

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**  
**March 30, 1993**

**The Chairperson:** — I just want to start. Bill will be here in a moment. We have a few things that we need to address in the committee before we get to the Minister of Finance.

One of those things is the resignation of Mr. Van Mulligen. I have a letter here that he wishes to resign. Do we have a motion to accept, or does that just fall in as a part of the . . .

**A Member:** — Just read it into the record.

**The Chairperson:** — Okay. A letter to the Clerk:

Dear Sir:

I wish to resign (again) my position as Vice-Chair of the Committee. Please prepare a motion to appoint Mr. Cline as Vice-Chair.

So that's signed Harry Van Mulligen. We will have nominations from . . . Yes, Harry?

**Mr. Van Mulligen:** — I nominate Mr. Cline.

**The Chairperson:** — Mr. Cline has been nominated. Then Mr. Cline is nominated. Is that in agreement with the committee? Agreed. All those against? Unanimous, Mr. Cline. And here's a motion paper you have to prepare and we'll have that done.

I also want to point out two things that have come to our attention. The first one is a "Challenges Facing Boards of Directors". It's a session organized by, I think, our auditor and that is to be taking place in the future. And I think he wants to speak to it this morning.

**Mr. Strelloff:** — Thank you, Mr. Chair. Members, I think you all have a copy of the 8 by 14 brochure that's entitled "Challenges Facing Boards of Directors" to happen April 23, 1993 at the Centre of the Arts Friday afternoon.

I'm a member of the Institute of Public Administration of Canada. I'm with the Regina regional group, and as part of that membership, Bob Linner from the city of Regina and I are co-chairing this forum. What we did was ask the Auditor General of Canada to come in to speak about accountability challenges facing public sector governing bodies, and he has agreed to do that for the luncheon address.

And then we organized a series of four issues that discussion groups are going to discuss. The legal liability risks facing board members, and that's a concern that is constant and growing. We have three lawyers that are going to discuss that, led by Harold MacKay, and Geoff Dufour from Saskatoon, as well as Gerry Kraus — the lawyer Gerald Kraus. And the moderator for that is going to be Don Black from the Investment Corporation of Saskatchewan, discussing legal liability risks.

And then we move into a forum on what experience, expertise, and perspectives are needed from boards.

When you think of boards, think of Crown corporation boards, agencies, commissions, health boards, non-profit boards. IPAC (Institute of Public Administration of Canada) is made up of federal government people, provincial, local governments, as well as universities. So it's in that context that some of the issues will be discussed. So the second forum or second panel will be discussing experience, expertise, and perspectives needed from board members.

And one of the key concerns there is do the board members represent an interest group or do they represent technical or professional experience or expertise, or is it a combination. Then we're moving to a forum on . . . or a panel on dealing . . . how do boards deal with CEOs (chief executive officer) and funding agencies, particularly where the CEOs are very strong or the board chair is very strong, or weak.

That's always a very difficult issue that boards have to come to grips with, and for those two issues, we have Lloyd Barber being the moderator who, when I talked with him, was already speaking on the phone about his views. So he was fired up. As well as Jan Kernaghan, the chair of the Prince Albert Health Board, who of course is facing all sorts of concerns in her jurisdiction.

Don Gass coming from the Financial Management Review Commission and of course that commission's report does include some guidance on boards.

As well as an assistant auditor general of Alberta who's coming in with the perspective of his experience in the NovAtel fiasco that happened in Alberta where the government quite quickly lost about \$800 million through a series of events. And one of the key issues in their report on NovAtel had to do with the board carrying out their responsibilities, and that was a major theme.

And there are other people attending . . . or being on that panel, including Hewitt Helmsing who deals with the health community and other people.

And then the last forum deals with demonstrating the accountability of boards, and it focuses in on the information that boards need from their managers to be able to hold them to account, and also to prove to the public, or demonstrate to the public that they are managing public resources in a prudent way.

So the forum seems to be, at least from my perspective, the right time and deals with a lot of interesting issues with some pretty experienced people participating. And so I extend, on behalf of IPAC, an invitation to all of you to attend and hope that you do. Thank you.

**The Chairperson:** — Thank you, Wayne. I guess there are a number of things we need to talk about. First of all the matter of whether you think it's important to attend. We can do that briefly. The second item would be — which the Crown Corporations Committee has

already done — extend an invitation to members to apply to go and then talk about the process and how that evolves itself. It's a Friday afternoon starting at roughly 12 o'clock and going through the rest of the afternoon. It would be time off from the Assembly that all of us would have time to consider.

Any observations?

**Ms. Haverstock:** — I just wanted to indicate to this committee, and it meant a great deal to me since I'll be speaking in Imperial that day, that this will be videotaped. Is that correct?

**Mr. Strelieff:** — Mr. Chair, Ms. Haverstock, we are planning to ask Cable Regina to tape it. Haven't done that yet.

**Ms. Haverstock:** — I am wondering then if in fact Cable Regina states that they cannot, is there some way for both this committee and Crown Corporations Committee that there could be some means by which we could tape this and have it for future reference.

