

Bill No. 41 — An Act respecting the Financial Administration of the Government of Saskatchewan

The Chairperson: — I'd like to call the meeting to order. What we will do . . . I think the committee had a fairly lengthy discussion on the last meeting and the meeting before regarding Bill 41, and I think it was felt that what we would do today was to go through clause by clause and do it just like we do in Committee of the Whole.

I have one amendment that was suggested, and that is on clause 18. And when we'll get that, we'll see what the committee considers. And it's been adopted already. We will have to do it into the clause as amended.

And then there is also on section 34 an observation made by the comptroller, and we'll ask him for his observations in relation to that item in section 34.

Okay, there is one other thing that is going to need discussion today, and that is there is a meeting of public accounts committees in Toronto on July 4 to July 7. At my meeting in Ottawa I met with three gentlemen who are involved in that committee and will be in Toronto doing a number of things in relation to that public accounts conference.

And I've already distributed some of the information they provided me to Mr. Cline, and it looks like it could be an interesting discussion. They have a continuation of the discussion that they had there last year, and that's what their program will be. They asked — and I believe it would be important for this Public Accounts Committee to know — they asked whether there was any view to saying whether the federal Auditor General should perhaps, along with other individuals, begin to establish a basis for a Public Accounts Committee and public accounts across Canada. So we had a systematic overview and a similarity in the kinds of public accounts that would be across Canada and maybe even setting a standard that would be something that committees across the different provinces and Canada could put together.

And so they were asking for some input into that and I will probably be giving them some, along with observations made by other members if they want to talk to me about it. And we will need to have two . . . we will need to have a motion for two members and the committee Clerk to go to the annual meeting. And if you think about that — I've discussed this with Mr. Cline already — we will talk about that at the conclusion of our meeting here today.

This is the first round of this sort of thing that I've ever done, and we'll just go . . . Item no. 1 agreed?

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

The Chairperson: — If there's anybody that has some interjection at any time, just don't hesitate to do that.

Clauses 5 to 17 inclusive agreed to.

Clause 18

The Chairperson: — Clause 18 under section (5)(a) there is an amendment, and the committee agreed to that last session. is the amendment agreed to?

Clause 18 as amended agreed to.

Clauses 19 to 33 inclusive agreed to.

Clause 34

The Chairperson: — And now clause 34, three . . . I'm sorry, (1)(b), discussion of:

"net operating loss" means net operating loss as determined by the minister.

Mr. Paton: — Mr. Chairman, this morning we distributed a copy of some of our thoughts as to why we believe the term "net operating loss" . . . as determined by the minister" is appropriate. One thing I would like to point out is that this is not a new section in the Act that's being added. it's a current section in the existing Act.

The section is being added as recommended by the Gass Commission. The Gass Commission briefly stated that the operating losses of commercially orientated Crown corporations should be financed by appropriations from the Consolidated Fund and that this section is providing the legislative authority to do that.

What we were trying to do is clarify some of the wording that we thought was a little bit confusing. We believe that there can be some difficulty in putting in a definition exactly what net operating loss means. It's similar to The Income Tax Act. If you try to define net income, it's a fairly long definition in defining that clearly.

We believe that there has to be some flexibility for the minister to be able to determine items that they don't want to fund. There could be non-cash items that a commercial Crown corporation incurs in terms of a loss, but it may not be appropriate for the Consolidated Fund to make those payments.

We believe that the current wording is appropriate. If the committee thought it was appropriate they could change the level of authority to perhaps let the Treasury Board determine what that net operating loss amount is.

The Chairperson: — On a question on that, would you be able to determine the net operating loss for each Crown corporation differently than the other one? Like say, STC (Saskatchewan Transportation Company) versus SaskTel, SaskPower or each on their own basis?

Mr. Paton: — I think you would apply the rules consistently. It's just whether or not you would be able to put all of those rules into the existing legislation.

I think if the same situation occurred, for instance, if there was an unusual loss in STC or an unusual loss in another Crown corporation, I think you would treat them consistently. The way that these operating losses are currently being provided for is a grant to Crown management corporation. They're dealing with the loss in total, so there's one subsidy being provided and that's on a consolidated basis.

But I think there is some ability, if the government were to choose so, to fund individual corporations as opposed to the consolidated entity.

