

The Committee met at 9:20 a.m. in the House of Assembly.

MR. SPEAKER (Fitzgerald): Good morning.

I would like to welcome all members of the House of Assembly Management Commission back to a regular meeting of the Commission. Our last meeting was on July 3.

I welcome members back from their districts and, I am sure, certainly a busy summer in dealing with the work that Members of the House of Assembly and members of the executive carry on over the summer months.

We will start the meeting by having an introduction of the members of the committee for the viewing audience, starting with the Deputy Speaker to my immediate left.

MR. T. OSBORNE: Tom Osborne, Member for St. John's South.

MR. TAYLOR: Trevor Taylor, Member for The Straits & White Bay North.

MS E. MARSHALL: Beth Marshall, Member for Topsail.

MS BURKE: Joan Burke, Member for St. George's-Stephenville East.

MS JONES: Yvonne Jones, Member for Cartwright-L'Anse au Clair.

MR. PARSONS: Kelvin Parson, Member for Burgeo & LaPoile.

MS MICHAEL: Lorraine Michael, Member for Signal Hill-Quidi Vidi.

MS KEEFE: Marie Keefe, Clerk's Office.

CLERK: Bill MacKenzie, Clerk of the House.

MS LAMBE: Marlene Lambe, Chief Financial Officer.

MR. SPEAKER: My name is Roger Fitzgerald. I am the Chair of the Commission by virtue of being the Speaker of the House of Assembly.

The first item on the agenda would be the adoption of the minutes from the July 3 meeting. The minutes are included in Tab 1 of the members' binder. I ask members to look at the minutes of the prior meeting of July 3, and if there are any questions arising from the minutes we will accept them at this time or we will also entertain an acceptance of the minutes as written.

MR. TAYLOR: So moved.

MR. SPEAKER: It is moved by Mr. Taylor that the minutes of the July 3 Management Commission meeting be accepted as written.

Is there a seconder?

MS MICHAEL: Seconded.

MR. SPEAKER: Ms Michael.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

The minutes of the July 3 meeting are carried.

On motion, minutes adopted.

MR. SPEAKER: The first thing on the agenda is the report – the first report, actually - of the Audit Committee.

The Audit Committee was struck by a recommendation from Chief Justice Green. The Audit Committee consists of two sitting members, Mr. Parsons and Ms Marshall, as well as two members appointed by the Chief Justice from outside the Legislature. Ms

Marshall is the Chair of that particular Committee, and I ask Ms Marshall now if she would present her first report to the Management Commission, of the Audit Committee.

Ms Marshall.

MS E. MARSHALL: Thank you, Mr. Chair.

Yes, I have submitted a report, and there are a few points there that I would like to raise with the Commission to give a brief overview of the work that we have done over the last few months.

I would like to acknowledge again the work of Mr. Parsons, the Member for Burgeo & LaPoile, and also mention that we do have two outside members on the committee: Ms Janet Gardiner, who is an F.C.A., and also Mr. Donald Warr, an F.C.A. Those are our outside members. This is what was recommended by Justice Green and, of course, is included in the legislation.

There are two sections of the House of Assembly Accountability, Integrity and Administration Act that are very relevant to the role of the audit committee, section 23 and also section 43. Although it should be remembered that all of the sections are important, and of course the attached rules that the members are required to follow are also playing an important role.

Mr. Speaker, the committee has met three times, January 29, February 12 and July 9. There is a requirement that the committee meet at least four times during the year. We do have a fourth meeting scheduled for this Tuesday and I would anticipate that there probably will be a fifth meeting within that one-year period.

The work that we have done so far, primarily we have sort of been gearing up as to what we should be doing to fulfill our responsibilities, so we have met with the Auditor General, the Comptroller General

and also the Chief Financial Officer of the House of Assembly to determine their roles and to get a handle on the type of work that they are carrying out.

The Auditor General has completed his audit of the financial statements of the House of Assembly. The audit committee has received those financial statements and I believe, Mr. Speaker, you also have a copy. These will be discussed at the meeting on Tuesday. We also anticipate receiving the management letter from the Auditor General probably by Friday. So that item also will be on the agenda. So both of those items will be discussed on Tuesday and we will be coming back to the Management Commission with a recommendation on both of those items.

One of the issues that I would like to raise is that the Auditor General has to carry out a compliance audit of the House of Assembly once every general assembly and we have asked him when he intends to carry out this audit. I would like to see it carried out sooner rather than later because the rules are new, but he has yet to indicate exactly when this work will be done. But the Comptroller General of Finance has indicated to us and has submitted an audit plan that he intends to carry out an audit of compliance with the rules. So I am looking forward to receiving that report and he has also provided the audit committee with an audit planning document that the audit committee has had an opportunity to look at and provide whatever comments they would like regarding that issue.

Some of the work that the Comptroller General of Finance has carried out - and of course we are relying on the Comptroller General to carry out a thorough internal audit function because the work done by the Auditor General is more sporadic. The Comptroller General has carried out, and continues to carry out, a review of MHA claims for duplicate billings. There was an issue, a problem with duplicate billings identified in the September 2007 report and

that ongoing review is not indicating any significant problems. He picked up a couple of minor errors and those have since been rectified.

The Comptroller General has also carried out a review of payroll procedures within the House of Assembly and we expect to receive that report fairly soon. I am looking forward to reading that report, Mr. Speaker.

Also, as I mentioned earlier, he is going to carry out a review of MHA claims for compliance with legislation policy procedures and the rules. That audit is just getting started now.

Primarily, those are the areas that we have carried out to date. As I say, we will be meeting on Tuesday afternoon. We will be looking at the financial statements of the House of Assembly for the year ended 31 March 2008. We will be reviewing the management letter, we will be updating the status of internal audits and we will also be meeting with the Clerk of the House because there are certain responsibilities given to him of a financial nature, so we will be meeting with him to determine compliance with the legislation.

So that is primarily my report, Mr. Speaker. Thank you very much for that opportunity.

MR. SPEAKER: Thank you, Ms Marshall.

Any further comments? Questions?

If not, thank you for your report, and the Commission will accept your report as written.

The next item on the agenda is the appointment of a Law Clerk. Chief Justice Green in his recommendations brought forward the recommendation that the House of Assembly should have a dedicated Law Clerk to look after the affairs of the Speaker, the affairs of the Clerk and other officers of the House, and probably what is more important, the affairs of individual members.

He has recommended that the House of Assembly not use the services of Legislative Counsel and that the House act as its own authority and be independent of other departments within the government.

After consultation with the Commission, it was agreed that the Commission would advertise and use the standard Public Service Commission recruitment process to select a Law Clerk. There were nine applications when the request went forward. Out of those nine applications two of the applicants did not possess a law degree, five others were screened as not meeting the requirements, and two individuals came forward for an interview. The interview team consisted of the Clerk of the House of Assembly, the Manager of Human Resources and Payroll Administration and a Commissioner of the Public Service Commission.

After the interview, it was suggested that a name be recommended to the Lieutenant-Governor in Council for an appointment. The process is that the name will go forward to the Lieutenant-Governor in Council and the Government House Leader will bring forward the resolution and it will be voted on by the House of Assembly.

Also, there was a pay scale that was recommended for this new position, and the pay scale was an SL-05.

I am going to ask the Commission for a recommendation. The recommendation is that the Commission recommend to Executive Council that candidate A be appointed Law Clerk of the House of Assembly and that the Government House Leader introduce a resolution to this effect, following which, if approved by the House, the Lieutenant-Governor in Council confirm the appointment.

Also, the Commission would classify the position of Law Clerk to the House of Assembly as an SL-05 on the solicitor's pay plan. It is also suggested – and I guess it

just follows in order – that the Clerk would direct this communication of the Commission’s decision to the Clerk of the Executive Council.

Any comments or discussions?

If not, would somebody make a recommendation that we proceed as directed?

Moved by Mr. Parsons, seconded by Ms Michael.

All those in favour?

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against?