**Mr. Strelieff:** — Well the first step I'll do is try to get Cable Regina. The people I've talked to have indicated that they probably will, but I haven't got it confirmed yet. After that, then maybe it's the universities or some mechanism for taping it.

**Ms. Haverstock:** — I just think it would be of great value to have this for future reference, and to simply become the knowledge of those who are in attendance, while valuable, it would be of even more value for future members of the committees.

**Mr. Strelieff:** — My office does plan to make sure that it does get taped. As you know, or maybe we haven't mentioned it in the past, our office is carrying out a study on the roles and responsibilities of boards of directors. And we're doing that also in concert with some faculty at the University of Saskatchewan in the College of Commerce, who when they get involved in these things, do like to preserve conferences like this by taping it. And I'm sure that they'll want to do that.

They see the end of our joint study as being a starting . . . a training program that that college could begin to offer members of boards in the future, at all sorts of different angles — at Crown corporations, commissions, health boards, non-profit organizations — so they see this as an opportunity, a marketing opportunity, and also an entrepreneurial opportunity within the college. So I think something will happen on it.

**The Chairperson:** — Okay. Is there anything else you want to talk about?

What the Crown Corporations Committee have done is they've passed a resolution authorizing their committee to pay the registration fees for the conference. And so if that is of mind for us to attend, then we need a motion, which I have already printed out. And the process would be . . .

Bob, would you want to talk about the process here?

**Mr. Vaive:** — Once the motion is adopted, members wishing to attend could register with the Clerk; either the Clerk of the Crown Corporations Committee or the Clerk of the Public Accounts Committee.

And the organizers of the conference would then bill the legislative Assembly for the registration fees for members who have registered. Bearing in mind as well, that there is an early-bird date of registration which is Monday, April 5.

And the difference in cost of registration, as you will note, is \$75 for . . . or is that \$50 . . . For non-members of the Institute of Public Administration of Canada, non-members would pay \$75 for the early registration and 95 for post April 5 registration. Now these amounts would be billed directly to the Assembly.

**The Chairperson:** — But your application form with registration would go to the Clerk's office, and they would respond in whatever way they had to. Any discussion.

**Ms. Crofford:** — I'll move.

**The Chairperson:** — Any . . . A seconder . . . (inaudible interjection) . . . Not needed. Okay. Thanks.

All those in favour? Carried.

Thank you. So you have our support for this.

And the other point I want to raise is just for information at this point, and we'll be talking about it later on. There is a group that's called the Canadian study of parliament. They have a symposium, accountability committee, and parliament, meeting on Wednesday, May 19 in Ottawa.

And there too the Auditor General of Canada is going to be speaking. The Public Accounts Committee chairman from parliament is going to be speaking. And their program also includes an observation or two from the Saskatchewan Public Accounts Committee. And the province of Saskatchewan would be interested in being there. And I just raise that as a point for you to think about so that we could talk about it at a future time.

The time line for this, probably next week we should consider sending someone. I have considered it. So far the date is open, but we have to talk about whether it would be in the best interests of the committee to go.

The second point to this is that the payment for the travel and time there is paid for by the group themselves, not carried by the Public Accounts Committee . . . (inaudible interjection) . . . You want to just say that out loud, Bob.

**Mr. Vaive:** — Thanks, Mr. Chairman. I'd just like to add that the full symposium or seminar is videotaped as well, so that it would be available to members of this committee and Crown Corporations Committee

to view as professional development at a future date as well.

**The Chairperson:** — Think about it and we'll talk about it next week. And we'll deal with it then.

That leads me to the item on the agenda today and the briefing by the deputy minister of Finance, and Bob went to get him.

Good morning, Mr. Wright.

**Mr. Wright:** — Good morning, sir.

**The Chairperson:** — I believe you know most of the people here. I want you to feel comfortable and talk to us about what you have in mind. And also I think it would be in our best interest to see if we could conclude somewhere around 10 or 10:10, somewhere in that neighbourhood. Some of the people have to go. And also this room has to be used for the private members' Bills that come up at 10:30. So we'd like to close it down by then and I'd like the committee to take that into consideration when discussing matters here before the committee.

Okay, John, do you want to . . .

**Mr. Wright:** — Sure. Thank you, Mr. Chairman. I'm at the beck and call of the members here. I'll try to answer any questions that you have, except those about my family life.

What I wanted to do is just walk through very quickly some of the things of the budget cycle and try to explain how a budget is developed and how we end up ultimately with a document or several documents that are presented to the House, and the process from there. I think many of you are familiar with it, and maybe we can get onto some more interesting topics. But let me try to go through it ever so briefly.

I guess the best place to start is to let you know that there is no such thing as a normal budget cycle. This is I guess my 18th budget with this province and every one is different. Every budget cycle is different. The issues are different; the time frames are different, and so on.

