



**Legislative Assembly of Saskatchewan**

**BOARD OF INTERNAL ECONOMY**

**MINUTES AND VERBATIM REPORT**

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The Honourable H.H. Rolfes  
Speaker



No. 2 — THURSDAY, MAY 4, 1995

**BOARD OF INTERNAL ECONOMY  
1995**

Hon. Herman Rolfes, Chairperson  
Saskatoon Nutana

Hon. Carol Carson  
Melfort

Glenn Hagel  
Moose Jaw Palliser

Lynda Haverstock  
Saskatoon Greystone

Hon. Eldon Lautermilch  
Prince Albert Northcote

Rick Swenson  
Thunder Creek

Eric Upshall  
Humboldt

**MEETING #2 1995**

**BOARD OF INTERNAL ECONOMY**

**Room 10 Legislative Building  
8:30 a.m. Thursday, May 4, 1995**

**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**

Marilyn Borowski, Director, Financial Services  
Greg Putz, Deputy Clerk  
Gwenn Ronyk, Clerk  
Deborah Saum, Secretary

**Officials in Attendance**

Office of the Legislative Assembly of Saskatchewan:

Robert Cosman, Legislative Counsel and Law Clerk  
Linda Kaminski, Director of Personnel and Administrative Services

Members of the Independent Committee on MLA Salaries and Allowances:

Stirling McDowell, Chairperson  
Marguerite Gallaway, Member  
Arthur Wakabayashi, Member

**MINUTES**

The Chair informed the Members that the personnel reclassifications, Item #1(a) of Mtg. #1/95, which were adopted in camera, have been added to the minutes of Mtg. #1/95.

Moved by Mr. Hagel, seconded by Ms. Haverstock, ordered, that the Minutes of Meeting #1/95 be adopted. Agreed.

**AGENDA**

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

That the proposed agenda be adopted.

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

**ITEM 1**

**Decision Item - (Personnel Items Proposed to be Held In Camera)**

The Board met In Camera at 9:04 a.m.

**ITEM 1(a)**

**Decision Item - Ratification of Speaker's Office Personnel Classification**

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

That, effective February 13, 1995, the position of Executive Assistant to the Speaker be reclassified downward from a Ministerial Assistant III classification level to a Ministerial Assistant - Senior Secretary classification level and that the position title be changed to Administrative Assistant to the Speaker.

That, effective February 20, 1995, the position of Secretary to the Speaker be reclassified downward from a Ministerial Assistant D classification level to a Ministerial Assistant - Junior Secretary classification level and that the position title be changed to Secretary, Office of the Speaker.

The question being put, it was agreed to.

Minute #1353

**ITEM 1(b) Decision Item - Re-consideration of Personnel Classification Request of Legislative Assembly Office**

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

That, effective April 1, 1995, the position of Supervisor, Members' Services be reclassified from an Accounting Clerk 2 to an Administrative Officer 1 and that selected clerical positions (as per Appendix C) have their classifications broad-banded, and

That the Legislative Assembly Office commit to re-evaluating the classification of their In-Scope aligned positions following the adoption of the new PSC/SGEU classification plan April 1, 1997.

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

**Minute #1354**

The Board reconvened (Open Meeting) at 9:44 a.m.

**ITEM 2 Decision Item - Review of the Report of the Independent Committee on MLA Compensation (Salaries and Allowances) McDowell Report**

The Members of the Independent Committee on MLA Compensation (Salaries and Allowances) were introduced.

Mr. McDowell briefed the Board on the report.

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

That the Board of Internal Economy adopt, in principle, the findings of the Independent Committee on MLA Compensation (Salaries and Allowances).

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

The Board agreed to consider each proposed amended Directive, then revoke old Directives at the conclusion of the review.

**Directive #1.1 - Per Diem Sessional Expense Allowance-Non Regina Members**

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

That the Board adopt Directive #1.1, as proposed, to reflect the recommendation of the Independent Committee on MLA Compensation (Salaries and Allowances).

A debate arising, an amendment was moved by Mr. Upshall:

That the words "at the commencement of each session" be added after the words "as the member may choose" in section (1).

The amendment was dropped for lack of a seconder.

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

**Directive #3 - Annual Travel Allowance**

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

That the Board adopt Directive #3, as amended, to reflect the recommendation of the Independent Committee on MLA Compensation (Salaries and Allowances).

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

**Directive #5 - Constituency Office and Services**

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

That the Board adopt Directive #5, as amended, to reflect the recommendation of the Independent Committee on MLA Compensation (Salaries and Allowances).

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

**Directive #7 - Caucus Grants-Sessional Research,  
Directive #8 - Caucus Grant- Secretarial Expenses,  
Directive #10- Grants to Independent Members, and  
Directive #11- Grant to the Office of the Leader of the Opposition**

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

That the Board adopt Directives #7, 8, 10 and 11, as amended, to reflect the recommendation of the Independent Committee on MLA Compensation (Salaries and Allowances).

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

At 12:01 p.m., on the motion of Ms. Haverstock, the meeting was adjourned.



**BOARD OF INTERNAL ECONOMY**  
**May 4, 1995**

**The Chairperson:** — It now being past 8:30 I would call the meeting to order, and before I do so I think the agenda clearly indicates that the first item on the agenda is an in camera item because it deals with personnel. And so I would ask all the members and the media to vacate for a few minutes or whatever time it takes, until we deal with the personnel items . . . (inaudible interjection) . . . Yes, well we can do that. Yes?

**Ms. Haverstock:** — . . . not be dealing with a review of the minutes of the meeting as well as the agenda before . . .

**The Chairperson:** — Yes, we are.

**Ms. Haverstock:** — Why should the media be gone for that?

**The Chairperson:** — Well they don't have to.

**Ms. Haverstock:** — Well perhaps we should reinvoke them in then.

**The Chairperson:** — Okay. Ladies and gentlemen, the first item on the agenda . . . and I ask for your apologies for my error in not knowing that we dealt with the agenda and the minutes first. I knew that and just forgot.

First of all, the first item on the agenda is the confirmation of the proposed agenda. Do you have the agenda before you? Are there any other items that members feel should be on the agenda?

**Ms. Haverstock:** — Yes, I'd just like to discuss this because, as you know, I sent you a letter regarding an agenda item yesterday. And I had requested that a new item, MLA (Member of the Legislative Assembly) pension plan, be item 2 and a renumbering of all subsequent items accordingly.

I note this morning that there is a news release, but I'm under some kind of . . . well I would really like to just have some discussion about this because there seems to be some confusion around the role of this committee or what would be required in legislation or whatever, given comments that have been made in the House. So I'd like some clarification on this.

And the reason I'm asking for it to be a separate agenda item, is because as you know, the Premier, the Deputy Premier, and the Government House Leader have all stated in the Legislative Assembly or to the media, that the issue of the overly generous pension plans to some MLAs would in fact be discussed at the Board of Internal Economy, and I'm going to give you the direct quotes:

A committee chaired by the Speaker of the Assembly, the Board of Internal Economy, will sit down and review the McDowell report. And for the Leader of the Opposition Party and the Leader of the Liberal Party . . . obviously when this committee originally met you never saw fit to review your pension, my pension, anyone's pensions. In fact at that point in time you never raised

the issue. But when the committee meets, this issue will obviously be one of the items that we will be looking at.

And that's in *Hansard*, 1463 of April 10.

I continue:

. . . when the committee meets, and not being in control of the agenda of that committee, obviously this (MLA pension plan) will be one of the items that will be reviewed.

That's 1464 of *Hansard*.

I said that when the Board of Internal Economy meets, this (MLA pension plan) will be one of the items that obviously will be on the agenda, given the fact — I say again — that the Deputy Premier said that clearly there (would) . . . be unintended consequences of Mr. McDowell's report.

. . . if there are inordinate increases which occur as a result of the McDowell commission, we will obviously want to discuss and meet on this issue.

That's 1515, April 11 of *Hansard*, the Deputy Premier.

As it would relate to pensions, I want to say we have already said that this deal, dealing with old pensions/new pensions, will be dealt with by the Assembly, by the Board of Internal Economy before the election. And we've said that clearly.

Which is from the Government House Leader, 1918 of *Hansard*, May 2.

Now I realize that by legislation, and I had a discussion with you yesterday, Mr. Speaker, that the board doesn't have jurisdiction or authority to deal with pensions in a way that would be binding. However, given that so many ministers have clearly, clearly indicated that we would be dealing with this issue, I think it is important that we do so in advance of the discussion of pay raises that come on this agenda today.

And I would be most interested in hearing the comments from Mr. Lautermilch because I'm sure that he has had some discussion or direction from his cabinet colleagues on this matter.

**The Chairperson:** — Before I recognize Mr. Lautermilch, I think there should be some clarification on the setting of the agenda, and this has been a bone of contention for some time. By legislation, the agenda is set by the Chairperson of the committee, and members have input into that setting of the agenda. And we always do that. And the board makes the decision then as to what items we deal with at what time in the agenda.

Since you mentioned a telephone conversation I had with you yesterday, I also indicated to you very clearly that I thought in my opinion the best place to discuss pensions would be under item no. 3 — pardon me item no. 2 — when we got to the McDowell report; that if members wanted to discuss the pensions, that in my opinion that would be the best place to discuss it because there we could see the implications of the McDowell recommendations and the pensions.

So just because it's not a separate item doesn't mean members can't discuss it. I also indicated, as you have mentioned, that the board has no jurisdiction, and what other members of the Legislative Assembly say the board is going to do or is not going to do has no bearing on what this board will do.

We are an independent board and we should deal with the items that come before us. We are independent of members in the legislature. And I thought I made that also very clear. So I . . . not to say that we shouldn't discuss pensions. I did not say that yesterday, and I thought that I made it very clear: in my opinion that it should be discussed under item 2.

So I was going to mention that I had received this request from you, and suggest that it should be under item 2, but the board can make whatever decision they want on the agenda.

**Hon. Mr. Lautermilch:** — Well I guess, Mr. Speaker, I would only say that I was assuming that we would be discussing issues under the McDowell report that stemmed from the McDowell report, under item 2. Ms. Haverstock may have further comments.

**Ms. Haverstock:** — I see this as an issue that in and of itself has been of, not only great concern to numbers of people, but is an issue that isn't necessarily simply linked to the McDowell report. We're talking about those who were in the pre-1979 plan. Whether there was a McDowell report or not, that would be an issue for people, and has been raised on many, many occasions by individuals. So that's one of the reasons why, since it was discussed in the House as much as it was, we would see fit to have it as a separate agenda item.

Now as has been stated, the McDowell Commission was not even given a mandate to look at pensions, but did in fact mention them. So it wasn't even within their purview to be discussing pensions. I don't see why we wouldn't make this an item for discussion. In light of this news release today, it might be of some value to hear about this as well in some . . .

**The Chairperson:** — My only question on that is, is — I don't want to be argumentative — but if the board is going to put under its purview any item that it wishes but has no jurisdiction over, then what are the limits on what we are going to be discussing? I mean we can discuss anything we wish, but we have clearly the legislation; we have no authority to make any decisions as it pertains to pensions.

So if members wish to put items on the agenda on which the board has no authority, fine. But I don't see for what purpose. In

my opinion we have no jurisdiction and pensions should be dealt with in the Legislative Assembly. That's where it should be dealt with. They have the jurisdiction; we don't.

But that doesn't mean we can't discuss it. And if members wish to put it as a separate item, that's fine with me. But I simply wanted to put my opinion, as chairman of the board, as to where it should be placed. And if members want to discuss it ad infinitum, that's up to members. But we do have an agenda, legitimate agenda, on items that the board can deal with, and which we have to deal with.

**Ms. Haverstock:** — Well if I may, I'm getting a confusing message then. What I've heard you say is that we can in fact address pensions under the item that deals with the McDowell report. At the same time you're saying we have absolutely no mandate to discuss pensions in here. There are things that were not even discussed in the McDowell report that I think are within the purview of this committee for discussion and I think those things at some point should be on the agenda.

Overall the great frustration that arises from all of this is, as you know, we've been calling for an independent commission to review salaries, benefits, pensions, everything, for the last several years, and it was done then in January. Then the committee had to meet and work through this very quickly. Obviously pensions, in and of itself as an item, has become quite an issue. Across the province it's become an issue.

And now in what is perceived as the final days of the legislative session, not only are we going to be trying to deal with all of these items this morning, but we end up getting something sent last night to the office that deals with changes that take place after the writ period.

I don't know how people are going to perceive this as particularly very serious, a serious approach to these important items. And I think that a lot of people do see pensions as a serious item. I would prefer some clarification.

I've requested that we deal with the pension issue as a separate item, separate and apart from the McDowell report. I'm hearing that that is something that will likely not happen. Then I'm hearing that we're going to deal with pensions somewhere else in the agenda, even though it's not part of the mandate of this committee. So I would like some clarification as to just exactly what it is we are going to be doing here this morning.

**The Chairperson:** — I would just like to make a clarification. I don't want to be accused of something I have not said. I did not say that we would address the issue. I said we could discuss the issue. There is a difference between addressing it and knowing that you have some authority to deal with it.

If members wish to discuss the issue of pensions, the legitimate place I suggest it should be is under item 2. The board can discuss anything they wish, but there are certain limits on the board as to what they can deal with. This is not one item that the board can make any decisions on that are binding by



legislation. But members can deal with whatever they wish.

As far as this item is concerned, this item has been around, was around in 1991, has to do with dissolution and some of the things that pertain to MLAs when the House is dissolved. And simply put, there aren't that many changes. We simply wanted to address that with the members, and we have recommended some changes which we would think will improve the situation on dissolution. So there aren't that many issues. That's something the board should deal with.