The recommendation is carried.

The next item on the agenda would be an authorization for furniture and equipment expenditures, and this is the procedure that we follow. The Clerk has the authorization, through an order of the Commission, to approve up to a maximum of \$500 to purchases of equipment and furniture for House of Assembly Members’ offices. It is just a matter of reporting that the hon. the Member for the District of Fortune Bay-Cape La Hune was approved to make a purchase of an office table at the cost of \$92.03.

The next item on the agenda, under Tab 2, Business Arising from the Minutes; the first item here was a per diem amount for eligible Members of the House of Assembly Management Commission and committees of the House. On a June 4th meeting the Commission approved payment of a per diem of \$145 to a member who is a member of a Standing or Select Committee of the House of Assembly, the Commission or a committee of the Commission. Also, the Chair of such committees would be approved to receive a Per Diem of \$190. This would reflect an appropriate rule in the

amendments of a Commission meeting 2008 - 059.

The action required here is pursuant to subsection 12(3) of the House of Assembly Accountability, Integrity and Administration Act. The Commission hereby gives final approval to the following proposed amendment to the Members’ Resources and Allowances Rules.

Since this is the final approval and from here it will go to be gazetted, I think I should read it into the record for those wondering what that particular Minute is. I will proceed by reading 45 (1).

“A member who is a member of a standing or select committee of the House of Assembly, the commission or a committee of the commission may claim for reasonable expenses related to attendance at a committee or commission meeting when the House of Assembly is not in session.

“A member who is a member of a standing or select committee of the House of Assembly, the commission or a committee of the commission, other than a chair, may claim a daily amount of \$145 for attendance at a committee or commission meeting when the House of Assembly is not in session.

“A member who is a chair of a standing or select committee of the House of Assembly, the commission or a committee of the commission may claim a daily amount of \$190 for attendance at a committee or commission meeting when the House of Assembly is not in session.

“Subsections (2) and (3) shall not apply to a member who is a minister or who holds a position referred to in subsection 12(1) of the Act.

“Reasonable expenses claimed under subsection (1) shall be (a) in accordance with the Travel and Allowance rates permitted under these Rules; and (b)

approved by the Speaker before being reimbursed to the member.”

Just for clarification, it means any officer of the House who receives an extra per diem over and above their MHA’s salary would not be entitled to this extra funding.

Any comments? If not, it is in order for another vote to make this change and it is the final approval that is needed here in this particular meeting.

Would somebody move that we accept the recommendation? Moved by Mr. Taylor, seconded by Ms Burke.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

The recommendation is carried.

On motion, recommendation carried.

MR. SPEAKER: The next item on the agenda is the Rule Amendment – Secondary Residences Property Taxes.

At the July 3 meeting, the Commission directed that the Members’ Resources and Allowances Rules be amended to reflect property taxes that are paid by members who occupy secondary residences.

At that particular meeting it was made clear that there was no benefit by allowing property taxes to reflect on what members could charge for accommodations, since there was no direct benefit to the member. It was no different than paying a utility bill or paying some other bill where there was not a direct benefit back to the member.

This amendment is now brought forward for the first approval and I will read the action required. It reads: “Pursuant to subsection 15(5) and section 64 of the House of Assembly Accountability, Integrity and

Administration Act the Commission hereby gives first approval to the following proposed amendment of the Members’ Resources and Allowances Rules:

“Subsection 41(2) of the Members’ Resources and Allowances Rules is amended by adding immediately after paragraph (c) the following: (c.1) property taxes”.

This is the first reading, if you would, the first approval. It comes back to the Commission for a second approval before it becomes an accepted practice.

Any comments?

If not, a recommendation is in order that the Commission approve first approval of this particular recommendation.

Could somebody make a motion?

MS E. MARSHALL: (Inaudible).

MR. SPEAKER: Made by Ms Marshall, seconded by Ms Jones, that this action be now given approval for first approval in the Management Commission.

The second item on the agenda is the Rule Amendment – Restriction on Meal Allowance. This has come to the Commission on many occasions. It was raised by the fact that members oftentimes entertain groups that come to the House of Assembly, such as students, school classes, constituents that you might have in for meetings with ministers or meetings with other people here in St. John’s, or just the fact of using your constituency allowance to purchase a meal with somebody else in attendance.

Up until now the interpretation of the act was that if member A or B purchased a meal over and above the allotment - whether it be for lunch or breakfast - then that particular member could not claim any other meal for

that particular day that claim had been submitted for.

Members and the Commission thought that was not the intent of the rule, and thought that members should not be allowed to claim for that particular meal, and still be approved to have – if it is lunch you purchase, then you would not be able to claim lunch but you still would be able to claim for breakfast and lunch or supper – that we would call dinner – and be allowed to eat the rest of the day while you are doing government business.

So the action required would be to give first approval, “Pursuant to subsection 15(5) and section 64 of the House of Assembly Accountability, Integrity and Administration Act, the Commission hereby gives first approval to the following proposed amendment of the Members’ Resources and Allowances Rules:

“Section 42 of the Members’ Resources and Allowances Rules is repealed and the following is substituted: Restriction on meal allowance

“42. Where a member makes a claim under subsection 46(3) relating to a meal expense, the member shall not claim a meal allowance under this Part for that meal expense.”

It is probably written in the negative rather than – it might create some confusion, but the spirit of the change would clearly state that the member would be entitled to the two other meals on that particular day if a meal is purchased for the benefits and for what the constituency allowance is allowed to be spent.

Any further clarification?

If not, a vote is in order.

MS MICHAEL: (Inaudible).

MR. SPEAKER: Moved by Ms Michael, seconded by Mr. Parsons, that the action required for first approval on the rule amendment for restriction on meal allowances be approved.

All those in favour, ‘aye’.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, ‘nay’.

The motion is carried.

The next item on the agenda is Financial Reports, and I will turn this over to our financial expert, the Clerk of the House, Mr. MacKenzie.

CLERK: I thought you meant Ms Lambe.

[Laughter]

CLERK: Quarterly, the act says, the Commission has to review the financial reports in two forms. One is the statement of revenue and expenditure for the Legislature – minus the Office of the Auditor General – and the other one is the individual member reports, so we bring those to the Commission quarterly for review. There is no decision point, it is for reporting purposes only, but it is a requirement under the act that the Commission review them quarterly.

For the statement of revenue and expenditure for the House, this is the April 1 to June 30 quarter, so there is really not much to report. There are no projected savings or overruns in the first three months of the year. So, essentially, you are seeing the original estimates and the expenditures up to that point, June 30. The semi-annual report closing September 30 will be available at the next meeting.

There is a process whereby the Office of the Comptroller General keeps the accounts open at the end of a month for the next number of days while various matters are

clued up. The FMS, I should say, was not closed off in time for us to get the report done for September 30 and circulate to members in time for this meeting. So that will be done this week. We will be able to circulate it soon and at the next meeting we can look at the semi-annual report. That also applies to the member reports as well. We do not have this final one for September 30 done.

If you look at the Statement of Revenues and Expenditures, no projected savings or overruns from either the original or operating budget, the final two columns.

On the September 30 report, which you will get, you will start to see projected savings and overruns because we will have six months history at that point, but we do not really have anything on this one.

The members' reports, as always, are just the summary sheets. They are not the detailed reports that each of you receive as members, simply the one page summary by categories.

So with that, Mr. Speaker, I guess we will just leave it open for questions.

MR. SPEAKER: Before we entertain questions, if we look at the member's report there, under the second column it says: Expenditures Incurred During Month. For clarification, that heading might be more understandable and might be easier to decipher if it were: expenditures claimed during the month, rather than expenditures incurred, because the expenditures could have been incurred in another month but claimed in that particular month since there is a sixty-day window in putting forward your expense claims.

The other one before we entertain questions on members' expenditure, we might look at – well, let's use a case in point of one for the Member for Harbour Main, when we would look at – there is no page number here but –

CLERK: Alphabetical by member.

