



# Legislative Assembly of Saskatchewan

---

BOARD OF INTERNAL ECONOMY

MINUTES AND VERBATIM REPORT

---

Published under the  
authority of  
The Honourable H.H. Rolfes  
Speaker



---

NO. 1 JANUARY 6 & 7, 1994

---

**BOARD OF INTERNAL ECONOMY  
1994**

Hon. Herman Rolfes, Chairperson  
Saskatoon Nutana

Hon. Carol Carson  
Melfort

Glenn Hagel, MLA  
Moose Jaw Palliser

Lynda Haverstock, MLA  
Saskatoon Greystone

Hon. Eldon Lautermilch  
Prince Albert Northcote

Rick Swenson, MLA  
Thunder Creek

Eric Upshall, MLA  
Humboldt



**MEETING #1 1994**

**BOARD OF INTERNAL ECONOMY**

**Room 10 Legislative Building  
1:06 p.m. Thursday, January 6, 1994**

**Present: Members of the Board of Internal Economy**

Hon. Herman Rolfes, Chair  
Hon. Carol Carson  
Glenn Hagel, MLA  
Lynda Haverstock, MLA  
Hon. Eldon Lautermilch  
Rick Swenson, MLA  
Eric Upshall, MLA

**Staff to the Board**

Gwenn Ronyk, Clerk  
Robert Vaive, Deputy Clerk  
Deborah Saum, Secretary

**Officials in Attendance**

**Office of the Legislative Assembly of Saskatchewan:**

Marian Powell, Legislative Librarian  
Linda Kaminski, Director of Personnel and Administrative Services  
Janis Patrick, Members' Services Clerk  
Robert Cosman, Legislative Counsel and Law Clerk

**MINUTES** Moved by Mr. Hagel, seconded by Mr. Swenson, ordered, that the Minutes of Meeting #6/93 be adopted. Agreed.

**AGENDA** Moved by Ms. Haverstock, seconded by Mr. Hagel that the proposed agenda be adopted. Agreed.

**ITEM 1 Decision Item - Motion to open proceedings of the Board to the public**

Moved by Mr. Hagel, seconded by Ms. Carson:

That, in order to enhance public trust in the process, meetings of the Board of Internal Economy be open to the public and the press; and

that a verbatim transcript be prepared; and

that the agenda, transcripts, minutes and directives of the Board be made public when available.

A debate arising and the question being put, it was agreed to, nemine contradicente.

Minute 1321

The Speaker announced the decision of the Board to open the proceedings to the public. The meeting proceeded in public.

**ITEM 2 Decision Item - Freeze on Members' remuneration**

Moved by Mr. Hagel, seconded by Ms. Haverstock:

That the Directives listed below are **not** to be increased April 1, 1994 by the annual cost of living adjustment:

Directive #1	Per Diem Sessional Expense Allowance
Directive #5	Constituency Office and Services
Directive #7	Caucus Grant - Sessional Research
Directive #8	Caucus Grant - Secretarial Expenses

Directive #14 Per Diem Caucus Expense Allowance  
Directive #17 Committee Per Diem and Expense Allowance  
Directive #18 Speaker's Per Diem and Expense Allowance

and that the section of each directive that contains the indexing provision be amended to read as follows:

"This adjustment will not be applied for the fiscal years beginning April 1, 1992, April 1, 1993 and April 1, 1994."

A debate arising, it was moved by Mr. Swenson, seconded by Mr. Upshall in amendment thereto:

That the Motion be amended to include Directive #11 - Grant to the Office of the Leader of the Opposition.

The question being put, the amendment was agreed to.

The debate continuing, it was moved by Ms. Haverstock, seconded by Mr. Swenson in amendment thereto:

That the proposed Motion be amended to include Directive #15 - Grant to the Office of the Leader of the Third Party.

The question being put, it was agreed to.

The debate continuing and the question being put, it was agreed to adopt the motion as amended.  
Minute 1322

**ITEM 3 Decision Item - Approval of Revised Directives #2 (Telephone) and #4 (Communication) to adopt changes agreed to in principle at Meeting #2/93**

**Directive #2**

Moved by Ms. Carson, seconded by Ms. Haverstock:

That draft Directive #2 be adopted.

A debate arising it was moved by Mr. Hagel, seconded by Mr. Swenson in amendment thereto:

That the draft Directive #2 be amended as follows:

Add "immediately" after "effective" in the first line of section 1,

In subsection (2)(b) add "personal" after "long distance expenses charged to a"

In subsections (2)(c)&(d) add the words "maintenance and repair costs" to the list of items allowed under the telephone allowance as follows:

"including the purchase, installation, **maintenance, repair**, and leasing costs of the machine . . ."

and delete "maintenance and repair costs" from the lists of items required to be paid out of the Constituency office allowance.

The question being put on the amendments, it was agreed to.

The debate continuing and the question being put on the motion as amended, it was agreed to.  
Minute 1323

NOTE: The Board requested the Clerk to investigate and report on the issue of including answering machines or "message manager" services, or other communication technology alternatives under the telephone allowance. The Board also requested information regarding the cost of installing extra private lines in rural areas.



**Directive #4**

It was agreed that the definition of "family member" in section (6) should include "common-law spouse", as agreed to in Mtg. #3/93.

Moved by Mr. Hagel, seconded by Mr. Swenson:

That draft Directive #4 be adopted as amended.

Minute 1324

It was further agreed that "children" should be interpreted to include the children of a spouse or common-law spouse.

**ITEM 4 Decision Item - Appointment of the acting Conflict of Interest Commissioner**

Moved by Mr. Hagel, seconded by Ms. Haverstock:

That effective Tuesday, February 1, 1994, Derril McLeod, Q.C., Regina, be appointed by the Board of Internal Economy as Acting Conflict of Interest Commissioner pursuant to subsection 20 (3) of *The Members' Conflict of Interest Act* to hold office until such time as a person can be appointed as Commissioner pursuant to section 18 of *The Members' Conflict of Interest Act*.

A debate arising and the question being put, it was agreed to.

Minute 1325

Moved by Mr. Hagel, seconded by Mr. Lautermilch:

THAT, effective Tuesday, February 1, 1994, pursuant to section 22 of *The Members' Conflict of Interest Act*, there be paid to the Conflict of Interest Commissioner an annual salary in an amount equal to one-half the salary of the Ombudsman as appointed pursuant to the terms of *The Ombudsman Act*.

AND FURTHER THAT effective Tuesday, February 1, 1994, pursuant to section 22 of *The Members' Conflict of Interest Act*, there be paid to the Conflict of Interest Commissioner travel and sustenance expenses incurred in the performance of his or her duties in accordance with the tariff of travel and sustenance expenses approved under *The Public Service Act* for employees in the Public Service.

A debate arising and the question being put, it was agreed to.

Minute 1326

Moved by Mr. Hagel, seconded by Mr. Lautermilch:

That DRAFT Directive #19 - Appointment of Acting Conflict of Interest Commissioner - be adopted.

The question being put, it was agreed to.

Minute 1327

Moved by Mr. Hagel, seconded by Mr. Upshall:

That DRAFT Directive #20 - Conflict of Interest Commissioner's Salary and Expense Allowance - be adopted.

The question being put, it was agreed to.

Minute 1328

**ITEM 5 Decision Item - Motion for the establishment of an Independent Commission on MLA Compensation and Payments (Swenson)**

Moved by Mr. Swenson:

That an Independent Commission on MLA Compensation and Payments be appointed.

1. with Judge Edward Malone of Queens Bench serving as Chairman and two other members chosen by Judge Malone according to his own criteria.

2. with the mandate to enquire into, examine and make recommendations regarding:

(a) salaries, allowances and payments to or on behalf of MLAs in all capacities, as Members, Cabinet ministers, Chairmen or otherwise,

(b) the structure, amounts, accountability and need for the payments referred to in (a),

(c) the rules and procedures of the Board of Internal Economy and their impact on accountability, including access for the public and the media,

(d) any other matter the Commission deems proper and worthy of examination and recommendation regarding any matter or thing touching on payments to or on behalf of MLAs;

3. the authority to determine its own procedures and policies, to hire staff, to purchase goods and services as deemed necessary by the Chairman, to hold hearings in public or private, to call for papers and persons, and to have all the powers of the Public Inquiries Act;

4. to include the hiring and remuneration of Ministerial Assistants and Staff of Executive Council, and that the report be delivered to Mr. Speaker no later than May 30, 1994.

This motion was not seconded and therefore was dropped.

Moved by Mr. Lautermilch, seconded by Mr. Upshall:

That the Minister responsible for the Saskatchewan Property Management Corporation, the Leader of the Opposition, and the Leader of the Liberal Party report to the next meeting of the Board with, recommended:

\* Terms of Reference

\* Membership, and

\* Budget

for an Independent Commission on MLA Compensation and Payments.

A debate arising, it was moved by Ms. Haverstock, seconded by Ms. Carson in amendment thereto:

That the Motion be amended to remove "recommended" and replace with "but not limited to the following:"

The question being put, the amendment was agreed to.

The debate continuing and the question being put on the motion as amended, it was agreed to.

Minute 1329

**ITEM 6 Decision Item - Revision of the Legislative Assembly Act**

Moved by Mr. Lautermilch, seconded by Mr. Swenson:

That this item be deferred until the three party Caucuses have reviewed it through their normal processes.

A debate arising and the question being put, it was agreed to.

**ITEM 7 Decision Item - Special Warrant Request for 1993-94 fiscal year for the Legislative Assembly**

Moved by Mr. Lautermilch, seconded by Mr. Upshall:



That a Special Warrant in the amount of \$50,000 be requested for the 1993-94 fiscal year.

A debate arising and the question being put, it was agreed to.

Minute 1330

NOTE: The Board requested the Clerk to explore the potential cost of leasing broadcasting equipment as opposed to purchasing when replacement is required in the future. It was also requested that the Clerk report on the cost of radio broadcast of House proceedings.

The Meeting recessed from 4:55 p.m. until 7:07 p.m.

**ITEM 8 Decision Item - Review of the 1994-95 Budget for the Legislative Assembly**

The Board reviewed the Budget submission in the amount of \$15,243,720. The Board agreed to the following reductions:

**Budgetary Estimates**

- 1) Reduce the proposed computer budget \$411,510
- 2) Reduce the China, silverware, linen, etc. for Government House and the Legislative Assembly \$1,500
- 3) Reduce the Hansard Conference budget to send one person instead of two \$1,020
- 4) Reduce the Broadcasting Conference budget to delete attendance at the Legislative Broadcasters Conference \$1,030
- 5) Reduce the Library Conference budget to delete attendance at the Canadian Libraries Conference \$1,090
- 6) Delete the budget for the Standing Committee on the Environment \$27,550

**Statutory Estimates**

- 1) De-indexing the various Members' allowances and per diems, as agreed to in Item #2 of Mtg. #1/94, \$75,225
- 2) Formula for Communications Allowances remains at 1993-94 levels due to no postal increase \$19,540
- 3) Removal of item for cost of vacation pay and statutory holiday pay for Constituency secretaries \$152,960
- 4) Delete the budget for the Standing Committee on the Environment \$20,500

NOTE: It was agreed that the Clerk present a proposal to the Board regarding the feasibility of charging the cost of printing public bills to the originating department.

The Board deferred final motion until calculations could be finalized.

At 10:19 p.m., the meeting adjourned until 9 a.m. on January 7, 1994.

Herman H. Rolfes  
Chair

Deborah Saum  
Secretary





**MEETING #1 1994 (continued)**

**BOARD OF INTERNAL ECONOMY**

**Room 10 Legislative Building  
9:13 a.m. Friday, January 7, 1994**

**Present: Members of the Board of Internal Economy**

Hon. Herman Rolfes, Chair  
Hon. Carol Carson  
Glenn Hagel, MLA  
Lynda Haverstock, MLA  
Hon. Eldon Lautermilch  
Rick Swenson, MLA  
Eric Upshall, MLA

**Staff**

Gwenn Ronyk, Clerk  
Robert Vaive, Deputy Clerk  
Deborah Saum, Secretary

**Officials in Attendance**

**Office of the Provincial Auditor:**

Fred Wendel, Assistant Provincial Auditor  
Brian Atkinson, Executive Director  
John Hoffman, Office Manager

**Office of the Legislative Assembly of Saskatchewan:**

Judy Brennan, Assistant Legislative Librarian  
Linda Kaminski, Director of Personnel and Administrative Services  
Janis Patrick, Members' Services Clerk  
Robert Cosman, Legislative Counsel and Law Clerk

**ITEM 9 Decision Item - Review of the 1994-95 Budget for the Office of the Provincial Auditor**

The Board met in camera for 25 minutes, then returned to public proceedings.

Moved by Mr. Lautermilch, seconded by Mr. Upshall:

That the Board approve an allocation equivalent to last year's appropriation (\$3,815,000).

A debate arising, it was moved by Mr. Swenson, seconded by Ms. Haverstock in amendment thereto:

That the motion be amended by adding the words "contingent upon the Provincial Auditor presenting further evidence to the Board".

A debate arising and the question being put on the amendment, it was negated on a division as follows: Yeas - 2; Nays - 4.

The question being put on the original motion, it was agreed to on a division as follows: Yeas - 4; Nays - 2.

Minute 1331

**ITEM 8 (cont) Decision Item - Review of the 1994-95 Budget for the Legislative Assembly**

Moved by Mr. Hagel, seconded by Ms. Haverstock:

That the Revenue Estimates of \$50,300 be approved.

The question being put, it was agreed to.

Minute 1332

Moved by Mr. Hagel, seconded by Mr. Upshall:

That a budget of \$14,531,770 be adopted as follows:

Budget to be Voted - \$ 4,416,390

Statutory Budget - \$10,115,380.

The question being put, it was agreed to.

Minute 1333

Moved by Mr. Hagel, seconded by Mr. Upshall that the meeting be adjourned at 2:32 p.m.

Herman H. Rolfes  
Chair

Deborah Saum  
Secretary



BOARD OF INTERNAL ECONOMY

January 6, 1994

**The Chairperson:** — Ladies and gentlemen, for the record I would suggest that since the verbatim of our meeting will begin as of now and I think it would be a good idea that we would have it on the record, if the committee agrees, I would like to have the motion moved and seconded but not discussed any further, but for the record. I don't want to go through the same thing again, but for the record, if we can do that, have the motion moved, seconded, and voted on — not voted on; well I guess we can vote on it again — but just for the record at least, that we have it.

**Mr. Hagel:** — Mr. Chairman, for the record I move:

That in order to enhance public trust in the process, meetings of the Board of Internal Economy be open to the public and the press and that a verbatim transcript be prepared and that the agenda, transcripts, minutes, and directives of the board be made public when available.

**The Chairperson:** — And that was seconded by?

**Hon. Ms. Carson:** — I second it.

**The Chairperson:** — Seconded by Ms. Carson. And for the record again, all those in favour of the motion? Carried unanimously.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I was looking forward to welcoming Mr. Mandryk to today's proceedings, but I don't see him in the crew of press people here. So I guess I'll have to put that off until another meeting.

**The Chairperson:** — Do you think it would be necessary we put out a search party? Just jokingly.

Item no. 2, decision item, freeze on members' remuneration.

**Mr. Hagel:** — Mr. Speaker, I would like to bring to the board agenda the following motion which deals with matters that have to do with remuneration for members and allowances and the like. I'll put it on the record and then would like to speak some amount of detail to it. But I will move:

That the following directives not be increased April 1, 1994, by the annual cost of living adjustment: directive no. 1, per diem sessional expense allowance; directive no. 5, constituency office and services; directive no. 7, caucus grants for sessional research; directive no. 8, caucus grants for secretarial expenses; directive no. 14, per diem caucus expense allowances; directive no. 17, committee per diem and expense allowances; and directive no. 18, the Speaker's per diem and expense allowance; and

that the section of each directive that contains the indexing provision be amended as follows: this adjustment will not be applied for the fiscal

years beginning April 1, 1992; April 1, 1993; and April 1, 1994.

Mr. Speaker, I so move.

**The Chairperson:** — Do we have a seconder? Seconded by Ms. Haverstock. Any discussion?

**Mr. Hagel:** — Mr. Speaker, what I have moved is purely and simply a continuation of the practice of the board for some period of time. And I'd like to just quickly outline what it does and put it into the context of matters that the board has dealt with related to members' remuneration allowance over the past approximately two years.

There are a number of allowances that MLAs (Member of the Legislative Assembly) have to work with, which by directive are adjusted annually by the cost of living, but for which it has been the practice for the past two years — and I'm proposing this be continued for this year — that they not be adjusted by the cost of living allowance. These being then the per diems that apply to members both in attendance at sessions during the legislative sitting as well as the intersessional when meeting related to caucus meetings.

Also that it applies to the allowances that MLAs have to operate our constituency offices, these being the things that have to do with payment of rent and equipment and furnishings and so on; the caucus grants that go to all three caucuses for sessional research when the legislature is sitting; the caucus grants that go to all three caucuses for ongoing . . . these are the ongoing annual operating grants; and also that the per diems that members are eligible to receive when conducting business in committees of the legislature.

And, Mr. Speaker, I recognize as well that when I asked to have this put on the agenda, that you requested as well that the per diem that applies to yourself also be included.

And I want to move these . . . move that in effect this is frozen to the level of 1991. And that the practice for these allowances be that they once again not be . . . (inaudible) . . . in effect held at 1991 levels.

I want to put that as well into a context of what has been happening in combination of . . . well both government but, quite frankly, all members of the House, and much of that being through the Board of Internal Economy.

And I've outlined . . . asked to have prepared just a summary of those things that have been done that I think will serve as a reminder to those of us who have served on the committee, of decisions that have been made. Quite frankly, I think there's only one of us who has been on this board through this whole period of time and I think it's useful to put it into a context, those things that have been done to attempt to enhance public trust in the integrity and the accountability of members as well as to respect the demands of the



fiscal times in which we're living now.

In 1990, prior to the change in government, in fact there were voluntary roll-backs that were taken by the premier and cabinet ministers, legislative secretaries, and Leader of the Opposition, of 4.1 per cent and putting those allowances back to the 1989 rates. In April of '92, there was another voluntary 5 per cent cut taken by Executive Council and members earning allowances for additional duties. And no increases have been applied to those positions since that time.

In March 21 of 1991, the board at that time made the decision, which is still continuing, one, to abolish the severance allowance; and secondly, to not apply any cost of living increases, until the provincial budget is to be balanced, on three things: members' indemnity, annual expense allowance, and all allowance for additional duties. And there is the list of additional duties, including then the Speaker, Deputy Speaker, whips, deputy whips, deputy chairs, Committee of the Whole, Standing Committee chair, Opposition House Leader, Leader of the Opposition, Leader of the Third Party, Premier, Legislative Secretary, and ministers.

That's been the practice and the reality is then that in effect MLAs, regardless of their capacity in the legislature, are being remunerated at 1990 rates, which is where they remain today. The cost of livings then that have been index adjustments that did previously exist that have been foregone then: in 1991, 4.3 per cent; in 1992, 5.5 per cent; in 1993, 2.5 per cent. And there is anticipated in the year ahead of us as a theme for budget adjustments in the Legislative Assembly budget, based on the best information available, for 1994 a cost of living adjustment of approximately 3 per cent.

Those are what would have been if the decision had not been taken and continued.

In addition to that, the board has done several things. In January 13 of 1992, travel and communications allowance policy changed to prorate the payment of allowances to ensure that claims are approximately proportional to the partial year of service. And then in March 9 of 1992, communications allowances funding was cut by 25 per cent. The way that was done was to change the formula from one which was the rate of a first-class postage stamp times four times the number of constituents was reduced to times three. That accomplished a 25 per cent reduction and a saving to the budget of \$273,500.

On December 3 and 17 of 1992, the 1993 cost of living adjustment was not applied to all the remaining indexed items, including per diems, caucus grants to the independent member and office of the Leader of the Opposition.

On December 17 of 1992, the annual audit became required for caucus grants administered by the caucuses.

And in May of last year, dental benefits have been removed for MLAs' children between the ages of 5

and 13.

In June of last year, to improve accountability, a package of reforms to the administration of MLA expense allowances came into effect.

Now if I could just outline those, Mr. Speaker, that came into effect on June 30 of last year. All constituency office equipment and furnishings remain the property of the province when members cease to be members. I think that was a change that was one that was asked for by the public of Saskatchewan and was responded to by all members of the Assembly.

It became also, on June 30, a guideline, the requirement that family members not be eligible for payments out of members' allowances, and that was defined as parents, spouses, children, spouses of children, and common-law spouses.

Also on June 30, constituency offices very clearly must operate outside an MLA's home, that that would not be an option available to any MLA.

That fourthly, management companies would not be permitted for members to use in order to improve the accountability; fifthly, that only original invoices would be permitted and they would have to have sufficient detail to explain their use; sixthly, that an inventory would be maintained of all office equipment and furnishings purchased by public funds. And I believe those have been filed by all members now. And finally, that the use of personal services invoices would be restricted, again to increase accountability.

So, Mr. Speaker, it is with a sense of responsibility in the accomplishment of members of the Assembly and of the Board of Internal Economy, and including those who were on this board before I came to be a member as well, and also consistent then with the previous practice where motions were carried — and if I remember correctly, unanimously — restricting the increase of allowances consistent with the legal entitlement of cost of living, so having said all of that, Mr. Speaker, I simply conclude by saying it's my pleasure to move that that practice continue.

And that I draw attention to the final sentence then as it affects our directives that come from this board, which is our way . . . has been our way up until today, of communicating decisions of the board, has been through the issuing of directives, but that the directives then will be changed to read: the adjustments will not be applied for the fiscal years beginning April 1, 1992, April 1, 1993 and April 1, 1994.

I so move.

**Ms. Haverstock:** — Mr. Chair, I am pleased to second this motion. I do agree that it reflects responsibility. And in view of item 5, which is a motion for the establishment of an independent commission, I think that these items would be better left until some of them be viewed in the context of an independent



commission anyway. I know that the decision was made on the basis of waiting until there is a balanced budget, but I expect that any independent commission would be reviewing many of these things because it would be mandated with accountability as well as insuring fairness. So I think that it's only the responsible thing to do.

**Mr. Swenson:** — Thank you, Mr. Speaker. I'd like to amend the motion to include directive no. 11, I believe, which deals with the Leader of the Opposition's caucus and position. I believe it . . .

**The Chairperson:** — All right, it has been . . . An amendment has been moved that the directive no. 11, which deals with the grant to office of the Leader of the Opposition, be included. Do we have a seconder? We need a seconder, I believe, but we need another, different seconder. Moved by Mr. Upshall.

All right, any discussion on the amendment? All right. The question then on the amendment: all those in favour of the amendment that directive no. 11 be included? All those opposed? Carried.

**Ms. Haverstock:** — Yes. I'm sorry that I don't have a list of the directives here. I'm sure that there must be a directive as far as the grant to the Leader of the Third Party as well, a caucus grant. And we would be very much in agreement with having that directive added.

**The Chairperson:** — All right. That would be directive 15. You are moving an amendment at directive 15: the grant to the office of the Leader of the Third Party be included?

**Ms. Haverstock:** — Yes.

**The Chairperson:** — Moved by Ms. Haverstock, and seconder please. Seconded by Mr. Swenson. Any discussion? All those in favour of the amendment? Carried.

Now the motion before us as amended. All those in favour of the motion as amended? Carried.

That takes care of item no. 2. Let us go to item no. 3: approval of revised directives no. 2 — telephone — and no. 4 — communication — to adopt changes agreed to in principle at meeting no. 2, 1993. And I just ask members to go to your item no. 2. Pardon me, item no. 3. I'm sorry, I was in the wrong one.

Before I accept any suggestions or motions from members, let me just make a comment for clarification purposes. This item was discussed at length at meeting no. 1. Pardon me, meeting no. — oh, what meeting was it that we discussed it? Last year we discussed this in fair detail but we did not accept the . . . or we did not approve the directives.

I would like to at this time suggest to members several changes. They're small changes, but might be fairly significant. Does everybody have the item before you? Yes. Item no. 3?

**Mr. Hagel:** — Consistent with the excuse that I used to use when I was in school, Mr. Speaker, I think that the dog ate it.

**The Chairperson:** — Some would have . . . no, no comment. All right, do we have it?

As you will see, that "effective" is preceded by a blank. There's no date put in there. I would suggest effective immediately. So that would be one item that you would want to add. Have you got the item? Okay. No. 1, it says, "effective" — blank. I would suggest instead of putting a date in there, we say effective immediately, once we make the decision.

No. 2, I want you to turn to 2(b) where it says: "Residential telephone expenses", I would like you to insert: residential, telephone . . . pardon me, residential personal telephone expenses . . . No, I'm sorry, I'm sorry — residential telephone personal expenses.

Okay, now let us go to long-distance expenses charged to a personal telephone, okay? So let me clarify it. That was the intent to begin with — personal telephone.

(2)(c) fax expenses. Now I want to read through it and then explain why I would recommend a change. Presently it reads:

. . . including the purchase, installation, and leasing costs of the machine. Line rental and long distance costs are also allowed under this allowance, but other operating costs such as fax paper, toner, maintenance and repair costs must be charged to the constituency office allowance.

I am recommending that we strike out "maintenance and repair costs" where it presently exists and insert it at the top. And it would read like this: including the purchase, installation, maintenance, repair and leasing costs of the machine. All right?

Okay, (d), and then I will explain why I'm recommending this; (d) the same thing would occur. We would strike out "maintenance and repair costs" in the second-last line and we would include it following: cellular/mobile telephone expenses including the maintenance, repair, purchase, installation and leasing costs of the machine.

Now let me explain the change in this. The reason I'm suggesting this change is that unless we do that and ask members to take it out of their office expenses, members would simply say, well why should I make that expense out of my office expense for repairs? Let's say it would cost \$500 to repair these; members simply wouldn't be able to afford to do that.

I mean their office expense is very limited right now. And if you in a monthly bill had to take out a \$400 cost on maintenance and repair, you can't pay your rental bill for your office. And a member would simply either be without a fax machine or without the telephone



equipment that he or she needs in order to carry on with their duties.

So we're suggesting that the maintenance and repair be included in the fax and telephone expenses rather than having those included in your constituency office allowance which many members would simply not be able to do.

Any questions? If you have questions or further explanation . . .

**Ms. Haverstock:** — No, I don't have a question or a request for further information. I do have some comment regarding (2)(b). Shall I leave that?

**The Chairperson:** — Yes. Is there any further explanation required of the changes that I'm recommending? Okay, then we can go to (2)(b).

**Ms. Haverstock:** — I'm just wondering about the way in which this might be perceived as a recipe for abuse during a campaign because the person who's not the incumbent in an election — in other words, other candidates — could not in fact be seen as . . . Do things cease during the writ period for telephone use and that sort of thing?

**The Chairperson:** — Ms. Haverstock, you cannot claim during a campaign.

**Ms. Haverstock:** — Okay, so this becomes a moot point. I was just thinking that the bottom part seems to be so much easier as a control, to just use a calling card.

**Mr. Hagel:** — Thanks, Mr. Speaker. I'm on a different item.

**The Chairperson:** — That's fine.

**Mr. Hagel:** — Yes. It would be my thought that we . . . and I guess I'm asking for a bit of clarification as well as making a suggestion on items (2)(a) and (b). There are two things that they do not refer to here that I think are appropriate when members are using telephone allowances. One is the inclusion of answering machines, and I don't know whether that is necessary to list specifically. I think it has . . . or whether those are under the office allowance. I guess maybe we need clarification.

But the other one that we have not had any experience with at all, and it really comes as a consequence of relatively recent technology, is the use of telephone message manager, which I think in this world in which we're living many would consider to be a superior service to a piece of equipment, the answering machine.

It also has the advantage, I think, in terms of the budget. It's not a piece of equipment which has to be purchased and then over a period of time becomes useless, but it's simply a rented service provided by SaskTel. And I think right now with the directives members do not have the ability to have that covered

in their telephone allowance. So I'm asking . . . I want to make that suggestion, but I'm seeking some advice as to how both answering machines and message manager service can be included in the allowance.

**The Chairperson:** — I can clarify the first one for you. The answering machines comes under office allowance.

**Mr. Hagel:** — Okay.

**The Chairperson:** — But on the telephone message manager, I'm at a complete loss. I don't even know what it is. So you'll have to explain to me what it is or what it does.

**Mr. Hagel:** — It's simply . . . it's an answering . . . It does the same kind of service as an answering machine only a little bit more, I guess basically. It gives people the ability to have people who are calling leave messages but also increases your ability to make your own contact with your telephone number and pick those messages up without you having to physically manipulate a machine. And I think it's about, if I'm not mistaken, around \$6 a month is the SaskTel charge for the service.

But it's modern technology — I think it's been available for less than a year — that offices will be increasingly using, but we're not allowing through here.

**The Chairperson:** — Well I think the member makes a good point, but I think the board would have to make a decision as to whether or not we want to include this as an additional expense or convenience for members to be able to use. Right now that would not be an item that we would include or that we would meet the cost of, so members would have to make that decision, I think.

**Mr. Swenson:** — Mr. Chairman, I'd like to make a suggestion on this. I'd like the board to have access to somebody who's knowledgeable in this whole telecommunications thing. Because, you know, for a long time we've had this issue of you're allowed to have this extra line put in. And as we've discussed before, there's a difference between living in the part of the world where I live in and extra lines and somebody that's in downtown Regina or Saskatoon, and the cost to the taxpayer and sort of the ability of members to access equal service depending on where you live. Because there's a big ramification for the taxpayer if I order in another line, and the further away you get the worse it gets.

I'd really like us, if this thing can save the taxpayer money over what we're doing now, then let's get somebody in that understands. Lots of times we get these things on our list and the list grows and some of it gets pretty redundant. And if you can't tell me, then how am I supposed to know it then? Because if this thing is as . . . maybe we should change. For instance our caucuses should have it and our constituency secretaries. You know, I don't know; I need to know more.



**Mr. Hagel:** — It doesn't have any . . . (inaudible) . . . leases instead of purchasing equipment.

**Mr. Swenson:** — Right.

**Mr. Hagel:** — And it provides a better service than an answering machine. But if the desire . . . it's simply because we're dealing with a directive here right now that I raise it now. And if the desire is to review sort of the 1994 technological world of telecommunications and its implications, we can do . . . I'm not troubled by that. I just don't want to see us revising our directive here and ignoring something I think has the potential be better — something that does more for less, quite frankly.

**Hon. Mr. Lautermilch:** — Maybe what we should do then is ask the Clerk to bring in . . . they can do some research with SaskTel and find out what the service provides, what cost savings we may be able to effect, with respect to the rural lines as well, and bring that to the next meeting. And we should maybe just stand this directive until . . .

Is there any urgency in terms of having this passed, as you've amended it? I mean the two options are to pass it without the messenger, the message manager service; look at your amendments and pass it as is, and then do the other portion later.

**The Chairperson:** — I would recommend that. I think that it's fairly urgent that we get some clarification out there to members, and that's the urgency really, and that does not prevent us from doing what Mr. Swenson has suggested and what you are suggesting now. And I think that is . . . a review of all of this, I think, is important. And we will bring somebody into our . . . possibly for the next meeting, that is an expert in the field. And so we can do that.

But I do think we have to deal with this because members have been asking, what exactly can I or can I not do. And I think for their sake we should have some clarification, okay? And we will bring somebody in to the meeting just as soon as we can manage that.

Rick, you had a question?

**Mr. Swenson:** — Well just Eldon said bring somebody from SaskTel in. There's a lot of people out there in that business today, not necessarily just the Crown. So if there's something out there that can save the taxpayer money, I'd like access to it, no matter who runs it.

**The Chairperson:** — Right.

**Mr. Swenson:** — And Eldon and I can argue about that afterwards.

**Hon. Mr. Lautermilch:** — Maybe then we would ask the Clerk to pursue the private options and the publicly owned option. And maybe she could bring it in rather than bring in 16 different experts to the operation here. Maybe we'll just have Gwenn do the

leg work, and see what she can come up with.

**The Chairperson:** — Gentlemen, we will deal with it as expeditiously as we can, keeping in mind the views of both members. Any further discussion on the directive no. 2?

I would like to make one clarification: (2)(b) — I think I made an error on that — should read as follows:

Residential telephone expenses - long distance expenses charged to a personal line.

So leave the first "personal" out; strike it out. Didn't need it. It was redundant; we don't need it. Okay?

All those in favour of accepting directive . . . oh, we need a motion . . . (inaudible interjection) . . . oh yes, I stand corrected. I need a mover for the amendments that I have made. Moved by Mr. Hagel, seconded by? Do we have a seconder? Mr. Swenson. Any discussion? Those people in favour of the amendments? Carried.

Now the motion as amended, for the discussion. Those people in favour of the motion as amended? Carried.

**A Member:** — Did you move it?

**The Chairperson:** — Oh, we didn't have a motion. Darn it! I always get ahead of myself. I need a motion. I need a mover, by somebody. Moved by . . .

**Mr. Hagel:** — I don't like to see you being a man ahead of your time here so let me just move the main motion.

**The Chairperson:** — No, you can't. You're behind already because Ms. Carson has already moved it. Could we have a seconder? Seconded by Ms. Haverstock. All those in favour of the motion as amended? Thank you. Carried.

All right, we will now proceed to item . . . same item but directive no. 4. Directive no. 4, I don't know how many of you had an opportunity to read through it. It is a fairly lengthy directive and pertains to communications. And I want to draw to your attention that the bold printing are the changes to the directive. So the rest of it stays the same. So if we go to no. 3:

Because of GST (goods and services tax) implications, Members are encouraged to submit bills for direct payment rather than opting for reimbursement of expenses.

This can save the Legislative Assembly and the Government of Saskatchewan a fair amount of money. I assume that you people have read the directive. I don't think it's necessary for me to read through the rest, or is it?

I would ask for one change however, and that is no. 6 and that is the definition of the family:

Family members are defined as "parents, spouses, common law spouses, children and spouses of children".

It was agreed by the board some time ago that common-law spouses should be included. It simply has been left out at that point.

**Mr. Swenson:** — Thank you, Mr. Speaker. This occurred before I came on the board last year I think, and I just . . . a couple of questions. When did this get changed? Like, it says . . . like in 2 there, when did it change from . . . I think you used to be able to have an annual allowance down to plus two-twelfths of the . . .

**The Chairperson:** — On January 13, 1992.

**Mr. Swenson:** — Was there a specific reason?

**The Chairperson:** — Yes there was.

**Mr. Swenson:** — That it was changed? Can you kind of . . .

**The Chairperson:** — I think there was a misunderstanding as to what members were eligible for, and in order to make absolutely certain that members were . . . knew exactly what they were entitled to, it was thought that we should prorate it rather than making it an annual expense.

**Mr. Swenson:** — Okay, was that brought about because of the change in . . . like because of the election or . . .

**The Chairperson:** — Yes.

**Mr. Swenson:** — So you had . . . okay.

**The Chairperson:** — That's correct.

**Mr. Swenson:** — So but this sort of was a retroactive thing then. This was . . .

**The Chairperson:** — I don't think it became retroactive. I think it became effective at the time that the board made the decision.

**Mr. Swenson:** — Yes, Neudorf and Muirhead were on from our caucus at the time and I quite honestly don't know what occurred.

**The Chairperson:** — Yes, it became effective at the time that the board made the decision, I'm positive of that. It was not retroactive. I don't think the board has the power to do anything retroactive.

Any further questions on that?

**Ms. Haverstock:** — This is regarding directive no. 4, point 6 that you had made an addition to. I think if you're going to add common-law spouses then I think you have to add children of spouses.

**The Chairperson:** — Yes we do . . .

**Ms. Haverstock:** — You have spouses of children and you have children. Did you make another addition besides common-law spouses?

**The Chairperson:** —

Family members are defined as "parents, common-law spouses, spouses, children and spouses of children."

**Ms. Haverstock:** — And spouses of children. That's like . . . Are you referring to those who are married to your children?

**The Chairperson:** — Yes.

**Ms. Haverstock:** — Okay. Then will you not have children of spouses? They may be children in your household, as I am raising. Since my children are gone, I'm now raising somebody else's children — my spouse's children.

**The Chairperson:** — No, that wasn't the intent, I believe. Maybe I don't quite understand. I mean . . .

**Ms. Haverstock:** — You have children.

**The Chairperson:** — Yes.

**Ms. Haverstock:** — Okay, your own children. And spouses of your children. If you're going to have common-law spouses, do you not then have to include possibly their children who are not your own?

I mean if you're going to make an addition of common-law spouses, don't you have to make another addition?

**The Chairperson:** — Okay, I see what you mean.

**Ms. Haverstock:** — I'm just asking.

**The Chairperson:** — Yes.

**Ms. Haverstock:** — I have children in my household who are children of my spouse.

**The Chairperson:** — Yes. I know now what you mean. I don't think that that has crossed our minds.

**Ms. Haverstock:** — Well I only raise it because you added common-law spouses. And I think that if you're going to be adding, you should be adding the people who are potentially in your household.

**The Chairperson:** — Well I'm at the discretion of the board. I mean that . . .

**Ms. Haverstock:** — Well are they considered by most of you here to be members of one's family? They're definitely a member of my family.

**The Chairperson:** — Yes, I think they are. I just don't think we thought of that at all. I think, Mr. Swenson, you were on?



**Mr. Swenson:** — I'm on another point, so go ahead and finish this.

**The Chairperson:** — Okay. On this point then, Mr. Hagel.

**Mr. Hagel:** — Well, Mr. Speaker, I don't know if we need an amendment. You may wish to move one. This wasn't a specific that was contemplated, I guess, when the changes were made. I don't have any trouble with either putting on . . . agreeing to the understanding that children mean that, or amending it to specifically include it. Six of one, half a dozen of the other, I think.

**Ms. Haverstock:** — As long as children can be defined in those terms, it's fine with me. Because I mean . . .

**The Chairperson:** — Yes. Well we could simply change it by simply saying, family members are defined as parents, spouses, common-law spouses and their children. That would take care of it. So if we can make . . .

**Hon. Ms. Carson:** — When we talked about the definition, didn't we talk about the conflict of interest definition? And we tried to follow that as carefully as possible.

**The Chairperson:** — Yes, that is correct.

**Hon. Ms. Carson:** — That we were consistent when we applied any conflict. So I guess that's why it's defined as it is.

**The Chairperson:** — Yes, you are absolutely . . .

**Hon. Ms. Carson:** — And maybe we should leave it as that so there's not different definitions of this.

**The Chairperson:** — You are absolutely correct. That was the reason why that definition was put in. But maybe they overlooked that particular fact too. I'm at whatever you people want to decide on that. I'm not hung up on it.

**Mr. Hagel:** — Well, Mr. Speaker, I think we are able to agree what our interpretation of it is. And if we agree that the interpretation is that, then it does have the advantage of remaining consistent with other jurisdictions and other legislation, which is where we drew it from.

In my mind clearly, the hypothetical . . . not hypothetical in this case, actual situation that you refer to is included here with the word children.

**Ms. Haverstock:** — So we understood that children . . .

**Mr. Hagel:** — I would think so.

**Ms. Haverstock:** — Even though they may not be one's own children, are the children . . .

**Mr. Hagel:** — Yes.

**Ms. Haverstock:** — Okay.

**The Chairperson:** — I'm at . . . whatever you want to do.

**Ms. Haverstock:** — That's fine. I just wanted . . .

**Mr. Hagel:** — Yes, if you're comfortable with that.

**Ms. Haverstock:** — No, all I wanted was clarification. I really . . . I'm sure this just seems like nit-picking. But I thought if common-law spouses were included, a lot of people would just simply see them as spouses. And then to be consistent, children should be further defined. But that's perfectly fine, as long as it's understood.

**The Chairperson:** — Okay. Any further discussion?

**Mr. Swenson:** — I don't want to belabour the point, Mr. Speaker, but I knew I read something that told me that that question I asked wasn't totally wrong, because in the third page under Section (2) it says: the effective date was removed from this section. Now that this procedure has been in force for over a year, it is not necessary to state effective October 21, 1991 in the directive.

Now you told me it was January of '92 was the effective date, but what that says to me was that it had to be retroactive.

**The Chairperson:** — Okay. Where are you reading from?

**Mr. Swenson:** — One of my explanatory notes here on directive 4. And I just want to get it straight in my head what the procedure was because it wasn't tabled.

**The Chairperson:** — Well, if that's what it says then obviously it was effective October 20 or 21 whenever, 21, 1991, because of the election.

**Mr. Swenson:** — Okay, but I knew I'd read it somewhere.

**The Chairperson:** — No, you're right. I know it was done because of the election at that time and had to be some clarification. But I thought we had made it. But I guess that's the effective date.

**Mr. Swenson:** — Okay, so in effect, the member under the old system could have had a whole year's allowance, and then you got to have this two-twelfths or whatever.

**The Chairperson:** — That's correct.

**Mr. Hagel:** — They didn't have access . . .

**The Chairperson:** — Sorry about that, Mr. Swenson. Any further discussion on this directive? Could I have a mover? Discussion?



**Mr. Hagel:** — I'll move the directive then, Mr. Speaker, with the inclusion of the word common-law spouses in item 6 as you recommended.

**The Chairperson:** — Okay. Do we have a seconder? No seconder. Okay, seconder, Mr. Swenson. All those in favour. Carried.

All right, now we are on item no. 4 — appointment of the Acting Conflict of Interest Commissioner. Mr. Hagel, I believe you have a hand-out.

**Ms. Haverstock:** — I note now — and it took me by surprise — we're finished with directive no. 2 and all of its sections?

**The Chairperson:** — Directive no. 2 and directive no. 4.

**Ms. Haverstock:** — Right. There is a part regarding leases that I just note that on directive no. 2, point 6, I'm wondering if we could consider at some point that this deals with leases of equipment, and it says wherever possible such agreements should include an escape clause. I hope for some future consideration we can change that word to must. I think that this is one of the things that we should be trying to do more often. I just see it as a red flag actually.

**The Chairperson:** — Yes, I don't necessarily disagree with you, but I don't want to get into a detailed discussion of it now, but just for clarification purposes, sometimes if you did that, you could be adding an undue expense by doing it that way.

**Ms. Haverstock:** — Yes, but I also think that one of the things we should be considering is that with competition for equipment rentals with such things as, you know, all of the things that can come into the picture, I mean it may indeed be something we should be looking at more.

**The Chairperson:** — No, I don't disagree with you. I remember when we put this in, and we did debate whether it should be should or must. And at that time it was felt that if you put in must, you might unnecessarily add an expense from time to time, and really what we need to do here is rely a little more on the integrity of the individual that he or she will get the best deal they can for themselves and for the province. And that's the reason it was put in. It was discussed at the time.

**Ms. Haverstock:** — That's fine. Thanks.

**The Chairperson:** — Okay. Mr. Hagel, you're on.

**Mr. Hagel:** — Thanks, Mr. Speaker. On this agenda item I will actually be asking that we deal with it in three parts. One is to . . .

**The Chairperson:** — Before you proceed, could I ask members, because it does not identify what it is, could we just put on top of the hand-out item no. 4, meeting no. 1, '94, so that everybody knows when . . . So hand-out item no. 4, meeting no. 1, '94. Okay?

**Mr. Hagel:** — Thanks, Mr. Speaker. I'm going to be asking that we deal with this agenda in three parts: one, which is to appoint the Conflict of Interest Commissioner; the second which is to put in place the remuneration attached to the Conflict of Interest Commissioner; and then finally that we then set the . . . approve the directive to do that.

And I have given advance notice to the Clerk, Mr. Speaker, of motions I intend to introduce and have asked that the appropriate directives then be drafted, on the assumption that these two motions will be carried.

If I may read the first motion then to put it on the record and then take a bit of time to just make comment on the first motion. Mr. Speaker, I will move:

That effective Tuesday, February 1, 1994, Derril McLeod, Q.C., Regina, be appointed by the Board of Internal Economy as Acting Conflict of Interest Commissioner pursuant to subsection 20(3) of The Members' Conflict of Interest Act, to hold office until such time as a person can be appointed as commissioner pursuant to section 18 of The Members' Conflict of Interest Act.

**The Chairperson:** — It's been moved by Mr. Hagel. Do we have a seconder? Seconded by Ms. Haverstock.

**Mr. Hagel:** — Mr. Speaker, this is I think one of those pleasant tasks that falls to the Board of Internal Economy that comes directly out of a decision made by the legislature in the spring in the passing of the conflict of interest legislation.

