be served with something, it was incumbent upon that individual to visit with the Speaker, have a discussion with the Speaker. They would discuss it. The Speaker would go and obtain outside information if required and provide advice to the member as to what the member should do in terms of this. Included in that might be simply the offering of a public apology for the matter. If the matter went on, it was up to the individual then to basically work with officials in risk management, and they could receive advice from us with respect to that and go forward. That policy came in after the case had already started with the former member.

Since that time, February of 2000, several members have come visiting with respect to anticipated papers being served on them. We've had discussions. To my knowledge no papers have been served to any Member of the Legislative Assembly since February of 2000. So that policy seems to work.

However, as a result of the bigger picture, we thought that we were going to be in a position to come back here and have a better discussion with you today, but I think that because that decision, the Goddard-Day decision and the parameters – and there's another legal case associated with it – is now being appealed further by a former Speaker who has intervened, it probably would be very

prudent that we forestall discussion of this matter pending the outcome of that.

In the interim something else has happened. A couple of months ago the Minister of Justice announced publicly that he was undertaking a complete review of this matter and that he'd hired an outside consulting firm to review this matter and to see what the parameters should be with respect to risk management, and he consulted with me as the Speaker. We right now buy an insurance policy from risk management. We're bound by that at the current time. It may very well be, one, that at the conclusion of the law case there may be some lessons for us that we would need to respond to or some new policy implementations we'd need to make. Secondly, as a result of the review being undertaken by an outside consultant, there may be some recommendations. That might include our disassociating ourselves from risk management, and if in fact we are going to offer a program of liability insurance for Members of the Legislative Assembly, we would go and find an alternate supplier of that particular thing.

That's where we are right now with respect to an update. If members have questions or want to make comments, I would certainly be open to it. Mr. McFarland.

MR. McFARLAND: Thank you, Mr. Chairman. If I heard you properly, you indicated that the annual premium has been \$70,000 and that it's going up to \$130,000, over a 90 percent increase. Is that increase due to the one and only incident of claim?

THE CHAIRMAN: I have no idea. I can't answer that question. I don't know. Mr. Clerk?

DR. McNEIL: Yeah. It's due to the experience in the plan, and that's been the experience.

MR. McFARLAND: A onetime experience increases the rate, almost doubles it? Are there no other insurers around?

DR. McNEIL: This is self-insured by risk management insurance. That's a question the committee would have to deal with once all the information is in, what the alternatives are.

MR. McFARLAND: I'd like to collect \$70,000 a year and never have a claim and then be able to . . .

THE CHAIRMAN: Mr. McFarland, there have been no claims other than minor claims with respect to what I indicated before: flooding, break-ins, what have you, maybe \$15,000 to \$25,000 maximum in a year.

MR. McFARLAND: Okay. Thank you. It's almost as good as crop insurance.

THE CHAIRMAN: Okay. The next section in here is documentation with respect to – members again asked for comparisons in terms of pension plans, transition allowance, and RRSPs across the country. What you see here is a document dated late July. Look at Alberta, for example. There's no pension available to members, there is a transition allowance, and there is no RRSP.

In British Columbia you can see that they have a defined contribution group RRSP with standard life as optional, and there are contributions based on certain percentages. It basically indicates that there are benefits to spouses and dependants. There's also a transition allowance.

If you go to Manitoba, they have a defined contribution individual RRSP. They have a transition allowance. New Brunswick: defined benefit plan – there's a registered side and an unregistered side; that's basically a pension plan – and a transition allowance and benefits to spouses. You can see these comparatives as they go across the country, including all the jurisdictions of Canada, bringing you up to date with the most recent amount of the House of Commons, which has a pension plan, a transition allowance, a severance allowance, in essence, and the benefits associated with it.

You have the comparisons. Members have had a lot of interest with respect to this. In the consultations that I've had and undertaken with the members, basically I guess there was a theme or two. While there was a lot of interest expressed in a pension plan and further discussion of a pension plan in the province of Alberta, the bottom line was that members for the most part felt reticent, reluctant to have a discussion with respect to pensions in the province of Alberta. They did have some thoughts on modifications to the transition allowance, and as we terminate all of this discussion, I'll bring you up to date basically in a general way in terms of what they were saying.

No further comments? Questions?

10:50

Okay. Then section (c), Member Allowances. There are some letters that I'd received from members with respect to this. The first one comes from a member basically concerning parking, and our Members' Services orders indicate today that parking is available for cars at airports, but if a member had to go and do a function downtown or some other place and had to park, well, there's no compensation for that.

In the second one, another member basically said: would it be possible that MLAs be exempt from GST when purchasing vehicles? Well, there is no purchase currently needed by any Member of the Legislative Assembly directly that provides for this exemption. That exemption simply does not exist, but that hon. member did make mention of it.

Then you've got the travel allowance comparisons across the country where mileage is provided. In Alberta it's 25 cents a kilometre, and it's based on a certain amount of kilometres for urban members and rural members. In B.C. you can see it's based on 42 cents a kilometre. In Nova Scotia members who are more than 40 kilometres from Province House are eligible for 52 commuting trips at 31 and a half cents. In Ontario you can see mileage allocations ranging depending on where they're at. In Quebec it's 37 cents a kilometre; in Saskatchewan, 38 and a half cents; in Yukon Territory, 48 and a half cents; House of Commons, 42.8 cents.

Also associated with that, we contacted the Alberta Urban Municipalities Association and asked them to provide us with information looking at their highs and lows and their averages going back the last 12 years. They advise that in 2001 they're averaging 35 cents a kilometre. Then you have one document from the Alberta Association of MDs and Counties and their kilometre rates, and they are advising as well that their average rate is 35 cents per kilometre.

Questions on that?

Then the next section deals with temporary residence allowances. You can see correspondence in there. We have an interesting situation in some constituencies. It's not necessarily the geographic size of the constituency, but you can see an indication there from an hon. member basically saying that simply because of the size of his constituency he's three and three-quarter hours to four and a half hours from one point in his constituency to another point. Invariably he has to attend a meeting in another part of that constituency, and there's a requirement for an overnight stay. Our Standing Orders preclude overnight stays in areas in your own constituency. But it's

not only the larger constituencies. You can also fathom the situation where even a member here in this House in inclement weather in the wintertime has to go to a meeting maybe only 50 miles away from where your home is in your own constituency and you're there till midnight, which is not uncommon, and there's a howling blizzard or snowstorm and the roads are virtually impassable. You may have to utilize overnight accommodation. There's no provision right now in our orders to provide for that.