MR. SPEAKER: Alphabetical by member – you would see that his expenditure to date would be 48 per cent and you might ask the question: How is that possible since this is only up until June?

What has happened here is the expense limit for renting an office is projected at the allowable amount. It was expressed by Chief Justice Green of \$7,000 and most, not all members, but most members have been unable and were unable to find office accommodations for that projected amount. So it is 48.2 per cent of the projected amount rather than the amount that is actually being charged for office space. That would be why you would see those high figures in a couple of members' allocations there in the Percent Expended To Date.

Do members have questions?

Ms Marshall.

MS E. MARSHALL: Mr. Speaker, I have three questions. They are very basic, and perhaps I can just raise my questions and probably the Clerk or the CFO can address them.

The first one is under Administrative Support, 1.1.01.05, Professional Services. If we could get an explanation as to - there is only \$44,000 charged there to that account with a budget of \$1 million.

Under 1.1.03, Caucus Operations, Allowances and Assistance, .09; again, speaking to the expenditures.

The third one is, I am assuming - I just want it confirmed that there are no problems identified with the statutory offices and their expenditures to date. They look to be on track. Perhaps the Clerk or the CFO can address those three questions.

MR. SPEAKER: Ms Lambe, do you want to entertain that question?

MR. LAMBE: Under Administrative Support in Professional Services, in the budget there was funding for the expense claim system for members. Most of those expenditures have not been incurred yet. We expect most of it to occur during the last quarter of the year.

We had budgeted \$240,000 for the Management Certification process. Most of the expenditures that are incurred are related to that and that did come out over the RFP that was proposed but way under budget. So those were the main items there, why the expenditures are low at this point.

I am sorry, the second one was?

MS E. MARSHALL: The second one was on the second page under Caucus Operations And Members' Expenses, the Allowances and Assistance, that the budget is just over \$3.5 million and expenditures to date is \$338,000.

MS LAMBE: That is mainly a reflection that the expense claims submitted by members were a lot lower than the projections. When we did the projections we based it on the projections that the Green Report had recommended. Last year we did find that there were significant savings and we are expecting that this year there may be also. We will be able to determine that better at the end of September.

Also, we had anticipated, or projected really, that more outside offices might open in districts, and we have only had one so far this year. So that was another reason.

MS E. MARSHALL: Just a brief comment on the statutory offices: There doesn't seem to be any problem with the financial projections or expenditures to date. I know during the Budget process we had approved a significant amount of additional funds for the statutory offices. I just wanted confirmation that things seem to be

progressing there fine, that there are no concerns there.

MS LAMBE: No, there are definitely no concerns about any overspending at this point in time. It seems that most of the projects they have are on track and are moving forward.

MS E. MARSHALL: Okay. Thank you.

MR. SPEAKER: Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

Just a very simple question with regard to Administrative Support, 1.1.01, and the Caucus Operations, 1.1.03; just curiosity. They are small amounts, but what would be the nature of the provincial revenue. In both cases there is revenue shown. I am just curious what that revenue is about.

MR. SPEAKER: Ms Lambe.

MS LAMBE: I can't recall offhand, I am sorry, but usually these are minor adjustments. If we get a credit on a prior year's phone bill - I know there is one there for \$300 or \$400. It is made up of a lot of minor amounts, adjustments, because if you receive a credit related to expenditure in a prior year it is treated as revenue. In admin support there will be a number of minor things like that. Employees reimbursing for personal use of cell phones - those are the types of things that you would find there.

MS MICHAEL: Thank you.

MR. SPEAKER: Any further questions?

Mr. Parsons.

MR. PARSONS: I am just curious. In the individual members' expenditure sheets most of the sheets have four categories; Office Allowances, Operational Resources, Travel and Living Allowances and Constituency Allowances. Yet, I notice some of them don't have constituency

allowances in there. I am just wondering why. I assumed all members had a constituency allowance. Whether you spent it or not is another issue.

MS LAMBE: It is just the nature of the financial management system, the computer system. If it has not been used, since we brought in the new rules, it does not show up on the report. We have asked the Office of the Information Commissioner to have a look at this and see if there is any way it can be shown on the report even if there was zero spent, but right now they are looking into that. So, it does not mean that the allowance is not there; it is just that the system will not show it unless there have been some expenditures to date. It could have been in a prior year and it will still show up, so you will have zero this year, but if it has never been used it does not show up. It is just a glitch, if want to say it, in the computer system.

MR. SPEAKER: Any other questions?

Ms Lambe, I will just direct a question. In the double billings that were identified by the Auditor General - and members, for the most part, have paid back their double billings - would that be shown as revenue, and would that be indicated in one of those headings that you have here?

MS LAMBE: Yes, that would be shown under Caucus Operations and Members' Expenses, the revenue that is there for \$25,587. That would be reimbursements of double billings and possibly the \$2,875 or any other amount that a member may have repaid.

MR. SPEAKER: So that would be current up to June 30?

MS LAMBE: That is up to the end of June, yes.

MR. SPEAKER: Okay.

Any other questions on the financial reports?

If not, we can move into Tab 3 again, item 9, Management Certification Contract. I will ask the Clerk if he would talk to that particular heading as well.

CLERK: Thank you, Mr. Speaker.

As members know, we put an RFP out to get one of the public accounting firms to assist us with the management certification process. The low bidder submitted a bid and began work on the process.

Because the House of Assembly is not entirely self-contained in terms of its financial systems and so on, because we use a lot of government systems - we use the financial management system FMS, we use OCIO, we use Central Payroll, and so on and so forth - there are a number of matters, processes, offices, extraneous to the House that the accountants had to look at because they would impact my ability to certify that we had the effective system of internal controls in place. What it means is, there are matters outside of my control. So, my ability to certify that everything in a given process is adequately controlled is limited.

As they uncovered, through their work, the role of the Office of the Comptroller General, for instance, the computer system that handles our books, payroll system and so on, the work expanded that they had to do to ensure that adequate controls were in place. So, for instance, on the number of people who have access to the financial management system, the Oracle system of our books, there are any number of people in the Office of the Comptroller General who have that access; they have the ability to change some of the data. So, the accounting firm has to devise new means to assist me to ensure they are not at such actions - various reports and so on - other steps that I could take. In their bid, they did not realize the extent they would have to do this.

When a consultant's contract is let, under the ordinary government rules for

consultants, you can only go to 10 per cent over the bid price without getting further approval from Treasury Board. So a given bid is made, there is 10 per cent overrun - which is allowed - but, beyond that, Treasury Board approval is required. This is to avoid a low bid and then simply it mushrooming, which means the original low bid was not accurate.

In this case they started their work and they were halfway through the summer on this project when it became clear they were going to need many more hours. When they went over the 10 per cent point, our options were either stop the contract there - then we would either have had to retender or call for RFPs again, which a new firm might have won. That would then mean the original work would have been of no value; we would be starting from scratch again mid-summer. So, to get this done by the August 31 deadline imposed under the act, we told Grant Thornton to continue, we will bring the issue to the Management Commission to cover the costs - since they will be greater than the 10 per cent - and deal with it then. So they continued their work. We finished up August 31 and, as you know, the certificate was signed then.

In terms of overall cost, the cost goes from - it essentially doubled, I suppose, slightly more than doubled from the original bid, so that is far beyond the 10 per cent allowed without approval.

On the other side of the coin, the second place bid, when the RFP was originally put forward, was still greater than \$200,000. So even at these increased costs it is still significantly less than the second place bidder, but it is something that the Commission has to approve because it exceeds the 10 per cent overrun guidelines.

I guess that is the summary, Mr. Speaker. I can take questions.

MR. SPEAKER: Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

Mr. Mackenzie, I am curious. You note here in the briefing note that \$230,000 was included in the budget for 2008-2009 to cover the cost of the project. So, obviously, you knew that this was not a cheap piece of work. I mean you had \$230,000 in the budget. So I am curious about the proposal that was not accepted. It seems that their proposal was closer to what was budgeted.