The Chairperson: — Are there any other observations by other members?

Mr. Van Mulligen: — You suggest an alternative, that it could be, that the term could be, determined by Treasury Board. is that preferable in your view?

Mr. Wright: — Not really. It allows greater flexibility with the minister just in terms of communication. However we're not adverse, if you think it's more appropriate . . . or sorry, Mr. Chairman, if you and the committee members think it's more appropriate, we're not adverse to the change. Our preference from an administrative viewpoint is minister.

The Chairperson: — If I personally had an observation, what would be done if you had it from Treasury Board, you would have a group of ministers who are assigned the responsibility of the treasury determining what each one of them would be. Probably a preference . . . because the Minister of Finance is already the chairman, the deputy minister is the vice . . . or is the secretary of Treasury Board, so the impact there would be that you would be involved, but it would be other ministers being included in the determination.

Would individual members consider making that a motion, to an amendment to this part and say it would be, instead of "by the minister", be "Treasury Board"?

Mr. Van Mulligen: — I'll move that.

The Chairperson: -You'll move that? We'll get you a motion paper.

Mr. Van Mulligen: — To replace the word "minister" in 34(1)(b)?

The Chairperson: — Yes. The other thing, Mr. Wright, did you have something you wanted to say?

Mr. Wright: — Mr. Chairman, if I may. The question is whether or not this amendment to Treasury Board has a ripple effect relative to section 34(2), 34(3), 34(4), it may have 34(5), anywhere that I see in here that the phrase "minister" is used . . .

The Chairperson: — In this one section?

Mr. Wright: — Yes, in this section. And I must admit I'm not sure whether or not . . . well it only pertains to this section, so we'd have to take a look at this and determine whether or not there is a ripple effect.

Mr. Kraus: — Mr. Chairman, if I could . . . this 34(1) is a definition clause and perhaps it would be that the "net operating loss" at 34(1)(b) is simply being defined by Treasury Board after that — just as John was talking, I was thinking about it. Then the Minister could still make grants but it's Treasury Board itself that determines what it is. So it may be okay.

Mr. Wright: — Yes, okay, my apologies.

The Chairperson: — What could be done is, determined by the minister with reference from Treasury Board — something to that effect. I'm not legal counsel here, so I need probably to have somebody that was.

Mr. Kraus: — We feel comfortable with the board, although I agree that perhaps a lawyer should look at it. But we would think it would work with just Treasury Board.

The Chairperson: — Determined by the Treasury Board?

Mr. Kraus: — Yes. Mr. Chairman, again if you just used the word "board", board is defined as Treasury Board, so you would not have to use the whole term "Treasury Board."

The Chairperson: — Okay. I have an amendment that says this:

to delete the word "minister" where it appears in clause 34(1)(b) and insert the word "board."

Any discussion on that further to this?

Amendment agreed to.

Clause 34 as amended agreed to.

Clauses 35 to 50 inclusive agreed to.

Clause 51

Mr. Wright: — I'm sorry. If I may, there was a question with respect to section 51(a). I believe we have a letter coming to you and through you to Mr. Boyd on this issue. The section reads:

one dollar of the United States of America is deemed to be the equivalent of one Canadian dollar;

Why that is put in is, I'm advised — and we'll have more technical detail for you — is the value of the exchange rate fluctuates from time to time. This Act is deemed to be in force for a long period of time subject to amendments.

We have seen over the last 20 years, for example, the value of the Canadian dollar exceeding that of the U.S. (United States) and currently today the value of the Canadian dollar being less. It's an administrative or an accounting arrangement to set an equivalency at the date of issue. One couldn't specify 79.57 or 82.31 and so on. It's an administrative accounting nicety to ease the implementation of the Act. It doesn't in any way have significant relevance otherwise.

I do have a letter coming to you on this.

The Chairperson: — So if I was to ask today, it would be deemed to be the difference between what it actually is and what it would be to be equivalent. Right?

Mr. Wright: — Right.

The Chairperson: — Any further discussion?

Clause 51 agreed to.

Clauses 52 to 76 inclusive agreed to.

The Chairperson: — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows:

An Act respecting the Financial Administration of the Government of Saskatchewan.

Is that agreed? Agreed.