So what I'll try to do is create a hypothetical budget or a hypothetical "if everything worked right," which of course it doesn't — and what works right I mean from the Department of Finance side of the equation, how we would go about things.

I guess where to start is to say that the House adjourns. And that's really the starting point for the Department of Finance and government to get on with the budgetary process for the following year. With the House adjourning, the first step in the process is within Finance we produce a short-term and a medium-term outlook both on the economic side of the equation, where we have an econometric model recently developed with DRI, Data Resources Incorporated, and we will run simulations on the economy, making certain assumptions about what we

call exogenous variables like interest rates and the value of the Canadian dollar. And that produces what we call endogenous results.

So you put all these external factors into play, and we always assume of course a normal crop because one can never imagine what mother nature is going to do over the course of the year. And we'll run it through the econometric model and out will pop a variety of results. You've seen some of it in this budget and in other budgets in terms of what we estimate the value will be for the output of the economy, housing starts, employment figures, retail trade, and so on.

From that economic forecast what we try to do then is deal with a fiscal or a financial forecast. In the past, and I go well back, that usually focused in on the revenue and expenditure side of the equation. Today debt and deficits are simultaneous. We now take a look much more closely at the debt situation of the province and garner information from the Crowns who we work with very closely, with CIC (Crown Investments Corporation of Saskatchewan), to determine the debt borrowing requirements of the province and try to put that in a framework for a multi-year.

Simultaneously we use the econometric model to simulate what the revenue impacts will be, and as well we go through the expenditure side of the equation and deal with the known variables and plug those in — things like what is going to be the rate of utilization of drugs or the rate of utilization of physician services, or our estimates on the SAP (Saskatchewan Assistance Plan) case-load or the FIP (Family Income Plan) case-load or the SIP (Saskatchewan Income Plan) case-load, and a variety of other items.

As a consequence we come up in general with a four- to a five-year projection of revenues, expenditures, and debt. And on that basis we then take that forward to Treasury Board who reviews it in great detail. And from there we try to set the parameters for departments in constructing their budgets. As well we set the parameters for CIC in terms of what our best estimate through ministers of the Crown and cabinet are for how much money we believe we can borrow reasonably in the markets.

With that out, we send out something called the call for estimates. And that is a call to the departments, saying here's how we want you to construct, in this case it would be the 1994-95 budget. And we will lay out a variety of variables for them such as the unemployment rate that we're looking at interest rates so that we can calculate the subsidies required on the home program or on ACS (Agricultural Credit Corporation of Saskatchewan) loans or things like that.

We also ask departments usually a variety of scenarios. if there was more money provided for, where would you spend it? What are your priorities? Alternatively, if you were asked to reduce your budget by, say 10 per cent, what items would you forego?

In essence what we try to get is a prioritization of the programs and services provided by each of the departments so that Treasury Board knows from the departmental perspective, and cabinet ultimately knows, where the departments are coming from, what they see as their priorities.

There is no rest for the wicked, and obviously the Department of Finance just doesn't stop there with a call for estimates. We then produce or begin the production of a variety of material dealing with the close of the fiscal year, the prior fiscal year. The first item is usually what we call the economic and financial position. Traditionally this comes out in either August or September. And what it is is a recap of the prior year's economy and a recap of the prior year's revenues and expenditures on an unaudited basis. This is provided to give people a quick look-see as to, again on an unaudited basis, the results for the prior year. So in September of 1993 we will produce this, which will recap where we ended up in 1992-93.

Then what we get into is . . . that basically takes us over the summer months. And usually in September, often late August, September or October — it has been later in many cases — we'll deal with something called cabinet planning. And at that point in time it's not by any means a financially driven exercise; it's a priority-driven exercise by cabinet. And cabinet will meet for several days to discuss what are the issues, the priorities, and plans. Finance will present the economic and the financial overview, given preliminary results coming back from the departments, and it's within that context that governments will look at a variety of issues, and yes, some of them are political but they will . . . we'll discuss at that point in time.

But with cabinet planning they will try to give to the various departments and agencies some sort of where it is that they want to go, not only for the year coming up — in this case it will be '94-95 — but also for the next couple of years in terms of the priorities and plans, such that when we deal with departments not everything therefore is a priority. We have . . . Department of Finance has some good guidelines and instructions on which we can deal with the departments and try to put things in a broader framework.

Cabinet planning is an extremely important process, not only at the political level but also at the financial level. Because we brought in constraints — and I'll make up a hypothetical here — let us say that we feel that we could borrow comfortably in the market \$1.5 billion, which I believe is close to the borrowing requirement this year; yet the Crowns and GRIP (gross revenue insurance program) and student aid and the deficit say, well we need 2 billion. Well in cabinet planning then we will ask cabinet: where do you want to begin the rationing process? Or alternatively, do you want us to try to see if we can borrow 2 billion? In other words, just general parameters are set by cabinet for the forthcoming budget. And again, all of this is in a multi-year framework.