Did they recognize the piece of work that had to be done that was not recognized by the people that got the contract?

MR. SPEAKER: Mr. Mackenzie.

CLERK: Thank you.

I will speak to that a little bit then I will ask Ms Lambe to elaborate as well.

No, I do not think that is why the price of the second place bid was close to what we had estimated.

Without going into the details of it, the second place bid to us did not adequately speak to the unique elements of the Legislature. It was more describing the management certification process which would be applied to a publicly traded company. That is, it did not seem to address the subtleties of a government, quasi-government entity being certified. It was more a generic type proposal which you would apply to a publicly traded company, which is the standard manner in which management certification is used. So even though it was closer to what our estimate was, it was not for that reason.

Ms Lambe perhaps could speak to some of these matters that I referenced that were unique to the Legislature. She could also speak to, as the note indicates, the questions that the winning bidder asked and why it was difficult to give them the full information they needed to prepare their bid.

MR. SPEAKER: Ms Lambe.

MS LAMBE: Yes, I think the Clerk did a good job of explaining it. I am not sure how much I can add.

We got a number of questions from both of the accounting firms that put in a bid, but unfortunately because this is a new process for our government, for any government for that matter, the second part of the process where you have to certify that the internal controls are working is actually not even required by public companies. So when the firms were trying to estimate the cost, they had no history to base their estimate on and when they directed questions to us regarding the processes that we thought would have to be followed, we were in the same place as they were and unable to really tell what the extent of the work would be. Really, most of the additional work was because we are not self contained. If we had our own financial systems and operated independently I would be fairly certain that it would have come in at \$54,000, but they spent a lot of extra time in meetings with OCIO and with the Comptroller General's Office understanding government systems and making sure that any effect they had on our controls were negated by having other processes in place to make sure that the Clerk could sign the management certificate.

I am not sure if there is much more I can add.

MR. SPEAKER: Ms Marshall.

MS E. MARSHALL: Mr. Speaker, given the significance of the - I do not know if overrun is the correct word. I am somewhat reluctant to approve this, this morning. I would like to see some of the supporting documents, such as the original RFP and the responses. I would also like to take a look at the contract because the overrun is really in the area of over - it has more than doubled. I think that - I know I can only speak for myself, but I would feel much more comfortable if I could take a look at these

documents and track to see what exactly happened before we approved the additional funds. So that would be my preference, Mr. Speaker.

MR. SPEAKER: Any further comments?

Ms Burke.

MS BURKE: I am curious to know that when it was indicated that there was going to be some overruns to the original proposed budget that was put forward and accepted, was there any direction given? Do we have any indication that it was going to be more than double at that time? Was there any - did we monitor what was going on? Was that negotiated, or was that kind of an open process to do your work and send in the cost?

MR. SPEAKER: Ms. Lambe.

MS LAMBE: I guess most of the work started mid to late April, so we were late getting started. They brought in a number of people at that time; but, yes, we were aware, as the project progressed, that each step, if you like, was taking a lot longer than was anticipated at the time. So, over the summer months we did realize that this was going to cost a lot more than the estimate had been in the RFP. They were sending monthly statements, so we do have the detailed invoices from the accounting firm that details the work that they were performing at any point in time.

MS BURKE: I guess my question was more, when you realized that was happening, was there any type of monitoring or a meeting where it was renegotiated or there was some projection as to what this would cost, so that at that point we could monitor to see if they were keeping within proposed budget extensions? How was that done? How was that controlled or monitored?

MS LAMBE: Well, I was involved a lot in the process as it went along, and when we

compared the original estimate on the time it took for, say, one cycle – because they were doing them cycle by cycle, like when they were doing payroll - we realized at that time that they were spending a lot more time up in Central Payroll and in the Comptroller General's Office and OCIO than was allowed for in the estimate. So, cycle by cycle, as the project progressed, we were quite aware that it was going to be significantly over what had been proposed in the estimate that was put forward.

We also realized that, because of the responses to the questions that they had asked about how much interaction there would be with government – with the Comptroller General's Office and any other that was affected - that there was really no way, I don't think, for them to expect that there would be that much involvement and it would take that much time for meetings and discussions with the Comptroller General's Office, with OCIO, and with Central Payroll. That is definitely why it cost a lot more than it did.

MS BURKE: I guess my question is – I don't know if you understand what I am asking – is that: When you realized, or when it was realized, that there would be significant cost overruns, was there any way to look at that to redo a budget to monitor what was going on, to discuss it, to try to keep some control so it didn't spiral to 110 per cent more? When you realized, from what you are saying, was there any action taken at that point to try to contain the cost to a more reasonable level?

MS LAMBE: We did try, but I don't know if there were any options. The management certification process had to be completed by the end of August, and those meetings and discussions outside were necessary, so we didn't see that there was any action that could be taken to try to reduce the cost in any way.

MS BURKE: I guess we had to look at it, it had to be completed by the end of August,

but on the other hand we also had to work within the budget and within the accepted proposal through the process of the Request for Proposals.

It is just a case, I guess - and I am also inclined to agree with Ms Marshall and want to see the supporting documentation, but what really bothers me about this process is that we focused on the August 31 deadline and said we can't extend that, but on the other hand we are also compelled to keep within the budget as well and certainly not more than double it before it came back to the Management Commission.

I have a real problem with that: that we allowed that to happen. I would have preferred that the process be stopped, to come back to us for direction before it continued on, even if it meant we did not meet the August 31 deadline. That is another issue we would have to deal with, but at this point we have not followed our own process in how we monitor this budget. It is like we accepted that we had one deadline but we threw the other rule or the other obligations we had out the window, so I do have some concerns with the way it was handled.

MR. SPEAKER: Mr. MacKenzie.

CLERK: I can take some responsibility for that. We were in the middle of the summer, of course. The August 31 deadline is in law, it is in the act. There is nothing variable about it; it is statutorily imposed as a deadline that the Clerk signs a certificate by August 31. It is 28(4) in the act that it has to be signed by August 31. So, short of calling the Commission together to get approval to do this overrun, Ms Lambe and I discussed it and I said: Well, we will have to proceed; we can't not meet this deadline in the act.

That is why we have ended up where we are today.

MR. SPEAKER: Are you finished, Ms Burke?

MS BURKE: I have made my point.

MR. SPEAKER: Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

I echo concerns that are being expressed by other members, and I guess I have a couple of questions to get some more information.

First of all, how early on in the process did you realize, and did the Grant Thornton people realize, that it was going to take more time? We did meet as the Commission on July 3. Were there any indications by that time? Could there not have been a report given to us at the July 3 meeting? Even if we had not met in July, was there any discussion, even through electronic means, about making a report to the Commission, speaking to the Chair and saying: we realize this is going against a basic principle. I am really concerned about the fact that a process wasn't followed. A process that we recognize as being essential to the good management of the House wasn't followed and I feel very uncomfortable with approving expenditures after the fact. I don't like setting that as a principle or as a practice. It would lead to other discussions, I think, about what would happen if this kind of situation came up again, how this would get dealt with.

I am assuming that the decisions were in the hands of the Clerk and the Financial Manager. I am not making parallels here, that is not what I am doing, but based on past problems that we have had in House management I think we need to make sure that anything of this nature is involving the Management Commission, both for the protection of the Clerk and the Financial Manager as well as for the good order.

I have thrown out two or three things there. I guess my basic question is: If you started in April it would seem to me you had some indicators by July that there were going to be a lot more meetings involved. Maybe I

am assuming something that is not correct, but if that was the case, why couldn't at least a report have been brought to us in July?

MR. SPEAKER: Mr. MacKenzie.

MR. MACKENZIE: I am not sure. I will ask Ms Lambe to speak to how early we really had a good sense and whether we could have brought something in July.