And if I can just put very briefly the legislative task, the legislatively mandated task that falls to the Conflict of Interest Commissioner before us and then speak in support of Mr. McLeod carrying out those duties. And it's also my understanding that both the Leader of the Opposition and the Leader of the Third Party have already been consulted and may also want just to direct comments to the board in that matter.

Just to summarize what the conflict of interest Act did in its simplest terms, Mr. Speaker, without going into any great deal, it applies to all members of the Legislative Assembly, including of course members of cabinet, legislative secretaries, but also their families. And it requires the following things then of us as members. First of all it requires that there be a commissioner who will determine whether or not particular matters are a conflict of interest and who will report that to the Assembly.

The Act went into substantial detail but as we all know when you're looking at particularly specific application of that, sometimes things aren't quite as clear as the principles were. So the commissioner becomes the referee and the public protector of the integrity of the elected members, whether they're private members, cabinet ministers, legislative



secretaries, but also in their family involvement.

The Act also stipulated a prohibition against cabinet ministers being involved in businesses or other activities where, in the opinion of the commissioner, it constituted a conflict of interest. That's covered in the Act. So you can see the importance of . . . (inaudible) . . . of the Act but also, with legal niceties, fine points, but also a sense of fairness and appropriateness and preservation of the public interest.

The Act also placed a prohibition against the use of insider information or improper influence in relation to holding the post of a member of the legislature so that it ensured that we didn't use our positions to personal advantage because of inside information we may have had prior to the making of a decision.

The Act also provided a prohibition against the government awarding a contract other than an employment contract to a former MLA for a period of one year after the member leaves office. And the Act also prohibited against members accepting a fee or gifts or personal benefits other than as a matter of protocol or social obligation.

So that's what the Act required. And it required then that under section 18 that the legislature create the office of the Conflict of Interest Commissioner — and here we are today — with the commissioner being the person then who will receive and review disclosure statements filed pursuant to the Act which will be required of all of us, who will provide opinion and advice to us as members with respect to our obligations as imposed by the Act that we carried last year, and who will also conduct inquiries into allegations of conflict of interest, and then who will finally file reports with the Assembly.

That's in a nutshell, I suppose — for want of another term — the job description of the Conflict of Interest Commissioner.

The commissioner will also have the power to make regulations subject to the approval of the Lieutenant Governor in Council and will recommend penalties to the Assembly in cases where the commissioner makes a finding of impropriety.

And finally, Mr. Speaker, the commissioner is an independent officer of the Legislative Assembly to be appointed by the Lieutenant Governor in Council on the recommendation of the Assembly. Accordingly the process for appointing the commissioner will likely be similar — and I'm suggesting it is — to that of the Information and Privacy Commissioner, the Ombudsman, and the Clerk of the Assembly.

Mr. Speaker, then in recommending the person of Derril McLeod, who I think will be known to members who are here today . . . we will probably know him most recently as having served since the spring of 1992 as the Information and Privacy Commissioner since the passing of the freedom of information legislation and, I think, in that service has given no reason to any member of the Assembly — or I believe

to any other interest in the province of Saskatchewan — to doubt his integrity and his defence of the public interest in so far as it is related to the conduct of government and making available information under that legislation.

Mr. McLeod was admitted to the Law Society of Saskatchewan in 1947 and has practised law in Regina since that time. He's currently the senior counsel at Pedersen Norman McLeod & Todd, and was appointed Queen's Counsel in 1962. He's had extensive experience in high-profile ways in a number of areas in the life of Saskatchewan. He's been vice-chairman of the board of governors at the University of Saskatchewan for three years in the early '70s; he's been a director of SED Systems; a chairperson of the Regina Pioneer Village; he's chairperson of the board of governors of the University of Regina for six years in the late '70s; director of Wascana Centre Authority; he's a chancellor of the University of Regina through most of the '80s, from 1983 to 1989. And, Mr. Speaker, as I said before, we all know him now as the current Information and Privacy Commissioner.

Mr. Speaker, I think all of us will feel, or I'm hoping that all of us will feel that in the appointment of Mr. McLeod as the Conflict of Interest Commissioner that we are selecting a person who we believe to be a man of integrity, a person of integrity, and who we believe that the people of Saskatchewan also hold to be a person of integrity.

And it is for that reason, Mr. Speaker, that I am proud to move that he be appointed the Conflict of Interest Commissioner.

**Ms. Haverstock:** — Thank you. I'm very pleased to second this motion. He has an exemplary reputation and it's going to be a benefit to not simply members of the Legislative Assembly but to the public as well.

**The Chairperson:** — Any further discussion or comments? If not, all those in favour of the motion, please signify. Unanimous.

**Mr. Hagel:** — Mr. Speaker, I would move:

That effective Tuesday, February 1, 1994, pursuant to section 22 of The Members' Conflict of Interest Act, there be paid to the Conflict of Interest Commissioner an annual salary in an amount equal to one-half the salary of the Ombudsman as appointed pursuant to the terms of The Ombudsman Act.

And further, that effective Tuesday, February 1, 1994, pursuant to section 22 of The Members' Conflict of Interest Act, there be paid to the Conflict of Interest Commissioner travel and sustenance expenses incurred in the performance of his or her duties in accordance with the tariff of travel and sustenance expenses approved under The Public Service Act for employees in the public service.



I so move, Mr. Speaker.

**The Chairperson:** — Moved by Mr. Hagel. Do we have a seconder? Seconded by Mr. Lautermilch.

**Mr. Hagel:** — Mr. Speaker, speaking in support of this motion, we did a review of what's happening in the land. There are three other jurisdictions that have a Conflict of Interest Commissioner. And so when setting in place the position, one wants to provide a fair level of remuneration that is, I think, a balance appropriate to the responsibilities but prudent in the times in which we live. And as I said earlier, it should also be consistent with the treatment, financial treatment in this province, of other officers of the legislature.

The experience that we were advised from other jurisdictions is that our assessment is that this would be approximately equivalent to a half-time position for a person with a high level of competence that Mr. McLeod has. And it was therefore thought to be appropriate to settle that on a figure then, because ultimately you have to arrive at a figure, by making it half-time as compared to another officer of the legislature, that being the Ombudsman, for that reason.

Just for the information of the committee, in British Columbia the Conflict of Interest Commissioner, who is paid in fact a higher number of dollars, is based on a formula of one-half the salary of the Auditor General. That's what British Columbia does.

In Alberta, Alberta considers their Conflict of Interest Commissioner to be a half-time position at a comparable rate of pay. Ontario, they use an hourly rate but they describe it as a half-time position as well. And it was our conclusion, from seeking the advice of other jurisdictions, that that's appropriate.

It would be seen to be, I think, a fairly demanding time-wise position in the early stages because clearly all members will have to make our statements. We'll have to be consulting with the Conflict of Interest Commissioner both in terms of clarifying what it is that we're required to do and sorting out any grey areas that we may encounter and turning them into black and white so that we will be wanting, of course, the advice of the Conflict of Interest Commissioner to avoid being in conflict of interest. Obviously the best way of dealing with conflict of interest is to avoid it in the first place.

So we anticipate that in the early . . . certainly in the first year to year and a half that there's a possibility that we may be getting a bit of a deal by describing this as a half-time position. But, Mr. Speaker, with that information I support the second motion related to remuneration for the Conflict of Interest Commissioner.

**The Chairperson:** — Any further discussion?

**Mr. Swenson:** — Is it appropriate that we talk money?

**Mr. Hagel:** — If you want. Dollar amount, you mean? Oh yes, the auditor is \$90,000 and so half of that is \$45,000, is the dollar amount.

**The Chairperson:** — The Ombudsman, not the auditor.

**Mr. Hagel:** — What did I say?

**The Chairperson:** — You said auditor.

**Mr. Hagel:** — Oh heavens. I know the auditor will . . . With full apologies to the auditor. I have not intended to give the auditor a reduction here. Sorry. The Ombudsman is paid at the rate of 90 . . . Mr. Auditor, if you're listening, please ignore my previous statement; I think I misspoke myself. But the Ombudsman is \$90,000.

**Mr. Swenson:** — The range would be like 35 to 4,000 or somewhere in there.

**Mr. Hagel:** — Sorry?

**Mr. Swenson:** — I suspect there's some ranges.

**Mr. Hagel:** — My understanding is that that is stipulated at a set amount. It's not a range.

**Mr. Swenson:** — It's a set rate, not a range.

**Mr. Hagel:** — That's correct; it's not a range.

**The Chairperson:** — Any further discussion? All those in favour of the motion? Carried.

Ladies and gentlemen, item no. 5.

**Mr. Hagel:** — I've asked that the Clerk, for purposes then of our decision making of the board, draft two directives.

**The Chairperson:** — Oh, right. I'm sorry.

**Mr. Hagel:** — Two separate directives which have been circulated to members, entitled directive 19 and 20, which would reflect the motions that we've just dealt with.

I've looked at them and I see the wording is consistent. If you want it reread verbatim for the record, I could do that, but otherwise I would just simply move my directive no. 19 as before the members.

**The Chairperson:** — I don't think it's necessary to reread them. Members have received them beforehand, am I told? All right. Would you move item . . . I think we should have separate motions.

**Mr. Hagel:** — Yes. I'll move directive no. 19.

**The Chairperson:** — Do we have a seconder? Seconded by Mr. Lautermilch. Any discussion? All those in favour of the directive no. 19? Carried. Directive 20.

January 6, 1994

**Mr. Hagel:** — Mr. Speaker, I'll move directive 20 as it is before the members.

**The Chairperson:** — Seconded, Mr. Upshall. Any further discussion? All those in favour of directive no. 20? Carried.

**Mr. Hagel:** — Thank you, Mr. Speaker.

**The Chairperson:** — Thank you. All right. We are now on item no. 5, motion for the establishment of an independent commission on MLA compensation and payments.

**Hon. Mr. Lautermilch:** — I just . . . This might be under Mr. Swenson's name; I'm just not sure. But I would like to make some comments just with respect to the directive . . . or not the directive but to the motion that was put forth by Mr. Swenson.

I think there's some redundancies here in terms of the item 4 under agenda item 5 in that there's a date of May 30, '93 which would certainly put it out of date.

I think there are some considerations that we have to take into account when we're looking at the appointment of an independent body that will look at these, one being I think there needs to be consultation with the opposition parties and the government certainly would intend to do that.

Ms. Haverstock and Mr. Swenson, I'm sure both would want to be involved in the discussions with respect to the make-up of terms of reference, budget, and different items that would surround the appointment of this kind of a commission.

And I think one of the other important items that hasn't been dealt with here and that we would want to discuss with members of opposition parties would be the budgetary impact. So I'm not sure what's appropriate here. If I would move a tabling motion to this existing one and then introduce another motion, and I would do that if that's appropriate.

**The Chairperson:** — That would be fine.

**Hon. Mr. Lautermilch:** — Okay then, I will move a tabling motion on this and then introduce another motion.

**The Chairperson:** — All right. It's been moved by Mr. Lautermilch, that . . . yes?

**Mr. Swenson:** — I'm sorry, Mr. Speaker. How do you table a motion that hasn't been made yet?

**The Chairperson:** — Oh it was made some time ago, and it's on the agenda, and therefore you simply table it. I assume . . .

**Mr. Swenson:** — Well I was going to amend the . . .

**The Chairperson:** — Oh, I see.

**Mr. Swenson:** — Particular motion that was brought

forward last May and then we could discuss it all you wanted.

**The Chairperson:** — Okay. I thought it had been moved, but . . .

**Mr. Swenson:** — No, it hasn't.

**The Chairperson:** — It hasn't been moved. So it can't be tabled if it hasn't been moved.

Well all right, how do you want to deal with it? We have the mover of the motion or the author of the motion here.

**Mr. Swenson:** — Well I just would like to get it on the record. Get the motion, then you can do whatever you want with it.

**The Chairperson:** — Well as I say, we have the author of the motion here.

**Mr. Swenson:** — Thank you, Mr. Speaker.

**The Chairperson:** — Yes. Are you moving this?

**Mr. Swenson:** — I am.

**The Chairperson:** — All right. Then we need a seconder, if you . . .

**Mr. Swenson:** — Well let's sort that out after I move it.

**The Chairperson:** — Okay.

**Mr. Swenson:** — Thank you, Mr. Chairman.

I would move:

That an Independent Commission on MLA Compensation and Payments be appointed,

1. with Judge Edward Malone of Queens Bench serving as Chairman and two other members chosen by Judge Malone according to his own criteria.

2. with the mandate to inquire into, examine and make recommendations regarding:

(a) salaries, allowances and payments to or on behalf of MLAs in all capacities, as Members, Cabinet ministers, Chairman or otherwise,

(b) the structure, amounts, accountability and need for payments referred to in (a),

(c) the rules and procedures of the Board of Internal Economy and their impact on accountability, including access for the public and the media,

(d) any other matter the Commission deems proper and worthy of examination and recommendation regarding any matter or



thing touching on payments to or on behalf of MLAs;

3. the authority to determine its own procedures and policies, to hire staff, to purchase goods and services as deemed necessary by the Chairman, to hold hearings in public or private, to call for papers and persons, and to have all the powers of the Public Inquiries Act;

4. to include the hiring and remuneration of Ministerial Assistants and staff of the Executive Council;

And,

5. To deliver to Mr. Speaker a report which will be laid before the Legislative Assembly no later than May 30, 1994.

And I would be prepared to speak to that motion, Mr. Speaker.

**The Chairperson:** — All right, we need a seconder to that motion before it can be discussed.

Ladies and gentlemen, we ask your indulgence for just a minute. Just a moment, please.

Ladies and gentlemen, first of all, the motion has been moved by Mr. Swenson. Do we have a seconder of the motion?

**Ms. Haverstock:** — May I ask a question?

**The Chairperson:** — Yes.

**Ms. Haverstock:** — For the purposes of discussion, if I second this motion, by seconding it does it mean that I am in concurrence with the entire motion and I have no opportunity for amendment on this?

**The Chairperson:** — You certainly limit yourself in what you may amend.

I will ask one further time: is there a seconder to the motion? If there is no seconder to the motion, the motion is lost.

**Hon. Mr. Lautermilch:** — Mr. Speaker, under this agenda item I'd like to move a motion with respect to an independent commission. We have been looking as a caucus at this issue for some time. Can I speak before I move my motion?

**The Chairperson:** — No, I would prefer that you move your motion.

**Hon. Mr. Lautermilch:** — The motion would be:

That the minister responsible for the Saskatchewan Property Management Corporation, the Leader of the Opposition, and the Leader of the Liberal Party, report to the next meeting of the board with recommended

terms of reference, membership, and, three, budget, for an independent commission on MLA compensation and payments.

Mr. Speaker, I'm going to pass this around to other members.

As I indicated in my earlier remarks, we felt it important that only the leader . . . oh, I'll need a seconder, I guess.

**The Chairperson:** — Sorry, Mr. Member, we just wanted to understand what the motion was that you were recommending. And the motion has been moved and we have a seconder. Seconded by Mr. Upshall.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. This has been an issue that's been before our caucus and before cabinet on a number of occasions, and it's an issue that governments all over Canada, I guess all over the world, struggle with — the issue of setting salaries, services, and all of the things that come with being a member of legislative assemblies of elected parliaments.

And it's, as I said, an issue that governments all over the world are struggling with. And when we looked at public expectation and we looked at still being able to try and ensure that members have adequate resources to serve their constituents and to serve the people of Saskatchewan, it became quite clear to us that the most appropriate way to deal with these issues would be to establish an independent board. But before doing so, that we would consult with the Leader of the Opposition and the Leader of the Third Party, to establish a procedure in terms of reference and establish a commission that would be effective and that would work positively on behalf of the members of the legislature, and as well on behalf of taxpayers of the province.

I would just want to say that we didn't support the proposal put forth by the Leader of the Opposition because of the consultation process that we felt was important to have, and we didn't feel that the budgetary issues had been addressed in his recommendation. It appeared to be wide open. And although we want to ensure that the commission would have sufficient funds to be able to do their job, we are also dealing with some fiscal difficulties in Saskatchewan that we're all only too well aware of, and we have to be cognizant of the desires of the people of this province for the government to get their financial house in order. So we felt that that was an important aspect of the consultations that we would intend to have if this motion is accepted by the Board of Internal Economy.

So with that, Mr. Speaker, I have really no more to say on the issue, other than I'm hoping that this recommendation will be accepted unanimously by the board. Our caucus and cabinet felt very strongly that this process take place and begin soon. And as I said, if it's accepted I would certainly hope to contact the two members and begin discussions with respect



to the establishment of this independent commission very shortly.

**The Chairperson:** — Does the seconder wish to speak? Otherwise I . . .

**Mr. Upshall:** — Not at this time.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Speaker, I'm going to speak in opposition to the motion because I think Eldon's views are too limited for what we need to achieve here. If you remember back to the Malone Commission in 1988, they had the freedom to go beyond the criteria that were set down by the Board of Internal Economy at that time. And it was very important because they expanded it out and looked at expenses and per diems which were under section 50 of The Legislative Assembly Act, even though that wasn't part of the original mandate.

And I would think that if we're going to . . . no matter who we come up with, and the names are probably immaterial, there's lots of good people in this province that you can put to this task — and if not Judge Malone, then someone else — but to limit them as has been suggested, I don't think will do members service and I don't think it'll do the public service. They have to know that they're absolutely independent.

And unfortunately I've seen a penchant from the government for sort of predetermining the outcome of independent commissions. And I made it public that I was not happy with the process surrounding the electoral boundaries and the way that the consultation went on.

I would like to think that we as a committee would not hinder them by setting a budget that might restrict some of their outlook. And according to the current Act, the Leader of the Opposition has to be consulted. And that was put in place in 1988 when Mr. Romanow was the Leader of the Opposition. And I think it was right and proper that he by law had to be part of the process in selecting the commission. And so maybe by law it should be expanded that the leaders of any other parties should also have to be consulted, that the government not have any unilateral ability to strike one of these commissions simply because they have the majority.

So I think we would be a little presumptuous in moving in this direction. Certainly consultation is the way to go. And if Mr. Lautermilch or any . . . or Ms. Haverstock have names that they think would be appropriate for Saskatchewan people, I'm more than willing to listen to them. But I don't want to tie that person's hands behind their back. And I think that the motion that's been presented does in effect tie that person or persons beyond where we would want to see them go.

**Mr. Upshall:** — Thank you, Mr. Speaker. I don't agree with Mr. Swenson's observations. All this does is set out coordinating of terms reference — no limiting. It's just to make sure that all parties — how much more

democratic can you get? — agree. You know the terms of reference may be wide open, may be even greater than what Mr. Swenson proposed earlier. I mean there's no hand-tying here. It's just that the three parties can sit down and agree on what the terms of reference are, what the membership and the budget is. I think that's a very democratic action.

So I just, on that point, I don't know how much more democratic you can be, and I don't know for the life of me why there would be any thought that this would be tying the hands of anyone.

And as far as a person who heads committees is going, there has to be some agreement, I think on . . . There will be input from other people, but the members that strike the board will be very happy to take names of people, I'm sure. Maybe it will be Mr. Malone. But there's some, you know, some people may question that. I don't think it should be a unilateral decision by anyone. I mean he's been on other government activities where some people were happy and some weren't.

So I don't think there's any intent here to limit or handcuff. Thank you.

**Ms. Haverstock:** — I was wondering if you would consider an amendment. And that would be to strike "recommended" and have instead where it states:

report to the next meeting of the board with, "but not limited to", the following:

And that might address your concerns, Rick.

**Hon. Mr. Lautermilch:** — I'm not sure what it would achieve. Maybe you could explain to me what your amendment would achieve.

**Ms. Haverstock:** — In hearing what I believe to be an interpretation of what Rick was saying was that he was concerned that somehow this was more restrictive. I don't concur. I would be voting in favour of the motion. But at the same time to ensure that we could have some unanimity here, I think that if he's concerned about limitations we could indicate that, you know, this could go beyond this.

I know that the term, terms of reference, means endless amounts of things. But if in fact we decide to talk about things other than the terms of reference, other than the membership, and other than the budget, as it relates to a proposed independent commission, by changing the motion in that way, it would allow us to do so.

**Hon. Ms. Carson:** — Could you repeat that?

**The Chairperson:** — Order, order, order.

**Hon. Ms. Carson:** — I just wanted the Leader of the Liberals to repeat her amendment once more so we could understand more clearly.

**Ms. Haverstock:** — I'll read it in context:



That the Minister responsible for the Saskatchewan Property Management Corporation, the Leader of the Opposition, and the Leader of the Liberal Party report to the next meeting of the Board with, but not limited to: (the following) terms of reference, membership, and budget for an independent commission on MLA compensation and payments.

**Hon. Mr. Lautermilch:** — Could I just ask what this might include other than terms of reference, which I think is reasonably broad. I mean I don't know how much broader you'd want to make than that.

**Ms. Haverstock:** — I would like us to have an opportunity for us all to be feeling as though our concerns have been met.

**Hon. Mr. Lautermilch:** — Well I would like that as well, but I would like to know . . .

**Ms. Haverstock:** — Right. And I would be voting in favour of this motion, regardless of the amendment. I was wondering if that addition or that amendment would in fact cover the concerns of Mr. Swenson.

**Hon. Mr. Lautermilch:** — Well I guess Mr. Swenson can answer that. But I'd like to know what else it may include.

**Mr. Swenson:** — I look at the item here that says budget, and knowing how the last commission operated where it went beyond its perceived mandate, had to do extra work, ran up extra expenses. But those were, I thought, worthwhile endeavours that they went beyond their mandate, okay? They weren't restricted by the board at that time. So they incurred extra expenses.

We dealt with the budget of the auditor in this committee last year. And that budget restricted the auditor's work. The auditor said, I can't effectively audit a good chunk of government this year because I don't have the budget. Okay?

So if we set a budget in advance, we're in effect saying to the commission . . . and I'll give you an example. I included ministerial assistants and the staff of Executive Council in my motion. The reason I did that was because of the amount of criticism that my government received in those two areas, things that Public Accounts, as you know, spent almost a week dealing with.

It's been talked about in the media a lot in those areas. I thought because of all the publicity that those two areas got, that would be an area that you would want to add to the previous mandate of the committee. It only makes sense to me.

You're going to incur more expenses by doing that. I mean if you don't learn from some of your past mistakes, what's the point of doing it? And that is logical to me to include them over and above. If we set

the budget ahead of time, how the heck can we say that they're able to do those things?

**The Chairperson:** — Ladies and gentlemen, I've allowed some liberty here in discussion back and forth but I'd like to focus it back on again. So if you can direct your comments from now on through the chair and we'll deal with that.

**Hon. Mr. Lautermilch:** — Well, Mr. Speaker, the Leader of the Opposition, Mr. Swenson, raised two issues. One, the term, MA (ministerial assistant) and salaries of, I guess, of staff be included and I would assume that that would be covered under the terms of reference. I just don't know how that would be excluded under the terms of reference.

He refers to an analysis between the budget fixed for the Provincial Auditor and a limit put on that, and his concern that in fact that there may not be enough money for this commission to do their job. Clearly one of the items that have been identified and that we would be asking input from the other members would be on budgetary matters. I mean so that is covered under this. I'm wondering, Mr. Speaker, if the member has other issues that he could identify for us that aren't covered under this motion.

**Mr. Swenson:** — Would this motion, because the question was asked Mr. Speaker, would this motion . . . does it mandate that this process would be done by consensus rather than majority?

**Hon. Mr. Lautermilch:** — I would assume that it would be part of the negotiations that we would try and reach an agreement on the . . . as I've indicated, the terms of reference, the membership, and budgetary issues, and that quite clearly we would want consensus.

You know the reason we're involving the Leader of the Opposition and the Leader of the Third Party is because we want them to be comfortable that we've got an independent commission that is going to do the job for us. I don't know, I can't speculate now as to whether we may have unanimous agreement on who the members might be. I don't know at this point but I guess that's part and parcel of what we will try and achieve, is agreement by the three parties in terms of the establishment of the committee, the people that sit on the committee, the amount of money that's allocated for it, and its terms of reference.

And I guess right now it would be just speculation. And until we've met to discuss these issues I can't say, but clearly the goal is to achieve a consensus, an agreement from all three members of this group to discuss the issues.

**The Chairperson:** — Ladies and gentlemen, if I could just get the group to focus back in again. All we are doing in this motion is to have the minister of Saskatchewan Property Management Corporation, the Leader of the Opposition, and the Leader of the Liberal Party, to get together and talk about terms of reference, membership, and budget and make a



recommendation back to this board. The board still has to deal with it when you come back. That's the process; that's what the motion does.

**Mr. Upshall:** — Just on a point of order, Mr. Speaker, and information for me. Are we speaking about the amendment? Was there an amendment as such read or are we still on the main motion?

**The Chairperson:** — We're on the main motion. There is no amendment yet. There is no amendment; she has suggested an amendment but didn't make it. I think I'm right in that.

**Ms. Haverstock:** — I suggested an amendment to see whether or not . . .

**The Chairperson:** — Yes, I think I knew what you were doing but I didn't hear you making the actual amendment.

So where . . . in order to expedite this matter, could I ask the member then, if she so desires, to move her amendment and then deal with that. We can deal with that and then get on with what we want to do with it. All right?

**Ms. Haverstock:** — I recommend that we . . . an amendment:

By striking the word "recommended" and in its place having, "but not limited to," the following:

**The Chairperson:** — Okay. We have an amendment. Do we have a seconder? Seconder, Mr. Lautermilch.

**Hon. Mr. Lautermilch:** — I can't amend my own motion, can I?

**The Chairperson:** — No, that's right. No, I'm sorry, You moved it, can't have you . . . Ms. Carson. Any further discussion?

**Hon. Mr. Lautermilch:** — Mr. Speaker, in the spirit of cooperation, I'm going to vote for the amendment. I was quite clearly satisfied with the parameters of the original motion in that it, in my belief, dealt with the major issues that we would deal with surrounding the establishment of a commission, and clearly we'd be bringing recommendations back to the board. So I will be supporting the amendment.

**The Chairperson:** — Any further discussion on the amendment? All those in favour of the amendment? Carried.

Further discussion on the motion as amended? All those in favour of the motion as amended? Carried unanimously.

Now, ladies and gentlemen, for clarification purposes I do want to state this though. I believe or we believe that the board does not have the authority to set up a commission. And the recommendation that will be coming back, I assume, from these three members to

the board will be that we recommend to government that a commission shall be set up to deal with these matters. Is that correct? All right, good enough.

That was carried. Yes, we had a motion on that. That takes care of item no. 5. Now we are on item no. 6. Oh, I'm sorry.

**Mr. Swenson:** — It says, the next meeting of the board, with the amendment on it. The next meeting of the board will be tomorrow.

**The Chairperson:** — No, this is a continuation. Okay, no. I assumed, Mr. Swenson, that tomorrow would be simply a continuation of this meeting. But you are technically correct. Do we want to clarify that or . . .

**Mr. Swenson:** — Well I guess can we leave this item till tomorrow when we finish our agenda, and then I understood you to say we were going to set our next meeting?

**The Chairperson:** — I'm sorry. We . . .

**Hon. Mr. Lautermilch:** — As I understand it, we passed the motion. And if there's a problem in terms of Mr. Swenson viewing this as being two separate meetings, I don't know how that would fit in. I just don't understand how that would work.

**Mr. Swenson:** — No, I just . . . It's important we have a time frame. You're a busy person and so am I and so is Ms. Haverstock, and we need to kind of set some time frames in place to do what we're supposed to do.

**Hon. Mr. Lautermilch:** — Well which is why I would assume we wouldn't expect to sit after 10 o'clock tonight to determine these issues. I think it would be just a matter of an understanding, just common sense that we would bring back to the . . .

**The Chairperson:** — Ladies and gentlemen, I will simply determine that tomorrow is a continuation of our meeting today, and therefore that is not what was meant by the board. This is meeting no. 1. Tomorrow meeting no. 1 will simply continue. All right?

Let us go on to item no. 6, revision of The Legislative Assembly Act. All right.

**Hon. Mr. Lautermilch:** — Mr. Speaker, we've used a process and have, I guess, since we've been elected, a process whereby we allow our caucus members to review legislation that they may be asked to vote on for their input. And I guess if we were to move on this agenda item today, we would ask and we wouldn't have the opportunity for that input.

So what I'd like to do is move that this document be tabled so that we could refer to the process that we as a caucus use to allow for their input and their recommendations with respect to this document.

**The Chairperson:** — Would the member wish to defer the item rather than tabling it? Just defer the item to future consideration, you know, rather than tabling?



**Hon. Mr. Lautermilch:** — Well I don't see that as being . . . No, that's not a problem. Then I move that we defer it to another occasion.

**Mr. Swenson:** — I second, Mr. Speaker.

**The Chairperson:** — Seconded by Mr. Swenson. Is there any discussion?

**Mr. Hagel:** — Just a moment, Mr. Speaker. I'm sure that all three parties will want to consider this in the context of their own caucuses, and as Eldon has said, in the government caucus we have established for the last two years a fairly sophisticated and I think with some pride a pretty doggone democratic way of going about making decisions related to legislation through caucus committees and recommendations of full caucus. And the fact of the matter is that no minister has ever walked into the Legislative Assembly without a proposed Bill having had detailed scrutiny by a caucus committee and majority decision by the full caucus. And I would assume other caucuses would function similarly.

But there is then the matter of in doing detailed review of this legislation, the need to do what is typical in our processes, and that's the opportunity to have some informed representations be available to the caucus. I would assume, Mr. Speaker, that in case of this legislation, that's you and the Clerk or perhaps the Legislative Law Clerk. I'm not sure, but I simply want to clarify that by deferring this, that what we're doing is ensuring that the Speaker and the appropriate officers of the Assembly will be available to the caucuses for consultation for the review of the legislation.

**The Chairperson:** — I think that is a very good suggestion and I certainly would be quite prepared, either myself and the Clerk or the Legislative Law Clerk, to meet with the caucuses to go over the Act and some of the major changes that this board has considered I think for the the past five or six years. And I think it is about time that we deal with this Act and update it, and I would hope that this process would not delay the implementation of the new amendments at the spring session. I really think that some of them need to be done, even if we don't go with all of them; but there's some that are very necessary.

And I think when we . . . if you invite us into your caucus or with representation of your caucus, we would certainly make you aware of some of those changes that I think should be made and the legislation should be updated. So yes, we would be prepared. It may not be myself; it could be the Law Clerk and the Clerk herself or any combination thereof. Okay?

Thank you very much. We now are on item no. 7. Did I not vote on the deferral? Sorry. Okay, all those in favour of deferral of item no. 6? Thank you. Carried.

All right, we now are on item no. 7, special warrant request for 1993-94 fiscal year for The Legislative Assembly Act and I will . . . Do you want to make a

brief explanation on this?

First of all, ladies and gentlemen, you have the item before you. Just a very brief explanation: you will note that in general administration the Legislative Assembly has done very well because we are under our estimates and that is mainly due to you people and the caucuses who have kept the expenditures under control, which is very much appreciated. You note we are \$75,000 under there.

A fairly hefty increase, however, is due to the fact that we are going to be starting the session earlier this year. And although we normally budget for a 76-day session, this year it will probably be 96 days, and therefore we have 20 more days that we have to add on to this fiscal year. And that is a fairly heavy increase as far as Clerk's office is concerned, *Hansard*, broadcasting, security, and so on.

And then of course there are some other items. In the Legislative Library we've had a permanent employee who . . . there is some sick leave there of \$6,000; salary cost for Workers' Compensation, \$2,000; computer searching. And here is . . . this is for work done for MLAs, basically, who have asked for a lot of information this year, and the increased costs were here I think about 6,000, a little over \$6,000. Actually over the year it's been about 12,000 above what we had anticipated. So it's a good thing, as members are really making good use of it; but on the other hand, it's a cost that we had to incur. Overtime — this is, generally speaking, I think is the evening sittings of the legislature, and again computer searching overtime, that was included in there.

The other item I want to . . . is microform reader/printer request. I don't know how many of you people are aware, but we are presently using some toxic chemicals in our process which has to be brought in, I believe, from the United States. And these are no longer available and we have I think enough supply to last us for about six months or so and we need to start a different process. And so there is an anticipated cost of about \$13,000 that we had not anticipated. So those are . . .

And then of course there's a savings here again in committee support services. The committees were not quite as active as we had anticipated they would be, and for us that is all right. And payment to SPMC (Saskatchewan Property Management Corporation) for services to MLAs, that has gone down again \$8,000. So the net that we will need then is a \$50,000 warrant for the remainder of this fiscal year.

Did I leave out anything, or is that basically it? Okay. Any questions?

**Mr. Swenson:** — Do you anticipate . . . and I didn't look at what you'll be presenting for this year. Do you anticipate then that \$50,000 to sort of come off your next fiscal year?

**The Chairperson:** — No. We are anticipating next year the session will start approximately about the



same time as it is this year, and therefore we will be down . . . then hopefully after that we'll be on around a 76-day cycle.

**Mr. Swenson:** — Right, you'll be on . . . but your next projection will be on a 76-day cycle?

**The Chairperson:** — Yes, exactly. That's correct. That is correct.

**Mr. Swenson:** — So by that, instead of 90 days, you should be \$50,000 less on your next 76-day cycle than you were on this one?

**The Chairperson:** — Well, the 50,000 of course is not all due to the . . . as you can understand . . . as I went through these, I would have to go through those. Clerk's office, *Hansard*, broadcasting, and security, those were all basically due to the increased costs for the session, for the length of the session — that's \$129,000.

The reason we got it down of course is due to all the other factors that were underexpended. We don't know if MLAs are going to accommodate us again by being very — what is the word I want — diligent in their expenditures and reduce that some more. Rick, really what I'm trying to say is next year I think we should be . . . we should not incur those other costs that we have now incurred because of the extra 20 days. We should be on the 76-day cycle next year, but I don't know what the government is going to do. If it starts in . . .

**Mr. Swenson:** — What happened . . . I mean previously we used to run two sessions to do . . . always plan on the spring session being shorter to accommodate a fall session. Is that the way the budgeting . . . Because you could run into that. You could get a fall session thrown at you . . .

**The Chairperson:** — Oh well, then we've got problems.

**Mr. Swenson:** — Then you've got big trouble.

**The Chairperson:** — Oh, sure. But we have had no indication from government that that is the case. So we just simply do what, you know, what we think is going to happen. Oh if they throw a fall session at us, then we've got problems as far as our budget is concerned. But in doing that though, your following year's budget should go down, unless MLAs extend the session.

**Mr. Hagel:** — If you start at the same time . . .

**The Chairperson:** — Yes, but sometimes that doesn't happen, as you well know.

**Mr. Hagel:** — The members do seem to be a tad unpredictable at times, Mr. Speaker.

**The Chairperson:** — I've noticed that.

**Ms. Haverstock:** — I'm just wondering if there's any

salvage value to the old micro reader?

**Ms. Powell:** — I doubt very much. We're only one, two, or three in Canada that is still being used. They're very obsolete.

**The Chairperson:** — Excuse me. This is all being verbatim so we should have you at the table here. That's fine. Besides, it's not very environmentally friendly.

**Ms. Powell:** — No, I'll just say that we're not sure there's very much. There might be some ability to use pieces for parts, but not much likelihood. It's pretty obsolete.

**Ms. Ronyk:** — And any of our equipment that is obsolete goes into the government salvage process. So we don't recover any funds from it, but the government does.

**Ms. Haverstock:** — Yes. In effect do the proceeds then go, where, into the Consolidated Fund?

**Ms. Ronyk:** — Into the Consolidated Fund.

**Mr. Upshall:** — Yes, I just want to . . . Actually a similar question to what Mr. Swenson had earlier, but I want to expand that. Because I believe that the budget, the overall should come down by 129,000 at least next year, because we're back on a 76-day cycle.

I just want to establish in my own mind that I can see where the Legislative Library, there's very little in there, just a little bit of overtime that may be affected by the 20 days. But for the most part, Clerks, *Hansard*, broadcasting, and security, \$129,000 due to a 20-day increase. They get 96 days in this budget period which will, when the *Public Accounts* will show a figure, but then the next period should be reduced, if we're back on a 76-day cycle, should be reduced by a similar amount. Am I right on that?

**The Chairperson:** — Yes, I think you're basically correct.

**Mr. Upshall:** — I mean the numbers won't be the same, but I mean it'll be . . .

**The Chairperson:** — That's right.

**Mr. Upshall:** — It'll be close to that \$129,000.

**The Chairperson:** — That's correct. If you look at Clerk's office, *Hansard*, broadcasting, and security . . . Now let me just put it . . . I don't want to say that all of those costs were directly 100 per cent — I don't want to be held to that — due to the 20 days, but the vast majority of them were due to the . . .

**Mr. Upshall:** — I understand that.

**The Chairperson:** — So whether it's 120 or, you know, thousand or whatever, it will go down dramatically, yes. But as Rick has also indicated, what if they throw a fall session at you?



**Mr. Upshall:** — Oh, I understand that. No, I just wanted to be clear that I was interpreting this right.

**The Chairperson:** — Yes, you are. Yes, you are.

**Mr. Swenson:** — You were better off that we are . . . (inaudible) . . . only asking for 50.

**The Chairperson:** — Yes, I know, but I just don't know when to quit. He asked a question; I had to answer it. Okay? Any further questions on this?

**Hon. Mr. Lautermilch:** — Yes, I'd like to under code 0006, the microform reader/printer request, that is an amount of \$13,000. That would clearly then be an extension of the Legislative Library's capital request for last fiscal year, if we were to look at it in that fashion, would it not?

**Ms. Ronyk:** — We have not budgeted traditionally with a separate capital budget. It's always been in our . . .

**Hon. Mr. Lautermilch:** — Was it included in last year's budget?

**Ms. Ronyk:** — No, it's something that's happened without . . .

**Hon. Mr. Lautermilch:** — So then this is a \$13,000 expenditure over and above what was requested last year.

**Ms. Ronyk:** — That's correct.

**Hon. Mr. Lautermilch:** — Are there any other capital requests of that nature in this warrant, that I might have missed?

**Ms. Ronyk:** — Under broadcasting, there's an equipment purchase there that was I guess a capital purchase. That was made in this fiscal year. It has already been purchased. And it turns out that with the extra session that it is going to be an overexpenditure of our total broadcasting budget.

**Hon. Mr. Lautermilch:** — That's under item 103, right? Could you explain to me what the equipment purchase is or has been or will be?

**Ms. Ronyk:** — What has already been purchased was purchased at the beginning of the year. We had an opportunity that came up unexpectedly for us to purchase some used equipment that allows us to have repair parts on hand for our system. Our system — television system — is over 10 years old and it's getting difficult to get repair parts. So when this opportunity came up, we made the purchase so that we would extend the life of our overall system by having repairs handy when we needed it.

**Hon. Mr. Lautermilch:** — How much would that amount be out of the \$6,500?

**Ms. Ronyk:** — I think that was a little over 5,000.

**Hon. Mr. Lautermilch:** — I'm still not sure if I'm clear, and I stepped out for a moment so I missed a bit of this discussion.

**A Member:** — Well that's too bad.

**Hon. Mr. Lautermilch:** — There are reasons.

And I guess, can you explain to me, if we sit for . . . we're normally budgeting here for 76 sitting days. In the next fiscal year, in the budget that we'll be looking at today, if we are to sit during this term — part of it being in this fiscal year and part of it being in next fiscal year — for a total of 76 sitting days; in this calendar year if we were to approve this and if we were to approve what is requested in this budget in the fiscal year of 1994, how many days would you have been budgeting for in total then?

**Ms. Ronyk:** — You have to kind of ignore sessions, okay? And all we're . . . when we budget, we budget on a fiscal year and we budget for a certain number of sitting days in a fiscal year, no matter what session they occurred in. We don't care. We're just looking at the actual costs of sitting days. And so usually some of them occur at the beginning of the fiscal year and some of them occur at the end of the fiscal year, okay? But they're different sessions. I'm just confusing things.

Okay. In the '93-94 fiscal year, which we're currently in, we have currently sat 56 sitting days. And now with the session being announced, we know that we're going to sit another 39 sitting days in this fiscal year. We're going to sit from February 7 to March 31, and that will be about 39 or 40 sitting days, maybe a day or two less if we take a day off in there, which we can't know. And so what that means is that in this fiscal year, this current fiscal year, we're going to have had 96 sitting days.

**Hon. Mr. Lautermilch:** — Which is partly because we've moved the session much further ahead than has been happening in years past.

**Ms. Ronyk:** — Yes. Once we start at the same time each year, then this won't occur. Last year we sat some early, this year we're sitting earlier yet. So we're having a compression in this fiscal year of the tail-end of last session — or most of last session — plus a good chunk of the beginning of the next one. It's all going to be in this fiscal year.

But next year if we sit again February 7, then we shouldn't have that any more. You'll have . . .

**Hon. Mr. Lautermilch:** — Would you, based on the average of 76 sitting days, at the end of the next fiscal year have a surplus? If we sit 76 days, if we pass this expenditure forecast and if we accept this, next year would you have a surplus in your budget?

**Ms. Ronyk:** — Only if we sit less than 76 sitting days in the next fiscal year.



**Hon. Mr. Lautermilch:** — So then we would have to have a session of roughly . . .

**A Member:** — 76 days.

**Hon. Mr. Lautermilch:** — No, no, no. We would have to have 100 sitting days roughly, in order for you to use — in this session — in order for you to use this entire budget that you're proposing for '94-95. Right?

**Ms. Ronyk:** — Well except that that '94-95 budget is assuming that there'll be a new session in February of '95. We have to include that as well. So it'll be the remainder of this '94 session and it'll be the start of the '95 session that will be in that budget. And we hope, you know, we're budgeting . . .

**Hon. Mr. Lautermilch:** — The assumption would be the session would start the same time next year, and if it doesn't, then you're out.

**Ms. Ronyk:** — That's right. And it makes it later and then we'd be in really good shape, you know.

**The Chairperson:** — Let me just explain it. Have you got it? You've got 39 days from now until the end of the spring session. Next year, if you start February 7 again, you've got another 20-some days or whatever. But the following year is still in that fiscal year, so you have to add those on.

**Mr. Swenson:** — Mr. Speaker, why don't you put a request in to put yourself on the same basis as the Crowns where you're going to account every year? Because this problem's gone on forever.

**The Chairperson:** — No, we could solve it very simply. Have a fixed date when the session sits.

**Mr. Swenson:** — If it's good enough for SaskPower, it should be good enough for you.

**Hon. Ms. Carson:** — May I talk about . . . (inaudible) . . . rather than the sitting days?

**The Chairperson:** — Oh, on this here?

**Hon. Ms. Carson:** — Yes.

**The Chairperson:** — Yes, certainly.

**Hon. Ms. Carson:** — I need to understand process because we approved a budget last year that had certain expenditures in it. And when we look at \$75,000 which we spent on a new broadcasting system or some parts for broadcasting . . .

**The Chairperson:** — No, no, that's simply for distribution; that's simply televised.

**Hon. Ms. Carson:** — There was some capital, then?

**The Chairperson:** — Yes, but that's under the 6,500.

**Hon. Ms. Carson:** — Oh, all right, 6,500 . . .

**The Chairperson:** — Technician's salary, increase in equipment purchase.

**Hon. Ms. Carson:** — All right. And then 13,000 for microform reader-printer.

**The Chairperson:** — That's right.

**Hon. Ms. Carson:** — I guess I want to know why this wasn't included in the budget in the first place instead of a decision made halfway through, and whether or not the microform reader-printer could not be added to the budget that we're going to approve in the next few days for the 1994-95. Or has it already . . .

**Ms. Powell:** — No. I believe I can speak to that. First of all, the budgeted process within the Assembly was already concluded by the time we were notified by our equipment vendor that they would no longer be able to likely support this machine. So it's very much an emergent situation.

**Hon. Ms. Carson:** — Oh, I see. I just wanted to know if there was a matter of not getting everything included or whether it was cut out of the last budget and then it was put in here as an emergency. Because if it was cut out last year and then it comes up, I don't anticipate that should be the right process for approving budgets.

**The Chairperson:** — No. It's just like a farming situation. I mean, if you're . . .

**Hon. Ms. Carson:** — That's fair enough.

**The Chairperson:** — Yes. I mean you're seeding, and suddenly the motor goes out of your four-wheel drive, you know.

**Mr. Hagel:** — Can you just describe — I don't pretend for a minute to be a librarian here — but can you just describe to me the emergency here. Why it's an emergency and something that couldn't be postponed to budget time. I didn't understand that clearly. I know you described it before, Marian.