That takes us into usually late September, and at that point in time Treasury Board kicks into very high gear. Treasury Board of course is the financial committee of cabinet and reviews and considers all the various budgetary submissions by the various departments, both on a budget basis, which is the same preparation for the '94-95 budget, but also on an interim basis, because from time to time situations may arise. Situations may require certain attention that departments either don't have adequate dollars in their budget to handle a situation that's arisen.

I think of not too many years ago forest fires got a little out of control back in, I believe, 1988, when we had the drought. And as a consequence, the amount of money that we had allocated for forest fires — don't quote me on the date — but the amount of money that we had allocated wasn't sufficient. And so the Department then of Parks and Renewable Resources came forward with an interim submission, saying can we please have some more. Finance of course reviews this very carefully and will take this forward to Treasury Board for deliberation. That's an interim item.

But dealing with the budget, of course, Treasury Board takes and goes through it on about a little over a two-month basis — it takes that much time to go through each of the departments' budgetary submissions. Some departments, frankly, like the Department of ABC, which is a smaller one, doesn't take that long. It may take two hours to go through in great detail. Other departments like, for example, the Department of Health, may take two days and often takes longer than that.

So departments roll through Treasury Board. There's always callbacks which is, well we don't like what you're saying. There's other options of course, and there are always other alternatives for, well, you want to do this with program XYZ, that's fine; but what about this option, this option, this option? Why don't you work them up with Finance and come on back to the department, please.

So Treasury Board is meeting on an ongoing basis throughout the period of October and November, dealing with the various budgetary issues. In November, I would point out that what we do do — and this is the second time we've done it — is we'll produce a mid-year financial statement. And this mid-year financial statement is intended to provide the public and the legislators with updated financial information as to what things look like for over the course of the year, and it will provide an update. For example, in this year, '92-93, you'll recall that we budgeted at 517 for a deficit, and for various reasons mid-year we took a look and we had projected that the deficit would grow to \$593 million. And I believe the budget we just brought down had it in that range as well. So it's an opportunity for the public to have greater information and for a variety of others to have it.

At the conclusion of all the departments rolling

through Treasury Board, we'll have something called Treasury Board finalization, which is often when you take a look at the pieces or the individual items, one has to bring it all together. And that's Treasury Board finalization. Of course that also includes the Crowns through CIC in terms of their borrowing requirements and other information that may be of interest to Treasury Board ministers in setting tone and nature for what they are ultimately going to recommend to cabinet.

Treasury Board finalization is traditionally three days. For the fast couple of years it's wrapped up at about midnight on a Saturday night, for some unknown reason. And I can recall back in the '80s and '70s it also wrapped up at midnight on Saturday nights as well.

What Treasury Board then does is goes over each of the key decisions that it's made. In certain circumstances Treasury Board ministers may have thought they've done a very good job over the course of the year in controlling expenditures or in the budget development exercise in controlling expenditures when the reality is, is when they pull it all together they go oh, whoops, maybe we didn't do quite as good. We're going to have to go back and revisit.

The Treasury Board then will make its recommendations to cabinet. And what we will have is people, you know, normal — whatever normal is — budget process will allow Finance and the departments a couple of weeks to rejig some of the items. We will at that point be updating the economic forecast, and as a consequence, the financial forecast as well for the out years. We don't just rely upon the one we did in June. We have to update constantly. As we all appreciate these days, the art of economic forecasting is a very difficult one.

For example, last year virtually every economic forecaster thought in 1992, back at this time of the year in 1992, would be a very good year for the Canadian economy. It didn't quite turn out that way. The recovery was very difficult and very sluggish. So we will update. We will provide new financial information and ultimately we go on with cabinet.

Cabinet budget finalization is again a very intense process as well. And what cabinet will deal with is usually prior to that point in time. Cabinet ministers, the Department of Finance, departmental officials, caucus members, and a variety of others have been out in their constituencies, out dealing with the public, consulting to a very large degree, and trying to get back both political information as well as what the people out there see in terms of their priorities.

And all of that feeds into cabinet budget finalization. Cabinet will review the recommendations put forward by Treasury Board, will review them not only for the revenues and expenditures, but again, very importantly and more so in recent years, the debt situation of the province and what can be done there. The CIC is of course represented at cabinet budget finalization. And it goes through that period.

Somehow magically one could argue, we end up with a bit of a budget that comes out from there, that we then often tend to take to caucus where caucus tends to beat us up, or at least beats up the deputy minister of Finance — and deservedly, at that point I would point out.

But there is good debate often that goes on in caucus in terms of well you got it, Mr. Minister, you've got it sort of right, but why don't you do it over this way. And caucus input is very important to finalize the process.