**Ms. Haverstock:** — I go back, just to make one final comment, Mr. Speaker, with all due respect. And that is that I have indicated that it has been made . . . through unequivocal statements by not only the Deputy Premier and the Government House Leader, but by the Premier of the province, that this would be an item addressed by the Board of Internal Economy.

**The Chairperson:** — And I say, so? I mean it doesn't give us the right, the jurisdiction to deal with it, I mean to make decisions on it. They can say whatever they wish. All I'm saying to you, under legislation we don't have that authority to do it.

Now the members can discuss it, and all I'm asking you, if you want it on item 2, recommend it to the board, and the board makes the decision as to what the agenda item will be and how we put it.

**Hon. Mr. Lautermilch:** — Yes. Mr. Speaker, I guess I just want to make a few comments to, I guess, to put in context the mandate of the McDowell Commission and how this came to be, and where the decisions surrounding the make-up of the McDowell Commission took place.

I'm going to begin by saying that government caucus members came here this morning to deal with, in a non-partisan way, the recommendations that came and the McDowell report in itself. The Leader of the Third Party this morning stands up — and I guess it's going to be a very long day, very long morning — came in on a — which I guess we've come to expect from her — a very partisan basis.

She was one of the members of the legislature who voted on the legislation that established the McDowell Commission, and it seemed all right at that time. The Leader of the Third Party, myself, and the Leader of the Opposition sat down to discuss the mandate of the commission. She agreed with it at that time, although today she doesn't. We agreed with respect to the timing of the report . . . Well, did you or didn't you? She shakes her head. Did you or didn't you?

**Ms. Haverstock:** — Would you like a direct response?

**Hon. Mr. Lautermilch:** — Well I think when I'm done my remarks I'd like a direct response as to whether or not you agreed with the mandate of the commission's report.

**Ms. Haverstock:** — Okay. And if you're wishing me to

respond now, I'm . . .

**The Chairperson:** — Order. Order. Would members just address their remarks through the Chair, please.

**Hon. Mr. Lautermilch:** — The member agreed to the terms of reference, the timing, the budget — all that surrounded the commission — but this morning she indicates that somehow that didn't take place.

So I just wanted to clarify that, Mr. Speaker. I don't have an awful lot more to say, other than we came here to deal with these issues in a non-partisan way. I think the McDowell committee has done an awful lot of work. They've had input from the general public, from government caucus, from the opposition caucus, and from the third party caucus.

And I guess, as I've indicated earlier, that under item 2, review of the report of the independent committee on MLA salaries and allowances, the McDowell report, that that could adequately be handled there, in my opinion.

**Ms. Haverstock:** — Thank you very much. Mr. Speaker, I've come to this committee every time in order to participate in what I think is going to be in the best use of tax dollars and the most responsible way for people of this Assembly to behave. And I think that everyone knows that for several years there was a great concern expressed about ensuring that we would have an independent review of salaries, per diems, allowances, and so forth.

I do not disagree with certain things that Mr. Lautermilch has said. First of all, we were very pleased that it finally happened. Secondly, we did look at the purview of the independent commission and expressed great disappointment that even communications allowances were not examined by this committee.

There were some things with which we ended up concurring and other things that we will be discussing now that we think could be far more rigorous. We'll have that opportunity later this morning.

Yes, we agreed with the time frame, but had been on record for stating that we thought it was most unfortunate that this committee wasn't struck until 1995 and then was given a very short period of time in which to do its work, which is very complex for anyone, let alone people who are not familiar with the Legislative Assembly. And I think that we were very pleased that this finally happened.

But that's not what I was addressing this morning. I see these as two separate and distinct things. So I'd simply like to be on record for stating that we see the whole pension issue as something that was important enough for us to have a discussion about, given the comments that were made in the House on a consistent kind of basis. And the McDowell Commission is a separate item for discussion. So that's not where our issue is.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I'm going to table the memorandum from the Leader of the Liberal Party to myself, dated November 23, 1994. And in it, I quote . . . and I'm going to read the paragraph because I want to read it into *Hansard*. It's dated November 23, 1994:

I am pleased to advise you that my Caucus is in agreement with the three names of prospective members of the above-named committee put forward at this morning's meeting. Specifically, we are in agreement that Mr. Art Wakabayashi, Dr. Stirling McDowell, and Mrs. Marguerite Gallaway should be confirmed as the three members on the committee. I also confirm on behalf of the Liberal Opposition that we agree with the draft document circulated at this morning's meeting as it pertains to Terms of Reference, Budget and Timing of the Committee.

So I only say, Mr. Speaker, I'm going to table a copy of this memorandum and I'm going to ask the Leader of the Third Party to work with this committee. If she wants to play politics, that's fine. There's some important business that we have on this agenda. She may or she may not agree with that. But what I'm asking her is to please don't misrepresent what your position was. And I'm also asking you to not take a position on November 23 but then on May 4 come in here and change your position. Because it's just another example of the flip-flops that we've seen from that member on this and many other issues.

And I only say, Mr. Speaker, I want to table this for the committee and for members of the press, so that they can better understand the frustration we have in dealing with a member who would rather play politics than come in and do business in this committee.

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. Some of this does not deserve response, but what does I will bring forward today and table each and every time in this committee — there was a decision made that Mr. Lautermilch call a meeting of Mr. Swenson and myself and himself in order to address this issue, and that started months and months and months and months in advance of November of 1994.

So Mr. Lautermilch and Mr. Swenson and myself were never brought together to even discuss this issue for months and months and months on end. My concern is the timing of all of this, the fact that the independent commission was given such a short period of time in which to do things. And there were meetings that in fact took place, and decisions made of which I was not included. Certain directives given to that committee which I think I would have very much appreciated some input into.

I am not here to simply play politics and I would suggest that people want to read the verbatim of this to see who in fact is. And one of the things that I would like to do is simply be on record that the people of this province have been told by the Premier, by the Deputy Premier, and by the Government House Leader, that a certain issue would be dealt with in the Board of

Internal Economy, and their word is now in question. Period.

**The Chairperson:** — I do have to make a comment here and note that since I have some input into the agenda, in no way has the topic of pensions been excluded from discussion in this meeting. The only disagreement that we may seem to have here, whether it should be a separate item or whether it should be discussed under item no. 2. That's the only disagreement there seems to be.

No one has said it can't be discussed. It was made very clear by myself that the board has no jurisdiction in making decisions on pensions, by legislation. No one is saying that we cannot discuss pensions under item no. 2.

Now that we have this out of the way, can we get to the agenda, the proposed agenda, and if there are any changes to be made or additions to be made, would members please indicate so at this time.

**Hon. Ms. Carson:** — I would move adoption of the agenda.

**The Chairperson:** — It's been moved that we adopt the agenda as proposed. Do we have a seconder? Seconded by Mr. Swenson. All in favour? Or is there any discussion — sorry. All in favour? Agreed.

All right then, we should turn to the minutes of the last . . . I think we have had two meetings . . . oh, it's all . . . okay. If you turn to your tab which says minutes, no. 1 meeting 1995, and those members had an opportunity to review those minutes. If you had, could I have someone move that we adopt the minutes? Mr Hagel, seconded by Ms. Haverstock. All in favour? Agreed. Carried.

**Mr. Hagel:** — Do you need a motion that we go in camera now, or did we do that with the . . .

**The Chairperson:** — No, no. I just want to make an explanation just so that members . . . Remember we did have an in camera meeting last time on personnel. Those decisions that were made were not recorded in the verbatim but have been added in your minutes, in your agenda. So that the members will understand when you go to the verbatim and then you suddenly see this, that's because they were not in the verbatim because an in camera meeting. Okay, just an explanation for that.

No, we don't need to have a motion. We will just simply now go to personnel and go have an in camera meeting. So I ask all other people to please leave until we finish with personnel.

**The committee continued in camera.**

**The Chairperson:** — The next item on the agenda, and that's item no. 2 which is the review of the report of the independent committee on MLAs' salaries and allowances. Members of the independent . . . oh, they are here.

Before we begin, I would like to introduce the members of the independent committee. Sitting to your . . . well, sitting to my left is Marguerite Gallaway. And right next to her, left to her, is the chairperson of the committee, Stirling McDowell. And right next to him is Art Wakabayashi. I think everybody knows these people or have met them during the course of the event.

We will now begin with the review of the report of the independent committee, and I don't know if, Stirling, you would like to say a word or two before we begin the discussion and the review of the committee. Would you like to have a word or two or three?

**Mr. McDowell:** — Well only briefly, Chairperson, to reiterate the thanks that we previously expressed to all members of the House who provided us with information and views and ideas and opinions. It was certainly helpful to us in the study we undertook.

I think our main purpose today is to provide any kind of elaboration or elucidation that you may want to seek, and so we'll be here to respond to your questions. Thank you.

**Hon. Mr. Lautermilch:** — I guess I'd just like to begin by thanking the members of the commission for their work. Certainly it's an onerous task, a difficult task. When we made the recommendations to put together the committee, we were certainly looking for people that all parties could agree to in terms of the make-up of the committee. And I want to say that I think we've made the right choices. You've done some very positive work in this regard, and for that I commend you.

It's always difficult when you're dealing in a public forum with an issue that all people of the province are quite interested in and quite concerned about; that we develop some fairness and some openness and some sensitivities to the taxpayers' needs, but as well fairness to members of the legislature.

And I want to say that I'm very comfortable with the work that you've done. The fact that you've accepted input from all three of the caucuses, I understand, and from members of the general public, I think has allowed you to present to the board a very good report.

Members on this side of the House I think have spent a great deal of time looking through your recommendations. They, I believe and I think I can speak for my colleagues . . . the underlying principles that you've set forth are principles that we can endorse and do endorse. So with that, I would want to just say, Mr. Speaker, that we really do appreciate the work that the commission has done and that the principles as outlined in your document I think will serve the members of the legislature and the people of Saskatchewan very well.

And I'm not sure if it's appropriate at this time to move a motion endorsing the principles of the report. If it is, I certainly would want to move a motion in that regard:

That this committee accept and endorse the principles

outlined in the report of the Independent Committee on MLA Compensation.

**The Chairperson:** — All right, I have a motion on the table. Is there is a seconder to that motion? Seconded by Mr. Hagel. Is there any discussion on the motion?

**Mr. Hagel:** — Mr. Chairman, and Mr. Speaker, I'd simply like to join Mr. Lautermilch in expressing appreciation to Mr. McDowell and Ms. Gallaway and Mr. Wakabayashi for the work that they did. It was I think a fair amount of complicated work in a relatively short period of time. And with the result being, I think, a fairly straightforward series of recommendations.

I recall the day that we received the report, making a comment at that time that my first impression was that it was thoughtful and thorough, which was a relatively easy conclusion to draw, just paging through it quickly at that time. And I guess I would simply say that upon reflection since then and also having taken the opportunity to do my version, I guess, of consultation with my own constituents, a conclusion that I continue to hold.

And so in supporting the motion to adopt the report in principle, I simply want to say thank you to the members of the commission for having done a thoughtful and thorough job, after reflection as well as at first glance. And that's appreciated.

**The Chairperson:** — Is there any further discussion?

**Mr. Swenson:** — Are we going to have the opportunity to go through some points, Mr. Speaker, before we vote it off? Is that . . .

**The Chairperson:** — Oh, certainly. What is before you in your package are the directives that if we adopt this report in principle and adopt its recommendations . . . there are a number of directives. As you noticed in your . . . that will change. And we can either adopt all the directives in its totality or we can go through each one and adopt each one, and then go back to the motion, as moved by Mr. Lautermilch, and simply adopt the report and its recommendations.

So I am at your . . . My recommendation would be that if we do not have any particular questions to the committee at this particular time and there are no further discussions in general on the report . . . That's what I wanted to have. I wanted to have a general discussion first, because we have the members here and if you have any questions you could ask the members.

Then I think we have to turn our attention to the directives. Because a number of directives are going to change if we accept this report. And I think the members have to then go to the directive and say yes, we accept this directive; and no, we don't accept that one; or we want changes, or whatever.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I wonder if it wouldn't be appropriate to have Mr. McDowell, on behalf of the commission, go through the summary, the recommendations,

and maybe he could explain the rationale; how they arrived at their recommendations, their decisions.

And I think there are some questions with respect — at least that I have — with respect to who was involved, the kind of dialogue, the kind of interaction that the commission has had. And I think it would be helpful maybe if Mr. McDowell could take us through the summary and recommendations.

**Mr. McDowell:** — Mr. Chairman, as you will see embodied in the report itself, a basic rationale for the various recommendations which were included in our final chapter. We also included in that final chapter, which starts on page 26, a summary statement which I think pulls together the basic thrusts that we tried to embody in those recommendations.

I certainly can comment one by one on the recommendations. On the other hand, I'm not yet certain whether that would be as useful to you as you raising questions that you may have. We're in your hands in that regard.

I can perhaps go quickly through the 18 recommendations, however, and say something about them in groups. You will see, for example, that the first five of the recommendations deal with the core issue of basic remuneration for all members of the legislature. And we tried to embody there, simplification, because everyone seemed to volunteer and concede that the complex arrangement now in effect certainly could be simplified and that we tried to do. We tried especially to overcome the confusion that seemed to exist with regard to per diem allowances, because again, here was an issue on which, over time, it had been clouded between remuneration and reimbursement for expenses that MLAs incurred. And we tried to sort those out.