**Ms. Powell:** — Okay, well two factors here. It's urgent because we only learned about it in December. We had already done all of the pre-budget . . .

**Mr. Hagel:** — In December, just a month ago.

**Ms. Powell:** — Yes, just before Christmas.

The vendor indicated to us that there's two issues here. First of all, the equipment is obsolete. There are very few of these machines anywhere in Canada. We're one of two in Saskatchewan. Nobody still has them. So first of all, it's very hard to get parts. This particular machine is the microfilm reader-printer that you use for film. We have a lot of microfilm, particularly newspapers, and this is the only machine that we can use to make copies.

Secondly, it's important because they had been notified by Japan — this is a Japanese piece of equipment — that the Americans from whom we get



our supplies will no longer allow these hazardous chemicals to be brought into the country, and Canadians won't either. So they can no longer guarantee us the liquid supplies to run it, and they've discontinued the paper.

So everything is pretty much obsolete at the same time. They can't guarantee us service beyond six months to a year.

And to put it in next year's budget, since we've missed the budget cycle here, would be '95-96. We can't really do without it since it's the only machine that we have that will do this.

**Mr. Hagel:** — Is it an option to . . . I mean obviously there's a budget proposal for '94-95 before us. And in considering the budget proposal, things can be taken out, or things can be added in.

**Ms. Powell:** — Yes.

**Mr. Hagel:** — So I quite understand this happened after the budget proposal was put together.

**Ms. Powell:** — Right.

**Mr. Hagel:** — Is it open to us to consider that for an amendment to the '94-95 budget, as opposed to a special warrant proposal now? Has the money been paid . . . the money has not been paid, and has the part been received?

**Ms. Powell:** — Well the one part was located and then brought in from Vancouver. The price that we have expires in two weeks. It'll go up after that, so it'll be more money. But certainly the board can make those decisions.

**Ms. Ronyk:** — That was why we did choose to put it here, was because of the price. I don't think it's a big amount.

**Mr. Hagel:** — So what you're saying is that if we remove 5,000 from the 50 special warrant, then what you would want to have happen is the proposal for the library budget that we're going to consider would go up by the equivalent of 5,000 at that time?

**Ms. Powell:** — Thirteen.

**Ms. Ronyk:** — Thirteen thousand.

**Mr. Hagel:** — Oh sorry. Okay, I was . . . yes, by 13,000.

**Hon. Ms. Carson:** — Just so that we're clear on . . . And I don't have enough background experience on special warrants, but they are unusual circumstances or circumstances that cannot be met in any other way where we need expenditures. And it seems to me the appropriate way of accounting for the 13,000 is in next year's budget, rather than into a special warrant because . . . I don't know the terms of reference of when you should use a special warrant, but it seems to me that there are no other options, and the

expenditure is necessary immediately and it has to be met. This is not an emergency at this point in time. And because we are going to have a new budget within the next month, would it not be appropriate to include that 13,000 where it legitimately belongs, within next year's budget?

**The Chairperson:** — That is an option. Certainly that is an option. But the board will have to remember that there will be increased costs over and above the 13,000 because you can't . . . I mean the option of us buying it now will no longer be available after the budget, and so it will be an additional cost. But I don't think it's a significant cost increase.

**Mr. Hagel:** — I think we want to do the responsible and prudent thing here, Mr. Speaker.

Can I ask, Marian, if we put it off till next year and then there's the increased cost, by doing that accounting procedure, in terms of dollars, what is the extra? Does it cost an extra \$10? \$100? \$200?

**Ms. Powell:** — He indicated to us likely 5 per cent on 13,000.

**Mr. Hagel:** — So about \$260. Oh, no . . .

**The Chairperson:** — \$560.

**Mr. Hagel:** — Yes, about \$650 would be the cost if we put it into next year's budget as opposed to special warrant.

**The Chairperson:** — Whatever the board . . . I mean it's really immaterial to us; it's an unforeseen cost. I mean it just couldn't be foreseen. If the members don't like it, I'd like to just move an amendment. I'm not hung up on this.

**Mr. Upshall:** — I don't see the advantage to spending 650 more dollars. It's only 650, but I think I would lean towards keeping it in the special warrant. Save the money. It's to be purchased in the year of the warrant and come in the blue book in the year of the warrant, of the year of that budget. So I would end by saying . . . and that part of my comment was in that.

Second question now. I have a question on a different item. If you want me to . . .

**The Chairperson:** — No, no that's good. Okay, go ahead.

**Mr. Upshall:** — Just in broadcasting. The overtime cost of distribution broadcast signal, that's total systems cost, line cost. Is that it, or is any wages and salaries included in that?

**The Chairperson:** — No, no. Some of it is salaries, but no, pardon me . . . (inaudible) . . . That's simply distribution, extra hours of sitting.

**Mr. Upshall:** — Okay, agreed. I mean, I understand.

Now technician salary increase then. If it's 5,000 for



equipment, it's only 1,500 for . . . Is that because we're running a little ahead of budget, or under budget on the technicians' salary and we don't have to . . . because 1,500 won't cover 20 days.

**Ms. Ronyk:** — It was the 2 per cent that SGEU (Saskatchewan Government Employees' Union) employees were awarded in October.

**Mr. Upshall:** — Oh, that's what that is.

**Ms. Ronyk:** — And that's what it is there. They're entitled to that. That's why it's not very much.

**Mr. Upshall:** — So then where will the cost of the technicians come in?

**The Chairperson:** — No, no, they're on contract.

**Ms. Ronyk:** — They're on contract along with . . .

**Mr. Upshall:** — Okay, thank you.

**Hon. Mr. Lautermilch:** — I want to speak to the repair parts that were purchased with respect to broadcasting.

**A Member:** — Broadcasting?

**Hon. Mr. Lautermilch:** — Right, under 103. I am of the opinion that special warrants . . . I mean this looks to me like a regular, run-of-the-mill operating cost. And when we set a budget on a fiscal basis — and I can understand the change and I can understand the need for the warrant because of the increased costs of operating the Legislative Assembly, and it hasn't for the last few years been . . . had a session that started at this time. And I understand the fiscal year and the calendar year and all of that, but I see this and the repair costs as being part of what should have been or could have been or may have been included in last year's budgeting.

I am not comfortable with these kinds of purchases being made and then bringing them to the board after the fact. I know it's maybe only \$5,000 in terms of repair parts, but if this is going to happen every year that we have a special warrant to buy whatever kind of equipment, we're going to have a difficult time to be presenting any kind of an idea to the government in terms of the overall picture as to how much it's going to cost for this budget. And I guess what I would like to know is if there are any areas in the '93-94 budget where there are some surpluses or monies that haven't been spent to this point where this \$5,000 can be taken out of.

**Ms. Ronyk:** — I think this document does reflect where our savings are and we have offset our total request with the savings. So to the extent that we have . . . we expect savings, we have offset our overexpenditures. Certainly we would have been able to live within that broadcasting budget if we hadn't had the overtime, the additional sitting days costs, because it is a small amount and probably would have been able to absorb it even though it wasn't put in last

year's budget.

We used to have a standing amount in the broadcasting budget for repairs because you never know when something is going to break down and when you'll need repairs. But we have over the past number of years trimmed and trimmed and trimmed to try to, you know, make sure there isn't padding in the budget. And so what we did find that in this year we didn't have enough in our regular budget to cover this.

And as I said this wasn't a planned purchase. This is second-hand equipment that became available, and we either bought it then or we lost the opportunity to buy it. And if Gary Ward was here he could explain to you, you know, the value that we felt we got from that, that it was an opportunity that we didn't want to lose because either the parts are very difficult to get new or we might have had to pay a lot more for the same ones later. Because when people are going out of this stuff, that's when you have a chance to buy it up, and there's not too much of this equipment left any more.

**Hon. Mr. Lautermilch:** — Well you know I guess there's no place to absorb this. Quite clearly we're going to have to approve the expenditure. And you know I do understand the constraints that you've been working under. It's been the Legislative Assembly Office budget. . . a lot of it is in statute and you have no control, and I know — I sat through this budget process here long enough to know — some of the decisions that have been made have not been easy ones.

And I don't expect that the ones we're going to making in this year's, the '94-95 budget process, some of them will be difficult as well. I guess it's part and parcel of trying to achieve some economic stability in the province, and certainly I guess the Legislative Assembly budget has been attempting to do its share, so I'm not going to belabour this, but I'm concerned that we don't have these kinds of expenditures on sort of on a yearly basis.

**The Chairperson:** — Yes, I want to make a comment on that. I fully appreciate the member's comments, but on the other hand I think sometimes that judgement has to be made. And, you know, I think members would have been very irate if the decision had been made that we didn't purchase it, and we couldn't have televised, or we spent two of three times the amount because we didn't purchase it at the time. And this was unforeseen.

But I do appreciate your comments that you have made, and we will do whatever is possible within our means to live within our budget and to only expend on those items that have been approved by the Board of Internal Economy and by the Assembly. But sometimes I think you just have to make a judgement, and we made the judgement, rightly or wrongly.

**Mr. Upshall:** — I don't want to belabour this either, but in light of the next agenda item, I would ask, that this was a piece, a replacement part for equipment?



**The Chairperson:** — A spare part.

**Mr. Upshall:** — A spare part.

**The Chairperson:** — That's my understanding, was a spare part.

**Mr. Upshall:** — So then that should probably dictate that it would be much easier to fall within our budget allotment for parts next . . . (inaudible) . . . Can I assume that? Okay, thanks.

**The Chairperson:** — It is true, Eric, but I do want to say to members our system is really getting old, and it could well happen that we have a major expenditure within a few years, that the system is getting relatively old.

**Mr. Upshall:** — We'll have to go back to radio.

**Mr. Swenson:** — Thank you, Mr. Speaker. I'm wondering, just looking at these numbers and projections that this stuff is wearing out. My understanding is that depreciation on that type of item is probably the highest schedule that's out there, like computers, television, that kind of stuff. Have we explored the lease market rather than actually owning this stuff?

**The Chairperson:** — I could not tell you that.

**Ms. Ronyk:** — No, we haven't because we do own it. Of course it was purchased when we first started television and there's been no thought of wholesale replacing it. We did, if you recall, a couple of years ago replace the cameras, which was a major upgrade to the system — the old cameras and the lenses were on their very last legs — and we did that over a three-year term in order to, you know, even out the costs. It wasn't a lease *per se*, but it was a term sort of arrangement.

**Mr. Swenson:** — It would be much easier for us to budget if we knew that your television costs were \$120,000 per year because you were on a lease fee, and then we would never have to worry about this repair stuff.

**Ms. Ronyk:** — Under accrual accounting that doesn't work any more. It all has to be charged against your expenditures in the year you received the equipment.

**Mr. Swenson:** — So the entire cost of . . .

**Ms. Ronyk:** — If we got a million dollars worth of equipment and we wanted to pay for it over five years, the entire cost of a million dollars will show up in this year's budget for a capital lease. And then, even if we only paid 200,000 each year on it, the remainder of that 800,000 that we haven't paid this year is set up as an accrued liability and it comes out of the Consolidated Fund every year, 200,000 a year. But your financial statements of the province will show that you have incurred a million-dollar liability in this year. And you can't hide any more the fact that you're

spending a million dollars just by spreading it over five years.

**Mr. Swenson:** — Well I'm just wondering where the taxpayer gets the best bang for the buck.

**Ms. Ronyk:** — On this equipment too, this was specially designed and built for us. At the time we could not have leased it; it didn't exist anywhere. And, you know, it's still very rare in terms of the particular use that our system is designed for. When this equipment wears out, I think that will have to be explored and . . .

**The Chairperson:** — That should be done soon.

**Mr. Swenson:** — I mean it doesn't cost you much to throw out a proposal and see what comes back.

**The Chairperson:** — That's correct. No, I think soon we'll have to do that. Somebody is going to be hit with a heavy expenditure one of these years.

**Hon. Mr. Lautermilch:** — I'd be very interested in finding out what that would cost on an annual basis, both for lease and for purchase. I'd also like to — I think Mr. Upshall maybe said in a joking fashion, but I'm not sure I am — I'd like to know what it might cost for radio broadcasts as opposed to television. And I guess a third option is no coverage. I mean if we were to be looking at a capital expenditure of 4 or \$5 million, I'm not convinced that that would be very well received anywhere that I know of. But I think it wouldn't hurt to pursue that.

**The Chairperson:** — I'd like to talk to you privately about that. There are some other implications on that. I think you can quickly know what some of the other implications on that would be.

Ladies and gentlemen, are there any further discussions on this special warrant? I need a motion then from somebody that we accept the special warrant of \$50,000. Moved by Mr. Lautermilch, seconded by Mr. Upshall. Any further . . . (inaudible interjection) . . . very happily have done that.

Any further discussion? All those in favour of the special warrant? Thank you very much.

Ladies and gentlemen, it now being close to 5 o'clock, I think this committee should adjourn until 7 o'clock sharp. Please be here at 7 o'clock so we can start then with the other items.

**Ms. Ronyk:** — We can lock it. I still don't know if that's secure but . . .

**The Chairperson:** — I think maybe take your materials with you just to be safe. Okay?

**The meeting recessed for a period of time.**

**The Chairperson:** — When we adjourned for supper we had completed item 7 and were about to begin item 8, the review of the 1994-95 budget for the



Legislative Assembly, and that is the item that I wish to proceed with now.

I'm not quite certain how you wish us to deal with the budget. It's basically a straightforward budget. There are a couple of items I think that I should draw to your attention, which are obvious of course in the budget that is presented, and that's code 270, 271, and code 700.

Just a brief explanation. Code 270 is the infotech equipment purchase, and I think Gwenn was alluding to that before, because of accrual accounting what happens in this particular item. And no. 271 is the commercially available software. Those, as you will see, are substantial increases in our budget.

And the other item is the code 700 which is a CPA (Commonwealth Parliamentary Association), and this is the Saskatchewan share of the international conference that is going to be held in Canada in Banff next year. And it's our turn to host it in Canada and that is Saskatchewan's share, and that only comes up once every 12 or 15 years and it just so happens it's coming next summer.

I think those are the two major increases that I can see, Gwenn, unless I've missed some, but I think those are the two major ones, otherwise I think you would find that it's basically a stand-pat budget with the usual minor increases. So I will leave it with that and turn it over now to Gwenn, unless there are . . .

**Mr. Hagel:** — Mr. Speaker, as we're going through the review of the budget and given that this is the first time we're doing this in transcribed format and is a public meeting, I think the members of the Board of Internal Economy want to be sensitive to the fact that there is the possibility that we may find ourselves getting directly or close to discussion of items that affect the personnel who are employed through this budget.

And I would simply ask that if, either by virtue of subjects that we're discussing or questions that any of us might ask, that if you feel that it is either bordering on or getting into a sensitive area that is more appropriately dealt with in camera, that you advise us of that and enable us then to determine that we will discuss those matters in camera.

However, all of our decisions will be made on the record, so that we can proceed that way respecting our desire to be reviewing openly and publicly but also respecting our sensitivity to what might be troubling personnel matters to the people who work in this building. We don't want to . . .

**The Chairperson:** — I appreciate those comments, Mr. Hagel, and certainly if I feel that that is the case, I will certainly warn members of it so that we don't get ourselves into that difficulty.

**Mr. Hagel:** — Thank you.

**The Chairperson:** — Okay. Gwenn, do you have a . . . For those members who have not really . . . I think

most of you have dealt with budget review — I think we should have a brief comment from Gwenn who is the Clerk, or the deputy minister in this particular case, to give you an overview so that maybe then you'll be able to focus your questions and comments more on the budget itself.

**Ms. Ronyk:** — Thank you, Mr. Chair. Just a brief overview for you first on the structure of the budget document to refresh your memories as to how it's laid out. It gets fairly lengthy there and it may be helpful to have an outline of how it falls together. It is made up primarily of three parts. The first part are the revenue estimates. This is our estimates of what income we are going to earn in the fiscal year. And for us, it's primarily from subscriptions to *Hansard*, Bills, and legislative papers.

The second part is our budgetary section of the budget. These are the expenditures that the Assembly is required, once our estimates get there, to vote upon. They require to be voted in order to provide an appropriation for their expenditure in the next fiscal year. And the budgetary part of the expenditure is the area where we have discretion, where we can add or decrease.

The board has discretion, if you like, to make substantial changes there. The budgetary section is the expenditures for the staff and support services, the administration, and the programs and services that are provided to members, the House, to the committees, and to branches. We have the personnel services that are provided to each other as well as to the House and to members.

The third section of the budget is the statutory section, and that starts somewhere on page 61. And that is the section of the budget that primarily contains the expenses of MLAs that are provided for in statute. Those are the legal entitlements for members' salaries and members' expense allowances and payments that are provided for in The Legislative Assembly Act and therefore they're non-discretionary in the sense that they do not have to be voted when they reach the House.

We do budget for the full legal entitlement. For example, if there's a formula that states that members are eligible for a certain allowance based on this formula, we would budget for the full total of what that formula would produce even though there may be some times when it's under used. For example, we may have a vacancy or members may not spend their total allotment, and we will have savings. But the budget does reflect the total amount, if everyone spent everything they were entitled to, to be paid. There are some of those discretionary elements within the statutory budget in that some of those amounts are based on formulas that are within the board's purview, to determine any changes to the formulas.

And I think with that, I'll give you then the assumptions on which this document is based, on which we budgeted. Our budget objectives, as if we were following government guidelines, government's



expectations of the Legislative Assembly, we're to hold our budget at zero, to stand pat, which it has been for the last . . . their expectations have been for the last number of years.

The assumptions on which this budget is based is that we budget, as we have for many years, for a session that lasts 76 sitting days. Any of our expenditures are based on the length of the sitting, especially sessional staff costs, printing, and these costs that are directly related to the sittings. We budget for 76 sitting days. And some years we're above that and some years we're below. I think our average, five-year average, is probably 82, 83 sitting days right now. So we're probably underbudgeting but . . . And maybe that's why we have an occasional special warrant maybe more often than we ought.

The other important thing to realize when you're looking . . . we get into the budget detail, there's usually three columns in the document — an actual column that reflects what we actually spent in '92-93, and then there's a column that reflects our current year that we're in, the estimate or the budget that was agreed to last year for this current year. And then there's the figure that, the third column, in which we're requesting our amount of budget for '94-95, the next fiscal year, starting in April, 1994.

You will notice that the 1992-93 actual figures are very high in some situations and some sections of the budget. And there are various reasons for that, which I'll allude to as we go through it, but primarily it is because in that fiscal year, the '92-93 year, we had 101 sitting days plus 19 days when the house was partially operational through a bell-ringing period. So with that, it did increase our actual expenditures a good deal in that fiscal year.

The general position with respect to personnel budgeting within this budget is that we have paralleled government policy with respect to budgeting for personnel. The only increases that are reflected in the personnel and staff budgets are for the 2 per cent or 31 cents an hour cost of living increase that employees received last October, those employees who have a parallel to the SGEU agreement in government, and that affects some of our employees. That was put in because it will of course be in place for this fiscal year. And wherever employees are eligible for increments, that has also been reflected in the budget. There is no cost of living for management, as is parallel to what is in government. The out-of-scope staffing reflects no cost of living increase at all budgeted for.

I think with that, unless you have general questions about the overall structure, we can get into the breakdown, unless you have a better way that you'd like to pursue this.

**The Chairperson:** — All right. With that, we can then go through the budget. I would propose that we go through it page by page, and if members have no questions on the various pages, we'll simply proceed; unless you have specific questions on specific pages

that any member wants to zero in on, that's fair enough.

Page 1 then, any questions on page 1?

**Ms. Ronyk:** — This first section, the revenue estimates.

**The Chairperson:** — Those are revenue estimates.

**Ms. Ronyk:** — And you'll notice that there is an increase there of about 5 or \$6,000. And it's not that we've increased our subscription rates. We haven't this year. We increased them quite a bit last year — doubled them, some of them — our subscriptions to *Hansard* and so on. This year, the increase here that shows is due to reporting subscriptions on the accrual accounting method. And because our subscriptions overlap the fiscal year — we do not coincide with the fiscal year — then we have to report some accrued liability there.

**Mr. Hagel:** — Page 1. I guess my question is not about what I see, but about what I don't see. I've wondered for some time and I guess this is really the forum in which to raise the question — because it is related to revenue, although I don't for a moment suggest the potential is a large amount — but it's seemed to me for some time that in the operations of the legislature, consistent with the excellent visitor guide services that we have here, there is potential that I think does exist in some houses for a souvenirs kind of service. Now again, I'm not suggesting that's a large revenue, but it struck me. As I've looked through here, I've noted there is some expenditure related to making available payments for visitors.

I'm sorry; I'm not sure just how that's distributed. But it would seem to me that there are a lot of people that travel through our province and, when the legislature is sitting or not, who take advantage of the tours that are provided in this building and for whom the seat of parliamentary democracy in Saskatchewan provides an attractive visit.

And I think consistent with the desire in Saskatchewan to enhance tourism attractiveness of our province generally, there may be a message and maybe an opportunity for us that's here at the legislature itself. And so I would appreciate, Mr. Speaker, if there has . . . Is this something that's ever been seriously considered in terms of budgetary . . . just dealing simply in those terms right now?

**The Chairperson:** — Yes, there has been. In fact we've been dealing with a number of proposals over the last two years. And on the surface, when you talk about it, it seems like it's a fairly easy way to make some revenue. But when you really look into it, the traffic just doesn't seem to be large enough to make it a worthwhile project.

There's several proposals have been made pertaining to, for example, a gift shop basically is what it is: one, to have it at the entrance of the Legislative Building. Some concern has been expressed; if you put it in the



entrance of the Legislative Building, you really, if you want to sell it, you're going to commercialize the entrance. I don't think there's any way to avoid that because you have to display your stuff. I mean you have to take where the guide services presently are and display your materials. And I think you want to be careful what kinds of things you display in there so you don't cheapen the entrance of the Legislative Building.

There was also a proposal put forward to possibly tie it in with the cafeteria because the staff is there. They could possibly . . . might not be a need for an increase in the staff for the cafeteria board, and that is an option. Some people weren't very positive about that because they said, well you know a lot of the people don't go down to the cafeteria when they have a tour. I think you would have to make a positive or a concerted effort to end your tour at the cafeteria entrance there to make sure everybody goes by so that they would buy it.

If you have it in the entrance and you want guide services to deal with it, I think two things would have to happen. One, we'd have to increase the personnel in guide services. And I say this for this one reason only, and that is that when the guide services are at their busiest — that is, conducting the tours and other tours finish — you don't have any people there selling the items, so you have to have somebody there to maintain it and to sell the items. And we don't have people left over to do that, so you'd have to hire someone to do that.

Secondly, if you're going to set that up, you've got to set up . . . if it's a business, then it's got to be run like a business. In other words, you've got to have a cash register there and you've got to set it up like a business, and I don't think anybody can just go in there and run it. I think some training would have to take place and so on. It is something that we have . . .

Thirdly, I guess I am somewhat reluctant because I think of the negative effect it may have on other gift shops and souvenir shops in the area. There are several of them who are in the business right now, and it could well be that we may drive some of those out of business. And I'm not sure that that's a very palatable solution either.

What we could do is tie it in with the Wascana gift shop, have them supply all the inventory, and have them take the profits to make them viable. They're having a difficult time of it right now. I would think if we set one up without involving Wascana gift shop, Wascana gift shop would go under. I don't think there's any doubt about that.

So it's being considered, Glenn, and several proposals . . . I think three proposals have been put to me since I've been Speaker. And at first I was very enthusiastic about any proposal that comes to me. As I go through it, I'm less and less enthusiastic about it. So it's not a dead issue. And there is some pressure being put on from some that we deal with it in a positive way. I've not closed the doors on it, but I need to . . . someone

needs to convince me that it's going to be a paying proposition without any adverse effects on one or two of the other gift shops in the surrounding areas, and also that we don't need to increase our personnel in visitor services in order carry it out.

**Mr. Hagel:** — Well accepting the limitations, may I end without giving a long speech. I don't want to belabour the issue, but if I can just help to stimulate and renew your enthusiasm for it, I do see it. I see the potential for souvenirs which are specific — not generic Saskatchewan souvenirs — but which are Legislative Assembly of Saskatchewan kinds of things that just, I don't know, aren't particularly available anywhere now.

And I think does enhance the . . . it adds, in my view, potentially to the attractiveness of this place. And the kind of thing that, I guess in my own personal opinion, may even be justified if it operated on a break-even basis maybe without necessarily even being a plus revenue. I wouldn't support it being a revenue loser and I appreciate the restrictions. And so I'll just lend my support to the notion and would be prepared to assist, if I can in some way, and leave it there.

**The Chairperson:** — I think I would be more enthusiastic about it if it wasn't . . . I'm a little concerned about having 20, 30, or 40 young people all standing in the entrance trying to buy something and then you have people coming in and, you know, it's . . . I'm just . . . someone needs to convince me of that, number one.

**Mr. Hagel:** — What if we had postcards with the picture of the Speaker on? I mean . . .

**The Chairperson:** — That would never sell.

**Mr. Hagel:** — Where else could you get those anyway?

**The Chairperson:** — Well I'll tell you, if you did that with the present Speaker, you would lose money and that's immediately. I could suggest some other members be put on. They could use them then as target practice, but . . .

No, I really . . . I'm still considering it; the proposal is still alive. But I must admit, I don't want to mislead the committee, it's not being received very enthusiastically.

**Mr. Upshall:** — Just two points. One is a point of clarification, and as the way I hear, it's the Speaker's decision to whether this is in, or is it a board decision?

**The Chairperson:** — No, I don't think it would be just a Speaker's decision. I think that once we get something that I think we can . . . that I could sell, I think I would bring it to the board. I'm not sure but I think I would bring it to the board.

So far I have not seen anything that I think really we can get enthusiastic about. And I think we've got to do a little more work on it. I thought the one in the



cafeteria, Eric, was the one that was somewhat viable. And that was not enthusiastically received by some other groups.

So we're still working on it and I just don't know how . . . the volume just isn't there. I mean to really make it a . . . I don't think it'll be a viable operation. That's my concern.

**Mr. Upshall:** — Okay. I was just requesting the information.

**The Chairperson:** — Yes.

**Mr. Upshall:** — On page 2 on the right-hand side, sale of legislative papers, is that basically the break-even operation in total? The 46,000 accumulative . . .

**Ms. Ronyk:** — No, it isn't at all. We mail out our Bills, and *Votes* and *Orders*, and *Hansard* daily to subscribers. And this barely covers the cost of the postage, let alone any of the cost of printing or staff time.

**Mr. Upshall:** — So what would the actual cost then be? Do we have a figure?

**Ms. Ronyk:** — Well it's distributed throughout the other sections of the budget.

**Mr. Upshall:** — Right.

**Ms. Ronyk:** — For example our total . . . Maybe *Hansard* is a good example because it exists solely for the purpose of producing *Hansard* and all the staff and resources are dedicated to that. And for example our *Hansard* cost — and this does not include the committee *Hansard* — is \$353,000. That's . . .

**Mr. Upshall:** — It seems to me . . . Like I don't know if it's . . . I know it's routine we send all these things out, but I really question if it's necessary that we send every piece of paper we send. And have we ever looked at how we could possibly reduce that loss and just mail out on a request basis? I mean what I'm saying is, I know these things are . . . I see stacks of them around this building, let alone wherever we sent them out to, stacks of them that are never looked at. I don't think that's efficiency.

And I know the problem we have if we don't produce them, because somebody says, well you know you're not . . . But I really would like to see a number of what we're actually subsidizing. You know, have a review of who we're sending to. I know it gets mailed to all the offices, and every member gets one. But I think we're really wasting a lot of money by mass producing these things which are just flying all over the place.

Now we can't do anything this year, I don't think, but I certainly would like to see a review of that.

**Ms. Ronyk:** — We pretty well did do kind of a review of our distribution — say of *Hansard* and some of the other documents also last year — when we were looking at increasing the subscription rates. We only

mail out the papers to people who subscribe; therefore they pay a fee. Now there are a few free lists. We do send one copy to each department. If they want more than one copy, they have to pay. I don't even think we send it free to libraries any more. We charge them. And for example our session's *Hansard* is \$100 right now. But when you look at the amount of pages that is, you know over the course of the session, \$100 doesn't go very far.

We only produce about 800 copies of *Hansard*. And that's true with the *Votes* and the *Orders*, I think a little more of the Bills because we sometimes run out of those. It's less so of some things like the order paper. Out of that 800 — say of *Hansard* — that we produce about half of that or less than half, a little less than half of that goes out to subscribers. The rest of it is used in the building here. We distribute it to each of the offices in the building, as well as in the House to all of the members. And those are the ones that we do send inter-office to departments and agencies and so on.

It's hard. You're right. I sometimes think, gee you know look at, there's 25 *Journals* sitting there that didn't get used this year. Why can't we cut back? And then we'll have a year where we haven't produced enough.

We think that the way to go on this in time is to make the *Hansard* available — eventually as the technology even gets better which it is doing — on line through a computer system. And this way we won't have to print it. We won't have to print all those copies and have them thrown away. It'll be accessible to anyone who wishes to subscribe or dial up to a bulletin board or some such method or perhaps purchase a CD (compact disc) with a whole session on it. And that should get us away from the wastage that goes with just kind of printing block numbers. A good part of it is the cost to produce it. The staff cost is far more than the operational cost of . . . (inaudible) . . . So we'd only save proportionally by cutting that 800 — say — to 600 or . . .

**Mr. Upshall:** — I guess it just bugs me to see them sitting around.

**Ms. Ronyk:** — It's a lot of trees being wasted.

**Mr. Upshall:** — Yes, okay, thank you.

**The Chairperson:** — Did you have another question?

**Mr. Upshall:** — No, that's fine.

**The Chairperson:** — Okay, anybody else on page 2? All right, let us then go to the expenditure part of the budget, and page . . . sum 2. We have personal services.

**Mr. Upshall:** — Back on page 1.

**The Chairperson:** — Sure.

**Mr. Upshall:** — Of the 6.32 per cent, can you tell me how much of that is statutory and how much is



non-statutory, as a percentage?

**The Chairperson:** — On page 1 of your . . .

**A Member:** — Sum 1.

**The Chairperson:** — Oh I see.

**Mr. Upshall:** — Sum 1.

**Ms. Ronyk:** — If you go to summary pages 2 and 3, you'll see the breakdown there.

**The Chairperson:** — Yes, if you look on page . . . sum 3, Eric, you see statutory, 450 . . . The increase is 453,260. The total there is ten million three eighty-three.

**Ms. Ronyk:** — Percentage increases then are for budgetary . . .

**The Chairperson:** — Do you see them?

**Mr. Upshall:** — Four point five six is the total statutory.

**The Chairperson:** — Yes, that's correct.

**Ms. Ronyk:** — And the total of statutory and budgetary is 6.32 per cent.

**Mr. Upshall:** — Right. Okay, that's what I wanted to know.

**The Chairperson:** — Okay.

**Mr. Hagel:** — In fact, I think that's almost exactly 50/50, isn't it? One is four fifty-two and the other is four fifty-three.

**The Chairperson:** — Increase.

**Mr. Hagel:** — Yes. So the increase is almost exactly 50/50.

**The Chairperson:** — Yes, but one budget is much higher than the other.

**Mr. Hagel:** — That's right. Yes.

**Ms. Ronyk:** — So the impact of the 452,000 increase in budgetary is higher; it's 10 per cent increase. And I'll explain where that comes from. It is primarily the system equipment, computer equipment, material.

**The Chairperson:** — Okay, can we go to page 1? Any further questions on summary 1, summary 2, summary 3? Okay let's go to page 1 then on the summary of items to be voted.

**Ms. Ronyk:** — The page 1 to note . . . the page number's down the right-hand side give you . . . this is basically a table of contents if you need to find your way around the budget later on. And this is only the voted items, the budgetary part.

**The Chairperson:** — Any questions on page 1?

**Mr. Swenson:** — Did Gwenn say that she was going to explain this jump in administration?

**The Chairperson:** — Oh yes. Gwenn, would you?

**Ms. Ronyk:** — Yes, can we do that when we get to the line detail?

**The Chairperson:** — It is if you go to . . . yes, you'll note on the side there, the page numbers there. When we get there, it will tell you that it's all broken down on page 4 and so on down the list. Do you want to go to page 4, Rick? And then we can deal with your question then.

**Ms. Ronyk:** — The only other one in between that is the personnel summary on page 2, and basically it shows you the overall personnel breakdown for permanent and sessional employees. In our permanent employees, you'll see there's no change at all. There's no request for any new positions or new hours or additional hours. And in the sessional employees there is a slight decrease under administration and a slight increase under Legislative Assembly because there's overtime under the Legislative Assembly for . . . that is new for the permanent Clerk Assistant in Journals, because it used to be a sessional position and has been made permanent last year, so now we have to pay overtime.

Overall, there's a slight decrease in sessional hours there and that's primarily because of a loss of about an eighth of a person in personnel and the decrease in the number of members' secretaries because of the increase in cabinet.

**The Chairperson:** — The next two pages there are basically no changes. Stand pat until you get to page 6 and that's, Rick, where we . . . is your question, on page 6. And that is, as I explained at the beginning, code 270 and 271.

If you go through the various items you will note that they're all stand pat except some are down. Long-distance telephone charges are down, and then if you have 270 that's where you have the five-year computer lease expires March 31, 1994; new office automation computer system acquisition under accrual accounting, total purchase cost is charged to year of acquisition 1994-95.

**Hon. Mr. Lautermilch:** — Just under item 252, Gwenn, I would wonder if you could give us a breakdown in terms of the telephone usage. I note it's down considerably from the estimated '93-94, actual use '92-93, 8,500, roughly 6,720.

I'm wondering if this might be . . . Are the press using their phones a little less in this upcoming year? And I'd sort of like a breakdown in terms of that money. How much of that comes from the Clerk's office, how much from administration and from the press? Have you any kind of a breakdown on that?



**Ms. Ronyk:** — There will be very little on the press because we do not allow them to use long distance on our phones. So I'm not sure the press gallery item on the above . . . the item right above it, 251, for the rental we do pay, but I think that's all we pay for the press gallery. So it's really an error to have them listed under 252 because we do not pay any fax or long-distance charges for them.

Now as to the breakdown between the other offices, that would take us some time to pull out and . . .

**Hon. Mr. Lautermilch:** — You could just send it to us afterward.

**The Chairperson:** — Eldon, I would just for the Speaker's . . . I would expect that the Speaker's long distances would be up, and I wouldn't . . . No, I want to give an explanation for that.

Rather than driving to Regina very often to do the Speaker's work, very often I would do it by telephone and which I feel number one is much cheaper for the Legislative Assembly. And if I can deal with it through the telephone with Gwenn or with my office here, I'll do it rather than driving in and have the government pay that cost. So I wouldn't be surprised if my telephone bill for the Speaker would be up considerably.

**Hon. Mr. Lautermilch:** — But in terms of the figure in your request for '94-95, it's down.

**The Chairperson:** — It's down. Yes. That's interesting. I didn't . . .

**Hon. Mr. Lautermilch:** — My question with respect to this page I guess basically deals with the infotech equipment purchase. And I haven't had a chance to look through the detailed analysis of that, and I think it's under item 8, is it, of our regular budget?

**Ms. Ronyk:** — Well the budget is item 8, so this is just . . .

**Hon. Mr. Lautermilch:** — Oh, okay. So that's really information we've got to . . . Have you . . . I guess what I'm saying is we've been trying to cut the costs of computers of government across the board. And I guess just to use an example of one area where we've achieved some cost effectiveness, we stretched the life span of the Department of Finance's computer system from a projected life span of five years to seven years. And I guess in that respect we were able to save a few dollars for those years. And we've been trying to do that basically across the piece.

I don't think there's any doubt that a capital expenditure of a half a million dollars or just shortly under is certainly not, in these times, a small item. And I'm wondering if you've pursued any options in terms of extending these lease arrangements; if there would be any ability to put off this capital expenditure. We may in fact be able to squeeze another two years out of this computer system; I don't know that. Have you pursued that option?

**Ms. Ronyk:** — Yes, we did. We don't have any people on staff that are computer experts or have systems expertise. And so when we want to do a major revamp or review of our system, then we do call in some expertise. And the Department of Finance, through the Information Technology Board, provided us with an analyst up until the end of December to assist us in assessing our own needs, first of all, to establish what our needs were, assessing our existing equipment, and then assessing what various options there were for us over the next, say five years.

We currently are in a lease with Digital Equipment that will expire on March 31, 1994, and therefore we do have to do something. But we have looked at various options and one of them, if you could turn to the supplementary information that was handed out to you earlier today — it's not in your budget documents; it's called supplementary budget information — and it says: item 8, meeting number 1, '94. The little chart on the bottom of the first page there shows you the options that we have explored with this, put together by our analyst, really.

The first line refers to what our cash flow was over the past five-year lease, which was for everything — maintenance, hardware, software, operation. And basically over the last five years we've spent just a little over a million dollars, averaged out over each year of about \$200,000. Because it was a lease, we were able to spread out the costs, as we referred to earlier this afternoon, and not had any big blips in our budget. In fact when we went into this lease, we were able to do it for really the same dollar costs per year as our old Wang system which we'd had for five or six years prior to that.

The next line is an option, if we do not replace our equipment in this next fiscal year. And this assumes — you can see the breakdown, year 1, year 2, year 3, year 4, year 5, and the total at the end — assuming in the first year that we do not have to replace major equipment. And that's making a fairly big assumption because some of our equipment is very old.

For example, our equipment in *Hansard* is owned; it's not part of this Digital lease. It is owned; it is still Wang equipment; it is more than 10 years old. We did not replace it five years ago when we went into our new Digital system because it was working and it was doing the job. The equipment that they needed didn't need to be new, fancy, sophisticated equipment because all they do to produce the *Hansard* is a very basic word processing and then a desktop publishing type of operation. But it has lasted us for 10 years, and we just can't push it any further. And even our no replacement in '94-95 option does provide . . . and the detail is on the second page. The first eight lines in that second page is the detail of this first option, the no replacement in '94-95 or replace as needed, as it's called here.

And you see there that we have to pay an additional \$20,000 for Wang maintenance plus a \$13,000 cost to replace the Linotron typesetter in *Hansard*. It is very



old equipment. We've been having trouble getting it repaired the last number of years. We have just been informed that we will not be able to renew our maintenance contract on it. This year the company won't support it any more because they don't have technicians training in it. It's obsolete equipment, and they can't get the parts.

And also a problem with the Linotron is that it's an old process that requires toxic chemicals to develop the film, and we now have to pay a lot to dispose of those toxic chemicals, and it also is a personnel hazard, a staff hazard to them to have to handle the toxic equipment, and we would like to change that.

But to get back to the no replacement option, you'll see that the total . . . that we will probably have to replace the main section of the system by year 3. And that by year 5, it will have cost us \$165,000 more than if we replace it all right now which is the bottom line in that four-line chart.

The third line there is what we expect will be the likely replacement scenario, that in year 1 we will not be able to get by with replacing only the Linotron in *Hansard*, that our VAXmates which are the kind of the workhorses within our Digital system which are ancient technology really now are . . . we expect that the supplier will soon not be supporting those any longer. They cost more to support, and the reason for the extra cost there is that there will be more maintenance costs to maintain the system.

You can see that we have negotiated with Digital a lease buy-out of our existing leased equipment of \$26,000, so that's, you know, very cheap considering the system cost us a million dollars, not for the equipment but for everything over the last five years. But when you look at all the support and maintenance that would be required and the progression over the years, it still is going to cost us more in the long run.

Our recommendation in what is in the budget, in terms of the figures, is the fourth line which is to replace our equipment or hardware basically in year 1, in this year, for a total cost of hardware of 600 and . . . not hardware. That's partly hardware, mostly hardware, 675,000 in this fiscal year. And then the next years will be much lower: 80,000; 80,000; 110 and 105,000.

So we will have, if this route is adopted, we will have a severe blip in this year's budget, but it will go down again significantly next year and for the next number of years. And in the long run we will have saved some money; and also we will have saved some money, but we will have had the advantage of the increased functionality that the new equipment will provide, and the improvement in services that it enables us to do.

For example, in financial services, for us to be able to upgrade some of the spreadsheet software and have everyone in the unit have access to it enables us to process more claims with the same number of people, and in a faster time frame. And to the extent that our

system is somewhat crippled there now, it does slow us down.

And we have found that with the use of technology, word processing technology primarily, but also the actual computer and data processing technology that we're getting into more now, we have been able to basically provide a tremendous increase in services over the last 10 years with almost no increase in staff. The only area where there has been an increase has been really in financial services, and that is because so much of our process is still manual there, in handling of the claims. One of these days we're going to have a computer in every constituency office and you can just send in your claims by modem or something and maybe there won't be so much paper to handle.

Also, the reason that we have to go with the blip this year is also because of accrual accounting. Even if we decided to try to expend this million dollars that the total will be in five years over a five-year period, we would have to show the expenditure at the full amount this fiscal year, and then you would only be paying interest charges if we financed it over the next number of years. And of course maintenance and software upgrades and so on, those . . . it is the equipment I'm talking about that would have to be expensed in this fiscal year.

But the accrual accounting does save us money in the long run because instead of paying lease costs and spreading it over five years we are going to save some money by purchasing it outright now. And we will then own it and we won't have to worry about the end of a lease in a certain number of times. We will be able to . . .

We also . . . our equipment that we have identified, that our analyst has assisted us with identifying, is equipment that is in the middle of the line. It's not top of the line, we're not going too rich here. It's middle of the line but it is upgradeable, so that modules can be added to it, power can be added to the computers, so that we will not be obsolete as quickly as we have been with our last system.

**Hon. Mr. Lautermilch:** — If you were to make the decision to postpone the replacement for a year, what would the net cost be, if you could renegotiate? Or is it possible to renegotiate on a yearly basis?

**Ms. Ronyk:** — Well we can.

**Hon. Mr. Lautermilch:** — I don't mean the five-year accumulative; I mean what would your net cost be for this fiscal year?

**Ms. Ronyk:** — Well we have our year 1 figures here giving what we expect is the answer to your question. The second line there that says, no replacement in 1994-95, that's assuming that we don't have any breakdowns that we have to replace and we continue . . . we extend our old lease. We buy out that lease and we use that old equipment. That's the best-case scenario that we have, no breakdowns, is that it will cost us 165,000 this year instead of 2,000 last year.



**A Member:** — 200,000.

**Ms. Ronyk:** — 200,000. Yes, 165,000. Two hundred thousand last year and our budget request . . . compared to our budget request of 675,000.

So that difference there, the 200,000 that we spent last year compared to the 675,000 we're asking for this year, accounts for the whole of our \$450,000 increase over last year's budget. Other than the computer stuff, we're at zero in budgetary.

**Hon. Mr. Lautermilch:** — So if the decision was made then to maintain the equipment for a year, your cost would be . . . your net cost would be 165,000. If the budget were to come in at 200,000 you would still have the 35,000 for a contingency for maintenance and repair costs.

**Ms. Ronyk:** — Yes. The third column there is our estimate of what likely it will actually cost us in the first year if 226,000 would be assumed, likely breakdowns. But we don't know, you know, whether or not we'd have any serious breakdowns.

**Hon. Mr. Lautermilch:** — You're basing then that third line on maintenance costs of the differential between 226 and 165.

**Ms. Ronyk:** — And if we have some breakdowns and we have to purchase some new equipment. DEC replacement there, some of the VAXmates, yes . . . The VAXmates in the detailed page, the second page, the second set of lines is the likely replacement breakdown. And about the middle of that, DEC replacement, \$65,000 is what we are adding to the 165 there, because we think that the VAXmates, the Digital is not going to support those VAXmates very much longer.

**Hon. Mr. Lautermilch:** — So then if the likely replacement . . . the 226 wouldn't include any maintenance but the DEC replacement, the 65. Or am I misunderstanding?

**Ms. Ronyk:** — It includes the same maintenance basically as we've had in the past. You can see that the DEC maintenance line is 62,000 in the second scenario; in the first one it's 66,000. It's slightly less because if we do have new equipment, they're under warranty for the first year, and therefore we expect that we will not have any maintenance on the new equipment that would have been purchased there.