That usually takes us into, in this case in a normal cycle — whatever that is — takes us into February. In the interim, the Department of Finance is working hard hours, long hours trying to pull together and put together other items that I guess not too many people really think about. Although I do hope that everybody — I guess I'm sort of pounding Finance's chest here — saying I hope everybody does appreciate the effort. You may not like it, but at least maybe appreciate the effort that we put in to try and redesign the Estimates this year. Certainly there is always room for improvement.

But we are off doing things like that. We are working on a variety of other items in order to produce the budget. And we'll take cabinet and caucus's recommendations and then reshape it.

There's always one or two things that hang out there that require what I call minor surgery. After cabinet and caucus have deliberated there's always an oh, whoops. It doesn't matter what the administration is. It doesn't matter the situation. But these are usually very minor in nature that require a couple of stitches to pull together.

And ultimately we come down with the budget, which is delivered in March, and then we're into the whole process from there. Taking us into things like interim supply and taking us into Committee of Finance, and ultimately the House adjourns yet again, and the cycle moves along.

The budgetary process is one that has been developed well back into, I believe, the '50s and the '60s. It's one that generally has followed since then. Saskatchewan has, through its Treasury Board process, been a bit of a model for the rest of the country over all of the years. Witness Ontario who has recently in the last couple of years tried to set up a Treasury Board process. I don't know how successful they've been. Witness B.C. (British Columbia) who has had a Treasury Board process for a number of years. And other provinces have emulated and tried to parallel Saskatchewan's process to a large degree.

Other provinces, it's interesting to note . . . We usually go to bed about anywhere from a week to two weeks before the actual budget comes down, which is to say there's a cut-off point whereby, I'm sorry, I know, Mr. Minister, you desperately want this last-moment change; I can't do it. And as a consequence what you get — and I say with a smile — is a dry budget. That is

to say that when you run your fingers on it, the numbers actually stay. Okay? Whereas other provinces — and I mean this with kindness — like Manitoba, take up to the last moment and they produce what I call a wet budget which is the budgets actually don't have time to dry.

And I think over all the years I've seen perhaps in this province, I do recall, two wet budgets. They came down. We were quite nervous. I won't tell what years they were, but we were quite nervous because if you actually did pick up the Estimates book and ran your fingers like that, the ink sort of moved with it. And so thank goodness we were never accused of using disappearing ink over the years but . . .

I'm not sure what else I can tell you. Certainly that's a quick snafu. There are certain principles that we adhere to as we go throughout the exercise. One, the concept of gross budgeting which we engage in in this province which is to say we don't net budget items.

And a typical example of the difference between a gross and a net budget would be social welfare. Payments to welfare clients is in the order of magnitude of, let's just say, \$300 million on a gross basis. But we receive cost sharing from the federal government in the range of \$150 million. The net amount being budgeted, therefore, theoretically is only \$150 million. But we gross budget, show the full \$300 million, and we show the full \$150 million in terms of revenues that's coming in.

That change occurred, what Gerry? Back in about '74, '75, somewhere in that range?

**Mr. Kraus:** — Yes, early '70s.

**Mr. Wright:** — Early '70s. We did in part net budget. It's something that . . . many departments would like to net budget. One example is — I'm just trying to think — often we have special funds that have been net budgeted. We have moved away from that principle way back when, and we try to make sure that all adhere to that, as desirable as it may be from time, both for political reasons and fiscal reasons, to net budget.

We also have now a single fund called the General Revenue Fund. Its name has changed. It used to be affectionately known as the Consolidated Fund. But because we are producing summary financial statements, we have chosen to change it to the General Revenue Fund so that there is no confusion with the consolidated summary financial statements.

I think I've dribbled on about as long as I should, Mr. Chairman, and I'd be delighted to answer any questions on the process or any other issues.

**Ms. Crofford:** — Well I have to leave in five minutes so . . . What I wanted to ask you about. Sometimes people have raised the issue that perhaps there should be more public involvement in the budgeting process. Where would you see that fitting in if there was a decision to take a look at the community perspective

of department services and their budgets?

**Mr. Wright:** — The whole issue of budget secrecy and whether or not you need to be, you know, secret in terms of preparation of the budget I think has undergone some very radical changes in perhaps the last six or seven years, or five or six years; that if you go back prior to that, it was a very excluded process. There have been, through the efforts of all ministers in all political parties, a great deal of opening up.

Finance plays an important role in that, in that often what MLAs (Member of the Legislative Assembly) don't see is Finance will put on a presentation virtually to anyone as long as it's public in its content and doesn't compromise our professional integrity. We put on over the course of the year, I would suggest, 80 to 90 presentations which include major departments, major third-parties groups, and so on.

As well, cabinet ministers are often on the road — certainly the Minister of Finance — and I've travelled with quite a few of them. It's an ongoing, very, very intensive process for them to the extent that I guess myself I don't like travelling around the province any more because it's just awfully time-consuming in getting out there. But that's very important.

I guess on a personal basis — and I say this without reference to professional attitudes here — I think it's very important that all MLAs are out there discussing, on an ongoing basis, the budget and so on.