You have other members – and it's been raised, again, in the past in this committee – basically saying that the \$100 per night is clearly out of touch with realities today. This matter has not been looked at, well, at least since 1993. So you've got a living allowance comparison across the country of Canada. In Alberta today it's \$100 per day for each day of the sitting, a nonsessional allowance that can be claimed for all aspects – accommodation, meals, living expenses – \$1,000 a month, and there is provision for five days outside of the capital on MLA business. When you recognize the number of opposition members there are currently, five days may be rather minimal in terms of provisions for that.

You can see the other allowances. In British Columbia it's \$150 per sitting day for the House members outside the Victoria capital region who are required to stay overnight in Victoria. They range across the country. In the Northwest Territories it's \$200 and certain things. There is a range. In Alberta, again, it has been a long time since we've looked at it.

I requested from the Alberta Hotel Association and there is a document in here that basically samples a number of single room rates located in Calgary, Edmonton, Fort McMurray, Grande Prairie, and Lethbridge. Look at the single room rates for those same facilities from 1991 to 2001, and you can see the percentage increases. Overall, on that sampling of about 12 units it shows that there's been a 58.91 percent increase in that 10-year time frame. Then also included in here is some very specific documentation from the Alberta Hotel Association that looks at market trends and comparatives not only throughout Alberta but throughout the country in terms of this accommodation.

Comments or questions?

Well, there being none, then the next item is (c)(iii), Constituency Allowance. You'll see some memos there from hon. members. Now, the constituency allowance is the budget provided to each individual member to pay for expenses in running a constituency office. There's no benefit here to any member; this is a benefit for our constituents. Again you can see documentation provided to me here by a number of MLAs pointing out concerns that they have with respect to it and some recommendations as well.

You can see the comparisons across the country of Canada. In Alberta today we start off with a base budget of \$46,400 per member, and then the member gets a communication element and a promotional element. On average the communication element is an additional \$13,686 per member, and the promotional element is another \$3,663 per member. I guess if you looked at that, probably the average constituency office budget in Alberta was about \$62,000, give or take a few bucks.

You can see the comparatives again across the country in other jurisdictions with respect to it. You may be very surprised to look at the Ontario one. I said that the Alberta average is about \$62,000. In Ontario the constituency office allocations are \$236,000 plus allowances for various constituencies away from Queen's Park. Quebec: again you might be quite interested in seeing what their allocations are, which are considerably higher than what you would find in the province of Alberta. Ottawa: I would think that for most MPs in the province of Alberta who have a constituency office, it probably would be upwards of \$275,000 per year for their

constituency office budgets. You can see the federal one as well, the federal documentation that's tied into that.

We also did a run looking at one of the major items that hon. members said to us, that because of the Alberta economy, they were experiencing significant increases in their lease rates. Of course, whenever you have a transition from prior to the last election to postelection, new MLAs come and MLAs go, so leases expire and other things come up. There's a run in here that we did to basically extrapolate from the records that we have that basically shows the changes in rents.

I just draw to your attention what I had to do in Barrhead. You look at Barrhead; it's number 3 on the list. I was paying \$700 a month, and in December my landlord says to me, "Look; I can't afford you." I said, "What do you mean?" He says: "Well, heating and lights. I can't afford you at \$700 a month. So here's the deal. Would you consider this? I'll lower your rent \$100 a month, but you pay for all the utilities now." Well, we all know what happened to heating and utilities at that time anywhere. So the bottom line is that the utilities are about \$450 to \$500 a month. I get my rent lowered by \$100 a month, but my cost of operation goes up \$400 a month. So if you want to find out about business acumen in management, don't talk to me about it. I can't negotiate a contract. That's just an example from me.

You can see the amounts. Calgary-Buffalo: the rent in January 1997, \$900 a month; it's now \$1,500 a month. What do we have in Edmonton? Mr. Mason, what is yours?

11:00

MR. MASON: It's \$800 a month.

THE CHAIRMAN: Eight hundred a month?

MR. MASON: We're kind of at the low end.

THE CHAIRMAN: Oh, you are at the low end.

MR. MASON: Edmonton-Strathcona has a problem though.

THE CHAIRMAN: Edmonton-Strathcona hasn't had that revised, so they're probably having problems.

You can see these numbers across. The numbers clearly indicate the comparison in Calgary on the next sheet and then Edmonton and then other places. Calgary rates have escalated. The Sergeant-at-Arms undertakes a review once a year, twice a year, and visits these offices and checks them all out, so we're not talking about major, major moves to luxurious new quarters. We're just talking about the situation that seemed to happen.

Now, Mr. McFarland, do we want to talk about yours?

MR. McFARLAND: Certainly. I think you could all take a lead from my example. You do what you can to promote a town that's dying, and they're happy to lease a tax-recovery building for \$30.

THE CHAIRMAN: For \$30? A year? A month?

MR. McFARLAND: A month.

THE CHAIRMAN: Your rent is \$30 a month?

MR. McFARLAND: But the building leans like this in the wind.

THE CHAIRMAN: Oh, in the wind it shakes; okay. It's liable to go away in the wind. What security do you have in it?

MR. McFARLAND: The neighbour's dog.

THE CHAIRMAN: Okay.

MR. McFARLAND: We have a craft shop downstairs and some ladies who are there four days a week, five days a week, sometimes six.

THE CHAIRMAN: Okay. I don't know about number 73, Spruce Grove-Sturgeon-St. Albert. Of course, we've had a change in member, but there's an incredible adjustment of 60 to 70 percent allocation in the lease rates. I don't know, Mr. Horner, if you have a new office, found new office space, same office, or what.

MR. HORNER: We relocated, Mr. Chairman, to a more open and accessible area.

THE CHAIRMAN: And you had to pay the price to go with it.

I mean, you can see that a lot of members are making a lot of comments with respect to this whole constituency office allocation. That being the case, one of the things we did in our review was basically try and get a handle on the numbers. There are three parts to this constituency office allocation. The first one is a blanket figure. Then we have two different populations that go with it.

So we had a review done in consultation with the Chief Electoral Officer, looking at the enumeration list from last fall and the election list from this spring, and with Alberta Finance, that does have demographers who do work hand in hand. They basically came up and told us that the population estimates for July 1, 2001, by provincial electoral divisions were provided in the table, and you have the table. There's a document in here, one page, that shows all of the constituencies, the population of Alberta at 3,020,800. The best review that we've made of all of this, bringing all of the figures together, shows what the population estimates are per electoral division.

Now, the last Members' Services Committee said that one of the things that we should try and do is get a better handle on these numbers. So we've got a better handle on the numbers. You have a flowchart in the document that you have, a foldout, and we ran all the numbers per constituency.

As an example, let's take the one I know best. Let's take 003, Barrhead-Westlock. It says who the member is and the address. We all get the basic \$46,400. Now, interestingly enough, last fall I was told I had 16,915 electors. As a result of the provincial election, the modifications to the electoral list, and the input of the demographers, I'm now told that I have 16,794 electors. I've got fewer electors now than I had six months ago. Part 1 of that formula has to do with the number of electors. So while I was getting \$10,600 in this formula, as a result of the reduction in the electors I have, that now moves downwards to \$10,524.