I do want to just comment on the point of perhaps doing some sort of canvas electronically and so on. Of course, we are not permitted. It has to be done, broadcast and everything else, to have a Commission decision. While I suppose information could have been provided to Commission members the Commission is not entitled to make a decision on teleconferences, e-mail canvases and so on. The Commission actually has to convene to make a decision. That is one of the restrictions we have.

In terms of what we might have done by July 3, I am not sure. Ms Lambe?

MR. SPEAKER: Ms Lambe.

MS LAMBE: There was a little work done in April. Most of the planning was done in April. The work started in earnest, I guess, in May. By the end of June – I guess a lot of the work they were doing, too, they were doing a lot of the work in-house from our side before they went outside looking at the Comptroller General's office and that. I would say probably late June was when we started getting an indication. I do not have my notes here, with my discussions with them right here, but probably late June, early July was around the time that we knew that there would be overruns.

It was later then, again, before we realized how significant the overruns would be, because as each process, cycle we went through, they had to spend more and more time outside the House of Assembly with discussions with people. I doubt if we would have had anything for the early July

meeting. We did know it was taking more time. We did not realize at that point how significant it was. When I provide the information to you, you will see by the work that was performed, a lot of it was toward the end. They had other commitments, actually, and they brought in extra people to push it, to get it done in time. So there was a bulk of the work done towards the end of the project.

MR. SPEAKER: Mr. Osborne.

MR. T. OSBORNE: I guess a couple of concerns here. Once the horse has left the barn it is a little late to close the doors.

My question is: If the Commission ultimately decides not to approve this, what do we do? That brings us back to the July 3 meeting where we changed the rules on the transfer of funds policy, where it is not practicable to call the Commission together to delegate a quorum of four – that the House can contact four members and get approval that will then be ratified at the next Commission meeting.

I am wondering, in a situation like this, where we run into a matter where a decision has to be made, it is not – we are not capable of calling the Commission together, why can't the same rules apply in that situation, because ultimately, if the Commission say no here, we have a real problem?

MR. SPEAKER: Mr. MacKenzie.

CLERK: Yes, to the first point. Yes, the work has been done. We have received the bills. So there is certainly a problem here that it is a debt owed to this company.

On the second one, we can develop any policy we like within the Commission, as we did with transfer funds, but this did not involve a transfer. This is a Professional Services expenditure and all the money was in the budget, we did not need to do any transfer. So there was no way to invoke the sort of transfer of funds policy, there was no

transfer required, it was simply the expenditure. The policy really at work here is the guidelines for the hiring of external consultants.

The Commission had not adapted that policy to itself or made any changes for decision making. So if we choose to in the future, we can certainly do that with a smaller group, something like the transfer funds policy, but at the time the overruns were identified the Commission did not have a policy to deal with it, so it had to be the full Commission.

MR. SPEAKER: Mr. Parsons.

Are you finished, Mr. Osborne?

MR. T. OSBORNE: Yes, thank you.

MR. SPEAKER: Mr. Parsons.

MR. PARSONS: Just a couple of comments. First of all, I agree with Ms Marshall, that I think we do need further review of the documents that were involved in this, and I would certainly concur with that. We have a big difference, not only between the bid submitted of \$53,000, and what the Clerk thought was estimated, \$230,000 – we have doubled on the bid, but somewhere along the lines all these figures do not jive. I would think there would have been some kind of rationale applied to see if somebody estimated we could spend \$230,000, that was based upon certain things being done and timelines required. Yet, a \$53,000 bid comes in, everybody thinks it is kosher. I would like to get some more background on that.

The other piece is the forgiveness versus permission. We are here looking for forgiveness of something that happened rather than permission, I think, which is - I thought the Green format of how we were supposed to conduct ourselves in future was going to be based upon getting permission rather than coming back and saying something has been done and forgive us for what we did and okay it.

So I think we are losing sight of what Green intended here by what happened in this unfortunate process here. We can look to justifications all we want, but the fact is we are still here looking for forgiveness and we ought to have had permission in the first place.

The comment, too, about we had a legislative deadline of August 31 to meet this, concerns me, because is it - we did not want to compromise our legislative deadline, but yet we compromised the process, in my view, and I think that is just as important. We may have compromised - we have a responsibility as a Commission, and if we are going to have a situation where - and this is not being nasty or harsh to anybody, it is reality. If we are going to have a situation where the staff can say we need to get this done because of a legislative mandate, what happens to the responsibilities that we have as a Commission to do it right? I think we missed the boat on this one. Not to say - we still have to deal with the problem on a go-forward basis, but I think we need to do it properly now. Let's review the documentation again, make sure that it is justified what we are doing and in the future I would think the process should be more clear and we should not find ourselves in this situation. Otherwise, what was Green all about in the first place?

MR. SPEAKER: Any further comments or opinions? If not, I will try to, I guess, capsule what I am hearing.

What I am hearing is that the Management Commission is asking that we not put forward this recommendation here today for a vote but instead ask for chronology of the documentation and the reporting process to see when this extra cost was incurred, why it was incurred and how the contract that was awarded to Grant Thornton increased in excess of 100 per cent and to report back at the next meeting of the Commission.

I ask the Clerk, first of all, is there any problem with that, that he sees, with any commitments that we have already made to this particular firm, or can we do that and report back and allow the bill to be left unpaid until that time happens?

CLERK: Well, there is certainly no problem providing the information. We have all the documentations and so on from the contract, the RFP, invoices and so on.

We will be accumulating interest on the outstanding bill, I suppose. They probably want their bills paid in thirty days, like most companies. So there may be an issue there. We will incur some interest charges.

MR. SPEAKER: Is that the direction from the Commission?

Ms Marshall.

MS E. MARSHALL: Mr. Speaker, I just want to make sure now I get the documents that I am looking for.

MR. SPEAKER: Sure.

MS E. MARSHALL: I would like to see the original RFP. I think that would have been published in the paper and there is probably a package or supporting documentation for that, that bidders would have had access to before they bid. I would like a copy of the responses. The House must have carried out an evaluation of the responses, and I would also like to see a copy of the contract with the successful bidder.

MR. SPEAKER: Anything further to ask by other members that have raised the issue of concern here?

Mr. Parsons.

MR. PARSONS: I just ask this, I am curious. Ms Marshall gave a report today of the audit committee and I noticed in her report, paragraph 5, on page 3, she makes

reference to the audit committee meeting with Grant Thornton. I am just wondering, our meeting is scheduled for Tuesday, I did not want to overstep the bounds of the Commission by having - our meeting is already scheduled for Tuesday, now this issue has come up here today. Is it appropriate or inappropriate for the audit committee to ask these questions of the Grant Thornton representative at the Tuesday meeting?

MR. SPEAKER: Ms Marshall.

MS E. MARSHALL: I do not think it would be appropriate, but I think I should indicate to you that Grant Thornton is unable to make the meeting, so the Clerk is going to meet with us on issues relating to his responsibilities under the legislation. I understood from Grant Thornton they would be available probably in November, so I do not think that it is going to be an issue. I guess we will just have to see what transpires between now and then.

MR. SPEAKER: Any further comments? Does the Clerk need any further clarification of what is requested? No.

Okay, so we will move from the House of Assembly Management Commission briefing note on the Contract for Management and Certification Process and provide members, hopefully, with the information that they desire and bring it back at the next meeting of the Commission.

The next item on the agenda is the Review of Caucus Resources. All members have had an opportunity to read the recommendations as put forward by Metrics EFG. This was a request for a proposal that was put out. It has been an ongoing, I guess, debate here at the Commission and about caucus resources and what an ample level of caucus resources should be as it relates not only to government members' caucus but the Official Opposition caucus, the registered third party caucuses and independent members.

On a recommendation brought forward by the former Government House Leader, it was brought forward to the Commission and agreed that the Commission should put out an RFP to look for a consultant to look at caucus resources and to report back on what they would feel is an appropriate level of funding for the three recognized caucuses here in this House of Assembly and for independent members. There was a subcommittee struck at the time to put together an RFP, a subcommittee of the Management Commission. As a courtesy to the subcommittee, once I, as Speaker, received the recommendations from Metrics EFG Incorporated, the subcommittee met, went over the proposal as put forward and the subcommittee requested that we meet with the proponents of Metrics EFG. If I recall correctly, the next morning the subcommittee and the proponents of Metrics EFG met and questions were asked and clarification sought on some of the seventeen recommendations that they brought forward as their suggestion for the levels of funding as it related to the RFP that was put forward.