I think in future years, Ms. Crofford, what you're going to see is the budget process opening up even more. Certainly — again a personal viewpoint — is that to the extent that there has been a multi-year plan laid out in this budget, I think that that will facilitate opening up the process even more.

Some have argued, for example, well what is the big to-do about a budget? Why can't you make announcements outside of the budget? And fair enough. So it's really up to you to get it out there and to . . .

**Ms. Crofford:** — just to push it just a little bit further, are you working on anything, I guess, more concrete in terms of . . . For example, the city of Regina has a process where they actually have some consumer representation on a review of — consumer and MLA and management and staff involvement — on a review process of the operations and budgets of various departments of the city which they have undertaken as a bit of an audit and evaluation and cost-saving measure. Are we looking at anything like that?

**Mr. Wright:** — In a different way we are. I say, politely, the budget of the city of Regina is 147 million as I vaguely recall, or in that range; this budget is 5 billion. And the number of people that we touch are far more significant. As you may know, we have a variety of forums that go on, usually with the business community. I will meet with the consumers' association from time to time.

But the process that you're talking about, the answer is, is no. Part of the problem there would be, who do you open it up to? And you would never want to exclude anybody so it would be a forum literally of hundreds of people. So the long and short is maybe we should be looking at it, but quite frankly we're not at this point in time.

**Ms. Crofford:** — Okay. I'm going to have to go. Thanks.

**Ms. Haverstock:** — Mr. Wright, I'm wondering, is there any way that there can be more explicit information available to someone in my position, for example, where one is trying to determine whether or not certain line items are including the things for which they look as though they're supposed to be representing.

I'll give you a case in point. Let's just say we're talking about, instead of the Government of Saskatchewan, we're talking about a household. And the family has sat down and they've determined what it is their costs are going to be for the year and what they have put down as expenditures for groceries equals \$5,000 for that year. But all it says is the line item, groceries \$5,000.

If you then sit with this family and you wish to have a better understanding — because they've called you in to say, how is it that we can do this better — when they begin to tell you what in fact is included in groceries, they say well we purchased a car battery at Superstore which was included in the groceries. We included some other items which in fact people could then question, are these really groceries or do they belong somewhere else.

And part of the difficulty that someone like myself has in being able to determine really the value for money or the appropriateness of certain things within the budget and their expenditures is that one really can't tell what they are because they're just simply line items.

**Mr. Wright:** — Yes. I think the first response that I would have to that is that that is one of the reasons why we've gone to the new Estimates format, very much so, is the uninformed or those new to the process would look and see a line item called, I don't know, comptroller's division. Well what the heck is the ... who needs a ... what is this. Well now we have a description. We've moved in that direction.

The question I guess I ask is what level of detail on the grocery bill would you like? Does that include six cases of Pic-A-Pop planned in there and a variety of other items that you can break it down? And it's a level of dis-aggregation that you would have to be the judge on in order to determine that. For example, recreation. The family has set aside \$5,000 for recreation. Well do you want to know if that's videos, do you want to know if it's opera tickets, do you want to know everything else.

But the practicality — and I'm just dealing with it from a logistical viewpoint — is that this book could probably be about three times as thick, totally incomprehensible, totally unreadable should you go to that detail.

Is that information available? Yes of course, it's absolutely available. And the way to obtain that information properly is in the Legislative Assembly.

**Ms. Haverstock:** — Right, through estimates, precisely. I have another question.

I understand that that's the way the process is to work, but I indeed in estimates when one attempts to find out and have greater specificity supplied by the individuals who've been involved, it's a very difficult process to get detailed information. And I guess part of what I'm saying here is that, you know, we are dealing with an extraordinary number of dollars and one wishes to be able to sift out what priorities should be there, what the public would in fact see as important. And I'm talking about the people with whom I speak. And they would like me to be able to provide sometimes a greater understanding for them when you look at something and it says X. And maybe X looks unreasonable given what the line item is, or maybe it looks very reasonable given what the statement is. But when you try to determine that through estimates, it's very, very difficult to get that information.

So we're left with a vagueness that I don't think is particularly in the best interests of the public in some instances because it may leave someone like myself not providing people with what I think would give them either greater ease, or be able to provide the government with feedback that would be of more value.

**Mr. Wright:** — I guess I wouldn't want to comment on the ease or the dis-ease of the House. That's an issue the politicians must address. Mine is merely to facilitate the provision of that information. In my personal experience I found that that information is generally available, and when asked it is made available to you.

I can think of, for example if I may, Mr. Chairman, last year the official opposition asked each department a series of questions that for the most part, although there may be different viewpoints, the information was supplied I think on a timely basis, and in sufficient detail. Where there wasn't sufficient detail, as I recall, members of the oppositions questioned and asked for supplementary. I think of yourself, having asked several questions to the Department of Finance in a written form that I hope we provided you with sufficient detail and information.