Thirdly, we tried to incorporate the concern that had been expressed by many members of the public about the issue of these per diems being tax free. I think people could see a tax-free basis for that part that had to do with expenses, but couldn't see it for that part that had to do with remuneration.

So considering all these issues, we put together these first five recommendations which essentially do three things. First of all, abolish the per diem allowances as a concept. Secondly, establish a base salary of \$55,000 that would apply to all MLAs and which will be fully taxable. And thirdly, to reduce substantially the amount of the annual expense allowance, which you will see in the body of our report, continues in effect in most provinces in Canada.

And we have gone some distance toward reducing it. We speculate sometimes that perhaps a committee like ours in the future will take another step and see it go altogether; but for the moment we thought this was the best approach to take with regard to the expense allowance. So that's section 1 as it were — recommendations 1 to 5.

With respect to the second section dealing with allowances for extra duties, we have a chart which summarizes the amounts

that we are recommending, and simply put, what we're recommending is what is. In other words, we're recommending a continuation of the amounts that now exist, those amounts having already been reduced or frozen or both over the last five years.

And as we point out in the body of our report, without those roll-backs and freezes they would have been substantially higher at this stage.

And so these are really a reaffirmation of two things. First of all, the amounts that now exist; and second, the percentage relationships that have been established. The only exception to what I have just said is the adjustment that we are proposing be made with respect to the allowance of the Speaker and the Deputy Speaker. And we're taking into consideration there the changes that have occurred in the office of Speaker in the intervening years.

In some provinces, in fact I believe in something over half the provinces, the Speaker's allowance is the same as that of cabinet ministers. We've gone some distance in that direction but have settled on an amount that would be equal to 60 per cent of the salary applicable or the allowance applicable to the Premier.

And finally we note at the bottom, that where members of legislative committees are involved in meetings of the committee when the legislature is not in session, there would be an allowance of \$75 a day.

The next section deals with deductions for absence. This is an issue I find has received considerable attention in the public media and from the public generally, and seems to be something that is well received. Probably because the public doesn't always understand that if a member is not visibly sitting in the House, he or she may well have other duties in connection with the role that are being carried out. It's not just that that member is in Florida on a vacation or something or other.

So what we have tried to do in this recommendation is to encompass those aspects of the role that require the member to be absent from the House and recognize that those reasons for absence are legitimate. But on the other hand to say, if the member is absent solely for a reason of personal convenience, then there may well be justification for the kind of deduction that we are here proposing — that is \$200 a day.

You will be aware perhaps, of a comparable study to ours in the province of Manitoba last year, having made a similar recommendation there. We also add the proposal that the deduction be made in the case that a member is named and excluded from the House for the remainder of the day.

From there we go on to deal with the matter of expenses in different matters. And I'm not sure, Mr. Chairman, whether you want us to go into detail on all of these. Again what we have tried to do is simplify, in so far as possible, what was a fairly complex arrangement.

**The Chairperson:** — Just continue. I am taking lists here, and then they can go back. If you're finished, that's fine; otherwise just continue, Mr. McDowell.

**Mr. McDowell:** — So what we did in removing per diem allowances, which had within them a substantial component of expense reimbursement, was to try to provide for the understandable variation in arrangements that different members make for obtaining accommodation when they have to be in Regina.

And as you'll see in recommendation no. 9, we really broke it into two principles. The first was that the basis for reimbursement should be keyed to standard civil service rates for accommodation and meals. But we had to recognize that for some members, motel or hotel accommodation is not the best answer. That indeed for either family reasons or matters connected with their role, it's better for them to arrange to rent an apartment, or to buy additional housing, or something of the sort.

And so the proposal we make is that there be an option, and that if a member chooses, the flat rate of \$60 a day could be claimed and put toward that kind of accommodation choice that the member has made. So it's an either/or kind of thing that's proposed here in recommendation no. 9. And in the body of the report we have some elaboration on that as well.

With regard to the existing travel allowances, in recommendation 10 we point out that there should be a claim submitted each month for the amount of travel that the member is claiming and reimbursement should be claimed from his or her travel allowance, in that respect.

I think recommendation no. 11 is of considerable importance, particularly in the view of members of the public who were anxious to see that there be adequate provisions for accountability and disclosure. And in that recommendation, what we are proposing is that each member . . . and it's important to note that, with the assistance of the Legislative Assembly Office, because most of these expenditures are of course administered on behalf of the member by the Legislative Assembly Office, as I understand — and that there would be an annual report of these expenditures that would be both tabled in the House and be available in the member's constituency office.

The next recommendations deal with constituency services, in which we note the trend, the adoption and principle by the board, of supplying a basic package of office furniture and equipment. Which I'm sure is of value to the member as well as to the public because of the efficiencies that can be recognized in it. And also the issue of ownership becomes resolved in that respect.

And then on item 13, we recommend that there be small provision for a transition allowance. That is, up to four months' salary in the event that an incumbent member is defeated and is not at once eligible for a superannuation allowance.

We say that, recognizing what many in the public don't recognize, and that is that members are not eligible to participate in the unemployment insurance scheme and therefore are not eligible for benefits under UI. And while some provinces have provisions that are considerably in excess of this, we thought that this minimum amount should be provided.

We propose a reinstitution of the annual adjustment of amounts based on CPI (consumer price index), effective April 1, 1996. We looked at various kinds of bases that could be used and we're satisfied that continued use of CPI was likely the most efficacious for us to recommend.

With respect to caucus grants, the essence of what we say here I guess is twofold. First of all, that there should be a clear requirement for an annual audit, to be performed by an independent auditor, with that audit — both the audit itself and the audit opinion — being available to the public.

And secondly, that there should be provision for recapture of surplus funds at the end of each legislative term. And in the event that a caucus were to disappear, and recapture of the assets that had belonged to that caucus which had been purchased out of legislative funds.

And in terms of implementation, Mr. Chairman, we are proposing that all of the recommendations be keyed to implementation with the commencement of the next legislature. That is they be keyed to the twenty-third legislature, with the exception of those last two recommendations to which I referred. And we would propose that those be made effective immediately so that the recapture of provisions would apply at the time that the present legislature is dissolved.

**The Chairperson:** — Thank you very much, Mr. McDowell. I have a list of people: Mr. Swenson, Ms. Haverstock, and Mr. Hagel.

**Mr. Swenson:** — Thank you, Mr. Speaker. I first off would just like to reiterate the words of other members of the committee thanking you for your due diligence. Obviously a job that not many would want to undertake because it is so topical today. But I think you've done a fine job and are basically in tune with what people in our society today think should happen in the political process.

A couple of questions I . . . sections 7 and 8 for clarification. On the standard civil service rate for \$60 a day, is your feeling there that the person should choose one or the other or is there the possibility that you could sort of flip-flop back and forth there depending on circumstances that may change during a session or . . . It might get a little unwieldy if an individual was going one way one day and one way the next.

**Mr. McDowell:** — We had a mind that the member would be able to choose, but I certainly see the point that you're raising — at midnight if it cuts off and you start charging on one basis or the other. I would think in practical terms the member who had chosen to make arrangements for an apartment or a condo

or the like, would not be interested in the flip-flop because it would be the accumulation of those \$60-a-day amounts that would go toward that purpose.

I believe that the staff who converted these recommendations into directives stated that as the member may choose, I'm not sure that it's entirely clear even there, whether it must be one or the other. It's not something that we were specific on and I don't have a specific answer for you in that respect.

It could work day by day, but I think it would be very awkward to administer if that were the case. It might be advisable for it even to be on a monthly basis or something of that kind.

**Mr. Swenson:** — I just wondered what your thoughts were on it. The other one on the \$200-a-day figure, sort of what the rationale is behind \$200 a day. And if you see . . . And I'm going to use myself as an example, I think.

As a farmer I had a circumstance last year where my hired man of eight years had three discs go out of his back on me as we started seeding. And that necessitated doing some things really fast — namely, I had to miss a couple of days in the session before I got somebody out of the farm labour pool to pick up the pieces. And I know that I'm supposed to be here and usually am, but I'm also not going to put a crop in jeopardy, you know.

And I'm wondering if \$200 a day in circumstances like that as punishment is reality with most people. If I had to find a substitute for myself if I'm in the teaching profession or something else, what would I do and what be sort of the penalties, or if I were an executive somewhere? I mean you must have had some feedback from people as to what they thought was reasonable in circumstances.

If I couldn't have got somebody out of the farm labour pool for a week, I'm looking at a grand. And that puts me in a very uncomfortable position — either attend the Assembly or put my farm in jeopardy. Well I'm not going to make a living out of this place for ever, so I'm going to probably look after the farm.

**Mr. McDowell:** — Well I guess the main reasons that were quickly identified for excusable absence were the ones that are listed there, having to do with illness and injury and bereavement and that kind of thing.

**Mr. Swenson:** — It wasn't my illness.

**Mr. McDowell:** — No, I understand that. And it certainly wouldn't . . . you're quite right, in this case you would be looking at a \$200 deduction.

I suppose one has to say that members who continue to be engaged in another occupation have that kind of trade-off to make. The member who doesn't have any other occupation won't be put in that difficult position.

But I think when one makes the choice between which of the two lines of work he's going to engage himself in on that day,

there may be this penalty on the one that he's not serving that day, in order that he can look after his investment in the other one.

**Ms. Haverstock:** — Yes, I have a question regarding this as well. As you know, there has not been, nor has there ever been, not presently or in the past, a way of taking attendance.

And are you proposing that attendance be done on a self-reporting basis, as is currently done? And I'm wondering how likely it is then that anyone is going to be docked pay under this provision. Because it's always been seen . . . in fact one of the complaints, as you well know, has been that it's been too broad in nature; that people have just, in some instances, ticked off "other business" or whatever it is, and it looks as though they're here for the entire time. Do you propose an attendance mechanism?

**Mr. McDowell:** — We make reference to the fact that there should be consultation between the Speaker and the party whip about any deduction that's to be made, to be sure that there has been recognition of whatever the factors are. We don't suggest that there be an attendance-taking mechanism set up, other than the one in the press gallery that seems now to be in effect.

The difficulty, I know that members will recognize, is that they'll be in the House for certain parts of the day's sittings and not for other parts. It would seem to us that this board perhaps would be the body that will have to look more closely at how this is kept track of; essentially I guess, we're looking at it to be the Speaker who would be the primary source of attendance taking in the sense that it's the Speaker who is called upon to authorize the deduction.

It was not our intention to say that you must be there every minute of the day from the time the bell rings until adjournment, because that's clearly impractical. But we did think there needed to be . . . I know that the present arrangement of course gives all kinds of latitude for days being away for one reason or another and then a catch-all for what's not covered in the other reasons. The thing we were really trying to get at was what I referred to earlier as matters of personal business or personal convenience as opposed to matters related to the member's role.

**Ms. Haverstock:** — Thank you. I'm just wondering in terms of approach. You will not be present for the directives, I take it.

**The Chairperson:** — Oh they can be. Oh they certainly can be.

**Ms. Haverstock:** — I thought perhaps . . . I mean I have various questions and I would like to discuss these in terms of the directives as well. But I'll pose the more general questions now.

You confirmed that you intended that your recommendation allow members to claim what are called incidentals such as meals and accommodation. And as incidentals you've defined as such things as dry-cleaning, tips, business calls, and parking.

And I wonder how you came about making this recommendation, and if it's allowed — and this is where the directive comes in — would you suggest then that within the directive that it should be very clearly stated what is allowed and under what circumstances and in what amount?

**Mr. McDowell:** — What we are saying is that the amounts should be keyed direct to the regulations that are already in place for out-of-scope employees under The Public Service Act. And so those references only are illustrative, but the source should be the administration manual for out-of-scope employees under The Public Service Act. I think these are all set out there as to the amounts allowable and in what circumstances.

So instead of trying to set up our own set of regulations, we thought, what can it be related to? Well the most obvious thing is the administration manual that's already in place for the public service, and within that manual we thought out-of-scope employees would be the best group to key the MLA eligibility to.

**Ms. Haverstock:** — One of the recommendations deals with, that each Member of the Legislative Assembly prepare, with the assistance of the legislative office, an annual report showing expenditures made by or on behalf of the members for travel, and telephone, communications, and so forth.

I'm just wondering — and perhaps this isn't a question to yourself — but has something been asked of the Clerk's office? I mean would in fact the Clerk's office be able then to establish the specific format and the guidelines in time for the members that are elected at the next general election to begin at the outset to keep these kinds of records and receipts and that kind of thing? That's a practical request?

**The Chairperson:** — Yes, most all of these are on computer. All we have to do is to take them off the computers and there's no difficulty in doing that.

**Ms. Haverstock:** — Okay. Another thing, especially regarding constituency services, you have indicated that we continue with our plan to have the Legislative Assembly provide a member with the standard package and so forth. And you did not make any specific comment regarding constituency service accounts and directives except travel— if I have that correct — in your report.

One of the things that we have found is that the whole grant structure in this is very, very complex and it doesn't seem to be any simpler. I'm wondering if that was something you just felt you couldn't deal with at this time. It really has been considered a problem for a lot of people. It's very, very time consuming. I see someone who obviously has had to deal in it because he's nodding his head back there.

I'm curious as to why you did not address that.

**Mr. McDowell:** — The central recommendation we were

making had to do with this annual report to which you referred, and the need to disclose what expenditures were made and the reasons for them. It was our view, supported by conversations with, for instance the Provincial Auditor and other such, that just the requirement of such a report would go a long way toward being sure that every member was judicious in respect to the expenditures made.