So maybe we can approach this in a broader sense, right from the very beginning. Instead of going down through the recommendations one by one of the total seventeen, maybe the right way to introduce it is to do it complete first and if members want to make some suggestions or recommendations, then let's entertain it at that time and we can look at the recommendations on what is acceptable and what may cause some concern.

Right from the beginning, before I entertain anybody to speak on the recommendations, I would like to make it clear that the Management Commission clearly stated when we put out the Requests for Proposals that there was no obligation to accept the recommendations in whole or in part. There was nothing binding on the Commission to accept what was brought forward by Metrics EFG, who was the consultant that was

suggested that would take the RFP and make the recommendations. So while the recommendations are here, it is entirely up to the Commission to accept or reject in whole or in part, any part of those particular recommendations.

So, I will open it up for general discussion first and then maybe we can narrow it down to things if there are any problems as we go through with any of the recommendations. Would anybody like to make opening remarks regarding the recommendations as put forward by the consultant?

Ms Jones.

MS JONES: Thank you, Mr. Speaker.

A couple of comments I would like to make. First of all, I guess, we came forward as an Official Opposition early on in the Management Commission process and identified the need for more resources for the Opposition to be able to function appropriately within the legislative process of the House of Assembly. We felt it was necessary to raise this issue and we did put forward at the time a proposal to the Management Commission that would have seen our resources increase from a financial perspective allowing us to be able to add to the number of staff that was required in our office as well as the operational budget that we felt was necessary in order to function appropriately.

Of course, the request that we made we based on what we felt our need was at that particular time. It was through the debate of the Management Commission that the Commission itself identified, I suppose, that the best route to take would be to engage an independent consultant to look at this. We were certainly responsive to that and had no problem with it.

A couple of things I would like to indicate: First of all, the previous formulas that were used to calculate the funding for opposition parties in this Province were based on the

number of members who would be elected to an opposition. For example, if you were three members then your funding would be based on the \$20,000 per member for operational funding. That formula works well if you have an adequate number of members elected. That way if you have fifteen members or so, well then you are up to \$300,000 as a base budget or whatever the case may be.

In our case, with only three members, we certainly realized that \$40,000, which I think was what we were entitled to, was not adequate and we had raised that. Our position has been that as an official opposition there is a certain required responsibility, both legislatively and as an opposition voice, I guess, within the Province. In order to carry out that function appropriately there is a minimum amount of resources required. I don't think it makes a difference whether you have three members in an opposition or if you have twenty-three members in an opposition. The expectations and the functions of that office do not change. We have certainly learned that over the course of time that we have held the post as an opposition in the Province.

Also, if you look at oppositions for other parties in other provinces across the country; not all of them are based on a formula of elected members. Many of them are based on a core budget, a core funding allocation that is made to official opposition parties notwithstanding the number of members they elect, simply because it is realized that there is a responsibility that carries through as an official opposition regardless of the number of members you elect.

That was the point that we were trying to make. We certainly felt that there should be a base amount that was being provided to an Official Opposition in Newfoundland and Labrador so that, regardless of the election process, and the outcomes of election processes, or what parties occupy the Opposition, there would be a base amount of funding so that they could carry out their

legislative responsibilities in a way that is expected of them and demanded of them.

With the review that was done, and the recommendations that came back, we have had an opportunity to review it. Actually, prior to the consultants being engaged, we did have an opportunity to review, through information that was provided by the Clerk's Office, what the funding allocations were for opposition parties right across the country. We suddenly realized that, in Newfoundland and Labrador, as an opposition party, comparing us with other oppositions across the country of comparable size, I guess, we were probably the lowest funded in the country. I think P.E.I. was receiving a little less funding than we were; but, of course, they had a Legislature that was half the size and a population base that was half the size as well.

If you look at comparable provinces – I think the one we often use in Newfoundland and Labrador in our Legislature is Saskatchewan; we also use Nova Scotia and New Brunswick as benchmarks to measure the policies and funding arrangements within different parts of the Legislature - if you were to look at their budgets you would have noted immediately that the funding that they received as Official Opposition parties in those provinces was certainly greater than that being received by our party in Newfoundland and Labrador to carry out the same responsibilities and roles.

I am not going to speak to the recommendations that are outlined right now, but I would say that I think the recommendations that were put forward were somewhat modest compared to what we had originally asked for. At the same time, we certainly feel that they were fair to all parties in terms of analyzing what the needs were and how that need could be best met on a proportional basis. We would certainly be open to discussions on the recommendations that are being submitted by the consultant at this stage.

CHAIR: Thank you, Ms Jones.

Any further comments?

Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

I am happy to just make some overall comments with regard to the report. I was impressed with the report, and one of the things that I like is that the consultants put a lot of thought into outlining the principles on which the report is based, by giving it clear explanation of the research that they did with regard to international funding practices as well as with regard to what is happening in the other provincial legislations in Canada.

I like the principles that they outline, particularly the recognition that the principle of equitable treatment among parties is seen as part of democracy and the democratic process, and that this is a change that is happening around the world and is also happening in Canada; and the recognition that all parties, no matter what the status – government, Official Opposition, third party, and even independent members - are part of the process, they are part of what is going on inside of the Legislature, and require support in order to have full voice and full participation in what is going on inside of the Legislature.

They put it in pretty strong language, actually, in the report – and I quote from page ten – the principle of equitable treatment among parties is designed to avoid a monopolistic situation where established parties receive the lion's share of public funding and preclude the entry of new parties into the political landscape.

I think the key there is the word public funding, that all parties who are in the Legislatures, and all members who are in the Legislatures, as I have already said, are there because of the democratic process, and are

there to serve the public, and therefore should all have access to public funding that would help them do the work that they are doing.

The strong emphasis on equity, I think, is extremely important, and I was very, very happy to see that. The way in which the report outlines that changes have happened, and that we have moved to a much more responsible way of looking at how public funds are allocated to all who are involved in the democratic process through legislation, how that has changed, and the reasons for that change, I think, is really good. So, I would encourage everybody – anybody who, after today, in the public, wants to fully understand the recommendations and anything that we may approve here today, I think it is extremely important that they take the time to read the report to understand where all of those recommendations are coming from.

Another thing that the report recognizes is that, number one, a formula that gets put in place is not something that then changes with every election; that a formula that we would put in place would be a formula that we would test and see if it is working, I would hope. At some point there could be changes made to it, based on our experience of the formula, but that we now have something that is not subject to political whim or to how the political winds move, that we now have something in place that is recognized by all parties as this is the formula for our Legislature. That does not mean, as I said, that sometimes that may not change. That may change, just with improvements, based on our experience.

The thing that I think is important, that the report included in it - it is a specific recommendation but I think it is also a principle - is recognizing that the principle of indexation, which we have in other parts of government, needs to be in the House of Assembly as well. I think that is very important, that is in there.

As with Ms Jones, I do recognize that the consultants have not been quite as liberal with some of the recommendations in comparison to some of the other provinces in Canada. I may have wanted it to be a bit more liberal; however, I do recognize what they are trying to do. We wanted - I think all us wanted - consultants from outside of the Legislature in a non-prejudicial, unbiased manner to present recommendations for how we move forward, and I think that is what these consultants have done.

I am pleased with the report and I do look forward to the discussion on the recommendations, recognizing that the recommendations, while there may be some that personally I may think, well, I wish that was slightly different, I probably am not even going to say that when we come to the discussion because I want us to have as unbiased a formula in place initially as we can have. I think that is what the consultants are trying to do here with us. That does not mean I will not have anything to say about the recommendations.