**Mr. Swenson:** — I tried to convince my wife about buying a new combine and used the same arguments. And she said anything that cost that much and didn't have a bathroom wasn't worth having.

**Hon. Mr. Lautermilch:** — You're not being helpful here . . . (inaudible interjection) . . . Yes, does this one have a bathroom?

**Ms. Ronyk:** — Our *Hansard* equipment is . . . Mr. Speaker has asked, how old is our equipment. Our

*Hansard* operation, which is 16 kind of basic terminals and two or three more powerful . . . an indexing section which is more powerful, and the machines that actually combine the tapes from all of the individual machines and produce the final version that goes to the typesetter, that system is over 10 years old. It's an old Wang system that is really old in technology terms.

The rest of our system, the terminals in all of our offices and the word processing system, the spreadsheeting system in accounts, and the production of the *Journal* and the *Votes and Proceedings* in the *Journals* branch, that is all five years old with the Wang system, except that last year in *Journals* we did buy the new equipment to do desktop publishing of the *Votes and Orders*. This allowed us to see whether the technology would work for *Hansard*, which was going to be a bigger expenditure. We were able to do it fairly inexpensively in *Journals* because there's only two machines. And it has worked wonderfully, so we are quite gung-ho on moving from the old *Hansard* system to this desktop publishing. It worked well.

**Mr. Swenson:** — Are these estimates you got from your consultant . . . I presume he sort of floated a . . . out there to the industry in order to come up with these figures?

**Ms. Ronyk:** — Yes, he is very familiar with the market because he's worked with it. He's worked with other government departments and so on. These figures had been prepared prior to us going out to tender, so these are probably high. We won't go to tender until April '94 because we can't install this new system until after session. We just can't be down for two weeks getting this new system in place during session.

**Mr. Swenson:** — Can you go to tender and say, no, I don't like what I see and not accept any of them?

**Ms. Ronyk:** — Well maybe if you asked our minister of SPMC. I don't really know the answer to that.

**Mr. Swenson:** — No, I'm just saying that I bought a PC (personal computer) last Christmas, about a year ago, and it's a 386 with 120-some . . . (inaudible) . . . whatever, and it was about \$2,000. That same unit today, tax in, is about \$1,600 — 15 and change. And they tell me that all across the industry they've seen a 25 per cent cut.

I would guess what I've got in my kitchen is probably far more modern an update than I've seen some of the stuff down in legislative accounts for that kind of dough, you know, \$1,600. I'd love to see this go to tender with the way the industry is right now. They're just eating each other to try and get business.

**Ms. Ronyk:** — And we expect that, that we will have . . . by April these prices will even be out of date, and we should get better prices, especially when you look at the competition because this is going to be a fairly major tender.



**Mr. Swenson:** — Can you go to tender?

**Hon. Mr. Lautermilch:** — I would assume we were tendered.

**Ms. Ronyk:** — Yes.

**Hon. Mr. Lautermilch:** — It's not . . . that's sort of the way this government operates. We try and put purchases to tender.

**Mr. Swenson:** — No, no, I'm just saying, if you don't like what you see, can you back out of it? Is there a penalty or what? How do you work that?

**Hon. Mr. Lautermilch:** — Well what we could do is do a request for proposal if the decision was made to do it. I'll tell you frankly, I think I would lean to gambling the repair costs for a year, seeing what that might cost us, if we can extend this for a year, if that might be a reasonable option. And I think it might be.

How critical is it that you replace the DEC system?

**Ms. Ronyk:** — Well we think it's the VAXmates that are really the problem. They're the kind of what used to be, five years ago, was probably old technology then. But it's an intelligent terminal and not a dumb terminal, as some of our stuff is, but it's not a PC. It's not even at the level of a PC.

**Hon. Mr. Lautermilch:** — But you've worked with it. Over the last fiscal year it's worked. It's done the job for you.

**Ms. Ronyk:** — Yes, it's just that we can't do anything more than we're doing with it, and we've got people chomping at the bit to get to use new software and do bigger and better things with the equipment.

But in terms of how desperate it is, you know, we don't know whether they will for sure stop supporting those VAXmates.

**Hon. Mr. Lautermilch:** — I guess what I'm asking is, is the world going to fly apart if we don't go with the new system this year, if we don't make the decision to go with it? Are you still going to be able to function and provide the services similar to what you did last year for a \$200,000 bite?

**Ms. Ronyk:** — Well our big problem will be in *Hansard*. We're going to have to do something with *Hansard*. And I think basically that's in any of the options anyway, is to replace the typesetter that's there.

**Mr. Upshall:** — Just so that I'm clear, the replace-all-now option that you're recommending, is that a lease-to-own option?

**Ms. Ronyk:** — No, it's an outright purchase.

**Mr. Upshall:** — Outright purchase. Then my question is, why is there no leasing options put forward?

**Ms. Ronyk:** — Because of accrual accounting, you cannot enter into a capital lease without still having to charge out the whole amount of it in the first year. You've entered into this commitment. You know, let's say over five years it's a million dollars. And under accrual accounting you have to show up front that whole million in your first year.

Instead of being able to average it out over the years, over a lease, you have to . . . even if you can get a lease, but you still have to show it in your budget at a million dollars the first year. And even if you only pay \$200,000 each year on that lease, the rest of . . . the million dollars goes into the government's financial statements as an expenditure. And the fact that you haven't spent it all, the rest of the 800,000 that you haven't spent yet after the first year, goes into an accrued liability — an accounts payable, basically. And it doesn't show up in our budget any more.

After the first year our budget would only show the interest costs. The million dollars would show up the first year on the lease, and each year thereafter all there would be are the interest costs even though the \$200,000 would be coming out of the Consolidated Fund each year. It's really difficult to budget under that system. But it's there to show you the real cost of a purchase and make you think twice before you do it.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I think what we should do is budget the 200,000 that we had budgeted last year, see how it goes for this year, and we can have another look at this I would think next year.

I mean the fact of the matter is, if we were in a surplus situation in this province where we're even spending money that we had, it could be a lot more comfortable making these kinds of decisions. But the fact of the matter is, we'll be borrowing money again. Our balanced budget projection isn't targeted for this year so again we're in a negative balance.

Finance and Treasury Board have asked us to do what we can to achieve a zero balance. And I think that we need to do all that we can to ensure that that's where we go.

So I guess I would suggest that we remove these items and the associated costs from the budget, budget the 200,000 that we had budgeted from last fiscal year as I understand it. And that's where I would be. And we'll look at it again next year.

**Ms. Ronyk:** — We will deal with whatever you decide there and I think we'll be able to manage, especially if it's the 200,000 because as you can see, that gives us still a cushion there. The first year under that first scenario without replacing anything is 165,000. And with the 200 at least we will be able to handle any breakdowns and replace some of the VAXes in the most critical areas.

**Mr. Upshall:** — So then just so that we're clear, it would be line 270 plus line 271 minus the 2,000 roughly; line 272; training, line 279 — that would be



included — and support services, line 280. I assume there would be a portion of all of those that would come into it.

**Ms. Ronyk:** — Yes. If it's okay with you. If you want to decide that you want these costs to be capped at 200,000 in this budget, then we can distribute them, you know, where they are required to come out. I can't just say right now whether indeed what you've said, Mr. Upshall, is what we have to do.

**Mr. Upshall:** — Yes, I'm not getting into totals. I'm just looking at the lines that would be affected.

**Hon. Mr. Lautermilch:** — Gwenn . . . can we do this just in an aggregate figure rather than going line by line, Eric. The aggregate figure is what — 675,000 that was in this budget for the new purchases?

**Ms. Ronyk:** — Right.

**Mr. Upshall:** — Right.

**Hon. Mr. Lautermilch:** — The old budget with respect to the lease of these computers was in the neighbourhood of \$200,000 in the last year's budget. Am I right?

**Ms. Ronyk:** — It was 210. And that shows us year five.

**Hon. Mr. Lautermilch:** — What do you expect you might be able to negotiate an extension of this for? Do you have any idea on that? Have you pursued that?

**Ms. Ronyk:** — The actual buy-out of the leased equipment we can do for \$26,000.

**Hon. Mr. Lautermilch:** — So for capital cost, the 26,000, we would own all of this equipment. We would then, if we gave you a \$200,000 budget for computers, you'd have a cushion of 174,000. Is that what I'm hearing here?

**Ms. Ronyk:** — Yes. I wouldn't call it a cushion because a lot of that is already maintenance and so on, the system supports.

**Hon. Mr. Lautermilch:** — Can you take me through the expenses that you would need? And I'd like to go through those, if we could, one by one to determine how much it's going to cost to operate this system.

**Ms. Ronyk:** — I think an easy way to do that would be to take this page; it's your second page of that detail. In that second set of lines, not the first eight lines but the second eight lines, that grouping.

**Hon. Mr. Lautermilch:** — The replacement section?

**Ms. Ronyk:** — Yes, that's the likely replacement scenario. You see at the bottom of that the total in the first year is 226,000. Okay? Now if you were to say that you are willing to approve 200,000 which is slightly less than our last year's budget which was 210, what we would do there is spend 26,000 on the lease buy-out which is the first item; 40,000 on system

support; 62,000 on the DEC maintenance, maybe a little more there because under the next item, DEC replacement, we would use the difference between 165,000 of the first scenario which is no replacement at all and the 200,000. We would use that 35,000 that you're giving us to replace some of the DEC equipment. Okay.

**Hon. Mr. Lautermilch:** — . . . none of that replaced?

**Ms. Ronyk:** — I don't think so because the . . . Well we really need it to be operational, the VAXmates. In the library and in financial services we do need to replace. Those are the critical areas where the VAXmates are not . . .

**Hon. Mr. Lautermilch:** — What's absolutely essential in terms of the replacement?

**Ms. Ronyk:** — Well that would give us \$35,000 cushion to cover what we feel is the critical areas in the library and in the financial services, so that would be the 200,000. And that does include, as you can see on the sixth line there, replacing the Linotron typesetter in the *Hansard*, so that's critical and that is in that figure. We would still be able to do that for the 200,000.

**Hon. Mr. Lautermilch:** — Okay. So you would do the lease buy-out, the systems support of 40; you'd have 62,000 for maintenance of the DEC system; you would have 20,000 for Wang maintenance.

**Ms. Ronyk:** — Yes. We'd still need that because all the terminals in *Hansard* are Wang.

**Hon. Mr. Lautermilch:** — You would have a purchase of 13,000 for the Linotron?

**Ms. Ronyk:** — Right.

**Hon. Mr. Lautermilch:** — And we are in that figure giving you 65,000 basically to either replace DEC replacement or . . . I've had a long day.

**A Member:** — No. That would be 136, so you're looking at about . . .

**Hon. Mr. Lautermilch:** — So we're giving 35,000 roughly, and the 39 is a cushion. Okay. I think that would be a reasonable limit.

**Ms. Ronyk:** — And if it doesn't work and you don't get your cheques in time, we'll know who to send them to.

**Hon. Mr. Lautermilch:** — Well we're a very patient lot. What we're more concerned about is the ability to write the cheques and have them go through the department without bouncing because that's another option that might be available to us. So I guess I'm recommending that we change that, and we put in there in terms of the computer system, in whichever line you're going to do, just put an aggregate figure of 200,000. Is that okay with you?



**Mr. Swenson:** — I still don't understand on pages 3 and 4, because I presume here what we're talking about is contractual services, right? We're explaining these contractual services. There's one under general administration, one under general administration and Assembly administration. Now are those cumulative numbers? Because in both cases under contractual services you've got a difference of over \$400,000.

In those two areas you've got over \$800,000 of contractual services, and yet when we go over here to page 6 and talk about the specifics of computers, software and a few other things, we don't come any where near that amount of money. And I presume that the system serves both general administration and Assembly administration, does it not?

**Ms. Ronyk:** — Yes. Page 3, that's the first one you were looking at?

**Mr. Swenson:** — Right.

**Ms. Ronyk:** — Okay, that is the broader, covers the broader items under general administration which is both Assembly administration and caucus administration. And the contractual services increase there that you see is the computer system.

But then when you turn to page 4, this is the next level of breakdown. We're breaking down general administration into one of its two parts. One of its parts is Assembly administration and the other is caucus administration, and that comes later. And so this is the same dollars that shows up on contractual services on page 4. It's the same dollars; it's computer system again. But this is just a narrower breakdown. We're not dealing with the caucus administration here. We're dealing only with Assembly administration, but of course that's where the computer is. It's not additional dollars.

**Mr. Swenson:** — Why does it have a bigger number? It should have a smaller number then.

**The Chairperson:** — No, it's the same number. It should be the same number.

**Mr. Swenson:** — No, it's not; it's 454,000 on this one, and this one is 408,000.

**Ms. Ronyk:** — Well if you want to go to the detail of the actual services, that starts on page 5, and you'll see what else is in that section. The middle of page 5, the 200 codes are contractual services. And there's a lot of little bits of things in there. Photocopiers and so on are in there, telephones and our office information technology equipment. And in contractual services and Assembly . . . or caucus administration which we get to later, that's largely the photocopiers for the caucus and so on. Those are big dollars.

So that the general summary on page 3, includes the caucus contractual support services, contractual services, and the Assembly contractual services which is the computer. But the breakdown on page 4 is for the Assembly only. These budget documents

start at the broadest scale, and each page narrows you down from vote to subvote to number to code.

**The Chairperson:** — Rick, has that been clarified?

**Mr. Swenson:** — Go ahead, I'm still adding here.

**Hon. Mr. Lautermilch:** — Could I ask you to have someone keep a total of the deletions from the budget for us. I haven't got a target here.

**The Chairperson:** — Sure, sure.

**Hon. Mr. Lautermilch:** — Other than we would sure like to get to zero if we could, and I mean if there's some expenditures that we could save, we would certainly want to look at that, Mr. Speaker.

**A Member:** — I could find them.

**Hon. Mr. Lautermilch:** — I know. He probably could find them easier than we.

**Mr. Hagel:** — Just to make sure I'm understanding this clearly, the consequence, the net consequence of the decision communicated here is to in total pull out \$675,000 worth of proposed expenditure and to put in a total 200,000 expenditure for a net reduction in the proposal of 475,000.

**Ms. Ronyk:** — I think that's the case and I'm just having Linda do the calculations because there are some items in our system costs that are there regardless, and that are not in these option figures. And I just want to make sure that we can still operate.

**Mr. Hagel:** — But these option figures, the 675 was factored into the appropriate places throughout?

**Ms. Ronyk:** — Yes. It should work out to that, yes.

**Mr. Hagel:** — You're double-checking but your conclusion you think is the same as ours.

**Ms. Ronyk:** — There should be \$475,000 there. We're at minus already with that one cut, because our overall dollar increase is 452,000 in budgetary. So we're under zero now.

**Mr. Hagel:** — I appreciate that.

**Ms. Ronyk:** — And we will just check to make sure that those are actually real dollars there.

**The Chairperson:** — All right, we were on page 6. We can continue, I believe. Page 7, I don't see any major change there unless somebody has some questions on page . . .

**Mr. Upshall:** — Just a couple of quick questions, just for my own knowledge basically. Line 306, this is blue pages advertising, is it? Like, this is what it costs us to list in the blue telephone directory advertising. Is this the cost of the blue pages, or what it that?

**The Chairperson:** — Telephone directory advertising.



January 6, 1994

**Ms. Kaminski:** — Yes, that's blue pages.

**A Member:** — Throughout the province.

**Ms. Kaminski:** — Yes, the actual telephone directories in the province. Correct.

**Mr. Upshall:** — There's nothing we can do about that. I mean, that's . . . unless we pull them.

**Ms. Kaminski:** — Unless we pull them. And really, it's so limited right now, what we're listing in the directories anyway.

**Mr. Upshall:** — It's very basic, isn't it.

**Ms. Ronyk:** — We used to list all of the MLAs in all the directories, which just cost us so much that now it's . . .

**Ms. Kaminski:** — Well we're doing it again. But what's happening now is that the cost is being distributed across all of the government departments. It's now the first introductory page in the blue pages, but also at the top is some prime government department phone numbers. So they've combined prime government department phone numbers with the members so it becomes one page. And that's why they're distributing the cost across all government departments.

So that's very recent; that's been only in about the last, oh gosh, about four months, I think. So we're just starting now to see some of the costs of that. But basically, in terms of what we're listing in the directory, it is very basic. It's the Legislative Assembly Office, it's the Speaker, it's the government caucus office phone numbers, and that's about it. And there's no real way of reducing that any more than what it is right now. So it's pretty limited.

**Mr. Upshall:** — But if it's going to cost less, why would we be budgeting more? We went up 400 . . . not a big thing, but just . . .

**Ms. Kaminski:** — No. To clarify, it's not going to cost less. It indeed, the costs are increasing. What I'm saying is that there's no real way . . .

**A Member:** — We're sharing.

**Ms. Kaminski:** — We're sharing now, the cost of the MLAs. And we haven't really even seen the cost of the MLAs yet in all of the government departments. And at the time that this was done, we didn't even know those figures. So this is probably even out a bit, I suspect. I suspect our actual costs are going to be slightly higher than the \$2,800.

**Mr. Upshall:** — Okay. And the Saskatchewan gifts and pins, what is this used for? Just when somebody visits the Speaker, is that what it is? Or . . .

**The Chairperson:** — Where are you? Which number?

**Mr. Upshall:** — Line 309.

**The Chairperson:** — 309?

**Mr. Upshall:** — Saskatchewan gifts and pins for distribution by Speaker's office. It is just information for me.

**Ms. Ronyk:** — You can see that our actual expenditure there in '92-93 was zero.

**Mr. Upshall:** — Yes. See, Herman, my original . . . (inaudible) . . . they make me pay for my pins now.

**The Chairperson:** — Yes, but you sometimes, I mean, from the Speaker's office you have no choice. But I mean when diplomats come in and ambassadors, that's what it is basically.

**Ms. Ronyk:** — The mace pins.

**Mr. Upshall:** — That's all I wanted to know.

**Mr. Hagel:** — Is there a reason why it was zero at one time?

**The Chairperson:** — I think we had a fair number left over in that particular year from the previous year, so we didn't order any.

**Mr. Hagel:** — Is this a consistent \$700-a-year expenditure, or somewhere along the line . . .

**Ms. Ronyk:** — I wouldn't think so. It probably is less than that.

**The Chairperson:** — It'll probably be less than that. But I noticed the other day that there are hardly any pins around. I'm just hoping nobody comes and . . . You know, and we just don't have anything left. We're just drained right out.

**Mr. Hagel:** — But if we had a little souvenir shop, we could sell them some, Mr. Speaker.

**The Chairperson:** — Yes, sure. You could sell an ambassador . . .

**Mr. Upshall:** — We'll go and talk to him about that someday.

**The Chairperson:** — MLAs could take turns — hey, there's an idea — MLAs could take turns manning that shop. Get to know the public and . . .

**Mr. Swenson:** — Give you a percentage, Herman.

**The Chairperson:** — No, no, no, no, no. Volunteer, I said.

**Mr. Upshall:** — We've got our Herman dolls all made already. That's . . .

**The Chairperson:** — Okay. Any other questions or comments on page 7? If not, let us turn to page 8.

**Mr. Hagel:** — Items 402, 403, two trips to Saskatoon. What's happening in Saskatoon?



**Ms. Ronyk:** — There's nothing specific planned. That's always kind of been there to provide for some in-province travel. The Clerks will occasionally get asked to come and speak to, say, the University of Saskatchewan to a science class or a law class, and this provides us with the ability to go up and do that.

It's also not used just for Saskatoon, but for the sake of budgeting that's the figure that we use. You can see that in 1992 we didn't use any of it.

**Mr. Hagel:** — Does this mean nobody asked you, nobody went?

**Ms. Ronyk:** — Actually we've been refusing them lately. We just don't have time for that any more.

**The Chairperson:** — Any other questions on page 8?

**Hon. Mr. Lautermilch:** — Just on item 500, actual for '92-93 was just over 9,000. You're requesting 15 for this year. Is there a reason for the 6,000 incremental?

**The Chairperson:** — Yes. My understanding is that we build up the inventory and then the inventory goes down over the years, and our supply has been depleted. And so you'll find some years where it'll go down. I'd assume that next year the figure will be down again because we'll buy our supplies for several years. It's considerably cheaper that way. And then, you know, this year I'm told that our supplies are dwindling rather rapidly and we need to replenish them.

**Mr. Hagel:** — This is the MLA letterhead that was included in this?

**The Chairperson:** — I'm not certain.

**Ms. Ronyk:** — No, the MLA letterhead is under caucus admin, which is the next section, and this is for the Speaker's office, the Clerk's office, our own letterhead that we use internally, and office supplies — the file folders and the staplers.

**Mr. Swenson:** — Is that tendered?

**Ms. Ronyk:** — It's all purchased through supply agency and SPMC, which some find they feel it is really the best price any time that you can get, even if we went out.

**The Chairperson:** — Yes, I think that came as quite a surprise a few years ago when . . . I'm not sure where I asked that question, and we found out that SPMC was really probably the cheapest of any. Anything on page 9?

**Hon. Mr. Lautermilch:** — Office furniture and equipment, you've budgeted 2,500, and last year's expenditure a thousand. And under 620, we're into china and linen again here. Last year we got by with buying none apparently, and this year we're looking . . . or last year 2,000 and this year another 2,000.

**Ms. Ronyk:** — I don't think that we've spent any out of that other than to repair some silver teapots and so on this year. We put it in there just because we haven't spent any for two years, I guess. And the stuff does wear out, it gets broken, and it needs replacing. Now you might be asking why are we purchasing any of this for Government House. It's a good question. It's been in there a long time. It's because nobody else would buy the Lieutenant Governor any linen and so the previous Clerk felt sorry for the Lieutenant Governor and felt that we should provide some.

Actually what happens is that the china, the silver tea services and so on, and the linen that is used here in the Legislative Building through the cafeteria for teas and special occasions and so on, is shared with Government House. And since we've historically used that stuff for Speakers' teas and so on, we have historically paid for some of it at least. I don't know whether the cafeteria purchases any of their own. But this is the government china, this is the government linen, and it's been paid for through the Assembly.

**Hon. Mr. Lautermilch:** — It's a fairly trifling amount, but my guess would be nobody would even notice if we deleted it from this budget. I think we've done this . . . I don't remember how many years we've gone through this, and we budget for it and I can't remember any ever being spent.

**Ms. Ronyk:** — Some years we have.

**The Chairperson:** — We had occasion where we had to spend some, but I mean I don't think we had to expend the total amount. But there are occasions where you simply have to expend it.

**Hon. Mr. Lautermilch:** — Why don't we put 500 in there for this year and we'll show the folks that we're doing our bit here.

**Mr. Hagel:** — Are we cutting into anybody's tea party here?

**The Chairperson:** — As long as MLAs don't drop too many of the chinaware at the Speaker's tea. I'm sure we can get the opposition . . .

**Hon. Mr. Lautermilch:** — I can't speak for the opposition but we're fairly cautious, the government members are.

**Ms. Ronyk:** — It's Debbie in the Speaker's office that manages these funds and the purchases.

**Ms. Saum:** — I'm the one who actually looks after the silver tea service and the linen, and there were some fairly sizeable repairs on the silver because it gets used at Government House for different things. So we did do that silver service.

The linen, I was just informed by the cafeteria just before Christmas, most of the large tablecloths are pretty well shot. So that is an expenditure that may . . . Now I don't know whether 500 would cover; I haven't really looked. I was going to watch for sales. Just for



your information.

**Hon. Mr. Lautermilch:** — Well let's see if they can get by with 500.

**The Chairperson:** — Okay? Put down 500.

**Mr. Hagel:** — Well why don't we do that, and if it poses a problem, then they'll have to have a higher request for next year.

**The Chairperson:** — Got to do with linen with lots of holes in it for this year.

**Mr. Hagel:** — Yes, we'll just turn the tablecloth over.

**The Chairperson:** — Everybody bring thread and darning needle.

**Mr. Hagel:** — Yes, get bigger place-mats or something. So that would make item 620 — \$500.

**The Chairperson:** — Item 620 — 500, right. Okay. Now, page 10.

**Ms. Ronyk:** — I'm sorry. Were you . . . it's 620 you're reducing.

**The Chairperson:** — Yes.

**Ms. Ronyk:** — You've saved \$1,500.

**The Chairperson:** — That's right. I just hope . . . well, we'll live with it.

Okay, page 10, this is simply the Assembly administration personnel summary. Any questions on those?

**Mr. Swenson:** — Executive assistant, that's your personal executive assistant?

**The Chairperson:** — That's correct. That's Darwin Burgess. And the other one is Debbie Saum, of course, who's sitting to my left here. And you know, just I believe that total there for the two people is about 73,200. I think that's about \$3,000 more than what it was three years ago. So try to keep the costs down as much as we can.

Okay, page 11, as you can see, there's actually . . . What's the contractual services there that have a reduction, Gwenn?

**Ms. Ronyk:** — Let's go into the detail on the next page.

**The Chairperson:** — Okay, page 12.

**Ms. Ronyk:** — Under the contractual services, the 200 codes, all it shows on what's left there is the interest payments because it's under accrual accounting. The interest payments show up under the 800 codes at the end of each section.

And code 222, the rent of photocopiers, we had budgeted a reduction there. And this is the

photocopiers in the caucuses, because actual usage this year is down, and this is where part of the \$75,000 savings that you saw in the special warrant request . . . And so we are reducing our estimates this year too because the usages appear to be going down.

Another decrease is code 251, telephone, and 252, long distance. The telephone rental and the long-distance charges are both being cut because our actuals seem down substantially this year. In the telephone rental costs, code 251. It is not that we've changed the telephone system at all; it is that the faxes in the caucuses are now paid for. So there will be a lesser cost there. You still have the same telephone system as you've always had. The long-distance charges is where actual usage seems to be down.

**Mr. Hagel:** — Declining long-distance rates as well.

**Ms. Ronyk:** — I expect so.

**Mr. Hagel:** — It may be that the usage is constant or maybe even up slightly.

**The Chairperson:** — That's probably right.

**Mr. Hagel:** — We're probably benefiting from that, I would think.

**The Chairperson:** — And page 14, stationery and office supplies, 500. You'll notice that's down by about 22,000.

**Mr. Upshall:** — Just back on page 13. The telephone directory advertising. Can we get an explanation of the costs there?

**Ms. Kaminski:** — That's a separate listing. We have, underneath Legislative Assembly Office, it has the Speaker, the Clerk's office, administration, and we have a listing for government caucus and opposition caucus. And that we saw earlier in the cabinet administration costs. Now underneath caucus administration, it is a separate listing, alphabetically underneath government caucus office; alphabetically underneath Leader of the Opposition, and so that's now why you're seeing costs here as well.

**Mr. Upshall:** — Why would the opposition be 900 and the government only 200?

**Ms. Kaminski:** — Because government caucus is just listed as government caucus office. It's just a small alphabetical listing whereas Leader of the Opposition is a bold heading and also has a name and other phone numbers. So it is just the format of the heading, as to why the additional expense.

**Hon. Mr. Lautermilch:** — I thought at one time — and I'm just trying to remember back, and I don't want to be nit-picky here — but I thought at one time MLAs did a whole mess of advertising, and as one of the cost-cutting measures we deleted a whole pile of listings.

**Ms. Kaminski:** — Yes, that's what we used to list, all of



the members, and we used to list their constituency office addresses and all their constituency office phone numbers in each and every directory throughout the province. The cost of that is somewhere in the neighbourhood of 25,000 to \$30,000 a year for that detailed listing, and that's what we . . . We just, quite a number of years ago actually, I think about five years ago . . . and now the public is really asking for it, and that's now why we've gone to this one-page listing of just the member's phone number here in the building and room number in the building. That's now on the one-page format. So that's what you're thinking of, is the 25 to \$30,000 listing for all the constituency office addresses and phone numbers.

**The Chairperson:** — Okay. Page 14.

**Mr. Swenson:** — When we . . . that request that we put in earlier today for the telecommunications type of thing, maybe there's smarter ways to do this than what we're doing presently. Maybe the thing we should look at is how we list this place and what we do in it. Like I'd want to see this, the discrepancy between the 900 and the 200. That seems to me a lot.

**Ms. Kaminski:** — I can show you a copy of the ad. It is because it is a two- or three-line advertisement for the Leader of the Opposition, and it has the bold heading and the size of the heading, okay, in comparison to government caucus office, which is just an alphabetical listing and it's just government caucus office and their phone numbers.

**Mr. Swenson:** — Is it comparable to a cabinet minister, as far as the way it's outlined?

**Ms. Kaminski:** — No, actually I would think there'd be far more attention drawn to it because in terms of cabinet ministers, I believe, the way it's listed, we have the department name and underneath department name there would be cabinet ministers and . . . (inaudible) . . . I believe, but I'm not familiar; is that correct? Yes. So really, Leader of the Opposition is given the same significance as a department — the nature of the size of the heading, the bolding, the print.

**Mr. Swenson:** — Okay.

**The Chairperson:** — Okay, page 14. Self-explanatory there, I think. Okay? Page 15.

**Mr. Hagel:** — The budgeted amount here is providing for full use of the formula.

**Ms. Ronyk:** — It is, even though your caucus isn't using it. We feel that you're entitled to it if you wish, so we had to budget accordingly.

**Mr. Hagel:** — It's been our practice to be as prudent in the hiring during sessions as we can, and we haven't utilized full amounts yet. But I guess I'm assuming that the wise course of action is to leave it here because it is the entitlement of the caucus office, of the government caucus office, and it probably does

provide a bit of opportunity if we're underexpending there and something happens to go over, to balance off.

**The Chairperson:** — Well you have the right to it and we don't know whether you're going to exercise that right, so we, by statute, we have to put it in.

**Mr. Hagel:** — Yes. Well it'll be our continued . . . our intention to continue to do the same thing that we have, but I also couldn't give you a number to, say, reduce it by X amount.

**The Chairperson:** — Okay. Turn to page 17. Any questions on page 17?

**Mr. Hagel:** — Does this 250 . . . that again, it's assuming 76 days. Oh, no, okay, I'm sorry.

**Ms. Ronyk:** — That's basically the mail-outs of our *Hansard* and so on. There, that shows you that the 48,000-whatever revenue we have doesn't quite cover our postage.

**The Chairperson:** — We could recover some costs there, Mr. Lautermilch, if we asked the MLAs to pay the full amount of the . . .

**Mr. Hagel:** — We could just hand-deliver some of them.

**The Chairperson:** — Okay, yes, we could do that too — send it home with them on weekends. All right, page 18. Page 18 then, all right? Page 19.

**Ms. Ronyk:** — Maybe I should make a bit of an explanation here. This section is now called the Legislative Assembly Office. The general administration part that we just did for the Assembly section of that, as opposed to the caucus section, what that included was the Clerk, the Clerk's salary, and the other offices that are kind of central service agencies in the Assembly — the Speaker's office, his staff, and financial services, and personnel and admin.

Now this section, Legislative Assembly Office, is the branches of the Assembly that provides specific services. There's *Hansard*, there's broadcasting, security, visitor services, CPA, *Journals*, and the rest of the Clerk's office that isn't me.

So then the general is Legislative Assembly Office. And then on page 20 we start the breakdown into each of those offices that I noted to you. This first 101 is the Clerk's office.

**The Chairperson:** — Any questions on page 20 on the Clerk's office?

**Hon. Ms. Carson:** — Why was the contractual services so high in 1992? And you're going down from 36,000 to 2,000.

**Ms. Ronyk:** — We had to redistribute these figures because we have split up the *Hansard* costs from committee. We've split the *Hansard* from the House



*Hansard* and the committee *Hansard*. And there's a separate section later on called committee support services, and the *Hansard* . . . the committee *Hansards* are there. In the actual column though, all the committee *Hansard* costs are still in that column. They didn't get redistributed. So there really isn't a great change there.

**Mr. Upshall:** — Doesn't line . . . (inaudible) . . . and 213 explain this, like the secondment and the consulting?

**Ms. Ronyk:** — Right. The detail on page 21 under contractual services, code 211 for example, the . . . (inaudible) . . . there was largely in the session of 1992-93. We had Charles Robert here from the House of Commons or the Senate — I forget which it was at that time — and that was the cost of paying his salary while he was here.

The next item, code 213, this is where the committee funds have not been redistributed. This was for the Environment Committee researcher — personnel costs. It was a contract. Brodie Anderson if you recall.

So that's why those '92 figures are so much larger than the current ones — because we don't expect to have those costs.

**The Chairperson:** — Okay. Any other questions on the Clerk's office there?

**Mr. Upshall:** — What page are you asking about?

**The Chairperson:** — Page 20. Okay. Page 21.

**Mr. Hagel:** — Item 160.

**The Chairperson:** — Yes.

**Mr. Hagel:** — Overtime for staff unable to take time in lieu for sessional overtime. I can understand that this has to do with the pages.

**Ms. Ronyk:** — The sessional overtime is pages, and of course they can't take time in lieu. I mean we have to pay them because they're only part time.

The permanent overtime is the overtime in my office for night sittings. When we keep the office open at nights, we have one person back. And the overtime in the *Journals* branch that has to be there every night when we're doing the *Votes* and the *Orders*. And those are permanent positions in my office and in *Journals*. And the amount of overtime they log, we just can't afford to have them away, otherwise we'd have to feel we'd have to replace them anyway. We can't have them away for two months during the rest of the year.

**Mr. Hagel:** — Right. And I'm not asking if this can be eliminated, because I understand it can't be eliminated.

**Ms. Ronyk:** — We could not have night sittings; that would eliminate it.

**Mr. Hagel:** — Now here's a thought worth considering. Shall we make that decision right here and now?

Is there, through a little more scheduling flexibility, perhaps someone starting their schedule on the days of scheduled night sitting later in the day and stay . . . you know, is that an option that's available that could address the overtime . . . in lieu of overtime, to reduce it somewhat?

**Ms. Ronyk:** — I don't think it is. Not in my office. I just have the two people — that's Monique and Joyce. And they are busy from 8 in the morning until we're done here at 10 or 11 at night. And we only have one of them come back at night, not both. Because the committees meet in the morning and they're busy; and Joyce looks after the committees. And Monique's looking after the pages and the House. And they're busy in the mornings distributing the documents and what not.

In *Journals* we do already have some. We encourage them to take some flexibility of coming in later in the morning when they can. We've had a new person in training there this last year and we basically have had to have them both in because she's still learning. But we do that some, but even then we do log a lot of overtime in *Journals* because we work . . . the *Votes* and the order paper are produced after the House adjourns at night. We go down there . . . the Clerks go down and proof those documents after the House adjourns so those *Journals* people are there late.

**Mr. Hagel:** — Right, okay, thanks.

**The Chairperson:** — All right, are there any other questions on page 21? If not, let's proceed to 22.

**Hon. Ms. Carson:** — On Bills, 100 Bills and then it's got 100 private. Can you explain how you . . . is that just standard that you assume that there will be 100 Bills?

**Ms. Ronyk:** — That 800 and the 100 is the numbers of copies.

**Hon. Ms. Carson:** — Copies. Okay.

**Ms. Ronyk:** — So we only produce 100 copies of the private Bills but we produce 800 copies of the public Bills, the government Bills. And the first item there, 100 Bills, that is what we estimate there will be in each year.

Now according to the government announcement, there will be less than that this year, but of course it depends on how long each Bill is, whether they're short ones or long ones and so this is really a guesstimate because we don't know how many Bills will be introduced nor how long they will be.

**The Chairperson:** — Could I just ask a question, Gwenn, on this? On these departments who initiate these Bills, do they pay for their Bills?



**Ms. Ronyk:** — No, they don't. The Assembly pays for the printing of all the Bills even if they decide not to go with them.

**The Chairperson:** — There's an option that I think if we want to recover some money from the Assembly's budget and have the various departments, particularly if you don't go with Bills, pay for their own Bills. What would be the problem with that? I mean is there something that I don't see?

**Ms. Ronyk:** — Well we did tentatively explore it with Acts and Publications or Queen's Printer and they weren't too keen on the idea.

**Hon. Mr. Lautermilch:** — Gwenn, I don't know how you would cost out a four pager or six pager or five pager. I mean, but you must base your estimate on something. If we were to turn this over as departmental responsibilities and charge the departments, how much do you think we could save in aggregate?

Because I mean really the cost of operating the Legislative Assembly — and it's fine we do the printing and all of that — but these costs wouldn't be incurred if the legislation wasn't coming. I mean you can make the argument that we wouldn't be sitting as many days either.

But I think in a lot of cases we wouldn't be getting some of the pieces of legislation before this House that we get because I don't know how many we turn down in Legislative Review Committee but I know that there are still some Bills that get through. And every session I question why, you know? And if we were to start charging them based on the number of Bills that we print, I think that's something that we should look at very seriously.

**The Chairperson:** — They might also be much more careful about how they are drafted because if they're poorly drafted, and they're redone and redone and redone in the House, that's a cost to us. And I can just remember some of the Bills that were redone a number of times. It cost us thousands of dollars, you know, the Assembly.

**Hon. Mr. Lautermilch:** — Are you able to give us a figure now?

**Ms. Ronyk:** — Yes, we spent \$70,000, right in that first line.

**Hon. Mr. Lautermilch:** — How much?

**Ms. Ronyk:** — \$70,000, the public Bills; 100 public Bills, 800 copies each costs . . . we budget \$70,000 for the printing of those Bills.

**Hon. Mr. Lautermilch:** — I think we should be billing the respective departments for their Bills. I mean, we bill them for *Hansard*, we bill them for other items, so I'd recommend that you put together a fee schedule of some sort.

**The Chairperson:** — I'm not sure we can do it this year.

**Ms. Ronyk:** — The trouble with doing it that way is that we still have to print them and pay the costs and then whatever they pay us goes into the Consolidated Fund; it doesn't offset our budget. But they could be charged directly; this is why I had open consultations on this with Acts and Publications or Queen's Printer, because I wanted them to . . . they coordinate the printing, legislative drafting and Justice coordinates the printing of the Bills and the Queen's Printer is involved there. And if they actually billed the departments directly, they have a revolving fund so that . . .

**Hon. Mr. Lautermilch:** — Well we could do that through a directive then of the board and put it in place for the next year.

**Ms. Ronyk:** — Yes, I would like to explore and work out the mechanisms and mechanics of it and come back with a proposal.

**Hon. Mr. Lautermilch:** — Can you bring that back to us?

**Mr. Upshall:** — We could be sure then that there's no waste of Bills then too because they wouldn't get paid.

**Hon. Ms. Carson:** — I don't think we could change it because the departments have already gone through their budget.

**The Chairperson:** — I don't think we can change it for this year. It would have to be for next year.

**Hon. Mr. Lautermilch:** — Bring that to another, future board meeting. We could give them fair notice that this is going to change.

**Mr. Hagel:** — \$57 per P. What's the P there?

**Ms. Ronyk:** — Page, \$57 a page.

**Hon. Ms. Carson:** — Fifty seven dollars a page?

**Ms. Ronyk:** — That's for 800 pages, for 800 copies. But for one 10-page Bill 800 copies is \$57 times 10.

**The Chairperson:** — Okay, page 23.

**Hon. Mr. Lautermilch:** — Can I just ask, with respect to the travel, why we're sending two people? I . . .

**Ms. Ronyk:** — Okay, we revert each year to our standard of sending two people to some place.

**Hon. Mr. Lautermilch:** — Don't we every year you request two and we send one?

**Ms. Ronyk:** — And you cut it away, I know.

**The Chairperson:** — Every year you cut it back.



**Mr. Hagel:** — Why would we not be doing that again?

it privately to . . . Eldon, later.

**Hon. Ms. Carson:** — This is not the year to change.

**Hon. Mr. Lautermilch:** — We'll keep in step with tradition maybe I think, if that wouldn't be too much of an imposition.

**Ms. Ronyk:** — The Clerk seminar here that is in Manitoba this year, because it's close, we thought well maybe you would agree to send two. It is the only conference that we can go to that gives us some professional development for the Table officers, the three Clerks.

**Mr. Lautermilch:** — When have these normally been? Are they all just across Canada?

**Ms. Ronyk:** — Different provinces across the country each year.

**Hon. Ms. Carson:** — We'll send two when you have the conference in Saskatchewan.

**Mr. Hagel:** — I guess I had it in my note here that this should be reduced to one, but on reflection there is an advantage when it is the neighbouring province, and I will change my mind on that.

**A Member:** — Yes. I think we'll let her go.

**The Chairperson:** — Okay, page . . .

**Mr. Hagel:** — For this year.

**The Chairperson:** — Don't make it a habit, eh?

**Hon. Mr. Lautermilch:** — So next year the commitment is that you'll come in and request one.

**Ms. Ronyk:** — It'll probably be Newfoundland. I appreciate that.

**The Chairperson:** — Page 24. You will note here that's the one that I was referring to before, the general council that is going to be held in . . . it's Canada's turn to put it on. And our share, Saskatchewan's share of the total budget, of one-point-some-million dollars I believe, is \$38,000 and that occurs once every probably 12 years or whatever.

**Mr. Upshall:** — They just divide it between the provinces and our share is . . .

**The Chairperson:** — No, it's based on the number of elected members, so in a couple of years from now it will be cheaper for Saskatchewan.

**Hon. Mr. Lautermilch:** — Is there any way to get out of this?

**The Chairperson:** — Well no, not really. I don't think we should either. I mean I think you speak to the person sitting directly to the right of you, and I think he will give you a pretty good summary of why we should not get out of our expenditures to CPA. No, I mean do

**Ms. Ronyk:** — Thirty-eight thousand for Saskatchewan's share for the 40th conference, that's an expenditure, a one-timer, that we only do that conference once every 15 years or so. Canada does. It was a bit of an aberration when Saskatchewan as a province hosted it in 1985. That was the first time ever or since that a non-national branch has hosted it, and we will never do it again as long as I'm here.

**The Chairperson:** — I did put it before the annual council that I thought Saskatchewan should be exempt since we had paid a fair share in 1985, but I wasn't able to sell it. So I was hoping that would be zero, but they didn't take me up on it — although I did have some support, but not quite enough.

Okay, page 25, 26, *Hansard*. Let's go to *Hansard*, page 27, more detail. Any questions there? I think you see it's very close to . . . some reductions, others the same.

**Hon. Mr. Lautermilch:** — This group on 277, is that the same equipment that we were talking about a little earlier on?

**Ms. Ronyk:** — Yes, that's part of that Linotron. That's the maintenance contract on the Linotron that they're telling us now they won't give us any more. They'll save the money, but we won't have any maintenance.

**The Chairperson:** — So that's going.

**Ms. Ronyk:** — We'll still need that until we replace the Linotron.

**Hon. Mr. Lautermilch:** — So what we're doing then is we'll be doing our own maintenance?

**Ms. Ronyk:** — Well we can't do our own maintenance. We don't have the expertise.

**The Chairperson:** — We just found out that they won't renew us. I don't know what we'll do.

**Ms. Ronyk:** — Well we've been warned that they'll be writing to us in January and we expect that.

**Mr. Upshall:** — 141 — 9,000 increase in temporary salaries over the requested from last year. I don't see a comparison on page 30 for the production manager, assistant manager, and so on, for 141. What's the . . .

**Ms. Ronyk:** — The only increase there is in the input/read editors, and you don't have the comparative figures there. But production manager, assistant manager, those are all the same except if there was an increment or something. What we've done is increase the hours of the input/read editors because of actual . . . we just expect . . . we were too low, and just the hours of House that there is to transcribe.

This section now, as I mentioned earlier, this part on *Hansard* is House *Hansard* only. We have removed



the committee *Hansard* costs for the transcribers and the printing. Some of the basic production people that do both are still under this *Hansard*, like the production manager and the assistant.

**Mr. Hagel:** — So you're up in the term estimate, but equivalent to the current actual.

**Ms. Ronyk:** — Yes, and feel that this is reasonable.

You'll notice that the actual for 1992-93 in that same column of code 141 is huge — \$90,000 over our estimate of last year. And that was due to the long session, and also not all of the *Hansard* committee costs have been redistributed out of that column. Both those factors.

**The Chairperson:** — If the members cut the session down to 65 days we should be able to get that down even further.

**Hon. Mr. Lautermilch:** — On page 28, we're going to Ottawa here now?

**The Chairperson:** — Page 28?

**Hon. Mr. Lautermilch:** — Page 28 and 29.

**Ms. Ronyk:** — Yes, the Hansard Association of Canada has an annual conference each year in one or the other of the provinces, and it this year is hosted in Ottawa. And usually the editor or the director of *Hansard* and one of the other staff go.