Now you're saying we didn't do anything for you in terms of making it more simple. That is essentially correct. We did not go into rewriting, as a recommendation, the board directive that sets out what's allowable and what's not. As I say, our general approach, I guess, was to say that if there's a requirement for disclosure, that in itself is very strong discipline to see that money is properly and judiciously spent.

**Ms. Haverstock:** — Well I know it's something that hopefully we can even address here, to bring about some simplification. And there were some things that I know that we had made recommendations about on other matters, in this section of 12 that were not addressed. And I'm curious about that.

For example, regarding constituency office allowances, we believe that they should have been structured in such a way that it takes into account two very specific things. First of all, the actual real estate market conditions in certain areas of the province, because things are not the same throughout Saskatchewan. And secondly, the size of larger constituencies where more than one constituency office is deemed appropriate. And I'm wondering why that was not addressed.

**Mr. McDowell:** — Well you will notice that we did make reference to the fact, as you point out, that there are different circumstances between urban and rural. For example it struck us that, for instance, in some of the geographically large constituencies, there may well be the need for two or three offices. But hand in hand is the fact that those are usually the areas where rents may be lower than they are, for instance, in Regina and Saskatoon, and that perhaps it's a choice to be made, within the allowance provided, by an MLA — whether that person would go for more offices at lower rentals or not.

We did not see it feasible to go into the specifics of varying allowances by constituency to the point of sort of taking a reading on the kinds of offices available at what rents, for instance. Rather, we thought there would be enough flexibility within the current allowance that the MLA would make those choices.

And on the other point — I think you were asking both questions at the same time — in the communications allowance and all of these do's and don'ts and things that can be done and not be done, it may be, and the board may want to consider this, that given the proposal we've made for accountability and disclosure, there's far less need to have lists of do's and don'ts and okay's and not okay's. That if in fact it's going to be made clear what money was spent for, that in itself would be a better discipline than trying to foresee and itemize every last thing that might come up for consideration.

**Ms. Haverstock:** — Well I agree with your latter point. I guess, in part, one of the reasons we raised this is that even within an urban centre there are vast discrepancies as far as the real estate market conditions. And there are vast differences between people who are now representing very large, large rural areas even when it comes to telephone expenses versus someone who is an urban member.

I mean these are ... there are discrepancies. There are considerable differences between a member who represents Athabasca and someone who is in downtown Regina as far as telephone expenses are concerned.

So these were some of the things that we'd raised, and we're just curious as to why things were left in many instances as they were.

**Mr. McDowell:** — But am I not correct that the present allowance for telephone expense leaves it to the member to have the expenses covered, whether it be a large area like Athabasca or a small area like a Regina constituency? I don't see that the present directive does not address that difference by making provision for reimbursement for all telephone costs.

**Ms. Haverstock:** — With regard to your recommendation 13, that an incumbent member who's defeated in an election ... I'm going to ask this question, and I don't want you to read into my comment that I agree with this directive or not. I'm just curious as to what you had in mind. I'm wondering if this would mean, for example, that a defeated cabinet minister would be paid a severance based on the entire salary of \$95,276 for four months, or in other words, \$31,425? Or are you in fact seeing this as paid out on the base salary that you are recommending of \$55,000?

**Mr. McDowell:** — I'm not sure what you're referring to, whether it's the draft directive, but our report is specific in that respect. It says based on one month's salary, based on recommendation no. 5, which is the \$55,000.

**Ms. Haverstock:** — Okay, so everyone's treated equally on that, based on 55,000. Thank you for that clarification.

Regarding 14, this is about indexing, which is not dissimilar to some of what we've talked about in our recommendations. Had you thought of making comment here? Indexing's always been in place but of course what we've done as a committee, is to vote it down each year. And had there been any discussion ... I think it actually is probably more of a board decision anyway but ... that no indexation would be applied in any year following a deficit budget?

**Mr. McDowell:** — We didn't specifically deal with that point. We did say that, just as in the past, the board or the legislature have from time to time found reasons to suspend or cancel or revise, so they may at some point in the future in specific circumstances.

But we are saying that in general we think it is wise to have

automatic adjustments made rather than let changes build up to take a very substantial adjustment down the road somewhere. We did not tie it to any specific incident, except to note that there may very well again in the future be incidents such as in the past, that would justify suspension of indexing. But it should be done by exception rather than wiping out the general rule that we are proposing here.

**Ms. Haverstock:** — I thank you very much. Most of my remaining questions would deal specifically with the directives.

**Mr. Hagel:** — Thanks, Mr. Speaker — 7, 10, 13, and submissions are the things I wanted to ask for some clarification on, Mr. McDowell.

The item 7, being the deduction for non-attendance. What I'd like you to expand upon is the (a) part of that, your rationale. As I understand it — and what you said today so far is not entirely consistent with what I think is my interpretation of the written part here, so some clarification is what I'm seeking — I think the terms, business of the Government of Saskatchewan or of the Legislative Assembly, are very, very precisely defined. And I'm wondering whether you're meaning exactly that, as they're currently defined, or something a little bit larger than that, which is what I think you were saying.

Let me give you an example. An opposition member, to attend a conference or a meeting related to his or her opposition duties, cannot be, by current definition, conducting business of the Government of Saskatchewan because that can only be authorized by a minister, and would not have a motion by the Legislative Assembly to authorize that, if that meeting doesn't happen to be in his or her riding ... would be carrying out the role as an MLA and a role that he or she would have in the Assembly, but would have a \$200 penalty from his or her salary for going to that conference for one or more days without showing up in the Assembly or doing some business in his or her own riding.

Is that the intention of this, or could you just ... As I read the literal translation, that seems to be what it would imply, although that's not I think what I heard you say.

On the ... Do you want me to go through these one at a time or ...

**Mr. McDowell:** — We may as well take them one at a time, if that's all right with you.

**Mr. Hagel:** — Okay. Sure.

**Mr. McDowell:** — And my colleagues may want to add to some of the things I'm saying because, as you will see, you're asking for elaborations that aren't necessarily written down.

The general thrust is what I've referred to already, that if the absence is related to the member's role as a Member of the Legislative Assembly, that in general that would be a legitimate reason for absence, as contrasted with those things that are for



purely personal benefit by way of vacation or pursuing another line of work or the like.

It seems to me in general then that there would be a broader rather than a narrower interpretation of constituency business — the business that a person carries out because he is representing his or her constituency. I would favour it being more broadly defined in that way.

But on the other hand, if a person decides that it's a good two weeks to go to Florida for a vacation, clearly that is out.

**Mr. Hagel:** — Right. And when you say represents his or her constituency, you're not . . . you're saying not just the geographical constituency but the constituency of responsibilities which may be a subject area.

**Mr. McDowell:** — That's right.

**Mr. Hagel:** — Okay. Secondly, the 10, which was the travel. As I read this, it appears that what you're recommending is that the amounts available for members to claim continue on the current formula. And I wonder . . . the question I ask is whether you had comment on that and whether some consideration had been given by you to . . . I think it's the fact — I don't think exactly every one — but the large majority of the rural ridings after the next election will be substantially larger than they currently are in terms of square miles and distance from communities within. Had you given some thought to the fact that there's a changing landscape then for rural members when you had addressed this particular recommendation?

**Mr. McDowell:** — Yes, let me just point out that in general, recommendation 17 applies; that is, we're building on what now exists with respect to the directives of the Board of Internal Economy. So it's only by exception that we are making recommendations.

And therefore what we were proposing was that the present formula remain intact. It could be that experience will show that the increase in geographical size of constituency may need the board to make some adjustment in that formula. We didn't go so far as to recommending changes in the formula now though.

**Mr. Hagel:** — Without recommending changes in the formula, do you have an opinion on it, or an observation that you'd want us to be aware of?

**Mr. McDowell:** — In general, if it's going to be a larger constituency, one could see the need to look at the adequacy of that amount. I think it should be looked at. The two biggies of course, the two northern constituencies, are already recognized separately and given special consideration, as they should be.

**Mr. Hagel:** — So they're the two that don't change in size.

**Mr. McDowell:** — That's right.

**Mr. Hagel:** — But all the others do, I think.

Okay, 13, the transition allowance. You're reference is to eligibility, I understand, when somebody runs and is defeated and so on. If you could just comment on the phrase, eligible. I recognize you said earlier, you pointed out that members of the Assembly are not eligible for unemployment insurance. And that was the rationale that you were wanting to address within the principles here. And I note the recommendation is whether they're eligible for transition allowance as opposed to the phrase, drawing superannuation allowance. Can you just comment on that?

**Mr. McDowell:** — On the operative phrase, rather than saying eligible, read eligible to begin receiving, which I don't see there but I believe we had it . . . Yes, it is there. Eligible to begin receiving a superannuation allowance.

In other words, it's not a matter of eligibility at some time in the future, but eligible to be . . . Well take a specific example. If the person is only 45, the person isn't eligible to begin receiving. If a person is 55, the person is eligible to begin receiving.

You could say both are eligible in the sense that somewhere down the road, both will get an allowance. But our emphasis is upon the phrase, eligible to begin receiving a superannuation allowance.

**Mr. Hagel:** — So it would be your view then that the 45-year-old defeated member . . .

**Mr. McDowell:** — Would be eligible for the transition allowance.

**Mr. Hagel:** — Would receive the . . . be eligible to receive transition allowance. But a 55-year-old defeated member is not eligible for transition allowance?

**Mr. McDowell:** — If he's eligible to begin receiving a superannuation allowance, no, he would not be eligible. I'm sorry, a superannuation allowance. Then he would not be eligible for the transition allowance.

**Mr. Hagel:** — Okay. And could you just expand on the rationale then. Because I'm understanding the intent here you're trying to achieve in the context of ineligibility for unemployment insurance. So if you can just kind of help me understand then the assistance in transition for the 45-year-old but not the 55-year-old.

**Mr. McDowell:** — Well in one respect it grows out of the concern of the public about anything that could be remotely described as double-dipping, the notion of being eligible for two sources of income at the same time from the same government.

Now what this is saying is if you're eligible to begin receiving payments under the superannuation plan, then you should not be eligible to be receiving payments under the transition allowance. But if you're not eligible for the first, then you should be eligible for the second.

**Mr. Hagel:** — And a money purchase pension plan member who makes . . . Of course once the decision is made to draw it, then you're drawing it for life from that point forward. So you're saying . . .

**Mr. McDowell:** — I don't know the answer to perhaps one of the questions you're raising there, and that is whether under the money purchase plan it's entirely in the person's jurisdiction and discretion to decide when to begin receiving, or whether the minimum age 50 applies to that as well. I was given to understand that the minimum age 50 applied to both the defined benefit plan and to the money purchase plan. And if that's so, then he is not eligible to begin receiving at age 45.

**Mr. Hagel:** — Right. I understand too that currently, under the current legislation, someone who is drawing superannuation is not eligible for other . . . there are very clear limits as to their eligibility to receive funds from employment with the provincial government and so on. And there is a proposal to expand that to double-dipping at the federal level in the announcement made earlier today. Okay.

**Mr. McDowell:** — Well I don't know whether that's enough of an answer for you, Mr. Hagel. But our general notion was this, that . . .

**Mr. Hagel:** — I have to admit is still a bit foggy.

**Mr. McDowell:** — Yes, well the person who is running for re-election and is defeated is in a particularly difficult position from two points of view. We've noted the ineligibility for unemployment insurance; the other is the complete absence of opportunity to plan for a transition next day to remunerative employment.

**Mr. Hagel:** — And in many ways would be perceived . . . somebody who's running for election and planning for transition . . .

**Mr. McDowell:** — Not a wise thing to speak of.

**Mr. Hagel:** — . . . is not something you'd want to put on your pamphlet at election times.

So again, in the context of where the person whose option is the money purchase plan, and recognizing that once one begins to draw it, that you've made a commitment which carries you forward to the end of — to life — end of life, it's just not clear to me why the protection for the 45-year-old and not for the 55-year-old, both of whom may have similar concerns about transition to non-elected employment.

**Mr. McDowell:** — Well I guess this was one small step from zero, and we wanted to propose something demonstrably fair and not open to the kinds of criticisms that we've been referring to here.

It perhaps could have been expanded not to be keyed to the superannuation thing or a number of other things — people just

deciding to retire, or not run again, I should say.

**Mr. Hagel:** — Yes, and you clearly differentiate between those who chose not to run again . . . Yes.

**Mr. Swenson:** — Or make it retroactive.

**Mr. McDowell:** — Well, I'm particularly interested that you raised that point. Because I would think that we had keyed all of these recommendations to be effective on polling day, and this is one that I would have thought could have applied to the election of the members for the twenty-third legislature.

Whether or not that is legally airtight in the way we have set it up here, I'm not sure, but . . .

**Mr. Hagel:** — I think . . . (inaudible) . . . say twenty-fourth actually, but . . .

**The Chairperson:** — The twenty-third is what you meant, right?

**Mr. McDowell:** — See, in recommendation 18, when we're making recommendations 1 to 14 — which includes this no. 13 that we're talking about — on and after polling day, set for the election of the twenty-third legislature.

I would have thought that could have, and I would personally say should have, been interpreted to mean that it would apply to those people who are seeking re-election and are defeated in their bid for election to the twenty-third legislature, because it becomes effective on the polling day when that decision is being made, as to whether they are elected or not.

**Mr. Hagel:** — You intended to apply to current sitting members; I never saw that at all, actually. I interpreted it . . .

**Mr. McDowell:** — As I say, there's a fine technicality there that one would have to see was nailed down, but it was my view anyway, that if it was keyed to come into effect on polling day — presumably if you want to get really fine, that's at 12:01 a.m. on polling day — and therefore I guess it's in effect at 8 p.m. on polling day.