But my constituents number last fall showed 25,475. Well, as a result of all of these reviews, I have more constituents but I have fewer electors. So the third portion of the formula, which is based on the number of constituents, shows me moving from a whopping \$3,040 to \$3,149. If you add up all the numbers, the total that I had starting this year on April 1, that I sent myself a letter saying that this is my allocation, was \$60,140. As a result of this review, I now must send myself a letter, if you agree with this, that I'm going to get \$60,073, a reduction of \$67. So my budget goes down.

SOME HON. MEMBERS: Agreed.

THE CHAIRMAN: Such harmony. Such harmony.

Now, I take you down to number 023, Calgary-Shaw. This committee had received numerous memos from the previous MLA for Calgary-Shaw indicating that tremendous expansion in the city of Calgary had seen enormous population growth in that particular constituency. So as a result of the review, it shows that the number of electors actually moved from 32,938 to 49,366. That's like a 50 percent increase.

So if you follow all the way through and if you look at these formula revisions – in fact, I'm going to be recommending it – this particular Member of the Legislative Assembly on this review at this time would have an additional \$12,593 added to that constituency budget this fiscal year. Now, those are pretty much the two extremes. I mean, there was somebody else who got a reduction of \$247, also in Calgary. That would be the high mix at the total amount.

Now, the total amount of dollars in this particular budget – we would have a bit of a shortfall, but I think it's a manageable shortfall, between \$95,000 and \$125,000 overall with respect to this. The total amount of the budget for the constituency office allocation essentially with the revisions would be \$5,385,000. Again, these are allocations that go to our constituency. They're approximately one-third on average what they are in Ontario. We should never forget that, because we're just providing services the same as all elected people. My recommendation would be that, in essence, when we come to it, we look at that particular sheet.

Anybody have any comments or questions you want to raise at this moment?

The next item, then. We had an interesting scenario. In January the government of Alberta passed at the cabinet level some new policy approach that says that if you are a government employee in Fort McMurray, because of the escalation in the cost of living in Fort McMurray – and this was done in consultation with AUPE – there now would be a special allocation for government employees in Fort McMurray to receive an additional \$400 per month. So that's been in place only for Fort McMurray.

So at the conclusion of the election the hon. Member for Fort McMurray gets ahold of me and says: "Hey, look. There's no allocation in my constituency office for this. Everybody else who's considered to be associated with the province of Alberta in Fort McMurray gets \$400 a month, but my office employee doesn't get it." So I said, "Fine; I'll bring it to the Members' Services Committee with the recommendation that we consider offering that," because we've always said that our principle would be that we would follow basically what the government would provide in service, that in essence we would as much as possible do it to the Legislative Assembly. So after having said that, then the hon. member says to me, "Well, you know, I'm also associated with the government," at which point I said to him that I couldn't recommend an additional \$400 for him. So that's basically what that particular thing is all about.

11:10

Now, having said all of that and having done all of that, any questions? I have taken all of this and basically come up with some proposals, because you asked me to do it. I will now circulate these proposals to you. In this proposals document there are seven items. There are seven proposals for changes to members' benefits, allowances, and others.

The first one has to do with the Members' Services allowance, the constituency allowance. That's the flowchart we just had. That flowchart, as I said, is a result of a review that we undertook as a result of direction from Members' Services basically to get the best possible numbers that we have and see if we could make modifications in the current fiscal year with respect to that. I think

there are over 70 members who would see adjustments upwards in their constituency office allocation. Probably about 12 of us would see reductions, which will not go unnoted. There are no other adjustments being recommended at this time, but I do want to undertake a review of the whole constituency office allocation mechanism and, when we come back to the budget preparation for next year, have some further recommendations in consort with the members.

So the first proposal. There's a recommendation that says that effective April 1, 2001, the data utilized for the calculation of component C in the Members' Services allowance be changed to reflect annual changes in the population in each member's electoral division based on estimates prepared by Alberta Finance statistics. That simply changes the item up above where it says that the documentation we would use is the most recent census list. That is dated. If you agree with this, we would implement these changes and the constituency office allocations effective April 1, 2001, and would notify hon. members in a matter of weeks.

MS HALEY: I just wanted to make a comment on this, Mr. Chairman. I didn't write you letters, but I talked to you about this for the last four years. I have a high-growth riding, and it's been a tremendous pressure point in the ability to communicate if you try to do a householder, a direct mail-out. My most recent estimate on cost is \$8,000 to do one. But I would come back to my budget, which indicated that I only have 32,000 people in my riding when I knew I had – and I still think this is wrong; I think it's over 45,000 now.

I'm very happy that there's finally a recognition of the high-growth areas, because it is very hard to do any type of communication in your riding. In a rural area we're dealing with four or five small newspapers. You can't afford to advertise in the *Calgary Herald* or the *Calgary Sun*, but that's the paper that the majority of my rural constituents would also get. So this is very important from my perspective not just for the Cindy Adys of the world but for Janis Tarchuk and myself as well in a very high-growth area around Calgary.

MR. MASON: Mr. Chairman, I just have a question. Is there any way to build in a factor for rents if rents in a particular constituency overall are out of line with rents elsewhere? The costs of running an office aren't all directly related to population growth, although there might be some relationship. Sometimes the population may not be growing rapidly in the constituency, but it may be a high-rent area. Can we build in a factor for that in some way?

THE CHAIRMAN: My response to that is that we have not undertaken a major review of the constituency office allocations for seven or eight years. We've got a whole series of MLAs, we've got a changing economic environment in the province of Alberta, and I think that we have to be aggressive about this. The rent is one side of it. Even the amount of allocations that individual members make to their office assistants, which in my humble opinion are the most important people because they're frontline people in the province of Alberta – well, they go from hardly anything to something, and we've got to recognize that.

Mr. Horner.

MR. HORNER: Thank you, Mr. Chairman. First of all, I'd like to agree with Mr. Mason's point on the rents, and I think that down the road this committee should look at some other allocation for funding for higher rent districts. As well, I agree with your comments with regard to the number one person in the office and being able to

compensate them for the amount of work that they do and in a reasonable way.

Just a question, Mr. Chairman, on the Alberta Finance statistics, the most recent census. This will be adjusted based on the new census data that's coming out, so we don't necessarily need to tie ourselves to that at all.

THE CHAIRMAN: Well, this recommendation here today basically is to allow us to move with these new allocations this year. We may have to find a better formula or a different formula, but I think we should be open about it. One of the things that is always fundamental is that we always seem to want to follow numbers, so by having in our previous order, which is really our regulation for the authority to do anything in this committee, the "recent census list," you're always after the fact. Even the 2001 census will not be available to us for probably a couple of years. So we're basically looking at 1996 then, and that was the reason to change.