**Hon. Mr. Lautermilch:** — We normally send one, do we not?

**Ms. Ronyk:** — Well we have always in the past sent two until the last two years when we were cut to one.

**Hon. Mr. Lautermilch:** — I think we should maybe send one this year.

**The Chairperson:** — Send what?

**Hon. Mr. Lautermilch:** — One person, not two.

**Ms. Ronyk:** — Now *Hansard* is going to be mad at me, you see, because you didn't cut mine and you cut theirs.

**Hon. Mr. Lautermilch:** — Next year if the Hansard conference is in Manitoba, they can maybe do two.

**Ms. Ronyk:** — Oh, it's here next year. Well that's going to cost more.

**A Member:** — Well we're going to have to save up for it.

**The Chairperson:** — Okay, page 30.

**Mr. Hagel:** — Can someone just calculate . . .

**Ms. Ronyk:** — The savings there will be \$1,045.

**The Chairperson:** — Anything on page 30? Not? We can go to broadcasting. Let's go to the detail on broadcasting, page 32. Any questions there?

**Mr. Hagel:** — On page 33, 320, broadcasting services distribution costs to SaskTel for eight cable television stations, why is that figure up \$9,000?

**Ms. Ronyk:** — Our contract has an index in it. With a 10-year contract with SaskTel and an index, the cost of living is part of the contract and that's what it amounts to this year.

**Mr. Swenson:** — On that same item, has there been any thought to contract . . . there's a lot of satellite services available. All these cable outfits can now upline to a satellite. I don't know if some of the older birds are . . . they've got lots of room on them. The other thing I was thinking of, if you went that way, then a lot of rural people with dishes could also view. Right now, most of my riding can't see the Legislative Assembly, but there's dishes all over the place. And I don't know what those contractual costs would be, but they tell me they're getting cheaper all the time because of the space available.

**Ms. Ronyk:** — That's a good point that you're raising because it is presenting some very exciting opportunities that we hope to discuss in this next year. Apparently at this point there are two options that we have with respect to distributing our signal by satellite, and it would enable us to reach the whole province. And it's either through SaskTel or through SCN (Saskatchewan Communications Network Corporation) and the satellite that they . . . the band or whatever that they lease. And the fact that there may be some competition between them may help us in terms of getting a good deal. And apparently the technology is going to be in place at some point in 1994 that will enable us to get very cheap, or much cheaper satellite space than in the past.

When we looked at this five years ago, it was going to cost a million dollars to put our signal up on satellite. Now our best estimate at this point — and we haven't negotiated with them yet — is that we likely are going to be able to do it for almost the same cost as what we're currently paying for eight stations, eight cable companies. And we would be able to reach the whole province.

But there's a catch to it, that to beam it back down again the cable companies have to have the right equipment to pick it up. And in the past and our information at this point is that they will look to us for a subsidy to provide this \$2,000 piece of equipment in order for them to carry it. But we hope to be able to negotiate that too. And maybe by the time this is technically feasible, all these companies will have the equipment that they need and space on it to download our signals.

**The Chairperson:** — What was the cost of that equipment?

**Ms. Ronyk:** — I think Gary thought it was going to be



about \$2,000 — 1,600 to \$2,000 a unit for each cable company.

**Hon. Ms. Carson:** — What's the relationship with SCN? Why don't the SCN . . . (inaudible) . . . a lot more communities than we're reaching now.

**Ms. Ronyk:** — Yes, and because they are doing it by satellite. And that is one of our options, to negotiate with them to use some of their satellite space.

**The Chairperson:** — But we have signed a 10-year contract with SaskTel.

**A Member:** — Till when?

**Ms. Ronyk:** — I think we have four more years. But they are willing to renegotiate because they're soon going to have the technology available. I don't know how easy it would be for us to go with someone else, but . . .

**Mr. Swenson:** — I don't want to belabour it, but I would appreciate somebody looking at it. There's a lot more than those two particular entities out there also that are flying around. I'm told there's over a dozen people booking space right now and there's more room, you know, than there is customers sort of thing.

**The Chairperson:** — Yes, I think, Rick, we would very actively be pursuing it if we didn't have another four years left on our contract. But as Gwenn said, we are going to be looking at it in this fiscal year, and I think we'll start the process of negotiations. And there have been some overtures already because they're very interested in getting the contract.

**Mr. Hagel:** — Are we done with this item?

**The Chairperson:** — Yes.

**Mr. Hagel:** — The legislative broadcasters conference, I can appreciate; where is that being held?

**Ms. Ronyk:** — There are two here, the legislative broadcasters conference which is in Ottawa again this year.

**Mr. Hagel:** — Yes, Ottawa.

**Ms. Ronyk:** — And the National Association of Broadcasters conference, the second one, the broadcasters' international trade show. That's the one that is held in Las Vegas because it's the only place big enough to host this monstrous show.

What this is, the legislative broadcasters conference, the first one, is the association of the group of equivalents to Gary Ward, our director of broadcasting, who have always met kind of along with the *Hansard* group. Those provinces that have legislative broadcasting units meet to share information and compare notes and so on.

The National Association of Broadcasters conference

in Las Vegas is the primary international trade show that shows all of the new technology. And we use attendance at it by one of our TV technicians, it's one of the two technicians that goes when we have a budget to send them and they use that to try to keep up to date. It's part of their professional development.

The maker of our system, our television broadcast system, the Vinten Equipment, is from England and they come to this show. And it's the only opportunity that we have to talk to officials and staff from Vinten directly and deal with some of, you know, the concerns or problems that we have. And it keeps them up with the new technology. For example, the new clock on the Table in the Chamber was one that they got the information from, from that meeting.

**Mr. Hagel:** — Mr. Chairman, I guess I would be of the view that in the current fiscal restraints I just don't see us in a position to contemplate upgrading our technical equipment at this time. I would suggest that we strike the second list of the NAB (National Association of Broadcasters) international trade show out of this budget.

**A Member:** — Agreed.

**Ms. Ronyk:** — Before you agree to that, could I make a suggestion? Last year the attendance at the National Association of Broadcasters meeting was also cut. And that is kind of the one opportunity that we use for the professional development of these people in keeping them up to date. And Gary Ward, the director of broadcasting, who goes to the other conference, the legislative broadcasters conference, said to me that if the board felt that they wanted to cut one of these, that he would prefer that the cut be made for the legislative broadcasters conference and still allow one of the technicians to go perhaps every two years, kind of thing, to this trade show. No one went last year and so this would be the two years.

If that . . . it won't be likely as much . . .

**Hon. Mr. Lautermilch:** — Did they go to the trade show last year?

**The Chairperson:** — No, no, we did not. I think we do need to have some knowledge, you know, of the new technology that is available because ours is wearing out. And we might sometimes be saving a few pennies, but it costs us in the long run.

**Hon. Mr. Lautermilch:** — I guess the only argument that I would mount is if and when this equipment does go, I don't know where we're going to get the money to replace it. I mean it is all fine and dandy to be up to date in terms of the technology — and I know that the electronics technology is changing so rapidly — I just don't think we're in a position to be spending, frankly. I mean we're looking for pennies and nickels and dimes for goodness sakes. We've been doing this, we've been scouring every budget from A to Z. We're looking at protecting people's jobs and I just don't think we're in any kind of position to be . . . Like, frankly, I have to question why we even allow one



right now.

**Ms. Ronyk:** — These technicians do do . . . That's why our system has been able to last as long as it has, is because they've been with us throughout the life of the system. They know that stuff inside out and backwards and they can keep it running and maintain it and repair it. But the more expertise and knowledge they have the better they're able to serve us and maintain that old stuff. And this is the only training that we do give them . . . opportunity.

**Hon. Mr. Lautermilch:** — Okay, let the trade show go in but strike the broadcasters' conference.

**Ms. Ronyk:** — Strike the legislative broadcast conference.

**Mr. Hagel:** — And that's what, 996 then, reduction?

**The Chairperson:** — Okay, page 34. I don't think there's anything on 34, is there? Thirty-five — we're on visitors' services. Go to 36, we have more detail.

**Mr. Swenson:** — That budget's 130. It's gone up 20-some-thousand dollars in two years. Is that just salary increases, or what is that?

**The Chairperson:** — I don't know. Gwenn? Here — page 36, code 130 has gone up 20,000 in the last two years.

**Ms. Ronyk:** — Oh, yes, in the actual in '92 that was because we moved . . . You can see that temporary were higher in '92 and they're lower in '94. We switched a temporary . . . the board converted a temporary position to a permanent position last year, or in between there somewhere.

**Hon. Mr. Lautermilch:** — Can I ask a question while we're on . . . I'm sorry, Rick, were you done?

**Mr. Swenson:** — Just the total is up fairly significantly after doing that and I . . .

**The Chairperson:** — No, actually only 5,000.

**Mr. Swenson:** — I get 8.

**The Chairperson:** — Oh, you're taking . . . are you taking the actual of '92 to the requested of '94-95?

**Mr. Swenson:** — No, I'm just going from last year to this year.

**The Chairperson:** — Oh, okay.

**Mr. Swenson:** — Eight thousand bucks and we can't even sell knick-knacks at the door.

**Ms. Ronyk:** — From last year to this year, there was . . .

**Mr. Swenson:** — No, it says total personal services, 169,23. That's got your temps, your overtimes, your permanents. I mean you can cut it any way you want. I mean that's great, we're promoting the building. I just

wanted to know sort of what way to do it.

**The Chairperson:** — Well let me see, code 1 for the sessional staff. Well if you turn to page 39, evenings during session, eight persons, 3,129.

**Ms. Ronyk:** — Well it's my understanding that there's no change in the staff complement here. Those increases are just due to increments and cost of living wherever it occurred.

**Hon. Mr. Lautermilch:** — Is that straight increments?

**Ms. Ronyk:** — Increments and the 2 per cent cost of living that was put in, in October, through the SGEU agreement.

**Hon. Mr. Lautermilch:** — Okay. Could I just ask a question just while we're on this. In terms of the . . . And I don't know if this is an appropriate place to do this, Mr. Speaker, and I realize that it's on the agenda, but in terms of the increments, we had frozen management increments pending some information with respect to the overall of government and whether or not government would be freezing or not freezing increments. And it's my understanding that it's consistent with the Public Service Commission that management is. And I don't know if that impacts on this budget here or if increments have been factored in.

But I guess what I'm saying here is that I think we should be treating the Legislative Assembly employees in the same fashion that other employees throughout the civil service are. And I would hope that the increments are factored in, in terms of management so . . .

**Ms. Ronyk:** — We are following the government policy.

**The Chairperson:** — We are following the government policy, and we are factoring in the increments.

**Hon. Mr. Lautermilch:** — Well can we then . . . I don't know what process we need to do in order to ensure that the increments for management happen, but I would think it would be . . .

**The Chairperson:** — Well they've just been done. I mean they are being done.

**Hon. Mr. Lautermilch:** — They are being done?

**The Chairperson:** — The board doesn't need to do anything. They're simply being done. We're following . . .

**Hon. Mr. Lautermilch:** — Is that an agenda item?

**The Chairperson:** — No. No, there's no agenda item. It's simply an information item.

**Hon. Mr. Lautermilch:** — Okay, fair enough.



**The Chairperson:** — Not an agenda item. It's an information item.

**Ms. Ronyk:** — No, the board decision last year was to freeze it pending a government decision, and once the government made a decision, then we follow through.

**Hon. Mr. Lautermilch:** — Okay, good.

**The Chairperson:** — It was strictly following the guidance of the board.

**Mr. Swenson:** — Mr. Speaker, just looking on page 39 at the rates that people are paid at, the summer students and that type of thing, how are those rates set?

**Ms. Ronyk:** — Our guide staff are tied to a range within the public service which is the lowest there is in the Public Service Commission. And it's a tour guide range which is a three-step range. Isn't that correct, Linda? And it is lower really than a clerk 1. Ten dollars an hour looks pretty good, but that is basically what it is. And our pages are at the same rate as the guides. It's just where they've been classified by the board in the past, and we haven't changed it. These are mostly students, and they're always very glad to get \$10 a hour.

**Mr. Swenson:** — Yes, that's just what I was thinking. There's a lot of students . . . to have 7 or \$8 an hour and the opportunity to work in this building under fairly decent conditions.

**Ms. Ronyk:** — There isn't anything lower in the public service, and we didn't feel that we should go . . .

**Mr. Swenson:** — Well I used to . . . Quite frankly, a lot of the summer jobs within government, I always thought we could maybe hire more and pay a little less so more people would have constructive things to do with their life in the summertime. And I don't know; I understand you're tied to this that and the next thing but I . . .

**Hon. Mr. Lautermilch:** — You know, if I could just make a comment. I think what some of the different agencies have done is limit the number of hours that summer students get so that we could employ more summer students. I know some of the rates are \$12 a hour and so, you know, I think we can certainly justify the lowest public service rate that there is, in terms of the pages that we pay. They work some pretty long hours.

**Mr. Swenson:** — I wasn't talking about pages.

**A Member:** — Some are guides.

**Mr. Swenson:** — Guides, well . . .

**Ms. Ronyk:** — Well we pay the pages the same.

**Hon. Mr. Lautermilch:** — They're paid the same. And I mean if we're going to deal with one, we'd have to deal with the others.

**Ms. Ronyk:** — I guess the lower rate there, some of them are at that ten twenty-five and some are at the nine ninety-five. Those are one of the three steps in that range, I guess.

**The Chairperson:** — Okay? Anything further on page 36? Page 37?

**Mr. Hagel:** — What's 305?

**The Chairperson:** — Media placement.

**Mr. Vaive:** — The Assembly participates in the Museums Association of Saskatchewan and especially in Regina, and contributes certain amounts and displays in some of the . . . you know, on Wascana Drive there's an outdoor display and the Assembly participates in that.

And as well, Lorraine, the director of visitor services, is a member of the museum association and also, you know, is involved in promoting Government House, Legislative Assembly, and other tourist-oriented attractions.

**Ms. Ronyk:** — These various attractions try to share the costs of promotional materials by sharing actually, and doing a publication that they all advertise in together, and that's our share for the building.

**Mr. Upshall:** — What percentage of the total does this \$3,000 represent? Roughly, ballpark figure.

**Ms. Ronyk:** — I don't know.

**Mr. Upshall:** — All I'm getting at is, are we paying our share, more than our share, less than our share?

**Ms. Ronyk:** — I expect it's how much space we use, that we'd be paying.

**Mr. Vaive:** — Yes. And if I understand as well, it would be equal share, you know, among all the members of the association.

**Mr. Upshall:** — A proportion allotment.

**Mr. Vaive:** — Probably an equal proportion, an equal contribution.

**Mr. Upshall:** — Okay. Thanks.

**The Chairperson:** — Okay, any other questions on page 37?

**Hon. Mr. Lautermilch:** — Travel. Visitor service national conference in Ottawa.

**The Chairperson:** — Well this one I would suggest we should leave since it's within province in the city of Saskatoon. It's very . . .

**Hon. Mr. Lautermilch:** — No. I'm talking about the Ottawa one, Mr. Speaker.

**The Chairperson:** — Which one? Oh, I see.

**Hon. Mr. Lautermilch:** — Visitor service national conference in Ottawa.

**Ms. Ronyk:** — This is a fairly new meeting and it's something that legislative visitor services people have gotten together for I think about three years now, to discuss the ways to promote their legislative buildings and democracy and parliament and how to deal with . . . to produce better visitor programs, and so on.

The board approved it initially and we actually hosted it here last year.

**Mr. Hagel:** — Yes, that right.

**Hon. Mr. Lautermilch:** — Oh, that's why there was no expenditure here.

**Mr. Hagel:** — Well that explains why no expenditure last year.

**Ms. Ronyk:** — You see the vote 433, the banquet costs. That code, 5,000.

**Mr. Hagel:** — I'm just curious about, how in the world did you hold a whole banquet for \$9? That's what I want to know. I just couldn't get over that one. This is one of the things that leaped out at me at these budget estimates. That must have been just a jim-dandy.

**Ms. Ronyk:** — I think that must have been one lunch, I don't know. But the 5,000 was for the conference last year.

**Mr. Hagel:** — I guess I would support it, having hosted it last year. If you ended up not showing up to the one the year after . . .

**Hon. Mr. Lautermilch:** — Okay, let's go.

**The Chairperson:** — Page 38? Anything with page 38? Page 39? This is on the staff. We have looked at some of those already.

Next one is office of the Sergeant-at-Arms and this is a decrease in the budget — a slight decrease to the estimated, and considerable decrease to the actual in the 1992-93.

Page 41 gives you a little more detail and the salaries of the various people employed. I think, as members know, we . . . No, okay, that's fair enough. Okay, any questions on 41, 42, 43? All right, 44? That's the personnel.

**Mr. Swenson:** — Just . . . it's sort of interesting, as I went through this and I compared, it appears that Iris and Gerry there, besides the MLAs, are the only people I've seen in this entire process that haven't gotten raises. And I just wondered why they didn't.

**An Hon. Member:** — And Bill.

**Mr. Swenson:** — That's right. Bill's the same too.

**Ms. Ronyk:** — Yes, he's at the top of his range, Bill is. Gerry and Iris are contract positions and we didn't increase their contract.

**Mr. Swenson:** — Maybe we should have more contracts. I'm just curious as to how that works.

**Ms. Ronyk:** — Well they did go up a tiny bit, you can see — 145 went up from eighty-four five to eighty-five eight. I think that is the 2 per cent the SGEU got in October. So they did get the cost of living that was in the SGEU contract.

**The Chairperson:** — Okay, page 45, Legislative Counsel and Law Clerk. You notice that has gone down a wee bit. Page 46, any questions there?

**Hon. Mr. Lautermilch:** — Just on 46, the translation.

**The Chairperson:** — Which code are you at?

**Hon. Mr. Lautermilch:** — Code 213.

**The Chairperson:** — Okay.

**Hon. Mr. Lautermilch:** — We did the French governance Act, I think. Would that account for the expenditure here?

**Ms. Ronyk:** — No. The actual expenditure of '92-93?

**Hon. Mr. Lautermilch:** — Well 213, I guess, what is that?

**Ms. Ronyk:** — What the budget is for?

**Hon. Mr. Lautermilch:** — Yes.

**Ms. Ronyk:** — . . . that's if anybody decides to introduce a Bill in French and in English, then we have to translate — and these are private members, for example — we have to translate that Bill into French and we have a contract with a translator in Ottawa to do that when we need it.

We didn't really spend very much out of it this year. The 5,000 in this year is not all spent. If we need to add something to the rule book, then we need to have it translated. We did a few rule changes and added . . . well this year we added the member's code of ethical conduct to the rule book. And anything you put in there has to be in both languages.

**The Chairperson:** — Okay.

**Mr. Upshall:** — It does seem a little high though to me. Like the likelihood of a Bill is not likely, is it?

**Ms. Ronyk:** — We had one last year. Madame Haverstock's Légaré Bill.

**Mr. Upshall:** — Oh, that's right.

**Ms. Ronyk:** — But it was a one pager; it doesn't take much to translate. But anyone has the right, any member has the right to do that. And we feel the need



to keep somebody kind of on contract. We don't pay them unless we give them work.

**Mr. Hagel:** — Is there any . . . (inaudible) . . . to cover one Bill?

**Mr. Cosman:** — Thirty-nine ninety.

**A Member:** — 3,990.

**Ms. Ronyk:** — Code 213.

**Mr. Cosman:** — That must be an Act.

**Ms. Ronyk:** — That's what's left in the budget.

**Mr. Cosman:** — That figure is just our contingency figure that we are allowing. It's hard to estimate how much we'll be needing each year. We had estimated 5,000 for this fiscal year and haven't used it all, so 3,990 is a . . . We keep paring it down. It's getting closer to actual, yes.

**Ms. Ronyk:** — This year we're hosting a presiding officers' conference in January. And because it's a national conference we're doing a program in both French and English and if we need translation done we have a translator to provide that.

**Mr. Cosman:** — Okay, thanks.

**Ms. Ronyk:** — I think we're actually using the government service for that conference though, the language bureau. But this is for any legislation or rules or anything that would have to be . . .

**The Chairperson:** — Page 47. Any questions on page 47, Legislative Counsel and Law Clerk?

Page 48, any questions?

Page 49, Legislative Library. And let's go to page 50 in more detail. Any questions on page 50? All right. Page 51. Page 52.

Pardon me?

**Mr. Upshall:** — Quote 281.

**The Chairperson:** — 281 — information services subscriptions.

**Mr. Upshall:** — Reference computer searching. Is that what you were speaking of earlier?

**The Chairperson:** — Yes, that is work for MLAs. Right?

**Mr. Upshall:** — What is this work?

**Ms. Powell:** — This is where we . . .

**A Member:** — Obviously I haven't had any done.

**Ms. Powell:** — No, you need to come in and have some done.

It's actually a service that we offer using computer databases on host commercial computers. For example, a very highly used one is *The Globe and Mail* on-line where someone will come in with a request: I need to know the stories published in the *Globe* for the last three years. And we can go on-line very cost effectively, take two or three minutes, pull something that manually would take hours, and print them off for the client. It's that kind of service.

**Mr. Upshall:** — So this is reflecting use?

**Ms. Powell:** — Actual use.

**The Chairperson:** — Ladies and gentlemen, page 52. Any questions on 52?

**Mr. Upshall:** — Just about Chicago and Vancouver and Victoria and Toronto and Atlanta.

I think as in other areas where we've cut back the travel . . .

**Ms. Powell:** — May I just say that this is our normal number of conferences. We have the highest number of professional staff in the library. We have confined ourselves to one person per conference. And this is our heavy conference year in that once every two years the parliamentary librarians meet. So it's slightly heavier and we're in under zero over last year. So if it's at all agreeable I would urge support of this.

I should also say that two of the conferences are technical, special technical conferences. The first one is called the NOTIS users group, the one in Chicago. Our library computer system is NOTIS software based and we send our technical services systems librarian as a user group member to this conference each year to find out what's happening next, what the changes in the software will be, what the impact will be on our systems.

And the other one which has been important is the computers and libraries in Toronto, a major national conference in this area. And again we send our assistant legislative librarian, who is also one of the project managers for the Legislative Assembly system.

**Mr. Upshall:** — What about the Special Libraries Association of Atlanta? What's the purpose . . .

**Ms. Powell:** — Special Libraries Association is the North American association for special libraries. There is not a Canadian equivalent.

As a special library serving the legislature we find that the conference sessions held at this conference are highly pertinent. So we try to send someone each year.

**Mr. Upshall:** — Which one would you sooner go to, the association of parliament libraries or special libraries? Which one would be more valuable to the library system?

**Ms. Powell:** — Well I think they're probably equally



valuable. The parliamentary library conference only happens every two years, and it's really a gathering of chief librarians usually, whereas at the operational, librarians attend the technical and informational sessions at special libraries. It's very hard to choose because we do get unique offerings at these conferences. I should add that once every ten years, there's a North American conference. The special librarians meet in Canada but only once every ten years. Approximately 10 per cent of their membership is Canadian.

**Mr. Upshall:** — The computers in libraries seminar, I guess I question that one because as we're dealing with our computer systems, and the library is one of them that we're going to change, but I'm wondering of the value of that.

**Ms. Powell:** — Well actually if we don't change the equipment it's going to be even more important because we'll have to learn how to do a lot of work-arounds. When we were talking about the impact of keeping the old equipment, in terms of library functionality, we can't run a lot of things now. We can't train our staff any longer in our PageMaker software because no longer is their training offered on the version that we run. So we're really depending on our staff to go to these seminars to try and do our work-arounds for us. So clearly, my recommendation is that we can go to all of them.

**Mr. Upshall:** — Yes, I understand that, and that's your job. I understand that.

**Hon. Mr. Lautermilch:** — I hate to ask you this again, but I guess if you were prioritizing . . . You can't, is that what you're saying?

**Ms. Powell:** — Well I can, I mean clearly if the instruction is to cut one conference. We felt we'd cut quite a lot because we'd like to be able to send two people to a couple of these and we haven't done this.

Our difficulty in the library is that with the modern information age in libraries, you've got to keep in touch with the internet, with what's happening in accessing all these computer databases with the ways to make your equipment do these things and clearly this is going to be important next year.

And the only way we can do this . . . None of these groups will ever meet in Regina, not one of them, not even CLA (Canadian Library Association). They have passed a policy that they will not come to Regina because we're too small. So the only way that our staff can be up to date — and this isn't all the staff, this is a portion of the professional staff each year . . . go to these things.

I mean I think clearly what we could consider that would probably work would be to alternate the American conferences. That one year, perhaps NOTIS is more important than special libraries, and perhaps that would be satisfactory.

**Mr. Hagel:** — Marian, given some of the special needs

that you see as being access to important information under our circumstances here, I'm wondering in the grand list of priorities whether then either the Canadian Library Association conference or the association of parliamentary libraries, which I assume would be the regularly attended ones, would be the ones most easy to live without because there is more likelihood that what they'll have as part of their content are things that you have had access to before.

**Ms. Powell:** — Oh, possibly now. As I say, the parliamentary librarians only meet every two years so this won't come up again for two years. The money isn't equivalent though so the question is if we're looking at dollars here, the cost per applicant is very small but certainly if we wanted to look at those two conferences and say cancel one of them, would that perhaps be appropriate?

**Hon. Ms. Carson:** — I think it's time for us to assume which one would be most valuable to them. I think if we said choose three and . . . How many are there here? Five. Choose four.

**Ms. Powell:** — Okay, sure, we can do that.

**Hon. Ms. Carson:** — And let you decide.

**Mr. Hagel:** — We need to do a figure though. Can you tell us which would be the fifth of the five? I'm assuming it's the CLA or the association . . .

**Ms. Powell:** — Well I think I would pick CLA this year as the one to miss. So we'll do a calculation on that figure. It should be fairly easy to . . .

**Hon. Mr. Lautermilch:** — Marian, can you just tell me what happens again, because I missed some of this, at the Atlanta conference, the Special Libraries Association.

**Ms. Powell:** — Well the Special Libraries Association doesn't always meet in Atlanta. It moves around from year to year, around North America. In 1995 we expect it to be in Montreal.

**Hon. Mr. Lautermilch:** — What does it do?

**Ms. Powell:** — It's the association of all special libraries in North America. Now a special library is a library that serves a specific kind of organization, frequently a corporation, like news broadcasting, like CBS, medical associations — a wide variety of special needs organizations, including legislative and state libraries. So any library that services a special client group is a special library.

So I think that if we're looking at CLA, if I'm just looking here at the totals, it's about \$1,050 roughly.

**The Chairperson:** — Okay, gentlemen . . .

**Mr. Upshall:** — Well I'm sort of . . . (inaudible) . . . because it's getting late probably, but I mean you have the parliamentary association libraries in Victoria, that was going to . . . And I really do feel I'm a lay



person talking, but I really feel, because of the situation we're in, that I really don't know that we have to have this Special Libraries Association. I think it is probably a bit of a duplication.

**Mr. Hagel:** — Mr. Speaker, can we just ask for a 30- or 60-second recess?

**The Chairperson:** — I guess you can ask for it. We have agreed that we're going to quit at 10.

**Mr. Hagel:** — We won't leave the room, just . . .

**The Chairperson:** — Okay, go ahead.

**Mr. Hagel:** — I would suggest then from the list that we eliminate the Canadian Library Association conference and approve the rest. And that figure, Marian, was a thousand?

**Ms. Powell:** — It's about 1,050. I'm doing it in my head; I'm not an accountant.

**The Chairperson:** — Agreed? All right, page 53, anything on page 53?

**Mr. Upshall:** — Yes, 503.

**The Chairperson:** — Okay. Magazines and newspapers?

**Mr. Upshall:** — Yes, 10,000. Is this just actual cost?

**Ms. Powell:** — This is anticipated price increases based on the information we receive from our serial vendors. In fact it won't come anywhere near funding the cost of the increases on our existing collection. So this will only fund partial renewal of our titles. It's very expensive.

**Mr. Upshall:** — Yes, but then you rely on interlibrary exchanges and stuff like that?

**Ms. Powell:** — Well where we can. We have to make cancellations routinely to, even with these increases, maintain the essential publications in the collection.

**Mr. Upshall:** — Yes, that's just what I wanted to know.

**The Chairperson:** — Okay, page 54.

**Hon. Ms. Carson:** — Microform replacement. Did that have anything to do with what we approved on the special warrant this morning?

**Ms. Powell:** — No, it didn't, actually. What this is, is it's a reduced version of a program that started about three years ago when we had a major space problem. We've begun negotiations with Property Management Corporation to do something about our full stack areas in our storage locations and part of our half of the process was to start replacing large sets on microform.

**Hon. Ms. Carson:** — Yes, I can remember that debate now.

**The Chairperson:** — Okay. Page 54, 55. All right, committee support services, page 56. Go to the detail on page . . . a little more detail on page 57.

**Mr. Swenson:** — Mr. Speaker, in this category, like there was a zero in '92-93 and then we jumped up to 79,000. What was before that?

**The Chairperson:** — Where are we?

**Mr. Swenson:** — Personal services on page 56.

**The Chairperson:** — Oh, okay.

**Mr. Swenson:** — What's been the history there?

**Mr. Vaive:** — Mr. Speaker, the amounts reflected in personal services are really the costs of temporary staff, which are really *Hansard* transcribers. In 1992-93 the cost of committee, verbatim rather, committee verbatim transcribers were within the *Hansard* budget. And after, in '93-94, '94-95, the costs of transcribers for committee meetings for verbatims were transferred to the respective committee budgets. And that accounts therefore for the increase in '93-94 to 79,000 and in '94-95 to 62,000.

**Mr. Swenson:** — This is just the number of committees that are up and running, or . . .

**Mr. Vaive:** — These are all . . . Right. The cost of transcribing the verbatims, in '92-93 the cost of transcribers were within the *Hansard* budget and thereafter they were transferred to respective committee budgets.

**Mr. Swenson:** — Does the fact that the committee is out of Regina have more impact than if the committees are in Regina? Is there a difference there in what the . . .

**Mr. Vaive:** — Not for the cost of transcribers, but there could be costs of accommodation for staff accompanying the committees, and that would be under travel, likely under travel and business codes under those committees.

**The Chairperson:** — Okay. Page 57. Page 58. Page 59, Rules and Procedures. We have put in a bit of money there. We don't know for sure whether it will meet or not, but that's up to the members to decide. But just in case it does, there's some money there for the Rules and Procedures Committee. All right?

**Hon. Ms. Carson:** — . . . legal services, 17,000, on Constitutional Affairs. Oh, that was last year. Sorry. I'm going to sleep here.

**The Chairperson:** — Okay?

**Hon. Mr. Lautermilch:** — Just a question back on 58, under other committees. Are we there just budgeting for a committee that may be?

**Mr. Vaive:** — That's right. We budget close to the full amounts for the major committees, scrutiny committees, Public Accounts, Crown Corporations. In the eventuality that another committee is activated, there would be, you know, some basic amounts there to cover initial costs anyways depending on the intensity of the sittings and . . .

**Mr. Hagel:** — That's even if Non-controversial Bills is one of the ones you've included in your . . . (inaudible) . . . there, is it not?

**Mr. Vaive:** — And as well there's the Communication Committee which meets usually one meeting a year. And Non-controversial Bills Committee, if there ever is a Bill referred, there would be some minor costs.

**The Chairperson:** — Okay. Page 59. Page 60, Environmental committee.

**Mr. Upshall:** — Mr. Speaker, I would move that we put zero for the environmental . . . Standing Committee on the Environment. I don't think it's necessary. We've had hearings last year, and I don't expect there will anything major going on this year. And if, you know, if there is a small amount of . . . it can also be handled under the other committees section. So I think we should just put a zero instead of twenty-seven five fifty.

**The Chairperson:** — Is that agreed? Agreed. Okay. Page 61.

**Hon. Mr. Lautermilch:** — What impact is our decision to freeze these have on these budget items, Gwenn?

**Ms. Ronyk:** — What's there in the . . .

**The Chairperson:** — 75,000, isn't it?

**Ms. Ronyk:** — That little note at the bottom of that page, that says the 1994-95 budget is based on an estimated 3 per cent increase in the amounts as projected by increase. And if the indexing is not applied, the deduction would be . . . (inaudible) . . . a total of \$75,000. So that's what you agreed to this morning in freezing the indexing savings at \$75,000.

**Hon. Mr. Lautermilch:** — So will that then come off of this amount?

**Ms. Ronyk:** — Yes.

**Hon. Mr. Lautermilch:** — Off of the ten?

**Ms. Ronyk:** — Yes. And you see there, a new line says overall increase is 4.56 per cent. By reducing that 75,000, your overall increase in statutory is then 3.86 per cent.

**Hon. Mr. Lautermilch:** — So then the number that we have cut just for the record in terms of indemnified allowances, committee expenses, Board of Internal Economy, the caucus offices, the government caucus, the opposition caucus office, we have reduced the

amount that otherwise would have been by over \$75,000. Thank you.

**The Chairperson:** — Okay, page 62.

**Mr. Upshall:** — I had something. I'm not sure if I missed it yet or not. Sorry, Mr. Speaker, I was doing something else. At least I think it . . . Oh no, I haven't missed it; sorry, go carry on.

**The Chairperson:** — Okay. Page 63. Page 64.

**Ms. Ronyk:** — On page 64, sorry our budget had under communication estimating that . . . I thought we had checked at the time that the postal rate was going up January 1, '94 by 1 cent to 44 cents. We just checked yesterday, and Canada Post says no, it is not going up in January, that some of the overseas rates will go up in April. But our formula is based on first-class Canada postage and it is not going up, so it will stay at 43 cents. And therefore we will reduce this, and there would be a savings in the budget figures of approximately \$19,000 . . . (inaudible) . . . get the total.

**Hon. Mr. Lautermilch:** — Just one . . . (inaudible) . . . quickly. Were any of these items impacted by the freezes that we put on earlier today?

**The Chairperson:** — Oh yes, yes they were.

**Ms. Ronyk:** — Yes, the \$75,000 includes the per diems and so on.

**Hon. Mr. Lautermilch:** — That includes what we talked about a little earlier then, okay.

**The Chairperson:** — Okay, 64 has been agreed.

**Mr. Upshall:** — No.

**The Chairperson:** — Oh, okay.

**Mr. Upshall:** — The \$152,000 at the bottom of that, that was previously not shown, not entered. I'm not sure why at this stage. I understand that that was basically covered by the statutory amounts in past years, and for the purposes of budgeting, I would lean towards doing it the way it's always been done and not entering that amount into the budget. Because I don't know that it serves any purpose to enter it in there if in the past that amount has been covered by the statutory amounts. Because the full amount is never used, right?

**Ms. Ronyk:** — That's correct.

**Mr. Upshall:** — Would there be any downside for this committee to . . . this board to remove that number from the budget?

**Ms. Ronyk:** — The number was put there just for your information so that you would know that really there is an expenditure that is incurred that hasn't shown up here in the past. And I can't even justify why it wasn't there in the past. It used to be smaller because they



had fewer permanent secretaries. And it's become rather significant and we thought it's important that you be aware of it.

**Mr. Upshall:** — But it's marked at 2.8, right? That figure is part of the 2.8 figure?

**Ms. Ronyk:** — Yes, yes. But as this is a statutory section it is not necessary to be there to be voted or anything. And you are correct that this amount . . . we never seem to be overexpended into that area because there are enough underexpenditures in the usages of the allowance as to cover the cost of the holiday pay and statutory holiday pay for the constituency secretaries.

**Hon. Mr. Lautermilch:** — Would that be shown . . . are you saying that then the 152 is included in the 2,876,650 already?

**Ms. Ronyk:** — Yes.

**Hon. Mr. Lautermilch:** — And this is the number that would have to go into the blue book under this system?

**Ms. Ronyk:** — Yes.

**Hon. Mr. Lautermilch:** — And under the old system it would be reduced by 152,960 and it's never taken up.

**Ms. Ronyk:** — That's correct.

**Hon. Mr. Lautermilch:** — And we have no . . . by statute we are not obligated to have this added to this amount. Is that correct?

**Ms. Ronyk:** — Yes, you're right.

**Hon. Mr. Lautermilch:** — I guess what I'm trying to say is that I think this budget should more closely reflect the actual costs incurred by MLAs and by members. Clearly the perception is that we are an expensive creature in this province, and I think we should do everything that we can to fairly reflect what the actual costs are. If removing that would more accurately reflect what the true costs are, then I would recommend that we remove that amount.

**The Chairperson:** — Can we do that?

**Ms. Ronyk:** — We haven't had it in there before.

**The Chairperson:** — Okay. Agreed.

**Mr. Hagel:** — 162,960 is what that number will be reduced by.

**The Chairperson:** — Ladies and gentlemen, we had agreed 10 o'clock. But there really isn't very much left in the budget. Can we go through?

**A Member:** — Let's roll through.

**The Chairperson:** — Okay? Agreed? Agreed. Okay, page 66.

**Ms. Haverstock:** — I know that the 19,050 is the legal entitlement for the Leader of the Third Party, but I waived that amount and therefore that number can be smaller. I had written and asked for the number to be the equivalent of what it would have been in 1991 had there been no increments. And that's what I've been receiving and that's what I will continue to receive. So that can be reduced. Is that not correct?

**Ms. Ronyk:** — Yes, that's correct. And in fact that applies to all of these allowances. These are the allowances for additional duties. And the figure that's here — you see the asterisks — says that salary amounts are based on statutory entitlements and assume no voluntary reductions.

So, for example, the Leader of the Opposition annual allowance, which is set statutorily, is at 38,111. The leader may be getting less than that if he's taken the waivers, the voluntary waivers that cabinet ministers and members . . . (inaudible) . . . have taken. That's the same figure that cabinet ministers are eligible for, but they're only paid somewhere around 36,000 because they have voluntarily not . . . they had a roll-back and a 5 per cent cut.

All the other amounts — Speaker's allowance, whips' allowances — these are at the statutory entitlement because these waivers were voluntary. Any individual could say: well no, I'm not going to waive that. And so we . . .

**Ms. Haverstock:** — Yes. I mean wouldn't it make more sense, if we're talking about the numbers being right, to put down what is . . .

**The Chairperson:** — Yes. But we don't know that from year to year.

**Ms. Ronyk:** — This is the statutory.

**Ms. Haverstock:** — Oh. So in other words you need another letter from me.

**The Chairperson:** — That's correct. It's an annual . . . I mean, I might this year say no.

**Mr. Hagel:** — You get the form each year that you got . . .

**The Chairperson:** — That's right. It has to. That's why we can't do it. Okay?

**Ms. Ronyk:** — It does show up in the *Public Accounts*.

**The Chairperson:** — Yes, it will show up in *Public Accounts*.

**Ms. Ronyk:** — At the end of the year, the *Public Accounts* show that you were only paid \$18,000 or whatever the waivers amount to. But that's where it shows what you actually, as an individual, received. This budget is for, you know, what you're entitled to.

**Mr. Hagel:** — So in other words we need to leave this

because it's statutorily required, but we can probably assume that there is about \$6,000 or so more here than will actually be drawn. That's a reasonable assumption to make? But we have to leave it because of the statutory requirement.

**The Chairperson:** — No. Well, you have to leave it because it's voluntarily . . .

**Mr. Hagel:** — That's right. Statutorily we are required to make it all available.

**The Chairperson:** — Yes.

**Hon. Ms. Carson:** — Salaries were frozen at 1991 levels and that's what this depicts. On top of that there was a 5 per cent roll-back.

**The Chairperson:** — That's correct. Voluntary.

**Hon. Ms. Carson:** — So the voluntary is a reduction from the 1991 levels of 5 per cent?

**Ms. Ronyk:** — Actually the roll-back that was taken in '91 — I have it somewhere — was also voluntary.

**Hon. Ms. Carson:** — Yes. That's what I wanted to make clear, that there was a freeze to the 1991 levels, and then on top of that cabinet took a 5 per cent roll-back beyond that.

**The Chairperson:** — That's right.

**Ms. Ronyk:** — Actually cabinet are being paid at 1989 levels right now because of the voluntary cuts and roll-backs.

**Hon. Ms. Carson:** — I just wanted to make that clear, that this isn't a 1991 freeze that cabinet and other members are getting; it's a 1991 minus 5 per cent.

**Mr. Swenson:** — I got to cabinet just in time to take the freeze.

**The Chairperson:** — Okay. Ladies and gentlemen, could we go on?

**Hon. Ms. Carson:** — But there was a 5 per cent roll-back on top of the freeze. I wanted to make . . . We took a 5 per cent roll-back after that decrease.

**The Chairperson:** — Okay, 67? All right. Members committee expenses. Which one is this? Okay, special committee, Crown Corporations, Public Accounts. Agreed? Rules and Procedures, Constitutional Affairs, and Environment. Now the Environment . . .

**Mr. Upshall:** — It becomes redundant.

**The Chairperson:** — Yes.

**Mr. Upshall:** — So we scratch the twenty fifty?

**Hon. Ms. Carson:** — The per diems then reflect the freeze that we incorporated as a directive at the beginning of this meeting, what we have here. When

you're talking about the per diems allowance in each of these special committees, does that include the forgoing of the cost of living increase or the 3 per cent increase?

**Mr. Vaive:** — These per diems, as they're calculated here, did not include the increase.

**Hon. Ms. Carson:** — Oh, they did not.

**Mr. Vaive:** — No, they did not.

**The Chairperson:** — It's at 155 in . . . (inaudible interjection) . . . No, 155. Yes.

**Mr. Vaive:** — 155 and that's where they're at.

**Hon. Ms. Carson:** — Okay. They are 155.

**Mr. Vaive:** — That's right. So they're not affected by the . . .

**The Chairperson:** — Okay. Agreed?

**Mr. Hagel:** — Have we scratched the 20,500?

**The Chairperson:** — Yes.

Page 70, there's nothing. Let's go to page 71. This is the Board of Internal Economy per diem allowance.

**Mr. Hagel:** — Mr. Speaker, I think in item no. 109, then you had suggested, and that was included in that motion earlier this day, and that figure then has been reduced as well.

**The Chairperson:** — Yes, that would have to be reduced as well. Okay?

Anything else on 71? 72? 73 — third-party caucus and office of the third party. Agreed. Okay, page 74 — third-party caucus and office of third party. Well that's the same thing. Okay, this is just a detail. Agreed?

**Hon. Mr. Lautermilch:** — I'm not sure how this grant, the former grants, how that works. I'm referring to the annual grant that was given under this section. Was that used for the entire fiscal year? I don't know if the total amount was used.

**Ms. Ronyk:** — In this fiscal year, no. Well more has been used in this fiscal year because part way through the year the grant changed from that of an independent member for that of a third party. So our 54,000 — it's estimated in the '93-94 column — will be under budget for this fiscal year. And for the next fiscal . . .

**Hon. Mr. Lautermilch:** — We'll have then a surplus in that?

**Ms. Ronyk:** — No, we'll have an overexpenditure.

**The Chairperson:** — Yes, overexpenditure.

**Ms. Ronyk:** — The '94-95 column will be the actual



we assume, barring changes in the formulas and the numbers for this coming fiscal year, based on a third party.

**Hon. Mr. Lautermilch:** — Where did the increase then from 54,000 to whatever the amount that's actually going to be expended in that year, where does that come from?

**Ms. Ronyk:** — Because this is a statutory item it is just automatically paid. There's no need for a special warrant for statutory items. It's already approved at whatever rate the statute allows for, and the statute allows for third-party grants when certain conditions are met. And when those conditions were met, we began paying at that rate. And it is more cost out of the Consolidated Fund but it is authorized.

**Mr. Upshall:** — So the 54,000 then terminated when the third-party status took over.

**Ms. Ronyk:** — That's correct, yes.

**Mr. Upshall:** — And the 3 per cent is part of the 3 per cent part of the 75.

**Ms. Ronyk:** — Yes.

**The Chairperson:** — Okay. Government caucus, page 76. Again the 3 per cent does not apply again.

**Ms. Ronyk:** — That's correct.

**The Chairperson:** — Okay. Agreed. Page 77, opposition caucus. Okay. So detail is on page 78; 3 per cent does not apply again. Agreed.

And that, ladies and gentlemen, is the LAO (Legislative Assembly Office) budget.