I need a member of the committee to move that the committee report the Bill with amendment.

Mr. Cline: — I so move.

The Chairperson: — It has been moved that the committee report the Bill with amendment.

Motion agreed to.

The Chairperson: — Now we will prepare that as a motion today. Do we do anything in the Assembly that deals with how to make the presentation? Do we deal with it in committee, and does it pass through any sort of formation like that? That's the questions will probably have to be answered yet later this day. Or do you want to tell us how this works today?

Mr. Vaive: — Mr. Speaker, under presenting reports from standing committees, the chair would present the committee's report with amendments. And then the committee . . . the House would decide whether the Bill would be considered later this day or on another sitting in Committee of the Whole.

The Chairperson: — Okay. That's all that's necessary then for that piece of work. I want to thank the deputy minister and comptroller for their assistance and appreciate you coming to tell us what was in the Bill. And thank you very much, John.

Mr. Wright: — On behalf of the Department of Finance, thank you, Mr. Chairman, for your patience and the patience of the other members of the committee. It's a delightful way to do business. Thank you.

Mr. Cline: — . . . reporting that today, Mr. Chairman?

The Chairperson: — Why don't you give that explanation to the group here, Mr. Vaive?

Mr. Vaive: — Mr. Chairman, when the report is presented, a motion of concurrence would be moved, and that could generate a debate. The House will have an option of either debating the Bill and the amendments then and there and thereby waiving Committee of the Whole or waiting for Committee of the Whole to debate the entire Bill with other amendments and so forth.

Having said that, there is in the House today provision under introduction of guests, I believe, for recognizing junior curlers who won a silver medal representing Saskatchewan this afternoon. And I don't know if debate on the Bill and the amendments today would cause interference with those plans.

Mr. Van Mulligen: — My guess is it would go the same as the Crown Corporations report which is simply to report to the House and the House adopted the report and then the Bill does come back.

And the other thing that we could do is that when it's time for moving reports from standing committees is to just move it or just ask that this item, with the consent of the House, be dealt with immediately before orders of the day so that whatever recognition ceremonies there are for, you know, the curlers and so on could proceed, and then we could have our . . .

Mr. Vaive: — And if the House proceeds as it did with Committee of the Whole, the Bill . . . the report would be presented, motion of concurrence would be agreed to, then the House would order that the Bill be considered at another day in Committee of the Whole. And that would take . . .

Mr. Van Mulligen: — Yes. But in terms of that discussion which is normally set down before the introduction of guests, and so as to not delay that or affect that, then when it comes time you could just stand up, Harold, and say, if it's the agreement of the House, that this item be dealt with, that there is a report but it be dealt with just before orders of the day; so after question period and after the introduction of the guests.

The Chairperson: — If in the motion we would include that the motion would say that Committee of the Whole be waived in lieu of, is that able to be done?

Mr. Vaive: — That could be done. But if Committee of the Whole is waived, then that would deprive members of the . . . who are not members of the committee the opportunity to debate the Bill. And I was suggesting if that is done, then it might end up taking more time today.

The Chairperson: -Okay. We'll do it your way then. Right?

Mr. Van Mulligen: — But you're going to ask for agreement then to move . . .

The Chairperson: — To move this motion to just before orders of the day. Correct. Okay. Any other discussion that's relevant to Bill 41 ? Okay.

Now in practice — the issue that I raised earlier this morning as it relates to the Public Accounts Committee — as general practice the chairman of Public Accounts and the vice-chairman are usually participants in the annual meeting of the Canadian Council of Public Accounts Committees. And it would be. . . I know that I have the freedom to go if that is the wish of the committee.

I have spoken to Mr. Cline and he has some sensitivities that he would like to learn a little bit about Public Accounts as well. And we would wish that someone would present a motion to that effect if it would be so willing.

Do you need the members' names on here? Or that's just authorization to go? It's preferable. Okay. Thank you.

Mr. Cline's willingness to attend is not based on the fact that Chicago is going to be playing the Blue Jays that day in Toronto.

Mr. Cline: — No. It's based on the fact that you're going to be there, Mr. Chairman.

Mr. Van Mulligen: -- Mr. Chairman, I'll move:

This committee authorize the attendance of the two members of the committee and the committee Clerk at the annual meeting of the Canadian Council of Public Accounts Committees to be held in Toronto, Ontario, July 4 to July 7, 1993.