MR. HORNER: Thank you.

MRS. JABLONSKI: Just one more comment, Mr. Chairman, on the frontline people in our offices. With the labour shortage that we have in Alberta, to keep good people we need to be paying them a decent salary, another good reason that we need to be looking at these increases.

THE CHAIRMAN: There are seven of these items in here in terms of proposals. Do you want to deal with them individually or as a package?

MR. WOLOSHYN: As a package.

MR. MASON: I'd prefer to go through them.

THE CHAIRMAN: We'll go through them, but do you mean one vote or seven votes?

MR. MASON: Seven votes.

THE CHAIRMAN: Seven votes.

MR. HORNER: Mr. Chairman, is it possible we could go through each of them individually and then come back to it and vote and have a discussion?

THE CHAIRMAN: Yeah. Sure. You may not see the whole package unless you go through all seven.

MR. HORNER: I think that'll give us a better overview of the total package.

THE CHAIRMAN: Oh, but I should advise you as well that this is just a policy discussion. If you agree with any of these or all of these, what we have to then do is go back specifically to look at the order, and there will be an individual vote the same way that it is in the House with the vote. An individual vote on each one. Okay? So anything more on number 1?

Number 2, the automobile travel allowance for members. We went through that. The current situation is, again, 25 cents and the 60,000 kilometres and 25 cents and 52 trips per year between the member's constituency and the capital. As a result of all of the discussion, all of the papers, all of the views, all of the talks, all of the inputs, my recommendation is that effective September 1, 2001,

the travel allowance be 30 cents per kilometre and the maximum for rural members be 80,000 kilometres and the maximum for urban members be 35,000 kilometres. This is an increase in opportunities for travel. With the current makeup of the Alberta Legislative Assembly I think that's a prudent response.

Mr. McFarland.

MR. McFARLAND: Thanks, Mr. Chairman. As a rural member I do appreciate the recognition through the increased mileage. I know that in our constituency – and I believe it might be in the order of the seventh or eighth largest geographically – 80,000 just covers the number of miles that I actually travel in one vehicle, and the 30 cents is definitely something that's below AAMD and C and AUMA and I believe even possibly the government rate. So I appreciate the recognition. I'm not familiar with the urban situation at all, whether the city ridings have actually grown that much or not, but I do want to say thanks for the recognition on the behalf of the rural members, and I would support the 80,000.

11:20

THE CHAIRMAN: The geographic size of urban constituencies has not changed. What it is is that most members of the opposition who are Members of the Legislative Assembly represent urban ridings, and they have a bigger responsibility now because of the smaller numbers than they've ever had. So that was the reason for the recommendation.

MR. McFARLAND: Thank you.

THE CHAIRMAN: Living allowance: again, this is one that hasn't been looked at in upwards of a decade. We know what the numbers are today, \$100 and \$1,000 per month. Five days is the extraordinary temporary amount. So my recommendation is that effective September 1, 2001, the per diem allowance be \$130, the capital residence allowance be \$1,300 a month, and 10 be the maximum extraordinary temporary residence days.

The recommendation is the result of looking at all of the inputs. Even though the Alberta Hotel Association says that there's been a 60 percent increase, some subjectivity went in there to find half of it at 30 and 1,300. On the five days of extraordinary temporary residence that we currently have, a lot of members said to me again that because of the responsibilities they have, that was pretty minimal, and they would welcome an increase in that. So I'm recommending a doubling to 10 for the maximum number of extraordinary temporary residence days; that is, away from your constituency.

MR. MASON: Do you just want questions at this point?

THE CHAIRMAN: Questions, comments, whatever.

MR. MASON: I certainly have found that the \$100 a night is adequate in some parts of the province and really inadequate in other places. Especially traveling to Calgary, it's a difficulty. The number of days: certainly as a small opposition party we're spread pretty thin, and it's very hard to do our job at just five nights, so I support the move to 10.

THE CHAIRMAN: The next item follows through with a complete review of this whole question of salary adjustment, pension in particular. Again, I repeat that there was a lot of warmth to taking a look at the pension plan and putting us back onstream with other parts of Canada, recognizing what's happened in the Canadian

House of Commons and certain positions taken by certain political parties. Members just really felt reluctant to have the matter put on the table. However, they did say: look; some other jurisdictions have an RRSP allowance, an allocation for a registered retirement savings plan, and I would certainly support such.

So in terms of all these discussions, inputs, and everything else my recommendation is that effective on passage a taxable allowance be provided to members on an annual basis as a lump sum payment at the rate of 50 percent of the maximum RRSP dollar limit as established by the Income Tax Act of Canada. Now, that's legalese for the following. If you agreed to this, it would go into effect today. Secondly, on an annual basis – our year that we operate on is April 1 through to March 31. So sometime between April 1 of 2001 and March 31 of 2002 there would be provided to each and every Member of the Legislative Assembly a taxable cheque at the rate of 50 percent of the maximum dollar limit established by the Income Tax Act of Canada. Today that is \$13,500. So 50 percent of that would be \$6,750 taxable.

Depending on what a member's individual tax level was, some members would see 40 percent of that, some members would see 30 percent of that, and some members might see 50 or 60 percent of that. The member would do what he or she chooses. We're not going to create any bureaucracy, registered plan, or anything else. This goes to the member, and the member tries to take care of himself or herself.

MR. MASON: I have a few questions on this one, Mr. Chairman. Will the member be required to match it?

THE CHAIRMAN: I indicated that it would make no difference to anybody whether or not they matched it, because it would all be taxable. Secondly, the member would make his or her own decision as to how they wanted to invest those dollars. So I have to assume that they would in their own prudent management, but there may be circumstances where individual members may choose: "Well, fine. That's enough. I don't want to do any more."

MR. MASON: So it'll be the fixed amount. It won't be based upon your own eligibility amount. It's the maximum amount.

THE CHAIRMAN: You know, we have 83 different eligibilities, and heaven knows where we'd end up with that one.

MR. MASON: Right. So basically it's just a flat amount that's paid to each member, and they can put it in their RRSP if they choose, and if they want to spend it on something else, then they can do that as well.

THE CHAIRMAN: Yep. But it's all taxable at source.

MR. MASON: If someone is 70 years or older, they are no longer eligible to contribute to an RRSP. Would they also receive this amount?

THE CHAIRMAN: Yes.

MR. MASON: Okay.

THE CHAIRMAN: We don't have such a person.

MR. MASON: Okay. We will before the end of this session.

THE CHAIRMAN: Yes, I think you're right.

MR. MASON: I guess the last question is: what happens when the federal limit is raised, which I think they're planning to do?