Ladies and gentlemen, while they're adding up the total here — we have to do that — could we just refer you, so we don't have to do it tomorrow, on the item no. 10. It's just an information item. I wanted to inform the members that I went as the Speaker — all the Speakers of Canada were involved — invited to the opening of the Northwest Territories Legislative Building, and I attended. And all the provinces agreed that a gift would be coming forward from each of the provinces. Saskatchewan did contribute the Sergeant-at-Arms chair at a cost of \$5,500; others gave beautiful pictures. Manitoba gave a beautiful statue of a bison, I'm told at \$12,500, but don't quote me on that — but I hear that's what it was. And others gave similar gifts to the Northwest Territories.

They have a beautiful building. If you ever get a chance to go to the Northwest Territories, it is so uniquely designed in a circular fashion where they've really incorporated mother nature into their building. It is just beautiful. And the Prime Minister was there, and the Prime Minister gave an excellent chat and circulated, and did very well with the people there, was very well accepted. And it was my first time to the Northwest Territories and to Yellowknife. I must admit I thoroughly enjoyed it . . . (inaudible

interjection) . . . This was in November.

And I was disappointed though that shortly after the Speaker resigned, and is going back as an ordinary back-bencher and wants to get more involved in the problems that are facing the Northwest Territories' people. Gave up a huge salary to do it, too. You should just see his compared to mine . . . (inaudible interjection) . . . That's right. Exactly.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I'm wondering if, while they're putting these figures together, just I guess we received the information so we won't have to deal with this tomorrow in terms of the management increments.

**The Chairperson:** — No, that's right.

**Hon. Mr. Lautermilch:** — So that is not an item we'll have to deal with tomorrow.

**The Chairperson:** — No, no. Actually from now on, I am not going to include on the agenda information items, only decision items. If there are information items that I feel that members and the board should be informed on, I will do that on a more individual basis or our private, sort of in camera meetings. So from now on, only decision items will be on and that agenda will be provided to the media.

I wonder if we could . . . could we leave this for tomorrow, and then adopt it?

**Hon. Mr. Lautermilch:** — Yes, if that's the case.

**Mr. Hagel:** — What do we need? Just a single motion, Mr. Speaker, or do we need a series of them?

**The Chairperson:** — Well we can't do it until we have . . . Can we adopt the budget tomorrow morning? All right.

**Ms. Ronyk:** — We'll need a revenue budget motion and a budgetary one for expenditures.

**The Chairperson:** — So ladies and gentlemen, tomorrow morning then at 9 o'clock the only item that is left on our agenda is the Provincial Auditor's budget and the item that I had raised with some of you, and you have to make a decision on it, pertaining to — I have not touched it yet, I'm sorry — on the Provincial Auditor's salary. There is a slight problem, and I think the members have to make a decision as to whether or not we want to discuss that in public or whether we want to do that in camera. I think it should be an in camera discussion.

That's the kind of thing . . . Do we want to do it before the meeting, right at 9 o'clock, or do we want to do it after the meeting? That is something I think you people need to decide.

I will move adjournment of the meeting then till tomorrow morning at 9 o'clock.

The meeting adjourned at 10:19 p.m.



**BOARD OF INTERNAL ECONOMY**

**January 7, 1994**

**The Chairperson:** — Ladies and gentlemen, on the agenda now is the Provincial Auditor's budget. With us this morning in the front here we have Fred Wendel, Brian Atkinson, and John Hoffman, and so these . . . Mr. Strelieff sends his regrets but this was worked out with him after the board had reset their scheduled meetings and he had made commitments to be away and so it's unfortunate but he's not going to be able to be with us today.

So with that we will begin our consultation on the Provincial Auditor's budget for 1994-95. And before we begin I think we should permit Fred to make a few introductory comments unless members have some questions or statements that they wish to make.

**Mr. Hagel:** — Mr. Speaker, if I may say to Fred, as we're all aware, we, the Board of Internal Economy, is now meeting in the open and transcribed format, and as we go through the review of the budget there may be times that by the nature of the question being asked or comment being made, we're moving into an area which you consider to be personnel sensitive, that it would be more appropriately dealt with because of the implications for personnel of the auditor's offices, be more correctly for us to deal with in camera and if you . . . what we simply ask is that if you find yourself feeling that way we trust in your judgement and we'd simply like to ask you to advise us of that. So that if there's any discussions that we do need to have appropriately in camera we'll do that before we consider the conclusion to the review of the budget and then we would come back into the public meeting after that.

**Mr. Wendel:** — I don't have a lot of opening comments. I think the request speaks for itself; Mr. Strelieff has prepared it. But I think what members will note is there's a difference since the last time. Like we presented a budget last year and we've changed the format considerably here, and one of the things we've added came out of the Standing Committee on Estimates.

There were a number of questions of us and we thought those were good questions and we wanted to provide that advice to the board so we've given the same information the Standing Committee on Estimates asked for and we've updated it for more current information that we received. We hope you'll find this a more useful document than the last one and we'll look to improve it as new questions come up today, and if we don't have the answers we'll certainly take them back and try and provide more next time.

One of the major changes as described in here that we have to face in operating challenge this year is the health boards. We've got 26 new health boards created that we're going to have to . . . we're responsible to audit under the Act, and this request includes resources for that.

It had a major impact on what we had to ask for. And that's described on I think page 4, talks about the work we have to do on the health boards. There are also

some programs that have been downsized and reduced and we've taken those into account in our request for resources, and the net effect was a minor change from a request from the previous year. And with that I'll open it up to questions.

**The Chairperson:** — All right, ladies and gentlemen, Eric.

**Mr. Upshall:** — Thank you, Mr. Speaker. Morning gentlemen, welcome. I want to start out by just asking you where we are to date. We've got three-quarters of this year past. Are we on target with your budget from this year and could you give us a little projection as to where you might end up on March 31?

**Mr. Wendel:** — I guess, Mr. Upshall, we're projecting our spending at March 31, 1994 to be \$4.130 million.

**Mr. Upshall:** — And where are you to date on that?

**Mr. Wendel:** — Yes, Mr. Upshall, to November 30, we had spent 2.58 million.

**Mr. Upshall:** — Is that on target?

**Mr. Wendel:** — Yes. Now the target, just to bring some more context to that, there was considerable discussion with the government about the audit of revolving funds that started last February, and it went on for a long time. And some time in early November we got an agreement with the Minister of Finance that they would refund us for the audit of these revolving funds. We then proceeded to do the work.

Now by doing that we have to delay other work. So we've gone ahead and hired people to do the work, and that will be done over an extended period of time. In other words, we have to defer.

So when I say we're on target, I guess we're on target with that. We had that late change in November, and we're on target to spend the 4.130 million by March 31.

**Mr. Upshall:** — On page 3, for 1993-94 the appropriations totalled 4.304 million. Maybe it's obvious to others, but what's the difference? Why the difference in numbers?

**Mr. Wendel:** — To the 4.130 million?

**Mr. Upshall:** — Yes.

**Mr. Wendel:** — That's what I was trying to explain.

**Mr. Upshall:** — That's that portion you just . . .

**Mr. Wendel:** — We're going to have to make that up, but we won't get it all spent by the year end. We brought people on staff in November and January, and they're only in for part of the year and they're here. But we'll have to pay them for the whole year next year, and it will work in that way.



**Mr. Upshall:** — The required funding, on page 5 of this book that says you have done a number of things to reflect cost savings, to improve your cost savings and to improve the effectiveness of the audits, and you have three points there. Could you just quantify those for us a little bit? Quantify, like, what you state on page 4, the three bullets on top of the page, how they have resulted in . . . like what cost savings they've resulted in. Just give us a thumbnail sketch of what you've written down here as reflected in dollars and cents.

**Mr. Wendel:** — The specific audits?

**Mr. Upshall:** — As a matter of fact, if you wanted to take one bullet at a time, that's fine. Like the first one says you've implemented a new auditing approach based on the offices of the Auditor General and Alberta. The approach provides ongoing benefits because we can access more easily the research and training without charge. And other legislative audits have asked for advice in making similar . . . like I just want to know how that . . . Because the first statement says, our requirements reflect cost savings due to improving the effectiveness of our audits.

**Mr. Wendel:** — If I could give you maybe a little history. The office many years ago adopted an audit approach, about '76 or '77, following the approach used by Ernst & Young. And that particular approach wasn't supported any more by Ernst & Young because they had moved on to a different way of auditing.

And we are required by law to continue to audit internal control systems in compliance with the law. They had moved away and gone to a straight financial statement on it. So we had for some five or six years had some problems getting training courses. You couldn't get them. We had to do our own; that cost money.

And one of the moves we made was to go to the Auditor General of Canada so we could use their courses at essentially no charge. We had to change our methodology and we could use their courses and trained people.

Now that new approach, I think, will save us money and it's reflected in here. It has a little different way of looking at audits. And as we go along and get better at this, we'll continue to build this in.

Now as far as examples of specific departments, I could point out some will be reduced costs and some of it is because we've looked at things a little differently. If you want I can pick one or two of those. But it's kind of an ongoing kind of a thing. It just keeps . . . like our budgets are a continually moving thing. Like each job and each audit has a budget.

And as we finish a job we evaluate how well we did against that budget and then we propose a new budget. And it just keeps moving, and we have to prepare these estimates. We just take our budgets and say, that's a projection of what it's going to be. And it's moving all the time. This is as at a date.

**Mr. Upshall:** — So then part of your improving efficiencies, is that due to the fact that you have had to work with less money than you thought you required, or is it a combination of that and being innovative?

**Mr. Wendel:** — I think it's something we've been wanting to do for some time, to move away from that. But we had, you know, it takes . . . it's a very big job to change over your whole methodology, and it's just something we were moving towards. And it's continually moving.

**Mr. Upshall:** — And is it becoming more efficient?

**Mr. Wendel:** — I think it will become very efficient. It's going to take time and we'll take for wherever it can go, like if say B.C. (British Columbia) comes up with some new way of doing things that meets generally accepted auditing standards, if it complies with the Institute of Chartered Accountants, then we'll use it. We're continually looking for that.

**Mr. Upshall:** — The last bulletin says: strengthening our communication links with other legislative audit offices across Canada. That's what you're saying. You exchange information and you do audits for each other where your interests cross borders. Is that right?

**Mr. Wendel:** — Yes, that's correct. The Auditor General sometimes asks us to look at some of these marketing schemes, like agricultural marketing schemes, and we do some work for him. We have to rely on the Auditor General for some of the income tax and transfer payments so we use them where we can there.

**Mr. Upshall:** — So you just cross-bill as well, or do you just exchange on the barter system?

**Mr. Wendel:** — It's a barter system. We haven't been billing. It wouldn't be a large amount.

**Mr. Upshall:** — Okay. So there's no money changes hands?

**Mr. Wendel:** — No.

**Mr. Upshall:** — Okay. On the second vote to examine the Crown Investments Corporation directly, it says: our direct examination allows us to carry out our responsibilities at CIC (Crown Investments Corporation of Saskatchewan) and its related corporations more effectively. I didn't quite understand what that means. Could you just elaborate on that? And does more effectively mean more efficiently?

**Mr. Wendel:** — Yes, Mr. Upshall, probably three things I could say on that. With the help of CIC, it's having the effect of improving our relations with appointed auditors, so that helps us get information more quickly on some of the other corporations. So that's been a great deal of help. And by doing the audit directly of CIC, they have more of an interest in making sure we get the information quickly.



We also have firsthand knowledge rather than second-hand knowledge so it allows us to understand issues more fully. And rather than having to just review what someone else documents that they saw, we actually get to look at things firsthand and it allows us to understand issues more fully. And I think the costs have been reduced by us doing that.

**Mr. Upshall:** — The cost of auditing CIC?

**Mr. Wendel:** — Of CIC has been reduced by us doing it directly.

**Mr. Upshall:** — As opposed to the private auditors doing it and you reviewing it?

**Mr. Wendel:** — Yes.

**Mr. Upshall:** — About how much do you think it was reduced?

**Mr. Wendel:** — It's on the schedules here on page 26 of the appendices. The second line from the bottom states that the year ended March 31, 1992 . . .

**Mr. Upshall:** — This is on page . . .

**Mr. Wendel:** — 26.

**Mr. Upshall:** — 26?

**Mr. Wendel:** — Yes. The second line . . . or third line from the bottom. There's a number there — 176,000 or 175,601 on the right side. That was the total cost of auditing CIC for the year ended December 31, 1991. And there were still a few small costs to come. It's marked with an asterisk; it wasn't quite finished at that time. Now if we turn to page . . .

**Mr. Upshall:** — 1992?

**Mr. Wendel:** — That's December 31, '91; our March 31, '92 year end. The way we work, anything with a year end ending between April 1, '91 and March 31, '92, we'd pick up on our March 31, '92 year end when we report.

Now if you go to page 31, you'll find the Crown Investments Corporation is the last item on there, and there's three columns there. Just to explain those columns. The first column is what we presented to the board last year; like our budget was based on this left-hand column. We thought it would take us 132,000, \$133,000 to audit CIC directly. Okay.

We ended up our actual to . . . is this November 30? November 1 at 126,000. That's the next column: 127,000. And we're forecasting and we're working with CIC on our present engagement letter with them to do it for 117,00 for the coming year. That's what our budget request is based on for this year.

**Mr. Upshall:** — 117,000. To make the comparison equal, we'd have to add the 28,000 in 1991 that the auditor's costs . . . Or is this cumulative?

**Mr. Wendel:** — No, that's cumulative.

**Mr. Upshall:** — Okay.

**Mr. Wendel:** — So the difference would be between 175 . . .

**Mr. Upshall:** — And 116.

**Mr. Wendel:** — 116 or 126, whichever number you'd like to use. We're forecasting 117. Our actuals are about 126. There was some small costs. I think there's some meetings to go to yet at CIC and then that job will be closed. Every meeting we go to, like we keep track of our hours, quarter hour or half hour. We charge them for doing these jobs.

**Mr. Upshall:** — That's good. And in the last year or couple of years and this last year particularly there's been, I know, with government tenders it appears to be quite a competitive market in the auditing field. And the bids have been coming in basically lower all the time. They keep coming down. Do you expect that . . . I guess my question would be: can you tell us how you know that you're competitive with the market? I mean I appreciate the fact that it's come down. That's what we're looking for — more for less.

**Mr. Wendel:** — I think we compare our rates at all times with the standard hourly rate that they charge. We have some experience here where we've taken over the Liquor Board and Saskatchewan Crop Insurance Corporation. We have past experience before '87 where we did all of the audits and we know how many hours it should take to do them, and we know what our costs are. So we're continually monitoring it.

Now whether we could actually . . . What some of the firms do, or they may tender an audit at a low price and then there is all kinds of extra services that you get billed for separately. So ours would include a lot of those things just as part of our cost that they might bill separately for and internal control would pay them. They might bill separately for special work on compliance or on a system or helping with some accounting work. Generally our costs already have that in them.

So I don't know just how that would stack up other than we do monitor it. We do use contractors. Like when we have out-of-town work, we'll look to hiring a firm out of town ourselves. If we can get rates that are cheaper than what our staff costs are and our travel costs, we'll do that. We'll try and do that whenever possible.

**Mr. Upshall:** — That's good.

**The Chairperson:** — Eric, I'll give you maybe one or two more questions and then I want to go on to some of the other members, and I can always go back to you. But I think I want to get some of the other members in too. And I will allow in this each individual member to ask a number of questions so that you can cover a particular topic. So I think it's



better that way.

**Mr. Upshall:** — Well actually I was going to move on to another topic now, so I can just defer to someone else.

**The Chairperson:** — Okay. Then I'll recognize Rick and then Lynda. Well he's going to go on to another topic, so this is the time I think I should recognize you, Rick.

**Mr. Swenson:** — Thank you, Mr. Chairman. Fred, there's a couple of things I want you to comment on for me. This is a new smoke here for us, setting your budget in the way we're doing this. So I want to understand some things. You've made some comments here about some of the contractual work that you did for government. And we had this issue last year where in order to make up some of your requirements for funding you would bill back to certain agencies, Crowns, departments, that type of thing. You've made the comment that some of them are slow payers. Do you have a list of those for us?

**Mr. Wendel:** — You're dealing with page 3 here, Mr. Swenson?

**Mr. Swenson:** — Right, your opening comments.

**Mr. Wendel:** — Opening comments. I think it was earlier I was explaining to Mr. Upshall that there were some problems getting an agreement with the government on the audits of the revolving funds. And they took from — say — February or January till October to resolve. And those were the ones I think we were talking about slow payment. We didn't start any work on them or finish them. We did do some work before January '93, okay? But we didn't finish them because we decided not to do any more. And we waited until we got some money, and then we went ahead and finished the work.

So I was explaining to Mr. Upshall there was some delay, okay, in getting an agreement with the government. That agreement came in October, and I think all of the money but one or two is in now on those revolving funds.

**Mr. Swenson:** — It's very important for us to understand when we're setting this budget that there's no sense you maybe having an agreement with someone if they don't want to pay you.

Because I looked back through your schedule of hours here and I looked at Education, and Finance, CIC, SEDCO (Saskatchewan Economic Development Corporation), Power Corp., SaskTel, STC (Saskatchewan Transportation Company). I mean a lot of big hitters who you haven't been able to even finish as of March 31, '93. And to finish that off you're looking at \$643,000. Well that's kind of meat and potatoes of government there that you haven't been able to even get up to last year, much less this year.

So for us to set your budget properly and if there's going to be some of this fee for service or

arrangements, I'd like to know who, you know, if these . . . if any of these are on that list of people that are paying you a fee and if not. Because we would then, as a responsible committee I think, want to make sure that these people are paying up so you can finish your work because you're a whole year behind and not done. And we do want to make sure you have enough budget to, I mean, at least cover the main components of government if you can't get to some of the newer issues that are up there.

**Mr. Wendel:** — Page 3, Mr. Swenson, is a list of the people that we've billed and got money from over the past 12 months and that would be pretty well all of them. Like there's maybe . . . (inaudible) . . . But that would be the list of agencies that we've billed, and we've collected by and large most of those.

Now we had sent some bills out to some other people which haven't been collected, and we've left it standing, okay. We haven't pursued it. That was where we worked with appointed auditors. We started sending bills out to some of the corporations where there's appointed auditors involved. And that doesn't seem . . . (inaudible) . . . I think maybe just one or two have paid us on that. So we've left that as that whole issue seemed to be causing a lot of furor, and we thought we'd just wait till we got back to the board because we still make the case that we think our appropriation should cover all of our costs.

And if you want us to bill, we'll certainly bill, you know, take the revenue that comes back and put it back into the Consolidated Fund. So the net effect won't be any different. But we still think it's more appropriate that we have all of our budget through the General Revenue Fund. It would be better that way. So we've just left it till we got back to the board and then see what the board had to say about that.

But there are some places where we have billed it on a point of order. Some have paid and some have not, and we haven't pursued it any further than that.

**Mr. Swenson:** — Yes. As you know, I tend to agree with that approach because I look at your schedule, and I guess one of the ways that I would look and see whether I'm getting value for money for what you're doing is that the number of hours, for instance, that you took to audit a department in '93 versus what you're projecting in '94 and what you're projecting in '95. In almost all cases you've been able to cut back the number of hours — I would say 90 per cent of the agencies and Crowns and that type of thing that I've looked at here. So you're doing more for less hours, which should be less cost, I would assume.

**Mr. Wendel:** — Generally, yes.

**Mr. Swenson:** — So that is pleasing to see, that you've been able to cut those number of hours back by doing the various things that you just talked to Mr. Upshall about. But I am concerned that if you are \$643,000 short of completing stuff that's already a year old, if we don't have some mechanisms here, this is simply going to pile up.



Do you operate on a normal government billing schedule? We discussed ways of assigning costs back to people last night, dealing with another issue, to smarten them up, that maybe they wouldn't use as much paper if we did certain things. Do you charge them interest, or do you . . . say you're on a 30-day payable, 60-day payable, and charge them interest, and maybe they would smarten up a little bit about becoming forthcoming with what they owe you.

**Mr. Wendel:** — I think the few that we do bill — and we don't bill very many agencies; we've listed them on that first page — the few that we do bill, there has not been any real problem collecting the money; like it comes in in a reasonable period of time. For those ones . . . like, we bill CIC for the audit, and we bill them on progress billings as we go along.

**Mr. Swenson:** — What's reasonable?

**Mr. Wendel:** — Thirty to 45 days.

**Mr. Swenson:** — Which would be standard government billing deadline.

**Mr. Wendel:** — Yes. So we bill the Liquor Board, we bill them on an interim basis. We billed SIAST (Saskatchewan Institute of Applied Science and Technology), and we did that on a completion of work basis; we had that agreement with them. We billed the revolving funds.

And that, as I explained earlier, has taken a long time to sort out, but it seems to be sorted out. Now I don't know what the government wants done with those revolving funds for '94 — whether they'll want to continue that arrangement, or whether they will not have them done. So that's . . . I don't know.

**Mr. Swenson:** — Would you think that it would be appropriate? It's very difficult for us to carry this thing from year to year without having . . . I'd like to standardize some of your practices. And if you're going to continue, I understand you want to have all of your budget in and not have to fool around with this other stuff.

But I would think that it would be an appropriate practice for you and anybody else, that you go on the same billing schedules as the rest of government is. And then it would help us know that things are going to get paid. Therefore when Eric asks you and says, where are you at, and you said, I'm at 4130 out of 4304 and I've got a month and half left in my budget year, I would want to know in the next six weeks that your payables are at the end of a 30-day period or end of a 45-day period, and it helps me know that when you get to the end of your calendar year over the next six weeks these are due and payable and they're damn well going to get paid. It only makes sense that if you're on that kind of a work regime that you would be able to give us that kind of information.

I don't know, maybe the other members want to comment, but it only makes sense to me. It would sure

help me under . . . you know.

**Mr. Wendel:** — Mr. Swenson, we do bill in a normal way for those audits that we bill for, but there are very, very few audits that we actually send a bill for. We don't bill anybody for them. Does that help you understand it?

Page 3 is the agencies we actually send a bill to. All the rest of the audits we do, we don't send a bill out because it is just going in and out of the same pocket.

**Mr. Swenson:** — Right.

**Mr. Wendel:** — Like if we send a bill to the Department of Health, they're going to take it out of the Consolidated Fund, pay it to us, and we'll put it back into the Consolidated Fund. So it doesn't really do anything. So we've never billed those.

But some we do bill, and it's just, presently the ones we bill, or currently the ones we bill are those ones where the government has agreed, our budget's not sufficient to do everything, so they said, well we'd like you to do these, and we're prepared to pay for them. We'd like you to do CIC, and we're prepared to pay for that. We'd like you to do Liquor Board, and we're prepared to pay for that.

**Mr. Swenson:** — I understand that.

**Mr. Wendel:** — We'd like you to do SIAST (Saskatchewan Institute of Applied Science and Technology); we're prepared to pay for that. So those ones we do bill. And we send a bill out on those, just in the normal way, like we have an agreement with them. We incur costs. We send a bill. They pay.

**Mr. Swenson:** — But under your Act where you are required to audit certain things, and your Act has never been changed. So you're into this different thing here, okay? And everybody is trying to be accommodating, and you're working with CIC — and I understand that — and you've come to some agreements. And that seems to be going along smoothly. And I commend you and CIC and whoever has done this, okay. If this is the regime that we must operate in, then we also must have, I think, other practices that . . . You're into six health boards; by legislation you should be into 26 health boards, okay?

**Mr. Wendel:** — That's right, yes.

**Mr. Swenson:** — New smoke, new practices, new . . . okay? You're trying to budget that. I'm trying to set a budget. I would want to know that those six health boards are being billed as per regular, standard, government billing practices so that I know in your fiscal year that you are going to receive X amount of money. Right?

**Mr. Wendel:** — Right.

**Mr. Swenson:** — Otherwise I don't know that you're going . . . I mean you're telling me that you're way behind on doing your work because you don't have



enough budget. And I don't . . . You're either going to do it, or you're not going to do it, you know. And I think it's very difficult to budget when you don't know if you're going to get paid or not.

**Mr. Wendel:** — That's correct. And that's why we don't do any work until we have an agreement to be paid. So we . . .

**Mr. Swenson:** — But that means maybe the work doesn't get done.

**Mr. Wendel:** — That's correct.

**Mr. Swenson:** — And then I don't know what's going on.

**Mr. Wendel:** — We explain, Mr. Swenson, in the submission, we prioritize how we would not do certain work. Like if there's not enough money, these are the things that . . . we'll do them in this order.

**Ms. Haverstock:** — Thank you, Mr. Chairman. I just wanted to follow up on some of the things that Rick was talking about, and as well Eric. To me it really would make a lot more sense if all payments were coming from one, single place, that the primary concern being that this way of dual funding, I think, creates the problems. First of all, the question of independence — and the logical argument for that is, if the government chose not to provide the monies to pay for these other . . . I mean these other groups that are the responsibility of government don't pay you, then in fact it's going to undermine your ability to investigate it. It seems like a very strange kind of cyclical problem that can be created through all this. And I . . . would it simplify accounting to have one single appropriation of government funds? Does this complicate your job to do it this way?

**Mr. Wendel:** — As we explained in submission, Ms. Haverstock, we only get so many dollars from the appropriation. We have to set priorities. And we have to decide which jobs we're not going to do, and once we've decided that and we've given some notice to the board how we're going to set those priorities, we will then not do those audits unless we can get an agreement from the government to give us some more money. If they want them done and they're prepared to pay for them, we'll do them.

And that's the situation we were in last year. There were a number of agencies that agreed that they would pay us to do those audits, and we did them. We originally planned not to do them — like the revolving funds — but we then did them.

Does that explain our situation?

**Ms. Haverstock:** — No, I'm actually trying to determine here . . . I thought that it was discussed that in fact you were having some difficulty in receiving payment for what has already transpired from the auditor's office. Is that not indeed true? You're not having difficulty getting monies for work done?

**Mr. Wendel:** — Not where they've agreed to have us do the work, that's right.

**Ms. Haverstock:** — All right, what concerned me is that . . .

**Mr. Wendel:** — I think we've now we've collected most of that money.

**Ms. Haverstock:** — Do you have a concern about the independence being threatened in your office by this kind of an arrangement?

**Mr. Wendel:** — As we state in here, we think it will be better if all of our funding came from the Legislative Assembly because that's who we work for. It should be them that decide.

**Ms. Haverstock:** — That's the point I'm trying to make. It seems a little strange that the very . . . you work for the Legislative Assembly. The very people you are auditing are the ones who indeed are now saying that there should be some mechanism that they provide you with payment rather than from the Legislative Assembly. To me that calls into question the potential for threat to independence. I'll just leave that; I'm obviously confused.

Page 12, I just want some clarification, if I've read this correctly. Does this in fact state that the auditor's budget between 1983 and 1993 grew by 8.3 per cent?

**Mr. Wendel:** — In real, in absolute dollars, yes. That's right.

**Ms. Haverstock:** — Does it also mean that the government expenditures between 1983 and 1993 grew by 70.3 per cent?

**Mr. Wendel:** — In absolute dollars, through the Consolidated and Heritage Funds; that's all that deals with. That's not the summary financial statements.

**Ms. Haverstock:** — Well I think that's a very striking page. I mean the moral of the story here is that there is an astonishing more work to do with fewer and fewer resources to accomplish the work.

I think Eric had raised this and I . . . I mean had asked a little about this, and I just want some help on page 27. I know I'm bouncing around here but I want to understand these numbers better. There seems to be a discrepancy of costs here and I want to have some understanding. This is the difference between the Provincial Auditor's office versus appointed auditors. And let's use SaskTel communications on page 27 as an example. Now have I read this correctly, that the Provincial Auditor's office worked for 236 hours on SaskTel for a total cost of \$23,835?

**Mr. Wendel:** — That was our time and dollars.

**Ms. Haverstock:** — Time and dollars, that's right. And then the appointed auditors worked for 2,071 hours for a payment of \$145,000? Is that correct?



**Mr. Wendel:** — In this particular case there's a double asterisk on that, Ms. Haverstock, and they didn't report their fees to us, so we've quoted the prior year's fees because they wouldn't tell us.

**Ms. Haverstock:** — I'm sorry?

**Mr. Wendel:** — In this particular case we couldn't get the information from the appointed auditor — like we put a double asterisk on it — so we've used a prior year, like for 1991, the 1990s.

**Ms. Haverstock:** — Well what's this . . . I mean it seems like an incredible discrepancy of for 236 hours it cost \$23,000, and for 2,000-plus hours it cost 145,000. What's . . . why does it appear as though there's so much more expense per unit between the Provincial Auditor's office and those who are private or appointed auditors? I mean am I . . .

**Mr. Wendel:** — Are you talking about the rate per hour here? Is that what you're trying to get at, Ms. Haverstock?

**Ms. Haverstock:** — Yes.

**Mr. Wendel:** — Okay. I think when you're looking at the work here where there's an appointed auditor involved, when there's an appointed auditor involved they use very, very senior people to do the work. When we're the appointed auditor involved, we have a mix we put on an audit. We might have a student who we're paying very little money to, and a second-year student a little more money, and there's a mix in our . . . the mix has a big effect on the rate per hour. So in the case of SaskTel audit here, that would . . . because they actually were doing the field work, they would have the mix. They would have junior-level people, a lot of junior-level people and some senior-level people, okay. So in that respect there would be . . . they would get a lower rate per hour.

Does that help explain it now? Where there's an appointed auditor involved, we don't use any junior people for that. I mean there's no point in sending junior people on that because they wouldn't understand the issues. So we just send very senior people that know something about the organization. Like they had Mr. Atkinson's level or . . . those would be the people who would go out, and their charge-out rate is much higher than a student would be.

**Ms. Haverstock:** — Okay. So we got a bigger bang for our buck as far as the appointed auditors were concerned, hours and the payment associated with hours, but less expertise?

**Mr. Wendel:** — I think it would be . . . like if we we're doing SaskTel, we would also have the lower rate like that or even lower, okay, on average, because our rates are on average, frankly, lower. Okay?

**Ms. Haverstock:** — Right. In other words, if you were doing more hours, billing more hours, your rate would be less.

**Mr. Wendel:** — If we did the whole audit ourselves.

**Ms. Haverstock:** — Okay, I'm hearing you.

**Mr. Wendel:** — Like then the mix would be the same. We would have lower level people and senior people or just . . .

**The Chairperson:** — Could I just interrupt? Just for clarification purposes. Just so that we don't jump all over the place, I think if members have a very specific question . . . for example, right now if Lynda is asking questions, others have a very specific question on the same topic, I will take it at your honesty that you're going to do that and not jump into something else. But if you have a very specific question, just get my attention, and I will allow a specific question so that a half an hour from now we don't go back to the same thing again. But don't take the prerogative then of holding the floor just at the time.

So if you have a specific question, get my attention; I'll recognize you, and you can ask a question at that time. Then the other person can continue with the questioning at the time.

**Ms. Haverstock:** — Thank you.

**Mr. Wendel:** — Just maybe as another comparison there, Ms. Haverstock, to bring it into perspective, we'll go to page 31. We quote the Saskatchewan Liquor and Gaming Authority there. Okay, it's about, oh, five lines from the bottom. And that's one where we do all of the work ourselves, so we would have senior people and junior people and all kinds of people there.

And that was 1,600 hours to do that particular job, and it was \$85,000. So I think it would compare that way. Like it's very difficult to compare when we're just relying on an appointed auditor. We have, as I said, we use senior people. Where we do everything ourselves, we would end up with the same kind of mix, okay.

**Ms. Haverstock:** — Thank you.

**Mr. Upshall:** — On the rates, just sort of information, could I ask if the 1993 budget actual and 1994 budget . . . There is no provision for private auditors' hours in there. I presume they're not included.

**Mr. Wendel:** — Okay, there's two kinds of private auditors. There's those . . .

**Mr. Upshall:** — Okay, just for your benefit, I'm just comparing with the 1992, March 31, because you have the private included there, and they're not here.

**Mr. Wendel:** — Yes, and I'm just trying to put that into perspective for you, just to explain. There's two kinds of private sector auditors. There's appointed ones where the government appoints them, okay, and those ones are . . . You'll find those in the March '92 numbers, okay. Like we show their costs, okay. They



don't go through our appropriation; we don't pay for those.

There are also private sector auditors, but we hire them. We then bill those into our budgeting costs here.

**A Member:** — You contract them.

**Mr. Wendel:** — Yes. They'll go into our budgeting costs here. Does that help explain that?

**Ms. Haverstock:** — I just wondered in regards to the health boards, I'm wondering if your office would prepare an itemized hourly billing chart to describe the estimated costs of conducting audits on each board. I mean what we have here is the auditing of six health boards for a total of \$550,000 including 200,000 to employ agents to help to do the work. And then it indicates that to do the remaining 23 boards would require \$243,000 beyond the present \$4.3 million in funding.

I'm wondering about this because if there were a chart, I really do think it would be extremely important to have this as a priority now because it's going to avoid a lot of problems in the future if it's done correctly this time and it's, you know, charting new waters and all sorts of things. I think that there could be a lot of potential for problems if it's not done, great value if it is done. But I think a chart that would include incidental costs like travel and expenses, a simple outline that you've provided for other agencies in the back, is missing for these new health boards.

**Mr. Wendel:** — The Department of Health, the cost to audit Department of Health, you'll find them on that sheet.

But just to explain the difference between 23 for \$2.43 million, it seems like a lot less, is the point you're making, I think. As we state in that paragraph, that cost presumes that the government will appoint a private sector auditor. We won't be hiring them; they'll appoint them; they'll pay them.

And then we're into a reliance situation where we have just a question of meeting with the auditor, reviewing his working papers, and relying on them and accepting their report. So in that respect, this budget builds in a relying situation, and we've been working with Health and I think that's what their plan is, is to appoint private sector auditors on these 23 and we would then rely on those. Okay?

We've worked out with Health that we would do the direct audit of three rural districts and we'd do three large urban districts; we'd do Regina, Saskatoon, directly. We're going to do Pipestone, which is down in the south-east corner; Twin Rivers, which is up near Lloydminster, I think someone told me, in that area; and Moose Jaw/Thunder Creek, I believe, is the other one. And that we'd work through with Health and in those ones we're going to be doing the audit directly. And we'll be hiring private sector auditors, and we built that into our budget, where it makes sense to do

so. Like they may be doing a particular hospital. Well rather than change them out and create all that kind of problem, we'll say, well we'll use you, we will hire you and work with you and we'll get it done that way.

And on Regina and Saskatoon, we've always done the major hospitals directly ourselves, other than Saskatoon City Hospital, I believe. And we just built . . . that's always been in our budgets. So that has an impact on the total cost.

So if you're relying on the government appointed auditor, well then those costs won't appear in our budget so it seems like less cost. But when we produce the whole cost next year, when we list all the appointed auditors costs in here, then you'll see the total package. We'll ask them to provide their fees to us, we'll include that as a column here saying, here's what the appointed auditors charged which doesn't go through our budget, and here was a total cost of auditing the Government of Saskatchewan. Okay, everything.

**Ms. Haverstock:** — Thanks. I have one small question, and that's it. Page 15, I just would like a brief explanation . . . oh, maybe it's not 15. Sorry, it's 14.

There seems to be quite a discrepancy between what the actual costs were in '92-93 for travel and what's being requested for '94-95. I wonder if you could explain that. There's 11,737, which was the actual costs, and now there's a request for 39,000.

**Mr. Wendel:** — A request for 38,000?

**Ms. Haverstock:** — Yes, 38,950.

**Mr. Wendel:** — And that is the travel cost we think we need to carry out our professional help program. Like we travel to Ottawa to share information. We go to different legislative auditors to share forces, to bring them back. That's with respect to travel. That's what we've built into the budget.

**Ms. Haverstock:** — And that's not something . . . I'm just wondering, since there doesn't seem to . . . and I want you to know I did not get through this with a fine-tooth comb. Some of this, could this not be accomplished through more sort of telecommunications sharing, you know, computer modems and . . .

**Mr. Wendel:** — We do that too.

**Ms. Haverstock:** — You do that too?

**Mr. Wendel:** — Yes. Sometimes you can't get a particular course. Like we have to have computer audit experts. And the only place . . . you can't get that training here in Regina. You have to travel to the States for most of that. Well that's very expensive. We have to be knowledgeable in that field.

**Ms. Haverstock:** — Yes.

**Mr. Wendel:** — We have three people in that area.



That costs money.

**Ms. Haverstock:** — I was just wondering about the discrepancy actually. And I thought perhaps that might have something to do with the fact that, you know, moving to a different accounting system and trying to have more of a consistent way of doing things across the country, if people were getting together more often to compare notes or what. I couldn't understand why there would be such a discrepancy.

**Mr. Wendel:** — I think there was just a decision to just . . . the budget wasn't enough in that particular year and we just . . . that's where we took it from and delayed some of the training, and that's what we did.

**Ms. Haverstock:** — Thank you.

**Hon. Ms. Carson:** — Thank you, Mr. Chairman. Gentlemen, I want to go back to page 5 because there are a number of questions there that I would like to ask and have some understanding in my mind how . . . first of all, what's happening with health care districts. And maybe I'm not reading this right, but I sense some confusion.

So let's go back — we're in transition — prior to the change in The Health Districts Act. Most of the small boards and institutions were audited by private auditors out of their own budget. You had no allocation then because it was done privately through them. Those health district boards were appointed at that point in time, but they were appointed by municipal governments. So there was no involvement by the Provincial Auditor prior to this 1993.

It was provincial money that was funding these institutions, although they were a number of different boards providing a number of different services. Those boards were appointed at that point in time, as they are now, except they were appointed by a different level of government. Now they're appointed as an interim measure by provincial government. At that point in time they were appointed by municipal governments. So they're appointed then; they're appointed now.

But I have to understand then why the situation is radically different that by virtue of the provincial government making the appointment, it is a legal requirement, a legal interpretation that then it becomes incumbent upon the Provincial Auditor to do the audits for the health district boards?

**Mr. Wendel:** — Yes, Ms. Carson. The Provincial Auditor Act states that if the board of directors is appointed by Lieutenant Governor in Council or by an Act, then we're required by law to audit that agency. The Act states what we have to audit and what we must report.

So when they created all these health districts, all of these boards are appointed by the Lieutenant Governor in Council. Therefore . . .

**Hon. Ms. Carson:** — I can't hear you. Would you

please speak up?

**Mr. Wendel:** — All of these boards are appointed by the Lieutenant Governor in Council and therefore subject to audit by the Provincial Auditor under the Act.

**Hon. Ms. Carson:** — Okay. But you don't anticipate doing all 30 of them, so you will be ignoring the Act to some degree.

**Mr. Wendel:** — Ms. Carson, this budget request sets out an audit plan to do all of the health boards. We've asked for enough money to do all of the health boards.

Now we're planning to do them in different ways. All of them would comply with the Act. Some of them we would be in the reliant situation. We're asking the government to appoint 23 auditors. We've agreed that they should appoint 23 private sector auditors to audit 23 of the health boards. In those cases our work will be limited to reviewing their work.

Three of them, in those three rural districts I described, we're going to be working directly with them, but using the private sector auditors wherever we can to make sure there's very little displacement on those so they continue wherever they were before. As you were explaining, they had auditors, well they'll continue to have those same auditors. We don't want to displace them.

In the two urban centres, we've always done most of the work in those and we'll just continue doing that at the current time, until such time as it becomes elected boards. At that point, we will have to work our way out of them.

**Hon. Ms. Carson:** — I guess I want to talk about that again for a minute. When these other health care district boards that are appointing their auditors . . . they are assuming that cost out of their own budgets.

**Mr. Wendel:** — That's correct.

**Hon. Ms. Carson:** — For the six that you plan on doing, their costs then are paid for through the Legislative Assembly. So there seems to be a double standard here. There are some who have their cost paid by another institution and one through the local allocation of budget from the Department of Health, because they have incorporated in the Department of Health. Other ones are exempt from that cost.

It seems to me to be inconsistent that not all health district boards are being asked to carry the same cost for auditing. Because we're paying for some of the auditing through this mechanism and other ones are paying for the cost of their auditing through their budget allocation.

**Mr. Wendel:** — Just maybe to give you a little history on that, Ms. Carson, the office has . . .

**Hon. Ms. Carson:** — But it makes a difference in the local district board and how . . . You know, it's all



provincial money but it makes a difference in where they're drawing their money and where they're allocating their resources. Because some don't allocate resources to an audit because it's being picked up here, and others have to allocate resources to an audit because it's part of their responsibilities internally. So it seems to me, although it's all provincial money, there is an unfairness here.

Anyway, I guess when you look at the district health Act it says quite clearly that independent auditors will be appointed by health district boards. And we're in an interim measure now which requires some involvement from the Provincial Auditor. But you see moving out of that involvement as soon as the boards are elected?

**Mr. Wendel:** — Yes, Ms. Carson. It'll be, I think, a phased approach where there'll be . . . it may take two or three years to work our way out of them depending how quickly they elect the boards. Like if it all happens right away, well then we'll be moving out much quicker. But if it takes some time to get everything in place, well then it would then move along.

Now the question you raised earlier about some of these boards don't have the costs in them. For many years those particular boards or hospitals, if you like, like Regina General Hospital, has not had a cost for auditing. We've always done the Regina General Hospital. We've done it for many, many years. South Saskatchewan Hospital, same as the Royal University Hospital, the Parkridge Centre, those have been in our budget. Okay? We've never billed those; they've never had them in their costs.

I don't know whether the Department of Health had funded them for that in the past; I couldn't speak to that. Whether they ever had any money for an audit in their budget, I don't know. But not likely because we've never billed for it, so. Now if it is a wish that we should bill these health boards so that they're all consistent, well we would certainly entertain that. You know, that's . . .

**Hon. Ms. Carson:** — Well I guess that's where I'm getting at. If they have money allocated to them, a global budget, and in that global budget there may or should have been money allocated for an audit. Some are allocated money for an audit within their global budget. Obviously maybe some aren't, but we don't know that and it's . . .

**Mr. Wendel:** — I don't know either. You'd have to ask the Department of Health.

**Hon. Ms. Carson:** — This is the confusing part.

**Mr. Wendel:** — Yes.

**Hon. Ms. Carson:** — Okay, further to that, going down that page, let's go back to the top of the page where you say the costs of our office carrying out our responsibilities for the audits of the other 23 boards is .243 million. The cost assumes those boards appoint

other auditors, and what you do is go in and do a review then.

**Mr. Wendel:** — That's right.

**Hon. Ms. Carson:** — And this you feel is a legal requirement. It's simply you have a legal opinion on this.

**Mr. Wendel:** — The Act's quite specific. I think we do have one; I don't have it with me. But at the stage they became health boards, until they're elected, they remain a Crown agency under The Provincial Auditor Act.

**Hon. Ms. Carson:** — Going down the page, you say that if we are provided with less than 4.7 million then you will have to prioritize, and the sequence is as follows. Is this from top to bottom, that the smaller health care boards would be a higher priority than the revolving funds and the revolving funds are higher priority?

**Mr. Wendel:** — It would be the other way around. These would be the first ones to go.

**Hon. Ms. Carson:** — They would be the first to go. Okay, can you give us a breakdown then of what those four . . . obviously the smaller boards you anticipate would be .243, but can you give us a breakdown in each of those categories so we have a clear understanding what the total amount for those four would be.

**Mr. Wendel:** — Well the revolving funds would be on page 3.

**Hon. Ms. Carson:** — Yes, that's last year.

**Mr. Wendel:** — Yes. Now there'll be some small changes to that. I believe there was one revolving fund . . . (inaudible) . . . \$20,000.

**Hon. Ms. Carson:** — And the agricultural boards and commissions. Could you just provide us with a breakdown of costs per hour of what you anticipate would be the cost — the number of hours and the cost for each of those four categories.

**Mr. Wendel:** — Number of hours . . .

**Hon. Ms. Carson:** — Number of hours and the total cost for each of those. Because as you go down that page, then you make some other statements that appear to me to be contradictory, where we go to the revolving funds or within departments. Is it mandatory? Is it a legal obligation, again, to do revolving funds, or is it not?

**Mr. Wendel:** — Yes, Ms. Carson, we believe it would be a legal obligation to audit the revolving funds.

**Hon. Ms. Carson:** — You believe it is a legal obligation to do. And then you say on the bottom of the page, the agriculture boards and commissions do not administer a significant amount of money. You



seem to say if there's not a significant amount of money, even though it's a legal obligation, you don't want to do it anyway. Like is there . . .