But anyway, it would seem to me it could be provided for and should be provided for with respect to those who are defeated in their bid for re-election to the twenty-third legislature.

**Mr. Hagel:** — Okay, now just before I move along then, just one final question then. At this point in time what I hear you saying is that your recommendation is that recommendation 13 would apply identically to members whether they're on the defined benefit pension plan or the money purchase pension plan.

**Mr. McDowell:** — Yes.

**Mr. Hagel:** — Okay. And that's something that you feel would be wise to reconsider, or that's a pretty firm conclusion?

**Mr. McDowell:** — Well my understanding is that eligibility to begin receiving an allowance is the same in both of them in respect to minimum age requirements.

**Mr. Hagel:** — Okay. And finally then, in looking at the list here, it appears to me as though you had, in drawing your conclusions, a presentation by the Provincial Auditor.

**Mr. McDowell:** — We met with the Provincial Auditor, yes. I distinguish between, received a presentation from . . . We met with and discussed the issues that we had listed as issues of concern to us with him and with others that you see listed there.

**Mr. Hagel:** — And when would you have met with him?

**Mr. McDowell:** — I'll get the book out. It was January, January-the-something. If you want a specific date, I'll get it out.

**Mr. Hagel:** — Yes, I would actually. If you have it handy, I would appreciate that.

Is your view then — and I'm assuming this, but I guess I prefer not to assume it — that your recommendations met any concerns raised by the Provincial Auditor in the course of your discussions? Are there any recommendations you've made here that you feel that you aren't comfortable saying that, that your recommendations . . .

**Mr. McDowell:** — Well let me say this, that we did not submit our proposed recommendations to the Provincial Auditor for vetting. Indeed when I finally find this date in January on which we met him, you will be able to understand what I'm about to say, and that is that at that stage in our deliberations we were just in the process of gathering information, seeking input and opinion and advice. And the Provincial Auditor did that. For instance, on the general principles of things like accountability and disclosure, items of that sort, we had useful discussions with him.

**Ms. Gallaway:** — January 25.

**Mr. Hagel:** — Okay. Good. Thank you very much, Mr. Speaker.

**The Chairperson:** — Before I recognize Mr. Swenson and Mr. Lautermilch, I have one question, if the members would allow me to, because of clarification. It's my understanding on recommendation 13 — and I had not . . . this had not crossed my mind until the people were questioning this morning — it's my understanding, under the money purchase plan, one is eligible at any time, but you take some very dire financial consequences if you take it too early.

But that's my understanding, that that is true. And if that is true, under the defined formula plan you are eligible at 50, but at a reduced . . . But I believe in the money purchase plan, because when you resign, that money, you can take it out, and you can deal with it as you see fit. So therefore you would be eligible.

But if that is true, if that is true, what is wrong with accepting in principle that one can't double-dip. One can't double-dip as far as taking your superannuation or your pension or work with government, you know, provincial or federal or whatever. But in that four-month period, the person would be eligible for the transition allowance.

See under the money purchase plan, for a person who starts, let's say at 30, and then retires at 45, he may or she may not be that badly off in taking their pension. But a person who, let's say came into the legislature at 45, and then got retired at 52, he only has 7 years, but he's eligible; that would be a real financial burden for that particular person to have to draw on his pension at that time.

And I'm wondering whether or not there would be any difficulties with what I am suggesting, that they can't double-dip. In other words, they can't take their superannuation plus their transition, or they can't work for government and take the transition allowance. I hadn't thought of this until this morning.

**Mr. McDowell:** — I'm afraid the problem, Mr. Speaker, with that approach would be that it would leave to the individual to determine the date at which he or she would begin receiving the money purchase benefit, and clearly it would just postpone it four months. That would be the sensible thing to do and get the transitional allowance and then begin.

And therefore what we have done is keyed it to eligibility to begin receiving rather than election to begin receiving, for example.

**The Chairperson:** — Okay.

**Mr. McDowell:** — To get beyond a specific rule of that kind and into whether the individual is well off or destitute or such things, you know you're into a never-never land because you would have to tailor it for each individual's circumstances.

**The Chairperson:** — Well just one further comment. I would think that in some instances a person would probably be even better off to borrow the money rather than taking their money purchase . . . to take their eligibility on the money purchase plan because of the shortness in which they've been involved in the money purchase plan, because in the long run . . . they may be better off in the short run to take the transition. But in the long run they'd be better off to leave their money invested rather than starting their pension. But that's a decision an individual would have to make.

**Mr. McDowell:** — So as you're aware, the area of pensions was one that was not specifically assigned to our committee. In fact the converse I think is true, that it was excluded from our terms of reference, so we made no specific recommendation on pensions as such.

**The Chairperson:** — Fair enough.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Speaker. A couple

of things I notice under the travel things, it says that the individual can now submit for air travel. Currently there's a limitation; you have to be so many kilometres away from Regina before you're eligible to use the provincial airline to move yourself around.

Do you see that requirement changing, that it'd sort of just be opened up and it would just be receipt-able thing to use Executive Air for instance, or do those requirements stay in place, or is that something we should look at?

**Mr. McDowell:** — We didn't propose any changes in the existing directive that the board has, so those would remain in place. But if there were legitimate claims for air travel under that directive, then that's what this refers to.

**Mr. Swenson:** — Okay. And just a comment on the current discussion, the only way I guess that you could simplify it — and I think other provinces have done this — they allow members to take their pension plan self-direct once their time is done.

And for any member's benefit, in my view, it is the best way because you then can preserve the principal if you wish, and set it up accordingly to use the interest. And it would be very easy then to . . . I mean that person would have their money, and if there was the question of double-dipping arising, it would be easy to determine, you know, very easy. You know, you can't; you've got it.

And I've talked to a lot of former members and they would like that option seriously looked at. And I believe it has been done in other places. Right now you potentially would never be able to, especially with inheritance and stuff, to pass on the principal of the plan that's currently in place. Now maybe it's different for the old plan, because you can.

**The Chairperson:** — You've got me on that one; I don't know. I should know. Better know soon. Another question, Mr. Swenson?

**Mr. Swenson:** — No.

**Hon. Mr. Lautermilch:** — Yes, I think I'm still on agenda item 2. And my line of questioning follows what Mr. Hagel had asked with respect to considering the Provincial Auditor's comment as it relates to the Board of Internal Economy.

And I guess I had indicated to the Speaker and to the board that as the Legislative Assembly Office was beginning to draft directives around the report, that it was important to us that there be consultation with you as these were directed, so that you could have input to ensure that the spirit, the intent, of the directives were in keeping with the nature of your report.

And I guess with respect to the auditor's comments and the auditor's concerns as you have reviewed the directives that will be before the Board of Internal Economy on the next agenda item, are you satisfied that that spirit and that intent has been

kept, and I guess secondly, that the concerns of the auditor, although maybe not 100 per cent satisfied, that the directives reasonably reflect the concerns of the auditor?

**Mr. McDowell:** — Well I find that a difficult question to respond to unequivocally for this reason. The board, I see from the news media, has now received the Provincial Auditor's report yesterday or whenever. You received our report, I suppose yesterday or whenever, in its form as directives. And those two reports have come from different places.

As I mentioned previously, we did not submit our recommendations to the Provincial Auditor for his opinion at any point. Rather we had this general discussion in January and made use of much of the advice we were given.

So I think I for one would not want to say that our report meets everything that the Provincial Auditor may or may not want to say, because we haven't talked with the Provincial Auditor about our specific recommendations.

As I say, we did talk about the basic considerations of accountability and disclosure and things of that sort. And I feel we profited a good deal from the kinds of opinion that he expressed to us at that time. But we've had no contact with him since January 25, so I can't say whether he likes our report or doesn't like our report. I guess you would have to ask him.

**Mr. Wakabayashi:** — There's one detail that I'm aware of in looking at the . . . was it the management audit letter — is that how you describe — that we had the benefit of a copy? And that had to do with the travel allowance expenses. I think we didn't go as far in our recommendation on how MLAs claim for their travel allowance as I would interpret that the Provincial Auditor would like; I think we're in the direction of the Provincial Auditor. But I think if the Provincial Auditor were here he would want the MLA . . . every trip that the MLA took for any business whatsoever, you would have to identify every single trip, who you met, the purpose of your trip and identify, you know, the number of kilometres that you took for it, for every single trip that you took as an MLA.

We didn't feel, or at least our committee didn't feel, that . . . That detail was going too far in terms of being reasonable or realistic. So that's why you see in our recommendation we've asked though that the MLA would have to log and submit maybe the total number of maybe kilometres that you incurred on, quote: constituency business or as a role of an MLA, but not detail every single trip. I think that's one area of detail probably that I've noted in terms of what I and what the Provincial Auditor was recommending, and what we're . . .

But the general thrust I think has to be in accord with what we hear is coming from the Provincial Auditor's report.

**Mr. McDowell:** — All right. And also in that respect, that we were impressed with the difficulty that faces any MLA who sort of lives the role 24 hours a day, and always to be able to separate out that piece which is business and that piece which

he didn't intend to be, but when he got there found out there were three constituents waiting for him. That kind of sorting out, we recognize is a difficulty.

**Mr. Hagel:** — Arrived at a spontaneous and unanticipated rally.

**The Chairperson:** — Any further questions or comments?

We have a motion before us. I would like to read that motion to members:

That the Board of Internal Economy accept and endorse the principles of the *Report of the Independent Committee on MLA Compensation*.

That was moved by Mr. Lautermilch.

Is there any further discussion or questions on that motion?

**Hon. Mr. Lautermilch:** — Can I ask, Mr. Speaker, how that read again.

**The Chairperson:** — Yes.

That the Board of Internal Economy accept and endorse the principles of the *Report of the Independent Committee on MLA Compensation*.

**Hon. Mr. Lautermilch:** — Could I change the wording that the . . . the first part, but could I word it this way:

That the Board of Internal Economy adopt in principle the findings of the independent commission on salaries and benefits.

**The Chairperson:** — Yes, I . . .

**Hon. Mr. Lautermilch:** — That would be my motion.

**Mr. Hagel:** — Well, Mr. Speaker, as seconder, I would agree. I thought I was seconding the motion to adopt in principle.

**The Chairperson:** — Okay. Have you got that in writing there?

**Hon. Mr. Lautermilch:** — Yes, I have.

**The Chairperson:** — Okay. Then could I just have that?

That the Board of Internal Economy adopt in principle the findings of the independent committee on salaries and benefits.

Could I just make a recommendation that we change benefits to allowances? And the reason I do that, because that's what . . . it's on the front of the . . . So that there's . . .

**Hon. Mr. Lautermilch:** — Okay. that's fair enough.

**The Chairperson:** — Is that all right? Any further discussion on this? All those in favour? Opposed? Carried unanimously. Yes, seconded by Mr. Hagel.

Now, ladies and gentlemen, I want ask a question. Before we get into the next section, which is on the directives, I just assumed that we would want to have the committee here as we go through the directives. Am I correct?

We have a slight problem. Unless we can go through all the directives in a half an hour, members have indicated to me that they want to leave at 11:30 and we will not have a quorum, I think, if we carry on. But let's go to directive # 1, then . . .

**Hon. Mr. Lautermilch:** — Mr. Speaker, I just wanted to comment on the time frame. I came here expecting that we would be doing business until noon. And I'm . . . that was what was requested of me and I'm assuming that's what was requested of other members. And we have some important business to do and I know we all want to get through and I think these directive are going to take a bit of time. And I would urge members to stick to the time frame if it's at all possible, that being until noon.

**The Chairperson:** — The member is correct in his assumption, but if we don't have a quorum we can't carry on. So I will carry on until we no longer have a quorum, until noon that is.

All right, directive #1. Do members . . . Yes. Directive #1, as you will note, is simply revoked by the Board of Internal Economy. And there's no date in there of course because we don't know when it will be revoked — if it will be revoked — but if members revoke directive #1 then the effective date will be today.

I assume you are familiar with what the directive says or do you want me to read through it?

**Mr. Hagel:** — It won't be effective today. If we're . . . in principle it would be effective . . .

**The Chairperson:** — No, no, it won't be effective, but it will be revoked.

**Mr. Hagel:** — But effective following the . . .

**The Chairperson:** — Whenever the report is accepted.

**Hon. Mr. Lautermilch:** — I'm sorry, I was in another meeting here. I might have missed this.

**Mr. Hagel:** — No, these would be effective following the polling day. I think that's the principle of the committee's recommendation.

**The Chairperson:** — Okay. I've got a suggestion here by the Clerk and I think makes sense. Maybe we should go to directive #1.1: per diem sessional expense allowance, non-Regina members. And if we accept that, then of course the other is

automatically revoked. Have you got that?

(1) Effective on and after polling day for the election of Members to the Twenty-Third Legislature of the Province of Saskatchewan, pursuant to s.50(3)(b) of The Legislative Assembly and Executive Council Act, every Member who represents a constituency wholly outside the city of Regina shall be provided living expenses for each day the Legislature is in session on the basis of either:

(a) reimbursement at the rate payable to out-of-scope employees under The Public Service Act as set out in the Financial Administration Manual;

- (i) for accommodation,
- (ii) for meals, and
- (iii) for petty disbursements, including gratuities, laundry, etc., or

(b) reimbursement without receipts by way of a per diem allowance at the rate of \$60 per day;

as the Member may choose.

And

(2) The per diem allowance set out in clause (1)(b) shall be increased or decreased on April 1 of 1996, and April 1 of each year thereafter, by the average annual change in the Consumer Price Index for Saskatchewan as determined by the average annual change in the Index for Regina and Saskatoon.