THE CHAIRMAN: Well, the formula would provide for that, raised or gone down. The formula would follow: 50 percent. So if they dropped it, it would go down. If they increased their limit, this would go up automatically. It would be a formula that would be applied.

MR. MASON: Thank you.

THE CHAIRMAN: Okay?

Number 5, the transition allowance. All of the discussion on transitional allowance that members had with me was basically based on two things prior to getting to the transitional allowance. First of all, the reticence they had in dealing with adjustments to the salary package. They said: okay; even though we're in ninth position or something across the country, we don't really think that we can deal with a salary adjustment. Secondly, we don't have a pension plan, and the only possible future we might have when we leave is something called the transitional allowance.

Now, we invented this transitional allowance actually quite a few years ago, even when the pension plan was in place. We know what the current numbers are. It's based on certain parameters. This spring we had to deal with all the members who'd left.

As a result of all of the input, the comparatives, recognizing no salary adjustments, recognizing no pension in Alberta, there seemed to be a great deal of consensus with respect to the following part of this recommendation. So the recommendation is that effective on passage the months per year payout for service after March 20, 1989, be three months per year of service, that the calculation include all Legislative Assembly and government of Alberta remuneration except expenses received by the member averaged over their highest three calendar years of earnings, that there be no minimum or maximum service criteria, and that eligibility criteria now include payment in the event of the death of a member in service.

So I get four parts to it. First, the two months per year go to three. Secondly, the base calculation includes all Legislative Assembly of Alberta and government of Alberta remuneration – so anybody who has an appointment under the Legislative Assembly; i.e., the Leader of the Official Opposition's income for that particular aspect would be part of this – received by the member averaged over the highest three calendar years of earnings. We know exactly what the earnings are in a calendar year for all members associated with the Legislative Assembly of Alberta because we basically do the T-4 slips. We're the agent on behalf of all of the payments, so it's easy to determine and easy to find.

It would be the years since 1989, no maximum number. Eligibility criteria would now include payment in the event of the death of a member in service. Under our current plan right now if one of us were to leave our body, go forth, there would be no transitional allowance payment to a beneficiary or estate. It just wouldn't happen. If you agree with this by, say, 4 o'clock tomorrow afternoon and you passed on at 4:30 tomorrow afternoon and I'd had a chance to sign the order between 4 o'clock and 4:10, then in essence the benefit would be in place.

11:30

MR. BRODA: I'd wait till you signed it.

THE CHAIRMAN: Well, the reality is that a lot of members believed that this was in place, and it came as quite a shock to a couple of people to find out that it wasn't in place. I mean, that's an assessment that's bringing it all together, that's looking at everything

that anybody said and recognizing the background about this reluctance to deal with two matters. So there is a recommendation for the committee.

MR. MASON: What is the norm in other jobs for severance allowance? For example, say your employer terminates you without cause. What would the norm be?

THE CHAIRMAN: Well, prior to that, Mr. Mason. You're a former alderman with the city of Edmonton. You used to do this all the time. What were your payouts for your former city managers? We read about them in the paper.

MR. MASON: Usually about one month per year.

THE CHAIRMAN: Yeah? Are you sure?

MR. MASON: I think that's what the lawyers told us.

THE CHAIRMAN: Come on now. Please. Please.

MR. MASON: Sometimes it was higher for a lot of reasons.

THE CHAIRMAN: Anyway, the Clerk will give us information, and then Mr. Mason will give us his – he voted on them all.

DR. McNEIL: It's a highly variable matter. As he said, an average at a certain level might be one to two months per year of service, but when you get up to an executive compensation, it's a totally different matter. Those kinds of settlements can range from two to three years of salary.

MR. MASON: I seem to recall something like that.

THE CHAIRMAN: Well, now, the Clerk has had experience in human resources with, among other places, Syncrude Canada.

DR. McNEIL: Now, the other thing I'd add, too, is that those are situations where an individual, depending on his or her age, has a pension plan as well.

MR. MASON: And there are sometimes duties to mitigate as well in those cases, as you mention.

DR. McNEIL: Oh, yes.

MR. MASON: I wanted to ask if there's anything in here about retroactivity. Will this be on the same basis as it is now, just on a go-forward basis, at three months?

THE CHAIRMAN: You mean retroactivity for other members, for previous members?

MR. MASON: For people's previous service.

THE CHAIRMAN: No. It's as it is: three months per year of service for those years after 1989.

MR. MASON: After? Okay.

I guess the question I have – it says here that it will "include all Legislative Assembly of Alberta and Government of Alberta remuneration (except expenses)." Now, there are a number of committees, of course, of the government caucus for which some

remuneration is paid. But these are not committees of the Legislative Assembly; are they? They're paid for by the government of Alberta.

THE CHAIRMAN: That's correct.

MR. MASON: These are also only available to government members, so what we're going to see is a kind of imbalance between government MLAs and opposition MLAs in terms of their eligibility, and that causes me, I guess, a little bit of concern as well, Mr. Chairman.

Is anyone going to comment on that?

MS HALEY: Well, I guess in defence of those people that would be eligible for that additional pay, they are also eligible for the additional work and responsibility that goes along with the things that they're charged with and responsible for. You know, there are certainly two perspectives on it, but I can tell you as somebody who does extra work as a whip . . .

MR. MASON: But your whip payment is a legislative function. I'm not questioning that.

MS HALEY: Yes, but if I were to be, for example, the chairman of AADAC, I would also receive a stipend for that as well, as the current MLA that is responsible for that does. I also know that that person puts in a tremendous amount of extra time and has an additional responsibility load. So I think that if you're going to do the work, you should be compensated for it.

MR. MASON: I think small oppositions also generate their own workload, which wouldn't be recognized by this formula.

MR. WOLOSHYN: Unless you did your job well.

MR. MASON: You've got to give me some time, Stan; okay?

MS HALEY: It's only been a few months.

MR. MASON: Yeah. Well, it will take a while to form a new government, you know.

THE CHAIRMAN: Can we speak through the chair, please?

MR. MASON: Sorry, Mr. Chairman. I apologize. I'm getting some side comments, getting drawn in, and I shouldn't. I apologize.

I guess the big question for me is: if we're going to give ourselves an RRSP contribution in lieu of a pension, why also are we upping the transition allowance? Why do we need both of them?

MS HALEY: We've always had this.

MR. MASON: But it's an increase on one hand and something new.

THE CHAIRMAN: Again, the consensus seemed to be that the value of a pension was such that it was rather significant. The members had very, very little that goes to compare with the transition allowance. Of course, they weren't sure about whether or not this committee would be interested in an RRSP, which is totally taxable currently, right now, could build something in the future.