**Mr. Wendel:** — No, I think what we're trying to explain here, Ms. Carson, is we presented a plan to do all of the work required by law. Okay? Now if we don't get enough money to do all of it, some things won't get done even though they are required by law.

**Hon. Ms. Carson:** — Right.

**Mr. Wendel:** — So then we have to set priorities, like we say, a smaller health board. We say, well we don't know a lot about them. They're maybe transitional, and I guess that would be something we'd let go. Then we say, revolving funds; well that's another thing required by law. Again, they're small, a lot of them. Agricultural marketing boards and commissions, same issue.

**Hon. Ms. Carson:** — What you're saying is the risk to public accountability then diminishes with the revolving funds and the commissions, and therefore they become less of a priority.

**Mr. Wendel:** — Compared to the other things that need to be audited, yes.

**Hon. Ms. Carson:** — But you feel it's a legal obligation.

**Mr. Wendel:** — Yes.

**Hon. Ms. Carson:** — Okay then, on the last page you talk about the private auditors. Do you feel that you can rely on the private auditors to do a quality audit? Like how extensive involvement, overview, do you do on a private auditor if private health care boards or the district boards are doing, using, private auditors? Are you uncomfortable with the quality of work done by those private auditors?

**Mr. Wendel:** — Ms. Carson, on the health boards, we've had no experience with those private auditors that are going to be appointed there. I couldn't comment on that.

**Hon. Ms. Carson:** — Well when we do not examine government organizations, the Assembly does not receive our assurance that the financial reports provided by the government are reliable and credible. And I guess, does that mean that there's no quality assurance guarantee that the private auditors would be doing an adequate job as opposed to the Provincial Auditor, if they were doing the same work?

**Mr. Wendel:** — I think what this particular paragraph is saying, Ms. Carson, is we cannot provide you our opinions because we haven't done enough work to form those opinions, so we can't do that.

**Hon. Ms. Carson:** — Aren't they the same professional standards for both the Provincial Auditor and the private auditors?

**Mr. Wendel:** — That may well be the case. All we're saying here is, we haven't formed an opinion on those and we're not prepared to make an opinion. We haven't done enough work to form an opinion. Now if you want to accept their opinions, I mean that's up to you.

**Hon. Ms. Carson:** — But you're all governed by the same professional standards.

**Mr. Wendel:** — Yes.

**Hon. Ms. Carson:** — Thank you, Mr. Speaker.

**The Chairperson:** — Eldon and then Eric.

**Hon. Mr. Lautermilch:** — Well I guess I just want to carry on on this just a bit. I mean, as Ms. Carson has indicated, the professional standards that are set for public and for private auditors are the same, as I understand it. Your association and your profession governs and sets guidelines under which you work. Is that correct?

**Mr. Wendel:** — Mr. Lautermilch, yes, we follow generally accepted auditing standards.

**Hon. Mr. Lautermilch:** — Okay. Well these health boards are all going to be turning at some point in time, and Health has indicated that they will be governed by private auditors as opposed to public auditors. Am I correct in that?

**Mr. Wendel:** — I think, my understanding, Mr. Lautermilch, is that the government plans to have elected boards. And as I explained earlier, once there are elected boards we won't be responsible for the direct audits of those health boards. We will have some continuing responsibility on a government-wide basis and a board-wide basis, but not for the individual boards.

**Hon. Mr. Lautermilch:** — Well I guess my point would be this: as you've indicated, we're into a transition period and there are going to be private audits done on these. I would assume then that the Provincial Auditor would, you know, would be scrutinizing this as this happens. But I guess my question is, wouldn't it be reasonable to have the private auditors appointed now so that they could gain the expertise, as you would be doing, in terms of the formation and the new boards and as they work, to have these done and as many done by private auditors sooner rather than later?

I mean what we're doing here, from what I can see, is an overlap of expenditure in that you're going to go in, do the audit, then at some point in time the private auditors would come in. Would it not make sense for the private auditors to do the audit and you take a second look?

**Mr. Wendel:** — Mr. Lautermilch, there's a couple of issues there. And one of the things we got by doing the two urban health boards or three urban health boards last year directly was a lot of experience on the



problems that are going to arise. And we developed an accountability guide which will help all the other auditors that are going to be appointed out there. It will help all the boards as to what financial guidelines they need to have, how they should do their financial reporting, how they should organize these things.

And we've worked very closely with Health, and they've adopted this guide and we've moved it out to the various boards, and they're going to be using that guide.

Okay, now that gave us a lot of insight, like just doing those few health boards directly. This year we wanted to expand that into the rural areas, the three of them. And then once they're elected, we would then work very closely with the appointed auditors to make sure that . . . (inaudible) . . . Now whether the government wants to move quicker on appointing auditors to these health boards, that's fine.

**Hon. Mr. Lautermilch:** — Well I don't want to be argumentative, but I guess my point would be that I think it would be appropriate, quite clearly, for the Provincial Auditor to have a second look at what's been happening. I mean we've got a history of audits being done in terms of health boards. There's amalgamation, consolidation now, fewer bodies to deal with. And I guess what I'm saying is in a time of restraint and when government doesn't have the funds and we all I guess have to do a little more for a little less, we've got to look at ways of cutting costs.

And I would suggest that we certainly want accountability and a good quality of accountability of public funds expended, but I think that we need to do that in the confines of what the people of this province can afford, and I guess do a little more for a little less. And I think what I see here is a duplication, frankly, and I think we're paying . . . You're asking for a considerable amount of money and I'm suggesting that there may be, in fact, may be a better way of doing this on a more cost-effective basis.

I'm going to move on, if I can, Mr. Speaker, to another topic. And I was quite interested in terms of the . . . Oh, Mr. Hagel has a couple of questions on this same line.

**Mr. Swenson:** — And so do I.

**The Chairperson:** — Then Mr. Swenson is on.

**Mr. Swenson:** — Carol raised a good point about these boards that you've been doing sort of gratis and nobody knowing whether there's something in the budget or not. That, to me, isn't right.

You said the Regina one you've done for years, and the Saskatoon one, and you didn't know if the government allocated money for an audit or not, and that isn't your responsibility, but you've never billed them. It's just been something you've always done. And I think these six that you're doing should be on some kind of a billing schedule and you come up with X number of hours and it's at 70 bucks an hour or whatever the rate is and it goes into the mix and you

bill them. And then we know what is going on there.

And I would think government would . . . somebody over in the Department of Health is going to give their head a shake pretty fast because there's bills going to come through and it says it's X number of dollars, and all the way through the system people are going to take notice. I'm not sure that they have up until present because Health's a pretty big budget, a billion and a half bucks. Maybe it sort of just slipped by the window there somehow. So I think you should bill them.

But I am, in this transition period, very concerned that you go through this procedure because I asked the minister in a written request some time ago what projected board costs would be, for instance, on some of the districts. And the reply came back and I am being told that that is a very small number compared to what reality is.

And I can see where a local firm who audited, for instance, my Moose Jaw Union Hospital — we have a number of small firms in Moose Jaw that do excellent accounting work — would be doing that, but to all of a sudden move from the Moose Jaw Union Hospital to the bigger thing and not have that experience administratively to handle that, is going to be challenging to say the least.

And I appreciate the fact that you're going to show them some ways that they can probably do a better job if they're the lucky contender in whatever tendering happens to take place. So I want you there, because I think as we go through this transition that some of those numbers are not going to jibe. And I think it's incumbent that the taxpayer, as they understand this change in health care, have an impartial view of what is actually happening out there.

But Carol's got an excellent suggestion on this business, what the six should do, and they should pony up the . . .

**Mr. Wendel:** — Just maybe again back into history as to why we didn't bill all these hospitals in the past, before they became health boards, is the money comes out of the Consolidated Fund as hospitals. Our money comes out of the Consolidated Fund, and we never billed those organizations as I said because the money just went in and out, okay.

But if the board here would like us to bill them, we'd be prepared to do that. That's not a . . . It's just like if we send them a bill, they'll say, well why are you sending us a bill now. We'll say, well the board asked us to send you a bill and that gives us you know a little more power. Well the Act says we can render a bill. You know we've rendered bills out there, and sometimes they're not paid as I said before. So if the board says bill them, well I'm sure that would have a lot of weight attached to that. And if the board wants to recommend that, that we bill those six health boards, fine.

**Mr. Swenson:** — But for budgeting purposes you're going to have to give us a number because we can



drop your bottom line by a whole bunch of dollars which I think is pretty darned important for our exercise here that we can cut your budget back by a corresponding amount.

**Mr. Wendel:** — How about we go the other way? We'll give you the money when we get it?

**Mr. Swenson:** — Well that's why I asked you earlier about putting . . . I made the point about putting these guys on some kind of a billing schedule so that I know that you're going to get paid, okay?

**Mr. Wendel:** — Yes. I guess it comes down to, if you want us to bill we'll bill, and we'll return the money to the Consolidated Fund. The net cost of the Consolidated Fund won't be any different then.

**Mr. Swenson:** — Well I told you earlier I don't like this billing business, but I don't have control over the world these days so . . . In the world that we live in, if you're going to be billing I just want you doing it on a regular basis, and I know you're going to get paid, okay?

**Mr. Hagel:** — Thank you, Mr. Chairman. On the same subject, if I can just continue and pick up right from where you left off, Fred, have you explored this possibility with the Department of Health or with any of the six boards that you planned to do the audits for, and what kind of reception have you met with?

**Mr. Wendel:** — Excuse me, Mr. Hagel, explored the possibility of billing them?

**Mr. Hagel:** — Yes.

**Mr. Wendel:** — Or explored the possibility of doing the audits?

**Mr. Hagel:** — Explored the possibilities of their paying, either with the Department of Health or with the boards or both. Have you explored the possibility of their paying the bill from their budgets as opposed to you conducting that work and the bill being paid through the Board of Internal Economy approved Consolidated Fund budget.

**Mr. Wendel:** — Okay. There have been discussions with those boards. Now I wasn't at those meetings, but my understanding is that those boards are going to be paying us or reimbursing us for any costs we incur to hire private sector auditors. So if say the City Hospital in Saskatoon always had a private sector auditor . . .

**Mr. Hagel:** — Right.

**Mr. Wendel:** — They would continue to have that private sector auditor. We would hire that private sector auditor, pay them, and get the same amount of money back from the board. So that's what's happening on those. Does that . . . But we're not billing for our time.

**Mr. Hagel:** — That's not really what I'm asking. But then is that reflected in the revenue that you put on

page 3? Because if it is, I don't see it there then. I see Saskatoon Health Board, but that's all.

**Mr. Wendel:** — And that's all that happened during that fiscal year. Now the budget then . . . If you go to page 2, it says we're forecasting revenues of 360 million; I'm talking in the future here.

**Mr. Hagel:** — Right.

**Mr. Wendel:** — And that's what I was just finished explaining to you.

**Mr. Hagel:** — Okay.

**Mr. Wendel:** — And that's made up of . . . you see the footnote at the bottom.

**Mr. Hagel:** — Right.

**Mr. Wendel:** — The government continue to pay our costs at CIC. It's shown on page 3 that that's 115,000.

**Mr. Hagel:** — Right.

**Mr. Wendel:** — Liquor Board I think was 44. And the six health boards would be the difference which would be \$200,000. And that's where we'll be contracting with private sector firms to do a lot of the work for us. Saskatoon City Hospital. At the twin hills we've used them for the major hospitals that are out in that area, Moose Jaw/Thunder Creek the same situation.

**Mr. Hagel:** — Okay. Yes. If I can just kind of put this thing into context. What I understand, you would like to have all of your money come from one source.

**Mr. Wendel:** — That's correct.

**Mr. Hagel:** — And you'd like that source to be the Consolidated Fund, and wouldn't we all? Wouldn't life be simple if all of our money could come from one source for everybody? And I understand your desire to do that, and I don't condemn you for desiring to do that. At the same time some of the things that you're auditing, all of the things you're auditing that where you're receiving sources of your funds, they are also receiving funds from the Consolidated Fund which are then being turned over to you. Am I correct?

**Mr. Wendel:** — I'm not sure I got . . .

**Mr. Hagel:** — When I look at the list of places that you get your funds from, they also — all of those — they get funds from the Consolidated Fund.

**Mr. Wendel:** — Some do, yes.

**Mr. Hagel:** — Which don't?

**Mr. Wendel:** — I think Liquor Board would be . . . most of their money goes to the Consolidated Fund rather than the other way, but the administration . . .

**Mr. Wendel:** — The administration, yes. So I mean I



understand. We've got this pool of money called the Consolidated Fund, some of which comes to the Provincial Auditor to do a very important and legitimate task. And so is there a whole host of other services being provided in Saskatchewan, the money for which comes from the Consolidated Fund.

And so I guess I don't want us to get . . . I do appreciate it would be from your point of view cleaner or simpler to have all of your revenues come from, come through one allocation which is what you're before on the board here right now. You're asking in your budget request that all to come in one commitment as approved by this board today. The other alternative is for it to come from the Consolidated Fund to some other agencies who in turn turn it over to you.

I mean I understand why you want that, but from my point of view in terms of the expenditure of public funds, to get the very important task of auditing done, I am more concerned that the auditing is done, quite frankly, and that the money is there to do it than I am that it follows the channels that you might prefer. It is important to me that the task be done and that the expenditure of public funds be legitimately accountable.

So when I look at the . . . then we translate this to the health districts and I don't want us to get hung up on a principle which ends up costing more public funds to provide the same level of accountability that can be achieved for less. Is this not an objective that we should all seek on this board?

**Mr. Wendel:** — That would be an objective but I'd be interested to see how that would happen.

**Mr. Hagel:** — Okay, well if I can simply ask then in terms of how we happen . . . because I have to admit as I sit and listen, part of what I hear you saying is that what you want to do is you want to be in the position where you can report, in the level of confidence you want to have, that the money is being appropriately spent. And I understand that and I praise you for wanting to do that. However at the same time you're not saying if you don't do it in the health boards . . . a private auditor will be there, or if you do it you could be reviewing what the private auditors have already done, or you could do it all yourself. Those are the three options. Correct? And what you'd prefer to do, I think, is . . . your first preference would be to do it all yourself, supervising some private auditors in the process. Am I misunderstanding what you're saying?

**Mr. Wendel:** — No, I think what this plan calls for, Mr. Hagel, is a combination of all of those. Like, it isn't . . . we don't want to do them all ourselves.

**Mr. Hagel:** — Okay. And I'm assuming, as Ms. Carson said, that you're not proposing any illegal alternatives here. What you're proposing are things you consider to be legal. Okay. It may not be first choice but they're legal. All right, so then we don't have to feel troubled by that. Then when I look at the six that you plan to do, Regina, Saskatoon, P.A. (Prince Albert), Moose Jaw, Twin Rivers, and Pipestone, for \$550,000 that comes

to just a tad over \$90,000 per audit. How does that cost compare to what private sector auditing would do, undertaking the same task? It sounds to me — \$90,000 an audit — I have to admit it sounds a tad high. Maybe I'm just misunderstanding the complexity of the task, and I know they won't all be the same. I mean it's an average of 90. But I'm aware of the Moose Jaw/Thunder Creek, and I suspect that's kind of in the middle. It's probably about the average.

**Mr. Wendel:** — Of the half a million dollars that you're talking about, Mr. Hagel, on page 4, we state in there that 200,000 of that is for hiring private sector auditors.

**Mr. Hagel:** — Okay. We're talking about auditing, and it's important that auditing be done.

**Mr. Wendel:** — So I'm not sure if I've got your point.

**Mr. Hagel:** — That's right. So you're saying 90,000 per audit, some of which is private sector, some of which is you. Fair enough. Is \$90,000 per audit on average for those six boards, is that cost effective is what I'm asking. And would that meet private sector standards with similar expenditures. I mean all of . . . You understand these things much better than I. But with all of the transactions, was \$90,000 a reasonable amount to spend on average for those six?

**Mr. Wendel:** — We think it is, Mr. Hagel, yes.

**Mr. Hagel:** — Are you confident that, for example, private sector auditors would share that view?

**Mr. Wendel:** — I don't know whether they would or not. I think, Mr. Hagel, when you're talking about an audit under The Provincial Auditor Act, it goes beyond a financial statement audit which was done . . . I know some of those health boards requires an audit to ensure, yes there's proper safeguard, you've got proper internal control systems, and whether you comply with all the laws. So it's a broader audit than what's required to sign a financial statement. So I think for equivalent products, I think our costs are reasonable.

**Mr. Hagel:** — If — and I'm not suggesting this, but if . . . this is a theoretical question, but I think you should have the expertise to answer it — if that task was put out to tender then, what do you think would be a reasonable, lowest competent price for the task to be expected?

**Mr. Wendel:** — I don't know.

**Mr. Hagel:** — You don't know.

**Mr. Wendel:** — No, Mr. Hagel, we haven't put it up for tender. I'm just saying these were the costs to do these hospitals in the past. Most of this cost were incurred in the past.

**Mr. Hagel:** — Yes. But if in budgeting these here then — and I know you have in preparing the numbers; obviously you've done some calculations — then you



must have assumed something about hours, levels of competence. As you said earlier, some people would be your most, you know, your most skilled, experienced. Some would be your newer employees and so on. But you must have made some assumptions about hours involved at different levels of expertise required. Did you not?

**Mr. Wendel:** — Yes.

**Mr. Hagel:** — Yes, okay. So does that not enable us to, from there, to draw some reasonable assumptions about comparisons to private sector doing the same task, charging the rates that they charge?

**Mr. Wendel:** — I don't think we've asked for the costs. We've asked for the costs that private sector auditors are charging, but I don't think we have that in yet, do we? No? Well I think the request just went out recently so we haven't . . .

**Hon. Mr. Lautermilch:** — Mr. Speaker, if I could just interject. I think what Mr. Hagel asked is a breakdown of the hours for each of the six health care boards, the number of hours that would be put to the task by which level of expertise, and you're saying you haven't got that information?

**Mr. Wendel:** — I would have that information at my office, yes. Now, I can give you some information today, Mr. Lautermilch.

**Hon. Mr. Lautermilch:** — I say to you, this. I've been to Treasury Board and I've been before Treasury Board and if that information . . . If you were to come before Treasury Board without that information and you were asked by Treasury Board ministers, you would have a very difficult time.

And I'm saying that when you're asking for an increment of \$550,000, and when members of this board are asking for a breakdown in terms of each district, the level of expertise, and the aggregate amount for each of these, so that we can do a comparative analysis as to what the private sector would charge by tender, based on the experience that we are receiving when we're putting out requests for proposals, that that is unacceptable.

Are you telling me that you can't supply us with a breakdown and a detailed analysis of why you want this \$550,000?

**Mr. Wendel:** — I have an analysis with me, Mr. Lautermilch, yes. I have one and I'll put it into the record. Now I don't have all of the details here but I'll give you what I do have.

**Hon. Mr. Lautermilch:** — Well I think we would like to know what you have and if that satisfies the questions and the needs of this board, fine. If not, we're going to ask you to go back and get the information for us.

**Mr. Wendel:** — Okay, what I have for the Regina Health Board is hours of 2,790 hours.

**Hon. Mr. Lautermilch:** — Okay, if you can go a little slowly because we're not . . . Or have you got copies of that? Okay, read it in and we'll . . .

**Mr. Wendel:** — Would you like a copy made?

**The Chairperson:** — We could have copies made.

**Mr. Hagel:** — Is that faster? I'm not sure, I can't see what you have there.

Why don't we just take the time it takes to do that. We can probably circulate as quickly as read it.

**Mr. Wendel:** — Now if I can have the other information brought . . . I'll just phone back to the office. If it isn't the detail you need, I'll phone back. I didn't know how much detail we'd get into today.

**Mr. Hagel:** — Okay, if I could just continue then. Moving along then to the other 23 health boards, okay, in which you're asking, you're advising the budgetary requirement would be \$243,000 or nearly quarter of a million dollars. And as I understand it that is essentially — which works out to just about \$10,000 per. Okay.

So on the big ones, the six, about \$90,000 per audit, but you're doing the complete audit. And then on these 23 smaller ones, the remaining, about \$10,000 per audit. And in essence there — I'm not trying to be flippant and I think I'm using the correct terminology but advise me if I'm not — in essence to audit the auditors.

**Mr. Wendel:** — I guess in essence to form our own opinions and be able to report to the Legislative Assembly. You know, we have to form our opinions and it requires a certain amount of work to do that and that's what we say the costs to do for each of those boards, which is about \$10,000 a board.

**Mr. Hagel:** — Okay, so that you would review and to be able to sufficiently offer an opinion, which you're saying right now you can't offer?

**Mr. Wendel:** — That's right. If we don't do this work then you will not be offering an opinion on those boards.

**Mr. Hagel:** — Ms. Carson asked earlier whether you trust them or not and you said, well, I can't say yes and I can't say no, I just can't draw an opinion because we've not looked at it. But they do use the same standards as you use.

**Mr. Wendel:** — Just to go a little further on that, Mr. Hagel. There's also a professional standard that when you rely on another auditor, you have to do some work. That's required by our standards. You can't just rely on it, you have to do some work to do that.

**Mr. Hagel:** — Okay, right. And I don't criticize you for a second for wanting to do this. I really don't. And I hope you don't feel that way. What we have to make a



decision here ultimately is, at the end of the day it has to come down to a decision about the most responsible expenditure of the public funds and that balance between doing the job properly and preserving accountability but trying to avoid as much duplication as possible. I think, when I say, when I look at the job that I'm assigned to do when I sit in this board, I think I share that with the other five around the table.

I guess then the one final area, and maybe by that time the other information will be back, then as we look at what you feel is the legal requirement because at this point in time the health district boards are appointed although the legislation clearly says that they will become elected, so the whole world sees this as a transition period, including yourselves.

And I assume that's why you said, now if we don't get our whole budget, then in order of priority in the list of the four top areas that we wouldn't do our work, that the small health boards would be one of them. And I'm assuming by that you're saying, well it is transitional. I mean we'd like to do it, we consider it our interpretation within the Act is that we should do it. However if we didn't have the budget to do it, if we didn't have the whole budget, it would be one of the things that we'd not do first because it is transitional.

I don't want to be putting words in your mouth and I think, my assumption is, you're feeling that way because these health districts are providing services all of which have been previously provided by organizations all of which have been getting audited for years now and all of which have been receiving money from the Consolidated Fund to do that. And so now it becomes collected together in a different way called the health districts, that in this transitional period while they are appointed, not yet elected, but once they become elected your responsibility goes away then.

So I mean I understand the responsibility and I appreciate too I think the comment you made earlier in response to Ms. Carson, no, you're not recommending something that's illegal here but you are saying that it is something that you prefer not to have to forgo. Have I said anything that you disagree with?

**Mr. Wendel:** — Just at the end I think. All we're . . . we have a plan here I think that would carry out The Provincial Auditor Act, Mr. Hagel. Some of them involves the government appointing auditors and we rely on their work; we've worked with the appointed auditors. Other ones we'd be doing directly. And that all complies with the Act.

Now the paper that was handed out there are two. You need to change the names on two of them — it says Battlefords and North Central. Those come off. That was the preliminary plans and that's to be Twin Rivers and Moose Jaw/Thunder Creek.

**Mr. Hagel:** — Now when I just look at, for example, just off the top of my . . . just right above there,

Pipestone Health Board, why would the cost there . . . it looks to me as though it's \$200 an hour — 320 hours for \$62,000.

**Mr. Wendel:** — Mr. Hagel, in that 62,910, \$40,000 of that would be for contracting appointed auditors, and their hours aren't in there. Okay?

**Mr. Hagel:** — Okay, so it's . . .

**Mr. Wendel:** — Just what they would charge us.

**Mr. Hagel:** — So it's 22,000 for 320 hours.

**Mr. Wendel:** — Right. And that was our best guess; we haven't put that up for tender or discussion with them.

**Mr. Hagel:** — So that's about 70 bucks an hour, in that neck of the woods? Just some quick math off the top of my head.

**Mr. Wendel:** — And there'd be some travel.

**Mr. Hagel:** — Yes, okay. So that's 22,000 . . . Now you're losing me again. Okay, because there's 22,000 your office, 40,000 private sector that you're working together with, making 62. And the others, the smaller ones would average 10,000 to review the work done by the auditors.

**Mr. Wendel:** — Just to help you along with that, Mr. Hagel. You'll see the one just above that is Prince Albert Health Board and it's at the same number of hours. Like we just use kind of a standard number because we haven't been out there to do anything yet. We have to have some base. What happens where there's an appointed auditor, we would be relying on the Prince Albert Health Board's appointed auditor. Okay?

In the case of the Pipestone Health Board, there won't be an appointed auditor. We will be doing, if you like, the consolidated financial statements and there'll be private sector auditors doing the individual hospitals building up to that. Does that help?

**Mr. Hagel:** — Yes, okay.

**Mr. Wendel:** — Just maybe to go back a little further. While there's always been hospitals out there being audited and they've always had financial statements, what's happened now is there's been a body put over top of them and that body has to prepare a financial statement now. Okay? So all the information has to flow up from those bodies and be put together.

And what is happening in the Pipestone and Moose Jaw and in Twin Rivers is we're putting that together, bringing it together, whereas in Prince Albert there'll be an appointed auditor doing that. The same in the 23 other health boards, the smaller ones. Okay?

**Mr. Hagel:** — Okay. That's right. I mean we are skirting around another related issue, and that is, when you pull these together how you would end up



having a much smaller number of entities you're auditing and the audit cost goes up. But we'll come back to that a tad later.

Then that \$40,000 — come back to the Pipestone, if I may then — the 40,000 that's private auditors. The auditor's office, roughly 65 or \$70 per hour is how that'll average out, I suspect. When you work in travel and so on, we're in that neck of the woods. What would be the private sector hourly rate that would be involved in the accumulation to that 40,000?

**Mr. Wendel:** — All we've got is prior years history which we presented to the board here and it works out to — is it \$70 an hour? — on the Crown agencies that are presently done by appointed auditors, like SaskTel, SGI (Saskatchewan Government Insurance), those kind of places.

**Mr. Hagel:** — What years were those?

**Mr. Wendel:** — March '92.

**Mr. Hagel:** — Okay. But however you don't have specific information that's related to Pipestone specifically then? You're going by your . . .

Okay, now that was March of '92, you said, March of '92?

**Mr. Wendel:** — December '91, March '92.

**Mr. Hagel:** — Okay. So two years ago. Market rates in Saskatchewan since then, what's happened? Up, down, same? I mean I know what the private sector tells me, but what's your perspective?

**Mr. Wendel:** — Mr. Hagel, we've written to the appointed auditors to get that information. Now we don't have it all yet. When we do have it, we will present it though, and it'll be available for the Standing Committee on Estimates. Hopefully we'll have it by then.

**Mr. Hagel:** — Okay. Do you have an impression, without holding you . . . I'm not asking you to give a firm, a specific figure, that you obviously can't give me, but you work in the industry and I'm sure you rub shoulders with people all the time. In the last two years, the hourly rate for auditors, has it gone up, is it the same, or is it lower? What's the trend? If I'm using private sector auditing, whoever I am, and I'm contracting with an auditor today, should I be expecting to pay more or less or the same as two years ago?

**Mr. Wendel:** — Like I said, I don't have the information for December 31, 1992, March 31 '93. It's been asked for, it's coming, we will have it later. But what we have presented here is what our appointed auditor charges us to do our audit. That's in here. I think it was about \$70 an hour in '92 and \$78 an hour for '93.

**Mr. Hagel:** — Okay. Well we'll come back to this, I think, because it is important that we put our

discussion here into the context of the Saskatchewan we're in, I think. And again I come back to the task that's before us is to make a responsible decision about the expenditure of public funds to do an important task which is the auditing.

I think probably, Mr. Speaker, I appreciate the answers in detail. This went a little longer than I'd thought. It's been helpful to understand. If I can just kind of take 30 seconds to summarize then. I think at the end of the day, I mean we all will have to make a decision as to the budget for the Provincial Auditor, and it is important to me, when I draw my conclusion on that, that (a) it be in the context of the Saskatchewan reality; and (b) that although there may, if there is — and I state very clearly — if there is a conflict between a most preferred way of receiving funding and another way of auditing being done which provides a level of confidence that the public funds are being properly expended and the source is the Consolidated Fund, I'm going to go . . . my opinion is, in terms of the budget here, that we've got to go with the less expensive for the Provincial Auditor, the same as we do for the Department of Highways or Education or Health or Social Services.

And I think it should also be noted that there is at least one conflicting legal opinion about the requirement to consider the health boards as a Crown agency. And I suspect too it is in that context that you're . . . that may be part of the context where you're offering that if the whole budget isn't there this is one of the areas in which there is the least amount of risk to not do what you prefer to do. Because at the end of the day, what you're doing is protecting us against risk, aren't you?

**Mr. Wendel:** — Conflicting legal opinion.

**Mr. Hagel:** — That's not something that's in your thinking?

**Mr. Wendel:** — No.

**Mr. Hagel:** — Okay, it is in mine. But at the end of the day then, you're protecting us. You're protecting the public good against the risk of expenditure of public funds. That's what your job is. And I think you've outlined for me what you would see the level of risk as being. We may want to come back to that a little later. Thanks, Mr. Speaker.

**The Chairperson:** — Ladies and gentlemen, I hope the members will allow the chairman to make a few comments which I've done in the past, and I would like to do that now.

I've listened to the comments that have been made and I think the thing that has to be kept in mind, no matter what combination of auditing that we choose in presenting this budget to the Legislative Assembly, the Provincial Auditor and his people have presented what they think is the best way of doing the auditing for which legally they are required to do. And I think the board's responsibility is to see in what way we can do the legal requirements in the cheapest way possible.



I'm a little concerned that we're comparing apples and oranges in some instances. I think most of us will know that there are different kinds of auditing. I'm not referring to quality of auditing. I think we have to keep that in mind, that when an audit is . . . that when we ask people to do an audit, it depends on what you want on the bottom line. If you ask someone to do an audit only on the financial statement, that's one kind of an audit. And that may be considerably cheaper than an audit that is asked as to whether or not the program was effectively carried out and is referred to . . . In other terms, it is comprehensive auditing, where you don't just look at the financial statement but also whether or not the program has met its objectives, and whether or not the Legislative Assembly then can make a judgement as to whether or not the program has been effective.

So I think in some areas we are really comparing apples and oranges. And I don't know if I were to make a decision right now as to what direction I could go. I would like to . . . from what I gather here, the Provincial Auditor is saying he needs 4.7 billion . . . or \$4.7 million — billion would be a little much — \$4.7 million to do the comprehensive auditing of all the legal requirements that have been put on him by legislation. All right. And he's saying that is a combination of Provincial Auditor doing some of it and some of it being done by private auditors.

I would like to know, if someone could tell me, what it would cost us by giving the Provincial Auditor less than what he has asked for and have the rest of it done by private auditors. Is it more than 4.7? Is it less than 4.7? And if we add up all the private auditing that has been done in the past year, all the costs that we have put out, is it more or is it less? And that we don't have. That I don't have, and if someone could provide that for me, then I think we as a board are able to make possibly a better decision as to what the budget should be for the Provincial Auditor.

So I think we're all concerned about the economic reality that exists, but I think we all also will agree that all the auditing that is legally required must be done.

So if someone can provide me with what the costs are by giving the auditor less and having more done by private auditors, will that save us dollars? And if it does, how much? If it doesn't, how much more is it going to cost the provincial treasury? To me that is something that we need more information on, and I don't know whether you can provide that for me or for the committee.

**Mr. Swenson:** — I fully agree with you, Mr. Speaker. Those would be very interesting numbers to have. But I think you made a very important point there for us to consider — the type of audit that we're going to be comfortable with, I guess, for the Legislative Assembly.

My view on this issue is this. This is a fairly dramatic change in the fabric of Saskatchewan that we're dealing with here, this consolidation. And it may be

followed in Education; it may be followed in Municipal Government. I don't know. But there's forces at work out there.

We're talking about one-third of the entire budget of the province of Saskatchewan involved with this issue in health care, and we've gone through much debate in the legislature, and we've all had our partisan points on it. I think and feel quite strongly that as we go through this initial phase, because we're looking at this as being a major saving for taxpayers down the road, that this board has to view this one in a very serious manner.

I think a lot of how this thing unfolds, the closure of hospitals and all that, the proof is going to come out in the numbers. And I think every taxpayer in the province is going to be darned interested in seeing how these things shake out. And I would want to have as comprehensive an audit done as possible while the government has full responsibility under the Act.

Once these people are elected and in charge of the money, they will have legislation given to them to handle the situation and we have the issues of union hospital levies to deal with. We have all sorts of issues out there that these elected boards will then have to mandate themselves with, with their auditing. But I think this board needs to direct itself at how this health care issue is given the most comprehensive look possible by an impartial, independent body.

And that, in my view, will do more than anything else to calm some of the political rhetoric maybe that we all tend to get excessive about at times. And we're talking about fundamental change here. I think it's important.

That's the point I want to get on the record and I want you to do it as most cost effective as possible, Mr. Wendel, and your people. And the program you've presented to me seems reasonable except I would like to know what these private sector people that you're going to have to work with in all these things are costing today. I think that is an important issue that we need to fully understand.

**Mr. Wendel:** — Mr. Swenson, we will do our best to do it as cost effectively as possible. We have, as I stated, prepared a guide to help the boards and the appointed auditors where we're not directly involved. We had Health adapt that plan and they've sent it out. We can make that available to the committee if you'd be interested in having that. And it calls for what auditing is required out there; what . . . you know, tendering; all of those kind of things. But that is available; if the committee would like a copy of that, I have that along. Would anybody like that, or . . .

**Mr. Upshall:** — Thank you, Mr. Chairman. I want to get at basically the same area that you were talking about, Mr. Chairman.

Now you say that you're responsible for the government-appointed agencies because the members are appointed by the government, for these



agencies because their members are appointed by the government and I understand that. Like any other department of government, right?

**Mr. Wendel:** — That's correct, Mr. Upshall.

**Mr. Upshall:** — For example, like ACS (Agricultural Credit Corporation of Saskatchewan) when they had a board.

**Mr. Wendel:** — Yes.

**Mr. Upshall:** — Okay. And to my recollection though, ACS has always had private auditors do their work for them. I say "always" with my limited knowledge — since I've been around, anyway — and your department reviewed that audit.

**Mr. Wendel:** — Since '87, Mr, Upshall, I think it was that private sector auditors were used on Agricultural Credit Corporation.

**Mr. Upshall:** — Okay, since '87.

**Mr. Wendel:** — Yes. And we reviewed that work and . . . yes.

**Mr. Upshall:** — Okay. Now, and I use ACS because it was an institution that had very many headaches over the past number of years because of some decisions that were made. I recall in one of your reviews — I forget, '88 or '89 — and there were . . . the figure of \$1.2 million was used — billion rather — as a result of the \$25 production loan program. And you were saying that there was absolutely no evidence that there was any reason to believe there was any formula put in place to come up with that figure, that it was random. I mean I think you did a good job of reviewing that process.

Now I want to take that and relate it to health boards because, as Mr. Swenson said, it is . . . we're trotting new ground. I don't know that I would totally agree with the mystique that's out there because, I mean, you're going to do a financial statement audit as standard practice and then plus whatever.

There's a bit of a problem, I think, in that there's going to be duplication of start-up costs. You're going to be doing your start-up costs and doing them for three years. When the boards are then elected, then somebody else is going to be starting up again. They will have the knowledge that you have put into it, of course, but there'll still be some duplication.

But the point is, we're spending \$800,000, almost \$800,000, auditing the health boards, the health districts, the health boards you have, if you'd include Regina, the hospital in Saskatoon, and the health boards, okay? I say we're trying to save money. I mean we don't have a whole bunch of money. And what's wrong with doing it? You've proven it in ACS where you have many troubles and many headaches, and you were able to maintain a finger on it. Why can't we do it with health boards and save ourselves \$800,000?

**Mr. Wendel:** — I don't think there's any saving, Mr. Upshall. I think the costs will be incurred in any event. Like this program already has private sector auditors in it. I don't think it's any different.

And just to go a little bit further on that, whenever there's two auditors involved, it's got to cost more money. And that just is, okay? So if you're going to get another auditor involved in some of these, it will cost more money. Because we have to then review their work, satisfy ourselves.

**Mr. Upshall:** — But that depends on the depth of the audit.

**Mr. Wendel:** — The depth of the audit is set by the Act. It doesn't change. The audit . . . the annual report, if you look through last year's annual report on each agency, it will give you three levels of assurance. It will tell you whether the financial statements are reliable; it will tell you whether they have adequate systems to safeguard and control their assets; and it will tell you whether they've complied with all the relevant authorities. And if they haven't, we'll cite those cases where they haven't. So that's set. The professional standards for that are set.

**Mr. Upshall:** — As far as the budget here is concerned, I mean if the audit was done by the private sector, then he just simply would review it. So the cost would be incurred by the health board district as opposed to here.

**Mr. Wendel:** — But it comes out of the same pot; it comes out of the Consolidated Fund, Mr. Upshall. It will have no effect. Now if you want us to bill for it so the net effect to this budget comes to a smaller amount, well fine.

**Mr. Upshall:** — The way it's being set up now, with the different auditors — like everybody will be tendering for their auditors — with a new system like that, would there not be some advantage to doing it that way, to have many different eyes on a similar subject?

**Mr. Wendel:** — There will be. In fact the health boards will be tendering for these.

**Mr. Upshall:** — That's what I say. That should be an advantage.

**Mr. Wendel:** — I don't know how much of an advantage that will be, but there will be tendering though, yes.

**Mr. Upshall:** — That seems to me an advantage because there will be a number of people besides yourselves who will be able to determine whether there should be different practices, because it is a new operation, or not.

**Mr. Wendel:** — Yes.

**Mr. Upshall:** — I just wanted to review those few things because I think that we can draw similarities



with other corporations, and in the past it's been proven that it can work.

**Hon. Mr. Lautermilch:** — I have some concerns. You've provided us with the cost of auditing the six health care boards. And I would, as one member of this committee, like more detail in terms of a breakdown of the hours on each of these different issues; an analysis as to the level of service; the rates that are billed out for each one of these.

Let me give you an example. The Regina Health Board, you've budgeted 170 hours. I would like a breakdown of the level of expertise that you have attributed to each one of these 170 hours. And I'd like this for all of these throughout this whole piece, of the cost you've indicated here, at 10,510. I'd like to know how much of that is going to be done and by whom; what the breakdown of the expenditures are, attributed to each one of these by the hour.

**Mr. Wendel:** — By level of staff.

**Hon. Mr. Lautermilch:** — By level of staff, and whether it's private or whether it's public sector.

**Mr. Wendel:** — Or whether there's some contractual timing here.

**Hon. Mr. Lautermilch:** — What you're contracting, and what you're doing in house. Because I mean you're asking us here for \$550,000, and I don't have before me enough information to determine approval of this, based on the information you've been able to provide. You don't have that information with you at this time, is that correct?

**Mr. Wendel:** — No. We can have it here.

**Hon. Mr. Lautermilch:** — When do you think you might be able to get that for us? Could you have it after lunch?

**Mr. Wendel:** — I think so. I'd have to go back to the office.

**Hon. Mr. Lautermilch:** — That's fine.

**Mr. Wendel:** — John's assistant is away on vacation.

**Hon. Mr. Lautermilch:** — I'm going to ask you to bring that back. And I want to move to page 28 on your report. I can't say to you that I'm totally satisfied, in terms of the schedule for hours and cost of the audit to the government, that I'm satisfied with what information is in this report. I don't know that I can make a judgement based on one year's experience.

If you have the information here, I'd like to see it. But I'd like to know if you could provide similar schedules for 1990, for 1991, and 1993, because I think that would be important. And that's the kind of information that we need to be able to make . . . We're not accountants, so I guess what we need to do is have as much information before us, and we don't do this on a daily basis. And we need it in advance, frankly, to

make the decision, you know. Can you provide those schedules for those years that I've asked for — '90, '91, and '93?

**Mr. Wendel:** — As I explained earlier at the start of the meeting, Mr. Lautermilch, these schedules we provided are the result of questions that were asked at the Standing Committee on Estimates. This was asked for so we've included it.

**Hon. Mr. Lautermilch:** — Right.

**Mr. Wendel:** — And then we've started just adding. In the future as we go along we'll continue to provide it. So that's what I said earlier, is we've asked the appointed auditors for the information for '93. We'll be providing that.

**Hon. Mr. Lautermilch:** — I think it's important because, like I say, I see this process as not being dissimilar to Treasury Board. I know the process there and I know what we need to go through in order to make a decision at that body. And I just say to you that based on the information you've provided here, I think it's inadequate in terms of us being able to make a reasonable assessment.

**Mr. Wendel:** — Do you want me to go back into history then and get '90 and '91 then?

**Hon. Mr. Lautermilch:** — I want '90, '91, and '93.

**Mr. Wendel:** — I'll have to see if I have that information; '93 will be available. We're assembling that.

**Hon. Mr. Lautermilch:** — Part of what I get a feeling in this province is that there has been a fairly dramatic change in terms of the cost of obtaining the services of accountants. It's an experience that we have seen through the tender process, through the request for proposals in the major Crown corporations where this process has taken place. And we have realized some dramatic cost savings in terms of what it's costing us to get the auditing done for these corporations.

I'm not sure if what I see is a decrease — and maybe the higher competition is causing a decrease in these costs — but I'm not sure that that's reflected in your presentation to this board in terms of your request for 4.7. And you haven't been able to convince me that that is factored into any of your estimates here. And if it isn't, before I'm comfortable with the amount you're asking for, I will have to have you convince me that in fact this has been factored in into your presentation.

Other departments, when they go before a Treasury Board scrutiny which is what I'm saying I perceive this body to be and I perceive the role and the job, require all of this information before a decision is made. There isn't one presentation that will go before Treasury Board and have the least possibility of getting their requests for funds approved without that kind of information. And as I've said, frankly, I'm not satisfied that this is a complete document in terms of satisfying my concerns.



**Mr. Wendel:** — As I said, Mr. Lautermilch, we'll provide '93. If you want, I'll try and find the information for '90 and '91.

**Hon. Mr. Lautermilch:** — Could you have that for us this afternoon as well?

**Mr. Wendel:** — I've written for the information. I have to wait for the appointed auditors to reply to us. That may take a month, two months. Hopefully I will have that for you by the time we go to Standing Committee on Estimates for '93. Now '90 and '91, I'll have to see whether I have the information from the appointed auditors.

**Hon. Mr. Lautermilch:** — Like I'm saying, before I am willing to approve an increase in the aggregate amount that you're asking for from last year and from what was approved last year, that information has got to be provided for me. And I, as a member of this board and as a member of this government, a member of this legislature, need to be satisfied that I have that information and that I am making the right decision. I am not willing to approve one more cent in this budget until I am convinced that my concerns are met. And at this point I have to tell you that after reading through this document and after listening to this discussion, I'm just not satisfied that that's there.

**Mr. Wendel:** — Is your concern, Mr. Lautermilch that the rate per hour . . . is that your concern?

**Hon. Mr. Lautermilch:** — I'm concerned that there isn't enough information, and I'm concerned that you're asking for an incremental dollar. And I want to say in this context, we certainly don't want to do anything that would jeopardize your ability to do your job to the best of your abilities. That's not our role. That's not what our position is, and that's not the reason we're here.

You are the watchdog of the public purse in one respect, and members of this board are in another respect in that we scrutinize your budget, you scrutinize others' budgets. And I want to say that we're going to do the best we can to make sure that the taxpayers of Saskatchewan get as efficient a provincial audit as they can with the limited dollars that we have available.

Other departments of this government have experienced severe decreases in the amount of money that they have to perform their jobs. We've carved hundreds of millions of dollars out of provincial expenditure not because we wanted to, but simply because we had no option. This government can't exist on incremental budgets; we know that. We're spending \$850 million this year to service the public debt. And we know that we're going to either have to get that debt under control and stop deficit budgeting, or we're going to be in a position where we've got to dramatically cut back services. And we stand the risk of losing services like medicare and like education, things that the people of this province are demanding.

And all I say to you is before I'm willing to approve one more incremental penny, I need to be assured that there will be a risk in terms of the public dollars that are being expended — and I haven't been convinced of that to date — and that's the way I'm going to approach this discussion for the remainder of this budget debate.

Mr. Speaker, I have some . . . I don't know if we have time before lunch but there was one . . .