Thank you very much.

MR. SPEAKER: Further comments? Opinions?

Ms Burke.

MS BURKE: I guess you are probably going to address this. Now that we have the report and there are seventeen recommendations and you are just looking right now for some overview comments, some global comments of what people thought about your report. How are we going to proceed? What is the method? Are we going to go through each of the recommendations and discuss them as they are listed in the back of the report or – I am not sure, because overall, you know, a lot of this is, I guess, changes that will probably go without much debate, as Ms Michael just indicated, but there are some anomalies here that this creates as well that we need to

discuss. So I am not sure how we are going to proceed at this point.

MR. SPEAKER: I seek guidance from the Commission of how you want to proceed. I thought that I would throw it out first to talk about the complete report to sense if there was any problem with it. If it is something that is going to be totally rejected or totally accepted then there is no need of us, but if we want to we can go through individual one by one of the seventeen recommendations and maybe get the recommendations that we do not have any problem with, we can agree to and just move forward and leave the one, two, three or ten recommendations that we need to discuss further, for further comments and opinions. If you wanted to do it in that way, we can.

Some of the recommendations, if you read through them, are in direct correlation with something else there. In order for one to be either rejected or accepted, it is not that simple. For instance, recommendation 7 we will accept. Some of them, in order for them to be acceptable, we will refer back to having another recommendation accepted in order to plug that one in. But I am wide open, if you want to take the recommendations and go down through them and we can eliminate the ones that we do not have any problem with, that we are going to accept and if there is one, two or ten that we do have a problem with, that is fine. Then let's deal with those after. If you want to do it that way, it is the Commission's pleasure to do that.

Ms. Jones.

MS JONES: We do not have a problem with that. I mean there are seventeen recommendations and I know that some of them are in correlation of each other but we think it is important that we deal with each one individually and to have that discussion if the Commission feels that that is warranted.

MR. SPEAKER: Ms Burke.

MS BURKE: Well, I guess, my thoughts are there are just so many recommendations here that if we do not start trying to break it down I guess in some kind of a logical fashion that if we start getting into a debate and a discussion on it - like, how are we ever going to figure out what we are supporting and what we would like to see amended? So I think we have to approach it in somewhat of a logical and methodical way.

MR. SPEAKER: Okay. Does everybody agree with that, that we will take the recommendations and we will go through them individually? The recommendations are on page 32. The pages are kind of hard to decipher here.

Ms Jones.

MS JONES: I am looking for clarification. As we go through each of the recommendations, will this be for discussion purposes or will we also vote on each one individually?

MR. SPEAKER: Here, again, I am at the whim of the Committee. If the Committee wants to vote on them individually, the ones that we have no problem with, we can do it and get them out of the way and move on. I take guidance from the Commission.

Mr. Taylor.

MR. TAYLOR: I think that we should deal with it in as expeditious a manner as possible. We have all had the report now for about a month and a half. I do not see much point in sitting around here today and having a general discussion on the nature of the report. We have had it and I believe we should go down through the seventeen recommendations and get as many of them as possible salted away, so to speak. If we cannot agree then we will have to defer whatever we cannot agree on to another day, if there is anything that we cannot agree on.

MR. SPEAKER: Okay. What I am hearing is that we will take the recommendations individually, and it will be 6.1 on the List of Recommendations as submitted in the report. I will read out the recommendations and we can go down through them. I will survey the Commission and then we can put each one to a vote as we go through it or we can lump together the ones that need further discussion and we can bring them back.

So, 6.1 List of Recommendations. The recommendations listed here should allow all caucuses of the House of Assembly to effectively discharge their legislative duties:

1. Provide base funding for the Government Members Caucus of \$100,000 annually.

This is a recommendation that is not presently in funding arrangement. It is a new recommendation. It is to allow government caucus funding of \$100,000 annually.

Mr. Clerk.

CLERK: Thank you.

This is a more general one, I could not catch your eye before we started number one.

There are problems with some of the wording of these in the sense of these being the actual minutes decisions. So as we go through I may speak to those. It is not the substance of the matters but some of the wording, I think, in terms of our decisions needs to be changed from what we see here. It will not change the substance, the level of resources, just the way it is worded.

There are one or two things I will speak to as we go through that are missing from this list of recommendations, even though they are in Table 2, the costs. One of those, for instance, applies to this first one, the Government Members' Caucus. The assistant to the Government House Leader, that position is not listed here in one of the recommendations. The assistant to the

Opposition House Leader is listed in recommendation 3. The assistant to the Government House Leader, even though it shows in the Table of Costs, did not get itemized here. So there are little matters like that I will speak to as we go through.

MR. SPEAKER: Certainly. If members want to, for clarification, they can just take Table 2 out of their binder and just set that aside and as we go through the recommendations, for the most part, it all refers to Table 2, which clearly shows the amount of money that we are talking about, the current allocation, the proposed allocation and the change in the total amount. Just for information.

Ms Burke.

MS BURKE: As well, in addition to that, if you have Table 2 in front of you, it is also helpful to have Table 1 as well.

MR. SPEAKER: Table 1 as well?

MS BURKE: Just have those two tables in front of you. It makes it – some of the discussion, I think if you can refer back to Table 1 or Table 2 it will be an easier discussion to follow.

MR. SPEAKER: Okay. What page is Table 1?

MR. SPEAKER: Okay, I have it.

MS BURKE: Table 1 is page 16 and Table 2 is 23. So if you have those in front, as well.

MR. SPEAKER: Okay. Provide base funding for the Government Members' Caucus of \$100,000 annually.

The Chair is ready for discussion.

Ms Burke.

MS BURKE: That is one recommendation that I support. I know that we had

previously, before this report, as a means to try to deal with the funding following the election of 2003, or 2007 – try to deal with some of the allocation of funding, and that was put in place by the Management Commission, of which I was not a member at the time, to try to deal with some of the pressures leading into, I guess, getting this report.

One thing that I noted and why I support this is if we look at some of the comparison provinces which, for the purposes of Table 1, include Saskatchewan and Nova Scotia, if we look at that, the base allocation that is given to a caucus, whether it is an Opposition, a third party, or government members – prior to looking at other formulas – is basically there in place for government members as well.

So that seems to be a standard across – and I hate to say across the country, because I am comparing it here to two provinces. I would have liked to have seen, I suppose, the full scope, but for the purposes of this report and what we look at in Table 1. So for that reason and because it seems to be standard in the other provinces, that is certainly something I support at this time.

MR. SPEAKER: Further comments?

Is the Commission ready for the question?

Does the Commission approve recommendation 1?

First of all, somebody might want to make a motion that we approve recommendation 1, do it the proper way. Moved by Ms Marshall, seconded by Ms Burke.

All those in favor, 'aye'.

SOME HON MEMBERS: Aye.

Contra-minded?

Recommendation 1 is approved.

On motion, recommendation 1 approved.

MR. SPEAKER: Recommendation 2, “Increase the base funding for the Official Opposition Caucus to \$250,000 annually, from the current level of \$100,000.” Clear, concise recommendations.

Comments?

Ms Jones.

MS JONES: First of all, I guess, the only real base allocation that we had going into this consultant’s report was the \$100,000 that the Management Commission had approved late last year. That was as a result of the fact that outside of the \$100,000 we would have been left to operate as an Official Opposition with a base budget of \$40,000 annually, which was next to impossible, I think, as everyone knows for us to be able to do, to be able to have any kind of staffing levels within our office. Of course, when we came back to the Management Commission asking for the appropriate resources for staffing as an Official Opposition the committee at the time decided they would refer it to an independent consultant but in the meantime approved the level of \$100,000 as a base budget for the Official Opposition to operate with until such time as the report was completed and recommendations were put forward.

Of course, the \$250,000 that they are recommending today is somewhat short to what we had originally asked for, but we certainly feel that it is fair and reasonable. When you look at the adjustments for other provinces in the country, especially in Nova Scotia, they are still much higher than we would be in Newfoundland and Labrador. We certainly feel that this is an adequate recommendation for us to have some core staff within the Opposition office, to be able to fulfill our role and responsibility to the Legislature as an Official Opposition. We would certainly recommend its approval today.