And in moving that, I would just highly recommend that the chair and the vice-chair attend.

The Chairperson: — Actually the Clerk would like to have the names on the sheet too, if you don't mind.

Mr. Van Mulligen: — You do? You don't need that. Because what happens if sort of a week before you come down with the flu or something, you can't go; then you know how does the committee change . . . You may want to suggest that Mr. Boyd attend in your place; or if Mr. Cline can't go he wants to suggest someone else . . .

The Chairperson: — That's fine.

Mr. Van Mulligen: — But I think that it's really important for both of you to go. I've attended those meetings and Mr. Strelioff has attended meetings, not so much of the Canadian Council of Public Accounts

Committees — Mr. Wendel — but they have a joint conference of legislative auditors. I know from my part it's been a tremendous learning experience over the years, participated in discussion, especially of setting standards for public accounts committees that, you know, every once in a while we defer to. It's helped us in terms of the role of this committee.

Also Saskatchewan, rather than being a recipient solely of what is happening in terms of process, Saskatchewan also has much to contribute to other committees, especially when it comes to an understanding of issues such as Crown corporations, because our Crown corporations sector is so much advanced over other jurisdictions, the whole question of accountability of those Crowns. So we have a lot to contribute and people will benefit from your participation at these meetings.

The Chairperson: — The meeting that I held with the three gentlemen from the auditor's office in Toronto . . . or in Ottawa, they laid out some of the perspectives that needed to be talked about. And one of those pieces of information was a report that they had of an analysis of all of the Crown Corporations Committee, and Public Accounts kind of flowed into that.

I don't know whether other members of the committee have that information, but I think it's of some value because you get a perspective of what you were talking about in relation to Saskatchewan's Public Accounts and Crown Corporations Committee, how their role is in Saskatchewan versus or compared to other provinces and the federal government. And those are important things to involve yourself with, and I agree with you that it's a part of a learning experience that is important for Saskatchewan too.

I have a motion:

That this committee authorize the attendance of two members of the committee and the committee Clerk at the annual meeting of the Canadian Council of Public Accounts Committees to be held in Toronto, Ontario, July 4 to July 7, 1993.

Motion by Van Mulligen. All those in favour? That's carried.

And I think that concludes our business except that I need to ask the committee whether there would be some view to the committee beginning the work on *Public Accounts* as it relates to . . . beginning with the auditor's report and starting in on some of the discussion that is at the beginning of the report and dealing with his introductory remarks and then going on and starting our business. Is there some view from the committee to do that?

Mr. Van Mulligen: — Today?

The Chairperson: — No, not today. No, next meeting; next week, Tuesday.

Mr. Cline: — I think we should start and have a . . . There is usually some kind of overview by the Provincial Auditor, isn't there?

The Chairperson: — Right.

Mr. Cline: — And perhaps it would be appropriate to start with that. I don't know how long that would take.

The Chairperson: — We could have the comptrollers here and the auditors and we could go through that to begin with, and start out with you, Mr. Strelloff, and then we'll take questions from the committee and discussion from the committee and then we'll call our witnesses from that point on.

Mr. Van Mulligen: — Mr. Chairman, in my experience it has not been unusual, or at this juncture of the proceedings of the Legislative Assembly, for the legislature to appropriate more time for the sitting of the Chamber as opposed to that of committees and other activities. And I'm not saying that it will happen but there is a possibility it could happen that the committee may not be able to meet because the Chamber is sitting. Should that be the case, I don't know if it needs any motion, but I think it certainly should be understood and agreed to by the members that in that event, that the chair and the vice-chair and Ms. Haverstock meet to set up such times as may be necessary between sessions so that we can complete the business that we have before us.

The Chairperson: — I will take that as an observation about what we should be doing, and I think that's a good observation. And tentatively it will be next week, Tuesday. If there's additional hours, then those will be determined by the vice-chairman and myself, whether in fact they will be going ahead with Public Accounts. And then we can work together to see what else can be done for intersessional meetings. I agree.

Any other observations? I would entertain a motion to adjourn. So moved by Ms. Crofford.

The committee adjourned at 11:44 a.m.