With the transition allowance the following was very, very clear. It appears that because of the rules of the Legislative Assembly, when certain members leave, they are put in cold storage for a

certain period of time. That minimum amount of cold storage might be anywhere from a year to two. There are rumblings, in terms of what the debate was in the question period in the Legislative Assembly this spring, about a review of the whole code of ethics and appointments and terminations and everything else.

As I recall, sitting in the chair in a very unbiased and nonpartisan position, it seems to me that some questions asked were looking at reviews to basically put former members into an even greater period of cold storage than ever before. Certainly if you are a former member of Executive Council, there are certain restrictions on you, where you cannot be placed in certain positions, and if there's going to be another review, I think with anticipation of the fact that – it seems to me that the way we're going here in Alberta is that when somebody leaves, that's it. All the experience that you have and the expertise that you have are basically gone because somebody says: well, you can't go back into it. So that and the value of the pension.

As an example, if you were to do an evaluation of a pension – if you can flow this through your head. If the base for an MLA is 61 and a half thousand dollars per year and if you looked at the number for the pension prior to 1989, 4 percent per year, and if you served 12 years, then in essence 4 percent times 12 is 48 percent of \$61,000, which gave you a benefit of nearly \$30,000 a year in pension. Whereas if you looked at this value, the MLA alone, even with the change in here, on that basis alone it's about half over a 12-year period.

The difference with a pension is that you had the pension for life, and then when you died, your spouse got it at 60 or 70 percent for their life.

DR. McNEIL: Seventy-five.

11:40

THE CHAIRMAN: Oh, 75. They got it at 75 percent for their life. There was provision for indexing, although there hasn't been any indexing since 1993. In terms of value, it just didn't compare, so any adjustments with the transition would be welcome on that basis.

The other thing. A lot of them mentioned the fact that under the federal changes in June of this year, federal members got 5 percent per year prior to 1995 and 4 percent between 1995 and 2001. So if you took a new member of the Canadian House of Commons who just got elected this year, at the end of 12 years into the future they would get 12 times 3 percent, or 36 percent, of what we know today, \$131,000 per year, which is over \$42,000 dollars a year. Whereas if you took the transition allowance, based on the salary of one person for 12 years, the value is less than one-third of the federal pension. So all those things came into it.

MR. MASON: Do we have a number on the potential budget impact of this item?

THE CHAIRMAN: Oh, it's not very difficult to get. At the end of March, following the last election, we were budgeting \$2.1 million a year, the dollar figures for this. We always said in this committee that we had to up that, so my recommendation would be that we would be looking at having approximately \$4.2 million to \$4.5 million a year set aside to match that. This is to be totally funded. There would be no unfunded liability in the future. I'd have to come back to you with the exact dollar, depending on what the conclusion here was. Right now we carry \$2.1 million a year. You know, if a couple more people had not returned successfully at the end of March, we would not have had enough money, but the numbers worked out. So we will be looking at a base of about \$4.2 million a year, but it's paid, and there's no liability in the future.

MR. HORNER: Mr. Chairman, I just wanted to mention that as a new member, this is not something I thought I would be dealing with right off the hop, but knowing that we were going to be discussing various items at Members' Services, I have talked to a lot of my colleagues. A couple of things jumped out at me.

One was that for a lot of them, you know, their pensions kind of got put on hold because of certain regulations that are out there. A lot of them had businesses that were going. Getting into the cabinet, throwing something into a blind trust when you're the person running it usually means that, you know, when you got back to it and open the blinds, it's not as good as when you left.

We talked about the long-term disability here just a little while ago. I think something like this transition allowance is needed so that when the high-quality candidates look at public service, they're not scared off by the fact that if they're only there for four years and leave after four years, they're basically going to be going back to nothing. There is a need for a good transition period, and being that we don't have a pension, I think that's something that we need to have in place.

Government members. I mean, I know that there are about three committees that I'm on that I get paid nothing for, and we spend a lot of time on those committees. So on government versus opposition, yes, we do probably get a little bit extra, but I think there are a lot of things that we are doing for that. It's not something that's just free, gratis.

I just wanted to make those comments, Mr. Chairman.

THE CHAIRMAN: Mr. McFarland.

MR. McFARLAND: Thank you, Mr. Chairman. If my memory serves me correctly, the average length of time of public service on the federal and the provincial scenes is about eight and two-thirds years, give or take a couple of months. I think that quite often we've heard the 12-year scenario. Assuming that the average length of service is eight and a half, eight and two-thirds years, I expect that the media and some of us have the propensity to look at 12 to 20 years of service and extrapolate figures when in reality the numbers are not going to be as high for the average service. Along with Mr. Horner, I know that I purely volunteered, even though it was a government position, with Alberta Sport, Recreation, Parks and Wildlife. I've never taken 1 cent for mileage, one dollar for per diem, because it was a personal decision that that money was better left in the foundation so that the kids could benefit from the little bit that I would have been charging anyway.

That's just the comment I have on it, that not everyone is going after the per diems that they might be entitled to and that the actual length of service is probably substantially less than what we tend to read about once in a while in the newspaper.

DR. MASSEY: Just a couple of comments, Mr. Chairman. I've had an opportunity to speak to a number of members who didn't continue in this present Legislature. Some of them have been out of a pension plan for eight years, and some of them are looking at spending a year in retraining. The transition allowance is certainly not generous; at least that would be my judgment. It's certainly appreciated that it was there for them.

Having said that, I guess I'm a little disappointed that we aren't looking at a pension plan. I think that by doing the transition and the RRSP, we're going down a road where – you gave us that report to look at on the federal scene, and one of the recommendations there is that compensation should be tied to the notion of simplicity, and we're making it more and more complex where a pension plan would have been straightforward and would have cleaned matters

up. So I think we lose something by trying to cobble together a different solution.

THE CHAIRMAN: My personal view is that I do not disagree with you.

Mr. Broda.

MR. BRODA: That's fine. I think Don has summed it up and Doug as well. Some of us left businesses that we've worked on for 20 years. If you're fortunate to be here for 12 years, what do you go back to? There is retraining, and certainly the transition allowance that is provided for you, once that period is over with, doesn't continue for life whereas pensions do. Some individuals here may have been in pensions that kick back in, that they can come back to when they're not here or maybe are receiving pensions while currently serving. So there are different ways of looking at the pension itself.

THE CHAIRMAN: The sixth item, then, has to do with the insurance premium. I indicated a little earlier that we currently have in our budget, I think, Mr. Clerk, \$70,000 for this insurance premium. We got a bill saying that effective July 1 it went to \$130,000. I feel that I need approval from the committee to go forward to make that allocation, and again we'll come back to having a bigger discussion.