So I guess I can't comment on what goes on in the House, but certainly on a personal and professional basis we're prepared to provide the material as best we can. I think that hopefully applies to other departments. So I guess I leave it up to you to work through the miracles of modern democracy.

**Mr. Van Mulligen:** — I had a question but just before I do that I just want to point out that that's part of the reason we have the Public Accounts Committee too is to do an in-depth analysis of *Public Accounts* and how it is that the government spent money, and whether they spent money in accordance with the vote of the Legislative Assembly, which gave the government the money.

If through the Public Accounts you begin to see patterns of where the government is asking or got votes or is not spending money in the way that it was voted, spent money for which money was voted but you question whether it was appropriated in the right fashion, I mean that's part of the role of this committee, is to provide feedback to the Legislative Assembly and to also be in a position to raise alarm bells about certain practices that government may be involved in.

The question I have is just a small one, John. You put out an economic statement in September. We now publish the *Public Accounts* at the end of October, and we also do a mid-year financial statement roughly when the . . .

**Mr. Wright:** — November.

**Mr. Van Mulligen:** — November? And the economic statement is both an overview of the previous year, information which is then about a month later or so is spelled out in the *Public Accounts*, and the economic statement is also a bit of a report card as to how we're doing in terms of the current year, information which is in the mid-year financial statement.

So the question I have: is the economic statement as is presently constructed still necessary, being that we've made changes in reporting for *Public Accounts* and now the mid-year financial statement.

**Mr. Wright:** — I think that that's an excellent point. And in fairness, that's something that . . . I haven't discussed this with my minister, please understand, but that is something that we seriously wrestled with in the Department of Finance; whether or not we could fold in the economic and financial position paper into the mid-year report. We decided not to this year at the bureaucratic level, and that was endorsed by cabinet ministers, because there was too long of a lag.

And we felt that it's important on a preliminary, unaudited basis to get out the information on the prior year as soon as possible. And again, it was very early September this year and other years, it's August and in fact some years it's been July. And if we can get back to whatever a normal budget cycle is, I would hope that we could produce it in July or August.

We didn't want to wait until November. Why do we wait until November to produce a mid-year statement, the mid-year being . . . I believe it to be, 30 days in September, September 30th. Why can't we produce it early October and thereby meld the two?

The answer is is because in early October, in mid-October, there is significant financial information that comes in from Ottawa on e-estimates dealing with equalization, EPF (established programs financing), personal income taxes, corporate income taxes.

That's something, Mr. Van Mulligen, we will give very serious consideration to into the future. It was something that we struggled with, and it would certainly cut down on my workload. And anything that can do that . . . So it's certainly within the realms of a possibility.

**Ms. Haverstock:** — Yes, just a comment regarding Harry's statement about Public Accounts. I agree that there are different levels at which we can look at this. But to take it back to the analogy of the family again, if we were to have that family wanting to understand how they could do a better job at their own budgeting, Public Accounts comes much later down the road.

Part of what I'm talking about here is having an understanding at the beginning of greater detail. And I know we're going to be going into estimates. My experience was that it's difficult to get the budget and to be able to determine early on things that you think could be done better, or done differently, given the information.

Then we go into estimates and that too, as you are well aware, can be a process that's less than telling in the moment. Okay? So that then there's a delay in information that comes back. It comes back in a manner in which it's very difficult, because the time lag involved, you have to then take all that information, try to insert it right where . . . you know, in all the appropriate places, which is extremely time consuming.

And so the value of the information has become less simply because of the time involved. Then it comes to public Accounts, and as much as I think this is a very, very important process, even more time has gone by. And so this is done in a retrospective sense.

And as much as I very much appreciate the fact that I think there's been considerable improvement in reporting — I think that there is more information available and I think the government deserves, and the Department of Finance deserves a great deal of recognition for that — but what I'm saying is I do believe that there's a problem in . . . particularly for someone like myself. And perhaps when I have more experience at this I will be able to do it better myself from what's even available. But at the moment I still see some problems in terms of the opportunity to look at and find detail and to be able to understand how things could be done better sooner.

**Mr. Van Mulligen:** — A couple of comments. One is like in our own family budget, like my wife and I will sit down and will look at how we spent money in the previous year. We'll go through the cheque book, you know, this month we spent money on that. So that to help us understand how we should budget for the



future, we review the past, number one.

Another point is that at some point people in the Legislative Assembly have to recognize that they're there to make policy decisions and not to be . . . they're not there as administrators. My best example is back in city council where you get people who incessantly go after picayune details on how it is that we spend money. But at the end of the day what you're there for is to make policy decisions broadly about how money should be spent, and that you can't spend all your time doing one and hope you have time for the other. And at some point you begin to make some, you know, decisions about what is your role.

Having said that, I don't know, is . . . I don't know if you can hope to have all the level of detail in every year that everybody could possibly want, but maybe there is something to be said for the government providing details, say, on one department or one aspect of government operation, do that on a rotating basis.