**Mr. Upshall:** — Just a question. Like we've got directive 1 and we've got . . . (inaudible interjection) . . . Yes. But then why do we have to have this directive 1 in here if we accept directive 1.1 and what is rather redundant? Because on the second directive 1, it talks about effective on and after polling day.

What I'm asking is the logic that was put into putting first directive 1, second directive 1, old directive 1, and revoking old directive 1, and then having directive 1.1. Maybe you could ask the Clerk to explain that.

**The Chairperson:** — Yes, I will have to ask her because . . .

**Ms. Ronyk:** — What this package shows you is how the directives for the record will be amended if you adopt the new directive for sessional expenses — it's directive #1.1; this is the new one that implements the McDowell report — then we will need to revoke the old per diem sessional expense allowance, which is directive 1.

And in our records we will show it in two ways. We'll show it in the first way where we show the text of the old directive and indicate that it's been revoked. It's just for the historical record, right. And then we show it in the second way as well where all we say is that directive #1 was a per diem sessional expense

allowance, and it was revoked as of a certain date. And that is if somebody asks us for a set of directives. We can't just give them a set that starts with 1.1; they will say, well what is no. 1? And this is just to keep the historical record that there was a 1, and it was revoked.

So I think what we need to do is look at 1.1, see if you adopt it or amend it, then you'll be prepared to go back and revoke the old.

**The Chairperson:** — Okay we are on 1.1, and I think the way we should go with this, since we're going to do these individually, we should have a motion on each, and then we have a discussion on it. Can I have someone move the acceptance of directive 1.1? And then discuss it, and then have discussion on it or amendments or whatever. I think that's how we pretty well have to proceed. We have to have a motion on the floor, and then we have a discussion on it. We either accept or amend or reject or whatever. Do I have someone move that, the acceptance of directive #1.1? Moved by Mr. Swenson. Seconded by Mr. Hagel. Any discussion?

**Mr. Swenson:** — Just quickly, is this \$60 a day, is that taxable or not?

**Mr. McDowell:** — It would be non-taxable in my view.

**Mr. Swenson:** — Non-taxable.

**Mr. McDowell:** — Non-taxable because it's regarded as reimbursement for expenditures as opposed to remuneration.

**Mr. Swenson:** — Okay.

**The Chairperson:** — That's correct. Any further discussion?

**Mr. Upshall:** — Just we didn't decide whether or not the member would have an option, an either/or, as we talked about.

**The Chairperson:** — Yes, if you accept this, it will be either/or.

**Mr. Upshall:** — That's my question. If we accept this, it would either/or.

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

**Mr. Upshall:** — Okay, because I think it's important that there is an either/or because . . .

**The Chairperson:** — It's right in there: or do you accept either (a) or (b)?

**Mr. Hagel:** — And in terms of the application then, this would apply on a day-by-day basis. For example, there may be members who, coming to Regina, have permanent accommodations, but there are times that expenses don't occur in Regina. Your apartment — just because you go somewhere else — your apartment doesn't tag along behind you. And

members, I think, have to have the flexibility that the directive provides.

**Mr. Upshall:** — I don't read it as either/or actually. I read it as one or the other.

**The Chairperson:** — It says, either you accept (a) or you can accept (b).

**Mr. Upshall:** — That's right. But I'm sorry if I'm being really dumb here. I'm not trying to be, but as the member may choose — for what period of time? I mean as long as it's agreed, as long as it's . . . as long as it's agreed that I can take \$60 a day for five days of week 1 . . . for four days of week 1, but the fifth day of week 1, I'm in North Battleford with a hotel room, then I can submit that. I mean if that's understood, I'm out of here.

**The Chairperson:** — No, no. That's not understood. In fact I was going to be moving an amendment here because I think that might be very impractical as far as the LAO (Legislative Assembly Office) is concerned.

But I was going to . . .

**Mr. Upshall:** — Well very practical as far as I'm concerned.

**The Chairperson:** — Well I mean we do it in other things too. But I mean members will have to choose on this.

But my proposed amendment to that would be that the:

Proposed directive #1.1, entitled the Per Diem Sessional Expense Allowance - Non-Regina members, be amended by adding the words:

"at the commencement of each session" immediately after the words, "As the Member may choose" where they occur in subsection (1).

In other words, the member has to make an election at the beginning of the session; otherwise you're going to have members one day taking this, next day coming back submitting something else. And that is just a horrendous . . .

**Mr. Upshall:** — That's the way our job works though. This is what I'm getting at. If I have to make an election, then the days I'm away from Regina and it's costing me, you know, \$80 because of my accommodations, you know, dig in my pocket again.

**The Chairperson:** — No, Mr. Upshall, it's my understanding this only pertains to Regina anyway; that the others you would be claiming out of your travel allowance. You wouldn't be claiming . . . This is for session, while you're in Regina. It has nothing to do with whether you're in North Battleford or Swift Current or wherever. This is when you're in Regina for the session.

**Mr. Upshall:** — Regina only.

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

**Mr. Hagel:** — And if then you are as . . . whatever the other directive that provided for those exceptions, where members are not penalized but are not present in the Assembly, if you assume expenses on those days, which is, as Mr. Upshall is saying, is not an unlikely circumstance, then the member just simply personally bears the difference in cost, is what you're suggesting.

**The Chairperson:** — That's correct. No, Mr. Hagel, I stand to be corrected. For each day the session is ongoing, whether you are there or not. And the reason for that, of course, is if you rent a condominium you can't just simply say to the person, well I'm not here today, I'm not going to pay you. You still have to bear that cost. So that 60-day applies whether you are there or not.

**Mr. Hagel:** — And whether you have the hotel in North Battleford or not.

**The Chairperson:** — We don't care about where . . .

**Mr. Hagel:** — Even though you're doing business of the Assembly.

**The Chairperson:** — Yes.

**Mr. Upshall:** — But like Glenn said, I think it comes out of then . . . can even come out of your travel allowance.

**The Chairperson:** — Yes. Okay, is that understood? All right we have a motion before us that we adopt and we are proposing the amendment that we add:

That at the commencement of each session that the member has to elect either he goes on this one, either (a) or (b).

Now that's the amendment that we wish to put in.

**Hon. Ms. Carson:** — I understand what you're talking about, but I want to go just for a minute on the non-taxable allowance. Is that the \$4,500 you have on page 7 in the . . . So that's a different non-tax.

**Mr. McDowell:** — Yes, that's quite different.

**The Chairperson:** — Any further discussion on the amendment? Could we have indications whether people are in favour or opposed to the amendment? All those in favour of the amendment?

**Mr. Upshall:** — Who moved it?

**The Chairperson:** — It's moved from the Chair. I need a seconder. Oh I guess I'm not supposed to move any — darn it anyway. More and more power taken away from the Chair every year. Oh I have somebody in the back there moving it. Do

we have a mover of that amendment:

That the member must elect that the commencement of each session . . .

No mover?

**Mr. Upshall:** — I'm not disagreeing with it, but being something new, I'm not sure what I should do, you know.

**The Chairperson:** — Yes.

**Mr. Upshall:** — I may elect to get 60 days. Although I guess from past history, I kind of know what it costs us, you know; 60 isn't enough, but that's okay.

I'll move that, Mr. Speaker.

**The Chairperson:** — Moved by Mr. Upshall. The amendment is moved by Mr. Upshall.

I can see the problem, members. You may elect at the beginning of the session. What we don't want is members coming in on a daily basis, on a weekly basis, saying well this week I want to do it this way; next week I want to do it the other way.

**A Member:** — In practical terms that would never happen.

**Mr. Upshall:** — In reality, Mr. Speaker, we can always . . . if this isn't working and we get complaints from a number of members, we can always change it.

**The Chairperson:** — The board can change it.

**Mr. Upshall:** — That's right.

**The Chairperson:** — Certainly it can.

**Mr. Upshall:** — Let's just go and do it and see what happens.

**The Chairperson:** — Okay.

**Mr. Swenson:** — . . . (inaudible) . . . and I raised it initially because of the administrative nightmare that may be created. But until we get to a place where we have set election and set sessional dates — which will be a reality — you may have to leave this thing a little looser because . . . I'm just thankful I won't have to deal with it.

**The Chairperson:** — Well can we just leave it then and we'll deal with it. Why don't we leave it the way the committee has recommended it. And if it becomes a problem, we'll bring it back to the board. If it's . . . then we can bring it back to the board and let the board deal with it.

**Ms. Haverstock:** — I would just like to add to what Rick said because we're in an exchange here about this. It really requires set session dates, because if people are going to want to rent an

apartment for only that period of time that they're here, this is not so problematic. Okay. But if you don't know when that is, it's very confusing for people.

Not only is it confusing, but if you have to then rent all along, because you don't know when it is, and you don't know if you should be giving something up or keeping it or doing whatever, it's very . . . I think it would be very confusing for people.

**Mr. Upshall:** — Be very consistent, just keep us in power, and you won't have to worry about that. February till June.

**Ms. Haverstock:** — We still need to know when the session dates are.

**Mr. Hagel:** — Besides, Mr. Speaker, I think this improved computer equipment that was approved at the budget by the board last January actually, would probably increase the ability to accommodate this. I think we were advised that at the time.

**The Chairperson:** — Oh well, we didn't anticipate this and we certainly didn't anticipate the unreliability, inconsistencies, of members. Okay, we have the motion before us on directive #1. Is any further discussion on directive #1 . . . 1.1? If not . . .

**Mr. Hagel:** — There's no amendment before us.

**The Chairperson:** — No amendment. No amendment. All those in favour of directive 1.1. Please show. Carried.

Let's go on to directive, oh . . . Okay, all right, directive #3. If I could direct your attention to directive #3. You will note in bold print, those are the changes that have been made to directive #3, the annual travel allowance.

They shall presently read then:

Subject to subsections (1.1), (3) and (4), pursuant to s.50(3)(c) of The Legislative Assembly and Executive Council Act, Members are entitled to claim reimbursement, or have direct payment made on the Member's behalf, from an annual allowance or travel expenses incurred by them in respect of their duties as Members.

That is new. The rest stays the same in that section.

And the maximum amount of this allowance shall be determined as follows:

(a) and (b) stay the same; then 1.1 there's a note in bold print:

Effective on and after polling date for the election of Members to the Twenty-Third Legislature of the Province of Saskatchewan, a Member may claim for travel expenses incurred in carrying out his or her duties as a Member for his or her annual travel allowance as follows:



And it goes on.

All the rest, up to and including (c) (i), (ii), and (iii), bold print, that's new, and the rest is the same.

**Ms. Haverstock:** — The way — if I correctly read this directive — the way that I see it is that it doesn't provide any more accountability. And what it simply does is space out the payments of the travel allowance over monthly periods rather than over a yearly period.

And I think it would be easier . . . well I know that I would prefer that there be much more detailed request for payment procedure. Maybe a form used, such as the standard public service S4, where the date, the place, the distance, is recorded in order to be reimbursed for travel expenses.

And I think that this kind of method is going to — I'm talking about the one proposed here — will result in members requesting sort of one-twelfth of the total available allocation every month regardless of whether that accurately reflects the usage.

**Mr. Hagel:** — You have to indicate the number of clicks travelled . . . "seeking reimbursement for travel at the standard rate . . ." stating the claim period and the number of clicks travelled. In (1.1)(a).

**Mr. Upshall:** — See, (1) plus (2) stays. But you still have to account for it, I think. It's just like an advance.

**Ms. Haverstock:** — Right.

**The Chairperson:** — Yes. I'm just allowing some discussion here without emotion, but I'm somewhat flexible on this right now.

**Ms. Haverstock:** — I just need some clarification here. I thought that this would make it . . .

**The Chairperson:** — Well we have the committee here.

**Mr. Upshall:** — Can I ask Ms. Haverstock a question?

**The Chairperson:** — Well sure.

**Mr. Upshall:** — When you mean . . . when you say you want it accounted from point of origin to point of destination — that's what I heard you say — and the date . . .

**Ms. Haverstock:** — Yes, just the date, the place, and the distance.

**Mr. Upshall:** — So you don't want to . . . You just want to say, I went from Saskatoon to Lumsden.

**Ms. Haverstock:** — Yes.

**Mr. Upshall:** — And the distance.

**Ms. Haverstock:** — And the date you did it.

**Mr. Upshall:** — And the date. Okay. I just question if . . . I question whether or not there would be any breach of confidentiality, but I guess there wouldn't be. I mean if I'm going . . . if I claim for 10 trips to some small town in Saskatchewan over a short period of time, the person I may be seeing, it may affect that person if it's . . .

**The Chairperson:** — You don't have to indicate that though.

**Mr. Upshall:** — No, I know you don't.

**The Chairperson:** — All you have to indicate is the kilometres travelled. You don't have to indicate you went to such and such a place.

**Mr. Upshall:** — But what it does, what it does, Mr. Speaker, is it alerts someone to question, why is this guy doing this? And in those terms, it may proceed to someone looking into it, why I'm going there. And it may be, I mean, probably a very legitimate reason, but at the end of the day somebody's privacy may be breached because of it. Do you understand what I'm saying?

**Ms. Haverstock:** — How would one know . . . Would this not be something that would be addressed with the Speaker if there were some question? Wouldn't it be the Speaker who would say, we have been supplied with the information that indicates you've now taken 10 trips to, you know, wherever, and we're wondering about that? How would that ever become a question that would be in the public realm? I'm just kind of wondering how that would.

**Mr. Upshall:** — I guess what I'm saying is technically it wouldn't be. But the reality is it could be. If I'm dealing with somebody on a very private matter, personal matter . . .