Number 7, the Fort McMurray allowance. I indicated a little earlier that that applies to only one series of people in the province of Alberta; that is, Fort McMurray. The only one who seems to have been left out of the whole thing is the individual who works in the office of the hon. Member for Fort McMurray, and I really believe that it's prudent and responsible on our part to match whatever the government has done with respect to this.

So do you want to have one motion for all seven before we get on to the order, or how do you want to deal with this?

MR. MASON: I would like number 5 split out.

MS HALEY: Mr. Chairman, a question on that. My understanding is that in addition to the one vote on the package, there would also be seven individual votes on changing the orders.

THE CHAIRMAN: Yes. That's correct.

MS HALEY: It's already split out at that point.

DR. McNEIL: There are no orders for the last two items.

THE CHAIRMAN: No. There are no orders for the last two items. There will have to be six orders in all, but they would be individually voted on.

MR. MASON: When will that occur?

THE CHAIRMAN: If you give me a positive motion for this package, then we're going to throw the rest on the table.

MR. MASON: I'm a little confused. I'm sorry.

THE CHAIRMAN: Well, there are two things here. This is just a policy discussion. In order to anticipate how these things go, you have to take some risk on my part. We worked all weekend just writing all these things down. Senior Parliamentary Counsel was in all day Sunday and Monday working on some orders. So the orders

are the actual regulations. This is the policy thing. You say that you agree to this, then we take the six, and we have six individual votes broken out.

MR. MASON: Today?

THE CHAIRMAN: Yep.

MR. WOLOSHYN: Right after this, Brian. So if you support this, we go on to the next one, and you can lodge your discontent with any one of the six.

11:50

THE CHAIRMAN: Except for the last two.
So do we have a motion here? Mr. Woloshyn.

MR. WOLOSHYN: I move that
we accept this policy as discussed and presented.

MRS. JABLONSKI: Second.

THE CHAIRMAN: Seconded by Mrs. Jablonski. Discussion?

MR. MASON: Well, I just want to indicate that based on what I've been told, I'm going to vote for this just to move it to the next stage. I have reservations about the one item, and otherwise I'm supportive.

THE CHAIRMAN: Okay.
Any other discussion? All those in favour, please say aye.

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Thank you. This motion's carried unanimously.

Now, where are those orders? They're going to go down in this order. Please put them in the order in which we have them, because they all have different numbers on them. We can put a man on the moon, but it's difficult to collate paper.

On these sheets that you have, you will unfortunately see two different numbers, which will really confuse, so look down to the last dark line, which says: Order No. MSC 1/01. You should have 1/01, 2/01, 3/01, 4/01, 5/01, and 6/01, and we will take these in this order. Okay? We will need a motion – and every one is debatable – and a vote.

So the first one is order MSC 1/01. This deals with the subject matter about the constituency offices. The important section is 2: "is amended by striking out the following . . . and substituting the following," and the "Order is deemed to have come into force on April 1, 2001." Is anyone prepared to move this? Mr. Mason. Mr. Horner seconded. Any discussion on this matter? Will all hon. members in favour of MSC 1/01 please say aye?

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed? Carried unanimously.

The next one is MSC 2/01. It's the transportation amendment order. This is the one that moves the 25 cents per kilometre to 30 cents per kilometre and changes 25,000 to 35,000 and 60,000 to 80,000. Do I have a motion? Mr. Ducharme moved. Mr. Broda seconded. Is there discussion with respect to this matter? Will all hon. members in favour of MSC 2/01 please say aye?

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Carried. Thank you very much. It's unanimous.

The next one is members' allowances amendment order 6, which is order MSC 3/01. This is the one that moves \$100 per day to \$130 a day, \$1,000 to \$1,300, and moves the number of days from five to 10. Do I have a motion in support? Ms Haley moves. Second? Mr. McFarland seconds. Is there discussion with respect to this matter? Will all hon. members in favour of MSC 3/01 please say aye?

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Carried unanimously.

The next one is members' committee allowances. This is a sequential thing to the one we just did. Because there is a per diem allocated to these committee meetings and all committee meetings of the Legislative Assembly, this is just one of those consequential amendments. Not bookkeeping. What's the other phrase we always use?

MS HALEY: Housekeeping.

THE CHAIRMAN: Housekeeping. That's great.

So could I have a mover? Mr. McFarland moves. Is there a seconder? Mrs. Jablonski. Is there discussion? Would all hon. members in favour please say aye?

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Carried unanimously.

The next one is members' allowances amendment order 7, known as order MSC 5/01. This is the one that will give effect to a taxable allowance equal to one-half of the dollar limit for registered retirement savings plans in Canada. Is there a motion in support? Ms Haley moves. Mr. Ducharme seconds. Is there discussion on this matter?

MR. MASON: Well, Mr. Chairman, I think that this is, you know, a reasonable step. I think we have a difficult position balancing our own interests with the interests of the people who elect us. Sometimes I don't think people value politicians as much as I think they ought to. I don't think this is excessive. I agree with Dr. Massey that a very modest pension plan is not unreasonable, and I think most people would support it. This is a move, I guess, in partial compensation for the lack of one, and I think it's something that can be accepted.

THE CHAIRMAN: Further discussion? Will all hon. members in favour of MSC 5/01 please say aye?

HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no. Carried unanimously.

The next one is members' allowances order 8, known as order MSC 6/01. This is the one that gives effect to the changes with respect to the transitional allowance. Section 2(1) basically just talks about who is eligible. Section 2(2) indicates again the eligibility. Section (3) puts in that it can be provided in the event of death. Section(4) has the formula. Section (5) clearly identifies service. Section (6) is the clause that basically says, "Look; if you have received this once, then come back and been re-elected, then you reduce from the previous service." This has happened in the case of two leaders of two different opposition parties that have both had this because they've been elected, left, were re-elected, and then left.

In other words, there's no double-dipping.

So is there a mover in favour of this order? Mrs. Jablonski moves. Mr. Woloshyn seconds. Is there a discussion on this matter?

MR. MASON: Mr. Chairman, reluctantly I can't support this. There are two reasons really. One is the previous motion we just passed which gives us a payment towards RRSPs, which I supported, but the two together, it seems to me, is going a bit far. The other reason is the inequity that's built in. I don't believe that this should be paid on payments from the government. I think the separation allowance should be paid just based on what people receive as a result of their work as Members of the Legislative Assembly and paid through the Legislative Assembly. So I think there's some inequity here.

12:00

MS HALEY: I guess I just want to make one comment in response to that. When there was a pension plan, there were two portions to the pension plan. Cabinet ministers got it for their cabinet minister pay as well as for MLA.

MR. MASON: And that's fair. These government committees are a different thing than being in the cabinet.

THE CHAIRMAN: Through the chair, please, if you don't mind.

MR. MASON: Sorry, Mr. Chairman.

THE CHAIRMAN: Ms Haley, you still have the floor.