That is, the budget for a year may have all of the detail that you ever wanted to see, say, in Department of Highways. It wouldn't necessarily provide for the department, but for the Department of Highways so that you would understand for that year then how it is that . . . in excruciating detail just how it is that Highway dollars are spent.

Or set up even, you know, a separate finance committee who would do nothing but review, say, the Highway expenditures in excruciating detail. Because on the assumption that if Highways has done it in certain ways and other departments are doing it in certain ways, and you'll have your opportunity, you know, in the next year to do another department in that way.

I don't know, those are just some thoughts I've got. But maybe there's something to be said for . . . I don't think like you could pull together a budget document that's got all the detail that everybody would ever want to see. Because then you begin to lose sight of what's in the thing. But maybe there's something to be said for on a rotating basis to take a department now and then and, you know, as the auditor is doing with value for money, you can concentrate on a particular department.

**Ms. Haverstock:** — I guess the point that I'm trying to make is that it isn't the focus on detail. It is in fact being able to determine whether or not there are particular policy decisions being made in the way that monies are being allocated, that you cannot determine from the information that you have available.

And so it's not so much that what one wishes to do is to have all of the fine, fine print there simply so that we can look at the fine print. I mean part of why we have different political parties is because we have different views perhaps on the ways that monies should be spent. And if you don't know how they're being spent because you're simply getting line items and then it takes so long down the line to be able to get the

information that you need to determine whether or not there's a certain thrust to the decisions that are being made, the way the dollars are being spent . . . So I don't see these things as mutually exclusive.

And what I don't need of course is more and more and more material. I have considerable amount of material to go through as it is. I'm just wanting to understand some of that information sooner to understand its implications as far as policy is concerned. So I agree with your comments as far as the policy side is concerned.

**Mr. Van Mulligen:** — If I may make one more comment on this and that is that one of the shortcomings that we have is that in estimates we deal with spending estimates but we don't deal with revenue. And it's always been passing strange to me that we would spend all this time in the Legislative Assembly going through the estimates on departments and how it is that money is spent but there's no process there or the process doesn't exactly encourage, you know, debate or discussion on how the money is raised, which probably says more about, you know, ideological and political differences than other things. John's making a long face.

**Mr. Wright:** — With respect, Mr. Chairman, I would choose to disagree with Mr. Van Mulligen. I can recall several roaring debates — shall we put it that way? — on the nature of tax policy. I can recall, if I may drift back, intensive scrutiny by Mr. Thatcher of Mr. Blakeney's budgets back in the '70s when I was the revenue analyst within the Department of Finance and, I say with a smile, getting fried in the House. I can remember during the '80s Mr. Blakeney dealing with Mr. Andrew and other ministers on a very intense basis on the revenue side of the equation.

The opportunity is there. Clearly the opportunity is within the Committee of Finance when the Department of Finance estimates come forward. And the opportunity is there. Sometimes people don't choose to avail themselves of that.

**The Chairperson:** — I have a couple of observations that I think . . . regarding the information that I think are important. And the reason they're important is a lot of people do their planning and their business outlook, the kinds of things that they're interested in doing in planning their own financial agenda for the year. And I'm not talking about household agenda; I'm talking about investment agenda, a financing agenda.

Right now the business community is in competition with the government for financing dollars and those are the kinds of things that I think would provide and do provide the people with information when you provide them with the details of what your forecasts are, what you're anticipating having coming in. I think that's very important to the people of the province and I think that's important for the people of Canada to have that information available.

And that's just a brief summary out of a very, very

extensive kind of an observation that could be made about it. But that's important too I think, John, in dealing with how people respond, the confidence they have in how the agenda is going that the government is going on. Those are all items I believe are very important too.

I guess we are very close to the end of the time. There's no more people on this speaking list. I thank you, John, for your coming here and involving yourself in the discussion here. You will be making yourself available on a number of other places in the very near future for revenue debate, probably even as early as tomorrow and you probably will be wanting to prepare for that. I want to thank you for coming, John, and I know you do a lot of hard work over there; I've seen that over the years when I was involved.

I also want to say to the committee that you have to have your . . . if you're going to have your registration for the conference on the 23rd in, you have to have it in before next week, Tuesday. And I'm going to leave Mr. Cline responsible for that for the members there. Ms. Haverstock, you can do your thing with that form, if you wish. And you're not going to be here for that day?

**Ms. Haverstock:** — I won't be here for that day, but I'm going to be sending someone in my place. I mean they won't be paid for by the committee but I've been paying my own way anyway, so . . .

**The Chairperson:** — Bill will check into that. And with that, I just want to say that next meeting will be on April 6, dealing with CIC, Crown Investments Corporation, and its related subsidiaries.

And if we have a motion to adjourn, we'll do that — thank you, Ms. Haverstock — and we'll continue next week. Thanks for your attention.

The committee adjourned at 10:05 a.m.