**Ms. Haverstock:** — But shouldn't we be able to — I mean this is on public money — shouldn't we be able to justify what it is we're doing without breaching confidentiality or anonymity of someone?

**Mr. Upshall:** — And that's exactly . . . I agree but I'm just putting this scenario forward. And you know what small town Saskatchewan is like. I hope it wouldn't be a problem, but it's just something that crops up in my mind. And I'm not arguing pro or con. I just want to bring that forward to see if there is any thought on that.

**Mr. Swenson:** — Well the reality is though you can drive around in a rural constituency and never go any place that has a place name. I'm not kidding. I can drive around my constituency all day long going farm to farm to farm whatever, and I never touch a town. Never . . . you know I can just say home to home, 500 kilometres or whatever you did. That's reality out there and that they're bigger than they ever were.

**Mr. Hagel:** — There's a big difference between urban mentality

in this and rural mentality; I think there really is.

**The Chairperson:** — Well the committee has not said that either. The committee has not said. All the committee has said is that you put in the number of kilometres travelled. The committee has not said . . . you say you drove from this place to that place . . .

**Mr. Upshall:** — And still capped by formula.

**The Chairperson:** — Yes, oh sure.

**Mr. Hagel:** — Mr. Speaker, I'm not proposing an amendment. I think I just want to flag a potential problem because the committee members did say earlier that they saw the purview of this committee to determine whether the formulas are correct or not in light of the larger rural ridings with the reduced number of constituencies.

And I guess I just want to indicate a bit of sensitivity. I'm comfortable with the way it's written. However the way it's written means that on the cap amount available, you can only go ahead two-twelfths of that as . . . in addition to the number of twelfths from the month of the year that you're in.

And it's my mind, it is entirely possible that a rural member with a large riding doing a lot of work in his or her riding can have used up their total travel allowance after six or seven months given, you know, some times of the year and because usually, typically what happens is the Legislative Assembly is meeting early in the calendar, early in the fiscal year. The Legislative Assembly is out, and that's busy time in rural Saskatchewan — all over Saskatchewan — but particularly rural Saskatchewan. And a good MLA is spending a heck of a lot of time in the summer months booting around to towns and fairs and constituencies . . . or I mean to people within the constituency. And you can quite justifiably have run out of . . . you've reached your cap, but you're only six or seven months in.

You know, if this is going to try to attempt to honestly reimburse members for real travel expenses, as calculated by public service rates, I just want to flag that this could pose a bit of a complication for Legislative Assembly that's unnecessary. And it does seem a bit contradictory to the intention of the rest of the directive. So I don't know; that jumps out to me as I look at it here now. I'm not going to propose an amendment, but I think I just want to flag that potential problem down the road.

**The Chairperson:** — Just a comment on that, Mr. Hagel. In my three and a half years as Speaker, I have not had that problem brought to my attention at all. I think we are fairly . . .

**Mr. Hagel:** — Right. But you have not had members claiming . . . I mean members have been claiming travel allowance for whatever reasons, and they haven't . . . I don't know that any members have been keeping track of their kilometres, multiplying by public service rate and submitting. I don't know how many have been doing it on that basis.

**The Chairperson:** — Well there has been some. There have been some and . . .

**Mr. Hagel:** — I'm just saying, I don't think we have a basis of experience to draw that conclusion as . . .

**The Chairperson:** — I still think there's a fair amount of flexibility in what is being proposed here to allow for that. I don't think that . . . In my experience in three and half years, I don't think that will be a problem. I don't think it will be a problem.

**Mr. Hagel:** — Right. And in the three and a half years the ridings have not been as large as they're going to be in the next Assembly.

**The Chairperson:** — That's true.

**Mr. Hagel:** — Because we're not adjusting the formula here. The committee has said to us, they see that as something for the committee, for this committee to consider. So I'm just . . . all I'm doing is I'm flagging a problem. I don't know either. And I think we will want to develop a way in reality to try and keep a handle on this to be reasonable about it in the future, and I think we'll probably have to revisit this at some point in time in light of the larger ridings.

**The Chairperson:** — Could I have a motion that we accept directive 3 as amended?

**Mr. Hagel:** — How has it been amended?

**The Chairperson:** — Well I just read those to you — in bold print.

**Mr. Hagel:** — All right. Okay then.

**The Chairperson:** — That which is in bold print are the additions. The rest is still . . .

**Mr. Hagel:** — Well I'm not comfortable, but I can't make an argument against it because we don't have the basis to do it. I think I foresee problems.

**The Chairperson:** — Well the committee can always . . . if there are problems, there's nothing to prevent the board in future to have another look at this, if there are going to be problems.

**Mr. Hagel:** — There's a chance that in passing this, Mr. Speaker . . . I'll move the thing, but in doing that I would ask that Legislative Assembly Office flag this as something that we'll want to collect data on to guide the board to consider, you know, a reasonable amendment in the future in light of the larger constituencies. And I just ask that administratively that that be attended to.

**The Chairperson:** — That has been duly noted. Do I have a motion for the acceptance of directive #3 as amended?

**Mr. Hagel:** — Well I already did that.

**The Chairperson:** — Well I didn't know whether . . . I wanted to make absolutely certain that you . . .

**Mr. Hagel:** — I absolutely certainly moved it.

**The Chairperson:** — Okay, he's absolutely certain. It was moved by Mr. Hagel. Do we have a seconder? Seconded by Mr. Swenson. Any further discussion? All in favour? Opposed? Carried.

It now being two minutes to 11:30 . . . well we still have a quorum; let's continue. That was our agreement.

Directive #5. Ladies and gentlemen, as it pertains to directive 5, the only changes that you will note is on no. 11; that is for the indexing or decrease or increase:

The (maximum) amount specified in this Directive shall be increased or decreased on April 1 — and so on.

That which is in bold print is the only change. But I need to tell you people that the board has also . . . the committee has also recommended that there be standardized office equipment and so on. But we don't have an agreement with SPMC (Saskatchewan Property Management Corporation) yet, so we cannot address that particular issue at this time.

So that is not in here, but that agreement is not finalized.

**Mr. Hagel:** — But we can deal with this now and . . .

**The Chairperson:** — We can deal with this.

**Mr. Hagel:** — And I assume that that's something that's being prepared for a future agenda item?

**The Chairperson:** — Yes, it is. But we . . .

**Mr. Hagel:** — I'll move directive 5 amendment.

**The Chairperson:** — Moved by Mr. Hagel — seconded by? — that we accept directive 5 as amended? Seconded by Ms. Carson. Any discussion?

**Mr. Swenson:** — Well, Mr. Speaker, I'd refer members to point (9) of the directive which talks about:

. . . equipment, furnishings or supplies purchased with public funds . . . (they) become the property of the Crown when the Member ceases to be a Member.

And I think we all understood that and gone through our lists and inventory and everything.

But I will raise the question of non-profit corporations being able to purchase buildings with public funds and then being able to turn those buildings over to a charity or some such

thing. And I, for the life of me, don't see the difference between a member using his office allowance to really just reroute it through another agency, being able to accumulate . . . pay the mortgage on a piece of property and then have the discretion of having that property turned over to someone outside of government.

And that is, I believe, clearly the case with the situation in North Battleford, that that particular piece of property has been purchased with government money. And I believe that that piece of property, as is everything in all of our constituency allowances over the value of \$50, should revert to the Crown. And the management companies were nixed from . . . and some of those did a very fine job, in my view, of managing the assets of the taxpayer, and for some reason this particular loophole was excluded. I believe it's the only one of its kind in the province, and I don't believe it should be excluded.

So I would seek guidance. But I mean if it means proposing an amendment, fine, but I believe that we should at least have a discussion surrounding that issue because otherwise you're going to potentially see this thing grow, and you could see buildings purchased all over Saskatchewan with the funds allocated to our office allowances paying off mortgages, and those buildings then becoming the property of whoever. And I don't think members should have that discretion. I really don't. Especially if SPMC is going to become involved in trying to put a basic package in place, which I believe is proper, so that none of us feel discriminated against, either because we're government or opposition or what our status is, rural or urban. You'll have a basic package, and it'll be the same for everyone.

**Mr. Upshall:** — Yes, the point the member raises is one that has come up. I question though that what . . . I think we have to look at being established under The Non-Profit Corporations Act, what the terms are of winding down a non-profit corporation. And then I think you'll find in the wind-down you won't have a building, if we look at the Act.

But that should be researched, Rick, I think to find out because, under the terms of the Act, I'm sure there are rules for setting up and winding down. So that there may be monies left over, but I don't think there would be a building left over. And I think we should check that before we determine or make any decisions or go much further on that because it might be taken care of.

**Mr. Hagel:** — I guess I'd like to just disagree with maybe a fine point, maybe not so fine point. I suspect this is happening with 66 members around the province of Saskatchewan. I suspect it is with my landlord who is a private corporation, and when I pay my rent he pays his mortgage and gets an asset. And at some point in time, he'll sell it or retire.

So I'm not sure that I understand the difference between an asset being accumulated by a private corporation for profit, and a private corporation for non-profit.

In either case, it is public funds that are being used to pay the rent. And we all have lease agreements. I've got one. I think we

all do. And they all lead to the same thing if it's being properly managed which is the accumulation of an asset which will be disposed of by the owner of the asset at some point in time. If they died, it goes into an inheritance. And if they don't die, it will go somewhere else because they sold it.

So I just, can you . . . I just don't . . . I have a hard time grasping the difference between a private for-profit and a private not-for-profit corporation being the landlord.

**Mr. Swenson:** — I think the perception, Glenn, at the end of the day, is being able to say, here is a piece of property; I'm going to pick a charity or a good cause in my community and I'm going to donate that asset . . .

**Mr. Hagel:** — As opposed to making my living.

**Mr. Swenson:** — As opposed to making a living. Now if that asset has been paid for in a normal commercial sense and it's an ongoing concern and it's . . . I mean, I as a member can't direct where that asset goes. That's a business agreement that I entered into. I pay a lease agreement.

In this case, I am led to believe, according to the officers of the company, that they've used up all the money. The accumulated assets, money, are going to all be used to pay down the mortgage. There'll only be a very small amount of cash left. And once the mortgage is paid down, they're then going to turn the building over to a worthy cause.

And because this is a very closed operation here, with only four individuals involved, as I understand it — a federal MP (Member of Parliament), a provincial MLA, and two individuals who manage this operation — I don't think the perception of that is something that we want to have on our hands, especially after asking these fine people to go through this exercise with us. I think it just glares out there.

**The Chairperson:** — Well I would suggest that the way to solve this is to have SPMC make all the rental accommodations for MLAs. You know, in that way we could avoid some of this.

**Hon. Mr. Lautermilch:** — Yes. I guess first of all I'm going to ask Rick what his intentions are. Are you suggesting that all leases be dealt with through SPMC or that it be government-owned or leased property? Is that the intent of and the concern that you have?

**Mr. Swenson:** — Yes, I think if you're going that way, if you're a federal MP, as I understand it, their federal agency handles the lease.

**Hon. Mr. Lautermilch:** — First of all, let's not talk in abstract terms here. And I guess when we're talking about this we should be dealing with reality, first of all. If we're talking a hypothetical, non-profit corporation with a board of directors and the fact that a Member of Parliament leases or an MLA leases from a non-profit corporation, or a publicly traded corporation or a privately owned corporation, I mean let's be

clear what you're saying here and let's be clear what you're speaking.

I think what my colleagues were raising was that in a non-profit corporation, the assets that remain, the board of directors of that corporation will determine where in fact those assets will go at some point in time.

And within a privately held corporation, it would be the shareholders of that corporation that would determine where those assets will go. So frankly and quite clearly, there are some similarities.

Now with respect — and you raised the North Battleford issue — I guess what I'm saying to you, I don't want to be confrontational here, but I think what we're talking about is the concept of whether or not it's proper for an MLA to lease from a non-profit corporation over a private corporation.

You're suggesting, I'm assuming, that it's not appropriate to lease from a non-profit corporation but it is appropriate to lease from a private company? Is that what you're saying?

**Mr. Swenson:** — Well yes, because there are differences. The reporting standards right now, as I have looked at The Non-profit Corporations Act, stipulate that you should have reports given every so often, but there's no teeth in it.

What's happened in this situation is you've gone two, three years at a time with no annual statement. The money is simply paid into the corporation; no annual statement back. Okay?

And I don't think that when we're dealing with straight taxpayers' money that that, for one, is appropriate. And at the end of the day that you can make a determination . . . and as I understand it, this particular property is wholly paid for by taxpayers' money. Okay? There's no other private things going on here. This is wholly paid for by taxpayers' money.

The building that I lease from in Moose Jaw has got a whole whack of tenants besides me, okay? There's lots of people paying the rent on that building and the mortgage, if it has one, which I doubt it does — but if it . . . Okay? And at the end of the day, there is no ability for that little bit of public money that's in there to influence anything.

But this particular entity is wholly owned and paid for by public money. And then that public money can turn around and make a gift of it, as I understand The Non-profit Corporations Act, to someone in the community.

**A Member:** — Charity.

**Mr. Swenson:** — Whatever. Charity, yes, or whatever. And I'm not sure that that was what our office allowance was designed to do.

**Hon. Mr. Lautermilch:** — My question is this I guess, Mr. Speaker. If we're talking here about a specific individual case in

which the member from Thunder Creek would suggest there may be some inappropriateness, we have, through the Board of Internal Economy, put in place a process whereby any member, under section 50 as I recall that, can make representation to the Speaker to indicate that there's a feeling that there may be some wrongdoing. At which point there would be some discussion between that member and the Speaker.