MS HALEY: No. I'm finished.

DR. MASSEY: I'm going to support the recommendation, Mr. Chairman, and I hope that with further work we can look forward to doing something similar for constituency office staff who find themselves 30 days after a member is not re-elected without any resources. So it would be my hope that we might move in that direction.

THE CHAIRMAN: Additional comments from hon. members? All hon. members in favour, please say aye.

SOME HON. MEMBERS: Aye.

THE CHAIRMAN: Opposed, please say no.

MR. MASON: No.

THE CHAIRMAN: Okay. Carried with one opposed.

Now, hon. members, I have a logistical problem. We have now arrived at the point of high noon. Could we have your co-operation to carry on? It could be up to 30 more minutes though. Would that be fine?

HON. MEMBERS: Agreed.

THE CHAIRMAN: Thank you very much for this. We will implement this, assign these orders and move on them, and return to you with the budget allocations later.

Other Business. I indicated a little earlier under Other Business that the parameters for the building of the budget – I think there's a pretty good theme here coming through that it is the general consensus among the members that we should be doing some additional work with respect to the constituency office allocation. Would it be prudent and appropriate, then, if myself with the people

in the Legislative Assembly did some work on this matter and brought you back a series of recommendations?

What we would do is do it in two ways. First of all, we would do a rough cut and by the end of October, say, have some proposals and then meet with everybody informally. That would be the first level of the proposal.

Following informal discussions with all members, then we would come back to the committee with a more formal proposal. In other words, that allows me the opportunity to consult with you with respect to this.

MR. BRODA: Mr. Chairman, referring to constituency offices, is that salaries to constituency employees?

THE CHAIRMAN: Well, what we've got is a budget for each member. The budget is based on a formula. The first question that I'm going to ask of you is: look; is the formula a good one? It's really tough for us to manage when you have electors and constituents. That's very confusing, and then it's based on a formula that's based on a census. There may be a better formula that we can come up with.

After that, we can look at some other breakdowns. You can see it in here. In some provinces they actually allocate dollars for office staff. They say: these are the maximums you can give to the office staff. Well, here our tradition is that the hon. members of this Assembly want to be the masters of their own destiny, so when we move into doing these recommendations, you're going to have to be consulting with all members of your caucus, who are going to come back and say to you: well, just a second here; you know, I'm not sure that I want you telling me that here's the limit I have to pay or here's not the limit I have to pay. So I can't deal with that. You're going to have to get the handle on that one.

We can come up with broader things. We can recognize and understand that rents have gone up. We can make recommendations that: look; I think the number one person in the whole system is definitely the office person and we should be treating them with whatever it is you want but at least with some regular respect.

MR. HORNER: Mr. Chairman, in addition to that, I think we should also be looking at the point raised by Dr. Massey with regard to the termination of office staff.

THE CHAIRMAN: That's a valid point. The way it is right now, Mr. Horner, we will advise all members of the liability that they have in their constituency office budget – is it January we do it or December?

MRS. SCARLETT: Vacation?

THE CHAIRMAN: Yep.

MRS. SCARLETT: December.

THE CHAIRMAN: At the end of December every member here will get a notice from us, because in the past we've found that people were hiring somebody but going to March 31 and forgetting that they didn't budget for their holiday allocation.

Some MLAs were very generous in their own MLA constituency budgets this spring in providing severance packages for the people that had been with them. Others had different priorities. If the members want to be their own masters, then it's very difficult to implement some of these things other than through a global budget, and you're going to have to determine within your own caucuses just

how much of an interventionist you want to be and how much of an interventionist we want to be. So that's the consultation aspect.

MS HALEY: Mr. Chairman, I would suggest to you that I don't want the LAO telling me how to run my constituency, but I do want the recognition that there are different fiscal pressures throughout this entire province. We need to recognize that though.

MR. MASON: Mr. Chairman, on that point I think it is important to distinguish that when an MLA leaves or is defeated, there might be something that's a little different than if the employee just leaves because the employee wants to leave or because the MLA wants them to leave. There's a bit of a distinction to be drawn. Where you would've continued a person's employment had you remained an MLA, maybe there could be some formula provided that would take care of those people a little bit.

THE CHAIRMAN: That's right. It's all part of the whole discussion that we'll have with respect to this. Okay. We'll work on some costs.

The second thing. You're going to have to do some thinking among yourselves in the three caucuses on how you want to approach the budget with respect to the caucus allocations. As long as you get thoughts back to us by, say, early October, mid-October, that would be fine.

Thirdly, we have to continue to work on those two other items that we talked about. I do not plan on any new, innovative things with respect to the LAO, because I think we're in pretty good shape, and I think that basically we've always said that as we go into 2002, we would want to then attack the constituency office concern. That was the big one. We made major changes in the LAO in the last couple of years. There'll be some innovative things we'll come up with, but there won't be any major, major surprises for anybody. Any other issues that you have, you just bring them to us.

MR. MASON: Mr. Chairman, as part of your review of the constituencies, I wonder if we could have a look at the allocation of computers. We're finding that the formula isn't really working for us. Without getting into our caucus or constituency budget, we can't provide every full-time employee with a computer, which is really an essential part of work. So maybe you could take a look at that as well.

THE CHAIRMAN: We have an intergroup committee. What do you call it? EDP. What does that stand for again?

DR. McNEIL: Electronic data processing.

THE CHAIRMAN: Glad you all wanted to know that. There's a committee that works on a regular basis. I think we need to make some more progress, and we can put that to that committee, and they can come back with some solution.

In a general way that's basically it. So if we look, then, at the end of October, first part of November for me to consult with you about the timing for these meetings, that would be fine? Okay.

Now that we've concluded all of this agenda, I'm going to ask us to go in camera for a few minutes.

MR. HORNER: Sorry, Mr. Chairman. I just wanted to ask about a couple of letters and correspondence in the package that you provided us. Would we be dealing with those requests at the next meeting, then, or how does that work?

THE CHAIRMAN: We've dealt with them. I gave the hon. Member for Redwater an opportunity if he wanted to move the thing during the meeting. He didn't, so I just assumed that that's swept under in terms of everything else we've done. Mr. Danyluk's letter about constituency offices: those are recommendations in there which we will deal with, and I think that we dealt with the others as well in a general, generic way.

So do you mind, ladies and gentlemen, if we were to go in camera? I do want to talk about a number of items.

MR. BRODA: Do you need a motion for that, Mr. Chairman?

THE CHAIRMAN: Well, yes, as soon as we get people sorted out, we'll find out.

MR. BRODA: Okay. I'll make that motion.

THE CHAIRMAN: Secunder? Okay. Mr. Broda and Mr. Horner. Is everybody agreed?

HON. MEMBERS: Agreed.

[The committee met in camera at 12:10 p.m.]