**The Chairperson:** — Are you going on to a new topic?

**Hon. Mr. Lautermilch:** — I was, unless other people . . .

**The Chairperson:** — If you are going on to a new topic, I would call on another member.

**Hon. Mr. Lautermilch:** — Call on another member then.

**Hon. Ms. Carson:** — Thank you, Mr. Speaker. Following on from what Eldon has just finished saying, sitting on the Treasury Board and knowing the required information that must be presented before the Treasury Board makes a final determination on allocating funds to any department or agency of government, I will have to say that the information that you have presented to us in this document falls far short of the detail that is required for us to make a thorough analysis of what is required. There are many gaps here and we need to go back and have those gaps filled. We need far more detail than what you have here. For every place where you need an increase in funds, there has to be an appropriate detailed analysis of why that increase is required. And it cannot be just in a global manner; it has to be detailed to the number of hours, what is required, and why it is required.

So this document falls short of what is required for us to make a final determination, and I think it's only fair to do that . . . (inaudible interjection) . . . thank you.

I want to, as an example, go back to page 12, because I think what we have on page 12 sort of highlights some of the problems we're having. And Ms. Haverstock, a few minutes ago, once said she had concerns about the spending trends, and she noted that as a combined funds or the Consolidated Fund spending went up, she thought she'd looked at it, and she said it appears that the spending for the auditor is going down. But what you have neglected to put in here is, starting about 1987 or '88, the Provincial Auditor was not doing all of the auditing. So you have not included in the total funds here for audited spending the private auditors. So it looks like as consolidated funds went up, the Provincial Auditor's spending went down, but there is no corresponding information that says what part and what allocation, what role has been played by the private auditors and how much has been spent on them.

And so this is part of the information that is lacking, and I think it is only fair that when we look this, we know that part of the problem . . . yes, the auditor



maybe be more efficient, doing things more effectively, and that's good, and we congratulate you for doing that. But there also is a private component here that has to be put in, so we see the big picture of what the province of Saskatchewan is truly spending on audits. And so this is part of what we find to be uneasy about the information that you have given us, and I wanted to make you aware of that.

Also there are some numbers that simply somehow don't add up, and I want to ask you about those numbers. On this schedule of hours and costs for the audit of Saskatchewan — year ended 1992, March 31 — Provincial Auditor costs are at \$3.748 million plus appointed audit fees of 1.917 for a total of 5.6. But schedule 1 just shows a Provincial Auditor spending, 3.6, so there is numbers that don't add up, and we want to know why at one point you have numbers that indicate it's 3.748, and then somewhere else it's 3.6. And these concern us when we see numbers in two different places that aren't consistent. And that's a problem I have.

**Mr. Wendel:** — We don't pay these expenses through our appropriation; that's why they don't show. But this \$1.9 million isn't paid through our appropriation. That's why it wouldn't show on any other pages. That's paid for out of various corporations that pay these appointed auditors. Does that help explain?

**Hon. Ms. Carson:** — Okay, but we still have a discrepancy between 3.748 and 3.6. So I guess what we have here are some . . .

**Mr. Wendel:** — Excuse me, this is the costs we've allocated to the various jobs up to a certain date. That's one issue, okay.

**Hon. Ms. Carson:** — For 1992?

**Mr. Wendel:** — The other is how much money we spent out of appropriation. This is what . . . as we go along and do an audit, we keep track of our time. And we take those hours that come up, and we apply a standard rate to them and say, that's what that audit cost us.

Now out of a particular appropriation — let's say for the \$3.9 million that's shown on that last item on page, I think it was 9 or 11, 12 — that would have some costs for auditing some '92 years, for some '93 years and for some '94 years. So they could have all kinds of years that we're involved in because there's different year ends. Some are late. Some they want us in a little early. So that's how it works out.

**Hon. Ms. Carson:** — We need some information about those changes then so that they don't look like they're inconsistent where you have sometimes talked about the Provincial Auditor costs for year ending 1992 as 3.748 and then at another point schedule 1, it's 3.6. So if there's a carry-over and there's some costs that should have been applied the year before . . . is that what you're saying?

**Mr. Wendel:** — No, no they don't apply the year

before. It's just a mechanism to determine what it costs to do an audit. And when you're talking about the year ended March 31, '92, when we're talking about that, that's what it cost us to produce this annual report for March 31, '92.

**Hon. Ms. Carson:** — 3.6.

**Mr. Wendel:** — 3.7 and there was still some costs to come. Like we hadn't finished all the work. Okay? So that's what this number's portraying. And that cost could be incurred . . . a lot of those costs were incurred during the '92-93 spending year because we spent our money and hired staff, but they're for auditing the year before. Because auditing's always in the past.

**Hon. Ms. Carson:** — All right. I just want to point out that on page 12 there is inconsistencies and partial information provided. And when we're looking at the total cost of auditing the Consolidated Fund and the expenditures of the Government of Saskatchewan, when you don't add in the private auditors, then it gives an incomplete picture.

**Mr. Wendel:** — And I think, Ms. Carson, we acknowledge that we could make these schedules better. And we'll be looking to the summary statements in the future where it has all of the government spending. But that wasn't available for a long enough period of time, so it's just a comparison that was thrown in.

**Mr. Swenson:** — Just another short one and it's another area. It goes back to . . . I've just been going through your charts. You provided us with your number of hours budgeted and your global figure for each one. Like I hit one here on page 33. It's the Saskatchewan Energy Conservation and Development Authority — which to my knowledge doesn't do much of anything — but you've got 265 hours of auditing attached to it. And I go to the page previously, page 32, and I see Sask Water at 200 hours, which is a fairly major outfit. You've got STC at 135 — another major outfit. SaskEnergy — big, you know, huge dollar-wise companies and lots of employees running around and all that — at 245. And they're all less than this rinky dink Saskatchewan Energy Conservation Development Authority. Like how do you justify wanting to get paid for 265 hours for something that's . . .

**Mr. Wendel:** — Okay. Just to explain what's here. As I explained earlier, some places have appointed auditors.

**Mr. Swenson:** — Right. And the probably the ones I mentioned have got . . .

**Mr. Wendel:** — . . . have appointed auditors. So we're in a situation there of doing some work to rely on the appointed auditors — SaskEnergy, you mentioned. Okay?

Other ones like the Saskatchewan Energy Conservation Development Authority, we do that audit directly. For the year ended 1993, it was a



brand-new agency. We thought it would take a hundred hours to audit it. That's what we budgeted for. It took 93 hours. And they're expanding what they're doing, we're told, for next year. They're going to be much larger. That's what we're told. So we forecast that it's going to take more money to audit it next year. They're changing what they're doing.

Now if that doesn't pan out to be true, well then our costs will be lower. Okay? But all we can go by is what they tell us, okay, when we're planning our work.

**Mr. Swenson:** — Okay, what they tell you. So maybe there's something else that can help us understand in doing your thing. You obviously then have a preliminary discussion with everybody that falls under your Act?

**Mr. Wendel:** — We try to, yes. We have planning meetings, yes.

**Mr. Swenson:** — And they say to you, my global budget is going up X. Do the hours you assign have anything to do with the total amount of money that the agency handles? No?

**Mr. Wendel:** — It has to do with the audits we've got to produce. It's affected by the quality of their systems. Like if they've got very poor systems it takes a lot more money for us to audit. If they've changed the system, we have to do a lot more work. So it's ongoing discussions. We have people assigned to these audits. They work with the individuals out there. We say, well what's happening this year? Has somebody important left and now things are not working right, or are you putting a new computer system in, or did your computer system collapse? And we try and build that into our budgets as we go.

**Mr. Swenson:** — So even being chairman of Public Accounts for a year and a half, I still never got down to where I can figure this out.

**Mr. Wendel:** — And these budgets reflect that as best we can, okay?

**Mr. Swenson:** — So, but you may, if these guys for instance aren't allocated a bunch more money come budget time, you may say, oh, there's only 100 hours work there, I've got 150 hours I can bank and use somewhere else.

**Mr. Wendel:** — Or we'll use it on some place that we weren't aware and they did have some problems or they did grow and we weren't aware of it. Or we just don't use it.

**Mr. Swenson:** — You have no choice if it's almost wait and see, don't you?

**Mr. Wendel:** — In some cases, yes. But most things are kind of standard. They roll along.

**Mr. Swenson:** — Okay.

**The Chairperson:** — Could I just ask one further

question then? It comes from Ms. Carson's comment. Does anybody have available — I see on page 12 we have the Provincial Auditor's spending — does anybody have available, or who would have in those same years, the expenditures on private auditors? It would be interesting to see what has happened over the years on the expenditures on private auditors. Who would have that information, or where could the committee get that information?

I think I heard Ms. Carson say that — and I'm not sure what year she was referring to — there was an expenditure of \$1.9 million for private auditors and I don't know where you were getting your information from because I don't have that.

**Mr. Wendel:** — It's on page . . .

**The Chairperson:** — Is it?

**Mr. Wendel:** — Yes.

**The Chairperson:** — What page is that?

**Mr. Wendel:** — Page 28.

**The Chairperson:** — Twenty-eight. And for what year was that?

**Mr. Wendel:** — It's for the year ended March 31, 1992.

**The Chairperson:** — All right. Okay. We have it for that year; why don't we have it for the other years then?

**Mr. Wendel:** — As I explained earlier, like this is what was asked for by the Standing Committee on Estimates. We provided it and then we're moving it ahead and we're providing for '93. And Mr. Lautermilch has asked for this for two prior years and we'll be providing that.

**The Chairperson:** — All right. So then we would be able to see if we . . . but we don't have them for the previous years?

**Mr. Wendel:** — We may have them. I'll have to go back and look at our records and see what we have.

**The Chairperson:** — It'd be interesting to see what is happening. I mean is the Legislative Assembly or the government saying: all right, we're going to depend less and less on the Provincial Auditor to do the auditing and more and more on private, and is it cost effective? Is it more efficient, or . . .? I mean, I'd be very interested as a member of this board to know that.

So, and what questions are asked of the private auditors when they are hired? What quality of people do they provide? What kind of auditing are we asking of them when they are doing their auditing? I think, in order for us to make some intelligent decisions, I think we need to know that information.

So the time is two minutes to 12. Unless somebody



has a short question or comment they wish to make, we'll call it a recess.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I think I can be fairly short and to the point.

I think this document is incomplete and I don't think there's enough information here to be able to make a decision based on a request for incremental funding for this fiscal year. And I'm going to list a few of the things that I see as a shortfall among the other ones that have already been listed. And I'll read these into the record and I'm hoping that in another presentation to this board that we will actually have those . . . this kind of information available to us.

I don't see in here what number of actual person years are forecasted for '95 and at what salary level, and I think that's important information. I see in here a budget request for hospital board funding, but in this document you've also indicated that there'll be an additional cost of auditing video lottery terminals. That hasn't been dealt with in this document, that I can find. And I think that's a shortfall. And I think we need the hours and the cost estimates and I don't see that.

Based on the information, I'd like to know why it's necessary that each staff person in here receives approximately 20 days or one month of training. I don't believe that that is — on average — and I don't believe that that is consistent with industry standard by any stretch. My colleague, Ms. Carson, has posed her question, and as we understood the information provided to us, after deducting vacation time and statutory holidays and staff utilization levels considered reasonable, I'm not convinced.

You budgeted 63.9 per cent in '93-94, and the actual was 53.2. I think that's too much of a discrepancy, and that makes me uncomfortable. So what I am going to do, Mr. Speaker, is I'm going to move a motion that we approve an allocation equivalent to last year's, and I so move. And if in fact the Provincial Auditor's office has a problem sometime in the middle of this year or the months to come, they can approach the Board of Internal Economy for incremental funding with good and strong reasons as to why they would need the incremental funding, and I think that that would be the appropriate time and the appropriate place to deal with that.

We've announced the budget date. It's incumbent upon us to get a budget figure to Treasury Board so that they can put the blue book together, and so I don't think further deliberation on this particular request and on this budget is necessary.

So, Mr. Speaker, I move the motion that:

Last year's allocation be approved for this year.

**The Chairperson:** — Well I have a motion. Do I have a seconder? Seconded by Mr. Upshall. I don't know what the committee wishes to do on this. This is a very substantial motion, and it being 12 o'clock I think we

really need to have further discussion on that motion. But I'm at the . . . what do the members wish to do? Do we need further discussion or . . .

**Mr. Swenson:** — Well I definitely want to speak on the motion, Mr. Speaker.

**The Chairperson:** — Well okay, I will simply make the decision to abide by our previous ruling, and this board stands recessed until 1 o'clock this afternoon.

**The meeting recessed for a period of time.**

**The Chairperson:** — It now being past 1:30, I think we should continue with the . . . we should continue with our meeting. And just before, we had a motion moved by Mr. Lautermilch that we approve an allocation equivalent to last year's budget, I believe. I'm paraphrasing a bit. Is that . . .

**A Member:** — Equivalent to last year's appropriation.

**The Chairperson:** — Okay, equivalent to last year's appropriation. And that was seconded by Mr. Upshall. That is before the board for discussion.

**Mr. Swenson:** — Thank you, Mr. Chairman. I definitely want to speak to the motion and I'm going to make a number of points.

First of all, this particular process happened last year the same way where after some discussion with the Provincial Auditor and his staff it was said that because of restraint this is the way it's going to be, this is the number, and if you need more come back afterwards.

And over a long, convoluted process, as I understand it — and the issue at that time were health boards and revolving funds and other issues — late on in the fiscal year agreements were struck in the case of revolving funds and others. And we heard Mr. Wendel this morning talking about how they made this agreement with the Minister of Finance but they didn't have . . . they weren't paid in some cases yet. And these things were still ongoing and the fees that private auditors charge and those levels weren't available yet, and there was all sorts of things.

So I'm not sure, Mr. Chairman, that we even know what last year's appropriation was, because a lot of the things that the auditor did in order to fulfil his mandate, that the legislation requires him to do, have only happened in the last few months. And those things aren't resolved yet. I mean we don't know what the full implications, budget-wise, of that procedure are.

So I think it's incumbent upon this committee to . . . and I can sympathize with Mr. Lautermilch's position about how Treasury Board principles and rules should apply to major expenditures of public money. I also had the privilege of sitting in that particular body and managing several departments and Crowns and that type of thing, and know what it's like to cut their budgets year after year. It is not an easy exercise but



something that this province has faced for some time and will face for many years to come, I believe. We expect no less out of this particular entity than to come before this committee with enough resource material that you make informed decisions.

We sat here last night until after 10 o'clock going through the budget of the Legislative Assembly. I don't believe . . . well, they're approximately the same size, but at the end of the day after some very diligent discussion, some very pointed questions, some very tough decisions, we cut the proposed budget of the service that serves us as MLAs (Members of the Legislative Assembly) from over 6 per cent down to about 3 per cent. And we've asked some people to make some pretty major sacrifices. But at the end of the day we took the time to go through the numbers and we still granted an increase.

Now, Mr. Chairman, I'm really wondering . . . for us to accept Mr. Lautermilch's motion at this time and simply cut off the debate and say come back at a later time, when we've asked Mr. Wendel and his people to bring us some information this afternoon, I think is a bit of dereliction of duty.

We sat here last night and we went through the whole process, but we still granted the entity that looks after us an increase. I believe Mr. Strelloff and his people deserve the opportunity to bring as much information as we request before us, and make their case. And surely to goodness the people that are charged by an Act of this legislature with being impartial and being the, sort of, the ultimate watchdog on our behalf of the taxpayers' money, that we would give them the opportunity to present their case as expeditiously as possible and look at everything that is available and cut where we think it is proper to cut, and let them proceed in other areas as we did with the Legislative Assembly.

I understand this is new ground. But as I said to the members of the committee yesterday, I was frightened of this committee being perceived as being an exercise. We either look at this stuff and take the time to look at it in its entirety or simply don't bother with it.

I mean for me, quite honestly, Eldon, to accept that motion after we did our stuff this morning would almost say to me the budget's already been decided, and this is the number that was arrived at, and this whole exercise was a joke. And I don't want to be part of any perception by anyone in the public that that was the case.

This is serious stuff here. We had a very well-rounded discussion this morning on what role private sector auditors are playing, what rates they're charging the taxpayer. Is there a chance here that we can break some new ground and get a better bang for the taxpayer, not only here but in other areas? And I think you made the point and Carol made the point.

We had the issue of agencies out there sort of getting auditing functions provided for them, and no one really knowing where the dough came from or how it

was being spent or at what level.

And there was some darn good questions asked about what it cost to audit these big health care institutions in our major cities and where should those figures show up and who should be responsible for the cost. Those are very relevant things that have already come out of the discussion today.

And we asked Mr. Wendel and his people to go get some information on some back years that I think is important to us arriving at a reasoned conclusion here. And at the end of the day, I think it would behoove us to at least recommend a number that is well thought out, not simply say, well we'll just pick last year's number, and we'll leave it at that, and he can come back at a later date. To me, that's not doing the mandate of this committee.

There are some pretty strong statements made in this book, ladies and gentlemen, about mandated requirements of the Provincial Auditor. Surely to goodness, after the last several years in this legislature, all of us of all political stripes have learned that most people in the public have an affinity for the Office of the Provincial Auditor. And I guess I more than anyone else know the price you pay if you don't do these things properly.

And our responsibility as a committee, to me, is mandated that we do this budget in the most responsible way possible; we be as tough on anyone that appears here as we have been with others; and at the end of the day we come up with a number that we at least in our own hearts feel comfortable about sending off to other agencies of government, with the knowledge that we've done our due diligence. And if that means sitting here for another three or four hours today and doing it again another day, I'm quite comfortable with that. Otherwise don't have it at all, is the way I feel about it.

And I really want to know what some of those requests that were made of him this morning look like. And for all I know, maybe there's some egg to be on the former government's face in what you bring today, Fred; I have no idea. But I want to see them.

And I want us to at least take a few more hours today looking at what we are mandated to do in this committee before we shut it off with a motion to simply accept last year's number, which I don't know what it is, because the Minister of Finance is not finished paying for some of the late initiatives undertaken between herself and the auditor.

Mr. Chairman, I don't have any more to say on the matter.

**Ms. Haverstock:** — Thank you, Mr. Chair. I think perhaps the lack of detail in the auditor's budget may be a reflection of the lack of anticipation of the government in devising and designing its wellness program, and the cost of additional auditing is something that should have been considered, I think, when the program was being planned.



If we budget for one level of funding, knowing full well that it is likely to be higher in actual fact, then what's happening is setting oneself up for failure and having budgeted irresponsibly by knowingly permitted a deficit. And I don't think that we can continue to require certain statutory obligations to agencies such as the Provincial Auditor and then deny funding necessary for them to be able to meet those obligations. Because the ultimate question then is what kind of accountability is that.

None exists in the hands of those entrusted with the job if in fact the job . . . their hands are tied through predetermined restrictions, whether they're budgetary or otherwise. So I think this exercise points out that we have a failure here to foresee that all the implications of a new program are policy initiatives. And I really hope that what it does is to provide us with kind of a lesson for the future, that we can better anticipate and insure that these things don't happen.

**Hon. Ms. Carson:** — Thank you, Mr. Chairman. And I, to a certain extent, I certainly sympathize and agree with the leaders of the third party and the opposition. No one is . . . no one wants to tie the hands of the auditor. Everybody, I think, acknowledges the valuable work that he is doing and the necessity allowing him to have the necessary funds in order to scrutinize the public funds in a manner that is appropriate.

But we are here today knowing for some time, and I think that the Provincial Auditor knew for some time, that there would be, at least today if not earlier, a presentation by his budget to this board. And what we have is his document, the 1994-95 required funding. And it falls far short of being the kind of document that any of our departments and agencies present to the Treasury Board.

And I guess I would say first of all that when the Provincial Auditor went before the Treasury Board, I am sure that the format that they used to present their request for funds was much more detailed and had a lot more precise information in it. So I'm disturbed by the way the information was given to this board.

So we have a problem with time and I . . . so we have I guess two problems. One is I don't think the auditor wants us to apply different standards to his request for funding than what he applies to all the agencies and all the departments which he supervises with his audit. So I think we have to be consistent in our approach to government and our approach to allocating public funds. And what we're trying to do here is to be fair and to be consistent at the same time.

What we do in Treasury Board is time and again say to the department heads, to the department managers, go back and tell us how you can do the same job more effectively and more efficiently. Times have changed. This is not the way it was before. There are fewer funds. The job is still there, in fact maybe the job is bigger. And every one of those department heads and managers have had to go back, maybe once or twice

or more than that, and say this is how we can redesign it or reshape it, or this is what we're going to have to do if we're going to have to apply priorities. This is what we'll have to do. And I think it is justified for us to apply that same process to the Provincial Auditor.

So when we say that we're sitting here today with insufficient detail and insufficient information, that is a barrier for us to make a decision today. But the point is we are developing a budget, the budget is going to be a document . . . it's in its final preparation stages now and should be available or should be presented early in February and we have a deadline here. And I don't know whose fault it is that today we are looking at a process where we can't arrive at a final conclusion.

I am comfortable at saying that we can look at the appropriation from last year, which was 3.6 million, and ask the auditor from today into the future, to go back, redo this budget, come back with sufficient detail — 3.8 million — come back with sufficient detail for us to justify what other increases that might be required during the year.

So I don't think we're tying the hands of the auditor. We obviously aren't comfortable in accepting the budget that he has proposed at this point in time and I don't know what the risks are if we say we just don't have those funds, I'm sorry. What are the risks here if we don't allocate this much money? What happens?

So I need some information to say if you are \$500,000 short in the final analysis or \$200,000, what are the risks to that? Any by simply saying, well we can't assure the public that the money is well spent. But in my estimation and to my knowledge, all public funds are audited, in some fashion they're audited, either by the Provincial Auditor or by private auditors. And what we need to understand is if there is an overlap where we have the Provincial Auditor and the private auditors doing the same thing, then should we be applying public funds to both of those processes? And if we don't, then what is the risk?

So I have so many questions about how we're proceeding here and the requirements to make sure that there is efficiency put as a top priority into the auditor's budget, that he is using funds, both the public and the private sector funds to the best possible advantage, then I don't feel that we are short-changing the auditor in any way, shape or form.

I want to go back to the health care boards for a minute because it is a complex issue; we're in a transition right now. I think there has to be a lot more discussion and consultation between the Department of Health and the health care boards and the auditors of the department. And what we need to have before us, before we make any allocation for money for auditor to health care boards, is a detailed analysis about who is receiving the public auditor funds for an audit, who is not. We have some health district boards that will be doing their own audit. What are the risks for those district boards? We have some district boards that are going to be audited by the Provincial Auditor. Why is



there a difference between how these audits are done?

I can tell you from my experience of sitting on the Melfort Union Hospital Board and working with the local boards, each one of these boards that are now amalgamated had their audits done. They were done mainly, in rural Saskatchewan, by very qualified, very competent rural auditors who had a lot of expertise in this area. And I don't understand why, when we consolidate a number of these boards into one larger board, that now it should cost more to do the audit.

And I don't understand why, when it was all right for the private auditors in rural Saskatchewan to do the audit on an individual basis, it's not all right for them to do it now on a consolidated basis, and why they aren't qualified to do it. Because I'm very protective about the jobs and the businesses of rural Saskatchewan, and wherever and whenever possible I want them to be allowed to continue to have access to contracts and to jobs, especially something as important as doing audits for health care boards.

So I'm uncertain, uncomfortable with the information that we have been given today on where we're going with these health care issues. And if you're saying to us that the health care district health boards are a new issue, a new concept, and therefore you have to apply resources in order to do the audit, then why doesn't the same principle apply to the VLTs (video lottery terminals)? Because we haven't applied similar resources to do the audits on VLTs.

So I think there's inconsistent application by the auditor in a number of areas. I think there's inadequate information. I don't know what the risks and the downsides are. And at some point in the future I expect that we'll have more information and at that point in time then we can see whether or not an increase from last year is justified. Thank you.

**Mr. Hagel:** — Mr. Speaker, I'll be very brief. We've had a lot of discussion today about auditor's office, and private sector auditor, and I think it's important, as we're wrapping up, to make clear, too, that this, in my view, this has not been, nor should be seen to have been — because I don't think anyone has intended it to have been — a debate about auditor versus private sector auditing: which is the best. That's clearly not what this discussion has been about.

But I think there also has been a desire on all of our parts, and I think all the members have either said this directly or inferred it, that there is an expectation that in terms of cost effectiveness that we expect the auditor's office to be at least as cost effective as private sector in Saskatchewan today.

And I guess I would add to that the opinion that it would . . . it is my impression that in the last year or two the fees being charged in the private sector to do audits have reduced somewhat. I don't think that's necessarily because auditors are making less per hour but perhaps it reflects a change in process or procedures and as part of a response in the economy in which we are, but to, at the same time, do that

without sacrificing the integrity of the protection of the trust, that the funding is being properly . . . sorry, the expenditures are being properly done.

Having said that, Mr. Speaker, just two final things. I am of the view, and I said this earlier, that the Consolidated Fund ought not to be paying for tasks to be done twice. And I'm referring there to the focus we've had in the discussion related to health district boards.

And finally, it is a bit encouraging to me, I think, when I look at the chart on page 13 comparing the Provincial Auditor's spending with the government spending through combined funds — although and I quite appreciate, as Fred said earlier, this has got some limitations in the specificity with which it can be interpreted — but I guess I do want to acknowledge as well, that it is encouraging to me that it seems as though there is reason to believe that within the last two years — or as of the last two years — the Provincial Auditor's spending, which had been declining, the trend has changed. It is now moving up instead of down. And then on government spending, through combined funds, the trend seems to have changed, that it is moving down instead of up.

So I don't want to be . . . I want to acknowledge that there is, I think, some reason for belief that the relationship that the auditor quite appropriately expresses a concern about, that perhaps there is a bit of a resolution taking place.

Having said that, Mr. Speaker, I would just conclude by expressing my support for the motion, with the belief that it will not tie the hands of the auditor in such a way that he will not be able to do his job and does leave open the ability to, through the course of the budget year — we need to make a decision now; I recognize that — to appeal for some change in allocation approved by this Board, but that happening in response to the presentation of a fair amount of detail that's been asked for here today, some of which I think you brought with you this afternoon but others of which you said is not possible to bring here this quickly. And quite frankly if it were, I probably wouldn't have the time or ability to analyse it at the table too. So having said that, Mr. Speaker, I express my support to the motion.

**The Chairperson:** — I think at this time I have no further speakers on the list. We should allow the Provincial Auditor to present some of the materials that was requested this morning, and secondly, to let him respond to some of the comments that have been made on the motion. I think that's only fair that we allow him to respond to it.

By the way, I noticed there were at least two or maybe three members who had made some mention about the late date of this meeting. I hope the impression was not left that it was due to the Provincial Auditor. The Provincial Auditor was ready with his presentation a long time ago. It was this board. I know you are all busy people, and we simply were not able to find a suitable date to get a quorum of the Board. So the



lateness of this meeting — no reflection on the Provincial Auditor. His budget was ready a long time ago to be presented to us.

**Mr. Wendel:** — Yes, Mr. Speaker. There were a number of comments made that I'd like to talk to. There was some comment made that we didn't say what would happen if we didn't get the money. I think we've been quite clear in our submission what priorities we'll set, what audits won't be done, and those are spelled out on page 2.

The other comment made was we didn't provide as much detail as if we had appeared to Treasury Board. And I can only go on history when I used to appear at Treasury Board, and I did for many, many years. And I don't think we ever gave this kind of detail. But I don't know what goes to Treasury Board now. Now, we will have a look at some of those submissions and see where we have a shortfall, and we'll try and provide that for our next submission. And I think that's about all I can add to that.

**Mr. Swenson:** — Yes. And I'm not going to belabour it but I really would . . . and I don't know what happened to the auditor and what circumstances, and Mr. Chairman had a great deal of difficulty in getting us all together at the same time. I know probably some of it was my fault. I probably had as many reasons as anybody else, but the fact is I would hate for us to leave this exercise without at least Mr. Strelieff getting his two bits in, not that Fred and company haven't done an adequate job today. It's just he is the man that wears the hat and is responsible ultimately to answer for his department as any deputy minister would be. And I would at least like to think that we'd give him the opportunity before we cut this thing off at whatever number — 3.6 or 8 or whatever we've arrived at today — to speak to this committee.

I mean everyday in the news we are confronted with issues where . . . Ms. Carson said, what's the consequences of not doing this? Last summer there was the issue . . . I believe it was Ontario. They identified \$135 million in welfare fraud since they went to direct deposit. To me that's a great deal of money in the change of a system. I have no idea what's happened in this province on that system, if we've gone to it or haven't.

All I know is that we're changing our health care system. And I'm not accusing anybody of anything, but I know that in my home community the union hospital board expenses for an entire year were approximately \$10,000, and those were made up of representatives from about 16 RMs (rural municipality) plus city council. The retainer alone for the new chairman of the Moose Jaw/Thunder Creek board is \$10,000, and he's paid \$225 a day for board meetings. And every board member is paid \$135 a day. And when you get in Regina and Saskatoon, you double those numbers, and you double the retainer. So the entire board expenses of my entire union hospital board didn't add up to what we're paying for a retainer in the new system.

To me that is worth looking at. That requires someone going through this start-up process and looking at those costs. That only, in my view, would be a consequence worth looking at. And if he doesn't have the wherewithal to review that consequence, then I don't think he's doing his job. And I only want Mr. Strelieff to have the opportunity to talk to this committee.

And I understand the budget is going to be delivered on February 17, and that means it's got to go to the printer three weeks prior to that to get done. So we're going to have to maybe get together again very quickly to allow him that. So I'd like to amend that motion and say that's contingent at least upon the auditor himself having the opportunity to present more of the concerns of the committee to the committee. At least we could give him that.

Thank you, Mr. Chairman.

**The Chairperson:** — All right. We have, I think, a legitimate amendment to the motion. And it is, I believe, if I get it correctly:

Contingent on the Provincial Auditor being able to present further evidence to the committee.

Is that correct?

**Mr. Swenson:** — That's correct.

**The Chairperson:** — I have a mover. Is there a seconder to that? We have a seconder. The discussion will continue concurrently.

**Hon. Mr. Lautermilch:** — Well I'm just going to be brief. I guess what I would say is that I don't think it's any secret that this government has made a commitment to bringing in timely budgets, hence the announcement of the timing of this particular budget in that it has some impact on municipal governments, school boards. And we want to be as fair with them as we can so they can strike their budgets. We impact, and the things we do do impact on an awful lot of people around this province.

And I think the days of starting a session whenever it's convenient for government are long past. We're going to start timely budgets. And we expect, from the departments and from the officials, them to have their preparations so that they can make presentations to us based . . . and with enough information to allow us to make a decision so that we can either pass, reject, or amend, thereby allowing the Department of Finance to put in the blue book the line item for their particular budget so that we can put a budget together. And we could delay this, but it wouldn't do much in terms of trying to get this provincial budget together, a date which has already been announced, and I don't think we have that luxury.

My point is that there has, to my mind, been adequate time to put a presentation together. And it may be that the process that we use that . . . and if we compare



what we're doing here to what happens in Treasury Board, that we are scrutinizing public expenditures in a lot more detail than has been the experience in the past, that may be. And if that's the case, I won't apologize for that because that's one of the ways and one of the methods that we're using to try and balance the budget. We're looking at nickels. We're looking at dimes, and we're looking at dollars to try and determine areas where we can best save expenditures and enhance services with the same dollars in areas where we can do that. So for that I'll make no apology.

I want to say with respect to consequences, there is no way that this government is going to allow expenditures by departments or Crown corporations or health care boards or any other bodies to get out of control. We're going to control them very carefully, and we've all had the past experience. I look at the April 21, 1993 Provincial Auditor's report. And I'm not going to quote from it; we've all read it. That's not going to happen any more. And I think it's important that we spend and that we demand a lot from our agencies and our departments, and I see the Provincial Auditor as being no different in that regard.

I would just say this: the Board of Internal Economy is available to sit and to look at situations that may create some problems for the Provincial Auditor. I think it would be prudent — and that's why I put my motion forth recommending last year's appropriation — that we try and hold the line to zero increase. If we find that we can't, we're willing to have a look at that. So I'm just going to close by saying, Mr. Speaker, I won't support the amendment, and I will support the main motion.

**The Chairperson:** — We have a motion before us and an amendment before us. Are there any further speakers on the amendment or on the motion? If not, I will call the vote then on the amendment, and the amendment reads:

Contingent on the Provincial Auditor presenting further evidence to the committee.

Is that correct? Okay. Those in favour of the amendment, please raise your hands. Those opposed. The amendment is defeated.

The discussion will continue on the main motion. Is there any further discussion? If not, then the motion put forward by Mr. Lautermilch, seconded by Mr. Upshall:

That we approve an allocation equivalent to last year's appropriation.

Is that correct? Those in favour of the motion please raise your hands. Those opposed. The motion is carried.

That, ladies and gentlemen, finishes the discussion of the Provincial Auditor's budget. This is not the end for the committee, though. So I want to thank Mr. Wendel and Mr. Atkinson and Mr. Hoffman for their presentation and . . .

**Hon. Mr. Lautermilch:** — Mr. Speaker, on behalf of government members, I'd like to thank the officials for their presentation as well, and we look forward to working with you through this coming year. We'll do everything we can to assist you to do your jobs in the best way you know how.

**The Chairperson:** — Okay. Thank you.

The members did ask for some other information earlier this morning. Do they want that now, or should he present that later? Now? Thank you.

Ladies and gentlemen, if we can revert to last night's agenda on the LAO (Legislative Assembly Office), LAO's budget, we did do a number of cuts on the budget. I think we have the information now before us as to what they totalled and what the final budget would look like, and I think we need to deal with that now.

Ladies and gentlemen, you have before you, I think, the information that is required. To begin with, let us make absolutely certain that we are aware that there are two sections to this budget, and I think you are aware of that. One is budgetary and the other one is statutory. And because the statutory is considerably higher than the budgetary, any increase, of course, in the statutory has a dramatic effect on the overall budget.

So we should look at these. I don't know how you want to deal with these now, if you want to look through them quickly or should we go through them item by item? Okay, maybe what we should do is let Gwenn walk you through them quickly. Okay?

**Mr. Hagel:** — Just to change this page.

**Ms. Ronyk:** — Thank you, Mr. Chairman. If you'd like to start with the top document there. These are the revisions that were agreed to last night. Code 270, the first item, these are the computer codes here, the first . . . all these 270 codes. The subtotal there of savings is \$411,510, and I can give you a little more detail on that later in one of the other documents. The next item, 620, is the linen and china cut.

In the Hansard area, the code 410s, this is the travel there. Legislative Assembly broadcasting, the 410 codes is the travel there. And Legislative Library is also the travel cut. And the bottom item on that page is the Environment Committee cuts, bringing a total of the cuts in the budgetary part of the budget to 443,700.

The second page deals with the statutory cuts, the de-indexing of all of those various allowances and per diems bringing a total of 75,225 savings.

The code 253 is the savings in the communication, the postage not going up, the 19,540. Code 290 is the removal of the vacation pay element there for constituency secretaries — for a subtotal of 172,000 in that page.



And then the members' expenses for Environment Committee, 20,500, for a total in statutory cuts of 268,225. And the total of both budgetary and statutory, the overall cuts are 711.

And then the next page gives you what this does to our percentage increases. And what is run here, we ran the budget document and this is the summary page — it's the very bottom of the first page — gives you the total of the budgetary dollars being requested under the revised version. And in the third column I guess it gives you the total overall increase with the revisions is .2 per cent increase now in budgetary.

And the next page gives you the statutory summary.

**Mr. Swenson:** — How do you get 268,225 out of that column of figures?

**Ms. Ronyk:** — You're back on the other document?

**Mr. Swenson:** — On that second page we're doing the statutory so you've got 75.

**Ms. Ronyk:** — 75,225, 152,960, 172,500.

**Mr. Swenson:** — Okay, I'm sorry. I double counted the one figure.

**Ms. Ronyk:** — It's done in a hurry here, so we've got lots of figures in the same column.

**Mr. Swenson:** — No, I double counted the 20 twice. Sorry.

**Ms. Ronyk:** — Back to the summary page on the statutory then, page 2 of that next document.

**Mr. Hagel:** — Are we to understand that this was done on that computer?

**Ms. Ronyk:** — And it still worked.

**Mr. Hagel:** — What a relief.

**Ms. Ronyk:** — Another day or two anyway.

The total statutory position then for the overall increase in statutory is 1.86 per cent. And when you combine statutory and budgetary, our overall total increase now is 1.35 per cent.

**Mr. Hagel:** — Mr. Chairman, I . . .

**The Chairperson:** — Are you going to cut some more?

**Mr. Hagel:** — I don't know. I don't think so.

**The Chairperson:** — Okay.

**Mr. Hagel:** — I appreciate this being done this way for us, and I appreciate the help and the cooperation of the staff.

There was one thing that wasn't, as I looked through these very quickly . . . that was different from the figure

we were using last night, which obviously meant some assumptions being made last night were different from what you found when you got to applying them. And that had to do with the computer, that whole combination of things that led to your conclusion of a reduction of 411,510. And that last night when we were looking at it in its broadest, we saw a reduction of 475 — 685 less 210, I think, if I remember correctly.

Obviously you found some different things that we weren't thinking when we were at the table last night.

**Ms. Ronyk:** — That's right. And I had . . . basically I was working off of the consultant's document and had meshed that with the budget document. But I have the information there that does that for you now.

The next section in that package which you don't need to look at now but it is the revised computer pages so that you can compare that with the lines in the old budget if you want.

**Mr. Hagel:** — Okay.

**Ms. Ronyk:** — But if you go past that to the next document that says computer codes 270 to 280, and this is why our 475 is really 411, and it will demonstrate that.

What this shows you is the budget that was approved in 1993-94 in the first column for all of the computer-related codes. And the options that we were looking at last night for the new proposal, the new system, does not include some of the fixed costs that are always there no matter what system we have, and that includes the on-line costs for us to be connected with the RES which is the revenue and expenditure system in Finance and the human resources system in Finance and Public Service. Those costs, the telecommunications costs, the supply costs, and so on are there and they were not part of the system scenario that we were looking at, the different options.

So now when you look at what our total budgetary costs are in the current year, '93-94, there's a total of \$257,000 in our approved budget. The one we requested this year is in the next column, the '94-95 column, and the total dollars for all computer-related codes there is 717,000. The third column is with the revisions made as the result of the decision not to go with replacing the system.

This is where we would like your approval and this is a proposal that will bring us to 305,920 for this year. And that means we're basically asking you here for a \$48,000 increase over the current year in the computer codes.

**Mr. Upshall:** — Over the 200 that we moved yesterday?

**Ms. Ronyk:** — No, over what was already approved in the previous year.

**The Chairperson:** — Over the 257?



**Ms. Ronyk:** — Yes, over the 257 in the first column. And some of that summary is there. I can get into that in the second page as well. Well let's look at the second page. It does show you that our requested budget this year that you looked at last night compared to what we were provided with last year means we were asking you for an additional funding of 459,000 this year.

Now with the revised '94-95 budget compared to the approved budget of last year, we're now asking you for an additional 48,000. And in the final set of numbers there, if you compare what we had requested in our first request with the revised numbers that we're now giving you, the savings is the 411, 510,000.

If we go back to the detail here on your first page. In the third column the first item: purchase.

**A Member:** — What page are you on now, Gwenn?

**Ms. Ronyk:** — The first page of that same two-page document that you just had in your hand there.

**The Chairperson:** — Computer codes 270 to 280 it says on top.

**Ms. Ronyk:** — By staying with our old system we are going to have some increased cost in maintenance. We figure about \$20,000 in maintenance because the older machines get, the more repairs they need.

We do, as we mentioned last night, have some critical areas where we are going to have to replace: the Linotron in *Hansard* and some of the VAXmates, the old VAXmates in certain of our critical areas. So we would like to be able to purchase. And we also have to purchase the buy-out of the lease. Those three elements — the buy-out of the lease, the Linotron, and some new VAXmates is that first figure in the revised '94-95 column under purchase, \$94,000.

And that, along with the increased support, is what we are asking for when we say we need \$48,000 more. We are saving of course because we're no longer going to be paying the Digital lease so there's an offset there.

**Mr. Upshall:** — The point I was trying to get at is last night I think the motion read that we limit what we called the computer area which comprised of most — some but not all of these lines that you've got on your computer code 270 to 280, \$200,000. That left us with I thought a \$39,000 cushion. Now what I want to know is: of that \$200,000 that we said was available, and including the 39,000 on the cushion, that's all in which lines? Where can I add those up? Or is it more than we had last night, is what my question . . .

**Ms. Ronyk:** — It is more than the 39. We're asking you for that cushion now that is about 55,000, that will enable us to purchase the pieces that will handle the critical areas, the VAXmates and the Linotron. So it is a revision, that we think we can live with this version.

We still have increased cost in maintenance, and that has to be covered in the 20,000.

**Mr. Upshall:** — Now sorry to be so dense here, but the ballpark figure last night was 475 and today it is 411, right?

**Ms. Ronyk:** — Okay now. I was misleading you last night in comparing apples and oranges. The 475 and the 675 came out of our consultant's document where we were comparing various replacement options. Those numbers and codes don't strictly correspond with the coding in the budget. And there are other items in the budget that are still there. So now when we tried to put in the reductions, we find there's also some offsetting increases because of not replacing our equipment.

**Mr. Upshall:** — So the overall is about \$16,000 more than what you thought last night?

**Ms. Ronyk:** — 60; 55, rather.

**Mr. Upshall:** — Or 55, that's right.

**Mr. Hagel:** — But your sense is it gives you the same level of protection to deal with breakdown that we had intended last night when we were looking at different numbers but . . .

**Ms. Ronyk:** — Yes, we are dealing with the same areas that we felt were critical — the Linotron at Hansard, the VAXmates that are failing and that we know that we're going to have great difficulty getting Digital to support once our lease is up. Then they don't have a great deal of commitment to us any more.

**The Chairperson:** — Ladies and gentlemen, is that all right? We need a motion . . . I need a couple motions, do we?

**Ms. Ronyk:** — Yes, three. No, two.

**The Chairperson:** — You'll have to tell me which motions we need.

**Ms. Ronyk:** — We need a revenue budget motion.

**The Chairperson:** — Could I have someone move:

That we accept the revenue budget . . . revenue budget as presented at 50,300.

**Mr. Hagel:** — Sure.

**The Chairperson:** — Could we have a seconder? Lynda. Any discussion? All those in favour? Agreed. And I need a motion of . . .

**Mr. Hagel:** — Is this the 14.531 million?

**The Chairperson:** — I'm not sure which one we've agreed to now.

**Mr. Hagel:** — I think we've agreed to the 14,531,770.



**The Chairperson:** — If we could have someone move the budget.

That we accept a budget of 4,416,390 as the budgetary budget, and 10,115,380 for statutory, for a total of 14,531,770.

So moved by Mr. Hagel, seconded by Mr. Upshall. All those in favour? Agreed. Carried.

That, I think, takes care of the budget, right, before you people leave.

**Ms. Ronyk:** — If I could explain to members too that the Assembly's target for our budget, even though the figure here says that we are .2 per cent over target in the budgetary side, in keeping with the position that government is taking, they're taking their target, plus the 2 per cent that was part of SGEU agreement in the fall. And if we did that, our target of zero plus the 2 per cent, which amounts in our budget to a .53 per cent increase over our base, then we are actually under zero. So we are at less than zero in terms of income.

**Hon. Mr. Lautermilch:** — Gwenn, I just want to commend you and your officials and your staff. I've worked with you, I guess, since you started here and worked with your predecessor before, and I know some of the pressures that are put under your office and your administration, and I want to say that I think you are doing one of the finest jobs of any arm of government that I touch. And so for that I commend you all.

**Ms. Ronyk:** — I appreciate that, and I thank you. And I would like to thank my staff here too, Janis Patrick and Linda Kaminski and Judy Brennan because they are filling in where they don't usually. Marilyn Borowski would usually be assisting here, and they have done a good job in helping us. Thank you.

**Mr. Hagel:** — Mr. Speaker, in parliamentary tradition, I will say: hear, hear!

**The Chairperson:** — Ladies and gentlemen, before you leave I would like to, once this meeting is adjourned, just have a brief word with the committee by themselves, the board.

So could somebody move that this meeting is now adjourned — Mr. Hagel. Seconded by Mr. Upshall. All in favour. Great.

And I want to have just a brief meeting with you here.

The meeting adjourned at 2:32 p.m.