And if there was a conflict with respect to a difference of opinions on the expenditure of those funds, then it would be then reported to the Conflict of Interest Commissioner for a resolve.

Now that's a process that you and I both agreed to. Now I guess what I'm asking you to do here is, in a non-partisan way, work within these directives. And what we're trying to establish here, are directives that will work for all of us.

Now if you have individual or personal concerns with respect to one issue, I suggest you raise that with the Speaker through the process that we've put in place. If we're arguing, and if we put that to the side, and if we're arguing the concept as to whether or not one person owning a building will have personal gain; and that being acceptable, where a non-profit corporation generating an asset and then turning that over to a charity, if one of those is unacceptable, and that one is, we should deal with that in the directives. Or if neither of those are acceptable, then it should be dealt with through a leasing agent, which would be, I guess in this case, Saskatchewan Property Management Corporation.

But what I'm saying to you is I don't want you to cloud a personal concern that you have with the directives that we're trying to deal with here. If you have a personal concern, you know the process.

**Mr. Swenson:** — I'm not. I used an example, and you know it. I'm saying, we're doing the directives here. We're dealing with how we turn back to the taxpayer the assets which we have acquired as members, okay.

**Hon. Mr. Lautermilch:** — You turn back the portion of rent that you pay to a private individual back to the taxpayer? You can't any more than the non-profit corporation will. So I mean let's be clear about what we're talking about here.

**The Chairperson:** — Hold it, hold it. Order. Fine, one person speaks, but please get my attention; I'll put you down on the list. I don't want this going back and forth. For a bit that's fine, but we're not getting anywhere this way. We're going to agree to disagree.

We need to address the issue that is before us, and that is directive #5. Mr. Swenson did mention something on #9 where he had a concern, and that's what we are addressing right now. If members wish to move amendments to directive #5, then I think that has to be done. If there are other items that the board has to deal with later on, then I think that's the avenue we should take.

We right now have directive #5 before us, as amended, and I indicated that the rental of office space as per board directive earlier with SPMC has not been finalized. And at this moment we cannot deal with that. That has not been finalized. Those negotiations are still ongoing.

**Mr. Hagel:** — Mr. Speaker, in moving the amendment, and only that, I guess I intended to do precisely that. And I guess I simply point out that as we attempted to in the past — this is not the first time that we've dealt with this general subject in the board — in the past we have passed a directive that prohibits payments from this allowance for any reason to a family member or a company owned by the family member or a family member for the purchase of renting office space or for providing secretarial services. And we defined what that meant, what a family member was.

And I think at that point in time we felt that was the appropriate course of action to indicate that members were not using their ability to direct payment for goods or services in an advantageous way to those who are related to them. And I guess I just . . . I don't attempt to exercise value judgements as to how my landlord, one person, uses the money that I pay him. And it is a dangerous kind of precedent, I think.

I'm trying to be fair in understanding Rick's point here. I suspect it's a little more pervaded by partisan politics than principle. When we would, you know, maybe attempting to imply value judgement on how the recipient of our lease arrangement uses the money that we pay from our lease arrangement, I mean that would be a bit of a stretch in terms of the prerogative, I think, of this committee. So for that reason, I just urge that we pass the amendment as it's moved.

**Hon. Ms. Carson:** — Thank you, Mr. Speaker. I don't understand Mr. Swenson who seems to imply that it's ethical to lease from a private enterprise and allow them to acquire an asset, but somehow it's unethical to lease from a non-profit company and to turn that asset over to charity.

Are you saying that ethically then the idea of providing a private enterprise with government money is preferable to providing a charitable organization with an asset. I think this really runs counter to something that we all very much believe in, that wherever and whenever possible we should try to provide assistance to those in our community who are charitable organizations. So I try to understand that point of view, but it just seems to be very strange that we are saying that it is more ethical to use government money to allow a private company to acquire an asset. And I can't support that point of view.

**Mr. Swenson:** — Thank you, Mr. Speaker. Well it's very obvious from the discussion that the government members have got their minds made up; they see no problem with this. And I'm not going to have to live with it.

But I can tell you, if you want the perception out there that government funds can go into non-profit organizations where

there is . . . you can exercise political control over them -- they may not be blood control like you would with a spouse or a child or anything else, but if you have fellow travellers involved, and every community understands those things.

If you even want the perception that there is the ability of an elected politician to influence a group of people to then be making so-called charitable donations of buildings and large assets worth tens of thousands of dollars that everyone in the community knows were paid for by taxpayers, fine. I won't argue the point any more. We'll go on with other directives.

I mean that's the concern I have, and it can be just as applicable to my party or the third party or your party — anybody. It's just that perception; if you want it, fine. End of discussion. I will not raise any more points.

**Mr. Upshall:** — Well I think that . . . not that we want to be into this question — and I agree that it's politically motivated because it was brought forward in the House before it was brought forward here — and if you were truly concerned, you would have just brought . . . (inaudible interjection) . . . Yes. You would have just done it here.

And I think everybody in this room knows the motivation. But put that aside. What you're saying is that . . . and in fact maybe I'm asking the question. I'm not quite clear what you mean. And Ms. Carson alluded to it. Do you mean those big, bad charities shouldn't get public funds? But I think what you're saying is, it's okay for those big, bad charities to get public funds only if it's directed to them by the right people, only if it's not politically directed. Well if it's a charity, it's a charity. I don't think there's left-wing charities or right-wing charities or middle-of-the-road charities.

Now the one argument that you make is that it's better to have government funds going into the pockets of private companies than going to those big, bad charities. I mean, if you're making that argument, I strongly disagree. If you're making the argument that it's okay for the government funds to go to charities as long as it's not directed by . . . politically motivated — determined by whom, by you in this case — then that's wrong, you say. Well I think the lines here start to cross. And that's where I say that political motivation clouds the reality of the point you're trying to make. And I'll end there.

**Hon. Ms. Carson:** — Again, I understand what you're saying about perception, but obviously by certain political motivation you can create that perception if you want. But surely the concept and the principle that if as an MLA I would want to find a way of benefiting SARC (Saskatchewan Association of Rehabilitation Centres) or somebody in my community who has an extra building to rent and I would choose to rent it from them as opposed to a private individual, who does what with the money? Maybe they would pass it on to a charity.

I don't understand why it is so unethical and unprincipled to support a charity in a local community. And if I can do that by renting my office from that organization, or finding a way of

setting up a non-profit company that would pass on some of that benefit to a charitable organization, I believe that should be endorsed. I don't see why in our society that the only thing that's ethical is the market-place and the right to make money. Surely we are something more than that, and government should strive wherever possible to take another approach.

So I really find it somewhat offensive that as MLAs we shouldn't be allowed to try to contribute to some well-being in our community. And if it's through renting our office or providing an asset after we have rented the office, I don't think that the public, if it's explained to them in those terms, would necessarily disagree with that principle and that concept.

**The Chairperson:** — Ladies and gentlemen, we have spent a fair amount of time on directive #5. It's been moved by Mr. Hagel — and I forget now who seconded it. Do we have a seconder for Mr. Hagel's motion? I'm not sure we . . . oh yes, it's seconded by Carol Carson that the amendments on directive #5 be accepted. Are we ready for the question? All those in favour of the motion, please signify. Opposed? Carried.

Ladies and gentlemen, the next three or four issues, directives, I believe 7 to 11, all that is changed in these are the indexing. The committee did not deal with the amounts of the grants that were made available to the various caucuses. So there is no change other than the indexing provision. So I think we could deal with those four in one, if members wanted to, or we could deal with them separately.

**Mr. Hagel:** — I'll move that directives 7, 8, 10, and 11 be approved as proposed.

**The Chairperson:** — Okay, we have a motion. Do we have a seconder? Do we have a seconder? It was moved by Mr. Hagel, seconded by Mr. Lautermilch. All right, discussion on those directives.

**Ms. Haverstock:** — Well I know what we recommended to the committee, and we indicated that we thought that there should be an inclusion of the statement that no annual increase shall be applied in any year following a deficit budget by the province. I would like some discussion on that.

**The Chairperson:** — All right. Is there any further discussion? Anybody wish to address the . . .

**Hon. Mr. Lautermilch:** — Well I guess, Mr. Speaker, there's no doubt that this government is determined to balance budgets. We've, I think, shown in the past three and a half years that that is in fact the direction that we wish to take, and will pursue in the future. In the past we've made amendments to resolutions that would freeze MLAs' remuneration based on the balancing of budgets, so I think there's no doubt that we certainly support the concept.

And I guess the Leader of the Third Party has the opportunity to show her support for balanced budgets by allowing us — and the Leader of the Opposition as well — by allowing us to pass

the budget that's before the legislature now. And certainly I'm hoping that that will be reflected in the actions that they embark upon.

I think that the member raises a good point. I think that this may impact on other directives as well. Most of them are indexed, as I understand it — the recommendation from the commission — and there was, I'm sure, rationale for the indexing

And before I would support an amendment in that regard, I think it would be appropriate to hear from the commission as to why they recommended indexing. I think that there is an opportunity for us at any given time to not participate in indexing, but I would be most anxious to hear what members of the commission might have to say with respect to indexing and why that might be a recommendation.

**The Chairperson:** — All right, keeping in mind that we have just a few minutes left, I would turn the floor over to Mr. McDowell if he so wishes to make a comment.

**Mr. McDowell:** — Just briefly put, we are recommending that the general principle be to apply indexing based on CPI changes up or down.

Granted there may be a number of specific circumstances that would justify suspension of that rule — deficit budget may be one, but there may be others as well. And I guess in general we're suggesting that those be dealt with in specific terms at the time, rather than to foresee all of the possibilities that may exist that would justify suspension of the indexing.

**The Chairperson:** — All right. Any further discussion on those items? Are you ready for the question? All those in favour of the acceptance of those directives as amended? Opposed?

**Hon. Mr. Lautermilch:** — Oh, wait a minute . . . as amended?

**The Chairperson:** — As amended here, yes.

**Hon. Mr. Lautermilch:** — Okay.

**The Chairperson:** — Carried.

I will not go on to the next item. We have just a few minutes left and we do need to talk about future meetings.

**Ms. Haverstock:** — Yes, I was just wondering, before we adjourn, if in fact people would be willing to circulate their proposed amendments to the directives as are presented in here. And that might expedite the process. If we know if there are going to be any further amendments being made for discussion we can be ready.

**The Chairperson:** — Oh I see. Well that would have to be up to the members. I mean I can't . . . You've requested it and if they respond, fine.

**Ms. Haverstock:** — Well I'm saying we're more than willing to offer if we have any suggestions for amendments. And we do have some but not lengthily or overly complex. But we would like for people perhaps to consider as well, if there are going to be proposed amendments to the amendments, that we bring those forward just to expedite the process.

**Mr. Upshall:** — Yes, I think, Mr. Speaker, that we would be willing to put forward any amendments that we'd have on this issue. We have none right now, not that some won't come up through discussion. And we can't anticipate what might come up through discussion. So like I say, we have none now, but don't say we're hiding something if something comes up through here and we agree to an amendment. You can't anticipate what might change.

**Hon. Mr. Lautermilch:** — Well I guess my offer to the Leader of the Third Party is that if there are any issues that she would want to discuss prior to our next board meeting, I'm certainly willing and open to meet with her or the Leader of the Opposition. Or we can meet collectively if you would like to discuss some amendments to sort of expedite the process at our next meeting. We're certainly more than willing to be available to do that.

Could I just say, Mr. Speaker, that I think it's important . . . and in conversations that I've had with you earlier on, I know you are concerned with respect to some of these items and how they're dealt with and when they're dealt with. And with respect to another meeting and the timing of another meeting, I'm certainly hopeful that we can soon . . . that you can get together with the opposition and government members and the Leader of the Third Party to try and establish a mutually agreeable date.

I know it's not always easy to get all of us together because we're all busy, we all have heavy schedules. But I would urge you to initiate that.

**The Chairperson:** — I was just going to suggest that we try next Wednesday and/or Thursday. I'm not even sure we can finish next Wednesday; it depends on the members. But there are items on here that we need to do before dissolution of the Assembly. And that's my concern that we do this. Otherwise, the Speaker is going to have to make some decisions during dissolution and you'll have to live with them. But I'd like to have that done before.

So is it possible for us to meet, let's say, next Wednesday at 8:30 to 12? And we'll simply schedule the meeting if we can.

**Hon. Mr. Lautermilch:** — Mr. Speaker, I can't commit. I know I have a SaskPower board meeting that day. I'm not sure what the time is; I don't have my calendar with me. But I mean my calendar in a lot of cases is set three weeks, a month ahead of time, and . . .

**Mr. Hagel:** — I know for sure, Wednesday for me is impossible and that's not changeable.

**The Chairperson:** — Well, it's either Wednesday or Thursday. Otherwise we've got a problem, because the House sits Friday morning.

**Hon. Mr. Lautermilch:** — Why don't you poll the offices and let's propose some dates as we've done in the past.

**Ms. Haverstock:** — I want to state that I am available Wednesday or Thursday morning . . .

**Mr. Swenson:** — Me too.

**The Chairperson:** — Okay. Before you go, do we need the committee here for the rest of the directives?

**Mr. Hagel:** — Yes.

**The Chairperson:** — Do you want the committee here for the rest of the directives?

**Mr. Hagel:** — I think so, yes.

**The Chairperson:** — Then we will alert them that we would like to have them here whenever we set the date. Okay. Thank you very much.

Motion of adjournment? Ms. Haverstock. All in favour? Great. Thank you.

The meeting adjourned at 12:01 p.m.