MR. SPEAKER: Further comments?

Ms Burke.

MS BURKE: I have a few comments on this, and one is the fact that when we look at the comparison to the other provinces that are noted in Table 1 that there is a base allocation for each Province that is there, but what is noted there is that the base allocation is the same whether it is for government members, the Official Opposition or the third party. For that reason there is consistency, so I would support that the same base allocation go to the government members, the Official Opposition and the third party.

What also makes it a bit different in this Province is that we are the only Province, I think, at this point in time, who defines a third party differently than the other provinces in that I think other provinces indicate that if there is only more than one member they would get third party status. So we have, in essence, I suppose, bumped up opposition in the fact that we give third party recognition to a party if it is registered and only has one member. So, in essence, there is more money that would be allocated to a third party in this Province than we would see in both either Saskatchewan or Nova Scotia.

If we keep the base at \$100,000, that means we are recognizing the third party with one member, which makes us different from other provinces. The other thing is, if we look at it at \$100,000 for each of the caucuses right now, how we compare, when you look at Saskatchewan and Nova Scotia, there is a proportion that both Saskatchewan and Nova Scotia, for government members, have a higher base, when you put all of it together. In Saskatchewan it is \$987,900, and just over \$1.4 million in Nova Scotia, with the Official Opposition in both of those provinces receiving a proportion less, and then again for the third party less again.

When we look at ours on Table 2, with the \$250,000 built into the base, (a) it treats us, a base allocation, differently, but we do recognize the third party despite the fact there is only one member, and if we look at it in the way it is written there now, it puts us very different from the other provinces in that we give a different base allocation, and the fact that we would then have \$593,000 for the government members, it would then go to \$606,000 for the Official Opposition, and \$244,000 for the third party.

If we looked at keeping the base at \$100,000 for each party, it would then also again reflect, I guess, the principles that we would see in both Nova Scotia and Saskatchewan in that there would be some proportion to the fact that government members, with more members, would have more of a budget. Then, if you come down, in proportion, it would decrease.

Again, I want to also draw the fact that there is \$244,000 for a third party recognition, and again it is my understanding that we would be the only Province that would give third party status to a caucus of one.

For that reason, I would think that we could keep the base allocation at \$100,000 for each of the three caucuses.

MR. SPEAKER: Mr. Taylor.

MR. TAYLOR: Mr. Chairman, I don't need to reiterate everything that Ms Burke just said, but I think if you just look at it from a perspective, a base allocation, one would think that a base allocation would be a base for all caucuses. Why the principles of Metrics EFG would differentiate is hard for me to follow, to be honest about it.

As Ms Burke said, we are, as a Legislature here, the House of Assembly, treating the Opposition parties differently than they are being treated at least in the two jurisdictions that are referenced in the report and, I suspect, for that matter, across the country generally. Why there would be a difference

in the government caucus – on the one hand government caucus has to, if you look at number seven, “Exclude Members of the Executive Council and the Speaker from the calculation of the variable component of caucus funding....” Fine, your Executive Council is excluded from your ability to calculate caucus funding on the one hand, so you could make an argument that you are being penalized there. I don’t have a problem with number seven, in the meantime, but when you take number seven and add it into differentiation on base funding in one, two and four, it really is a bit difficult to defend it and follow the logic.

My opinion, for what it is worth, is that each of the caucuses should have their \$100,000 base funding and there be no differentiation between them. If you are going to start differentiating on this basis then I don’t think we can have it both ways. We are, on the one hand, making an exception for Opposition parties in recognition of the third party, even though there is only one member in caucus, and essentially giving them official party status and the funding that goes with it, but then, on the other side of it, we want to have an additional \$150,000 for the Official Opposition over and above what the other two parties currently would receive in base allocation.

I don’t think I need to go on any further.

MR. SPEAKER: Further comments?

Ms Jones.

MS JONES: Thank you, Mr. Speaker.

Obviously, I totally disagree with the opinion that has been espoused by Ms Burke and Mr. Taylor simply because not all provinces in Canada have equal base funding to the government party, the Opposition party and the third party. It is simply done based on whatever the analysis is at that time.

This consultant’s report was not done just looking at other provinces in Canada but it was also done based on the input from government members, from Opposition members, and their parties. To my knowledge there was never any submission by the government member parties to certainly oppose any additional allocations to the Opposition, or that there was an argument made that they should be on the same base funding allocation.

If you were to look at what Ms Burke is proposing, the government members’ caucus would be receiving about \$150,000 or \$160,000 more in funding than what the Official Opposition party would be in the Legislature in this Province, not only making us the lowest-funded Opposition party in all the provinces across Canada, excluding Prince Edward Island, but it also would provide us with inadequate resources to be able to carry out our role and responsibility to the Legislature, and it would also leave us with far less funding than what government members’ caucus would be receiving.

I have some concerns about that because the role of the Official Opposition is very different than the role of government members, and I think we have established that in debate, in Management Committee, prior to this consultant’s report being done, and that is that we have additional duties and responsibilities to the House of Assembly that government members do not have.

We have to do our own research on all legislation. We have to look for the best expertise that we can, to do the analysis on government policy that is being brought forward, in order to be able to debate those policies and legislation in the House of Assembly from an educated and informative perspective. Government members have the benefit of accessing a lot of the research and information from the various departments of government. I think we have debated that to great length before we even went out to have this consultant study done.

As an Opposition, we have other obligations to the House of Assembly as well that government members do not always have, and therefore require far greater resources in order to be prepared, to be researched and to be able to carry out the responsibilities that we have.

I am very disappointed, actually, that two of the members on the Management Committee are taking the opinion that they are this morning, because I thought, through the debate and the consultation and the efforts that we put in to do this in an independent and fair manner, that the recommendations coming forward would be received in a much different light. This Management Committee approved funding to go out and spend hundreds of thousands of dollars to have this consultant's report done, simply because we could not move past the political differences of debate when it came to funding Opposition parties in this House in the first place.

The whole reason and rationale behind this was to allow for an independent perspective to look at this and to make recommendations that were fair in terms of where Opposition parties were in Newfoundland and Labrador in comparison to the rest of Canada, and also to look at what was a necessary and adequate resource for Opposition parties in this Province to be able to carry out the role and responsibility that was required of them.

We certainly feel that the recommendations that are made in this report, and especially number 2, is very fair and in terms of meeting the expectation and the responsibility that is required of the Opposition. We certainly hope that other Committee members will see that in the light that it has been recommended, and that is in the light of fairness for Oppositions in Newfoundland and Labrador.

MR. SPEAKER: Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

A few comments. With regard to the base, I know that the table that is presented only name Saskatchewan and Nova Scotia in comparison to Newfoundland and Labrador, but when we go to the back of the report and look at Table C-1, which is in the Appendices; Table C-1 does lay out all ten provinces. In that, we find that there are at least four provinces, not just the two that are in Table 1, that give the same base all the way across. It is not just the two that are in Table 1.

They do give a much more generous base than this consultant's report does, recognizing, I think, a very basic principle that Ms Jones brought out in her opening statement and that is, there are some core functions that are the same whether it is the Official Opposition office, whether it is the government caucus office or the third party. There are functions that are the same and they are probably functions under the Official Opposition and third party that are not actually in the government caucus office and one of those functions, which is not recognized, by the way, in the report – I was surprised it is not named at any point but it is the whole function of communications that the Official Opposition office and the third party office have ongoing communications, that you have to have staff for. That is the function of being an Opposition party; that one has to be doing press releases, one has to be constantly dealing with the media. That is true, especially for the leaders in both of those caucus offices. Now, the report and the other provinces do recognize leaders needing support staff. That is one of the reasons why the leaders of the Official Opposition and the third party need support staff, is because we have a public function. The leaders have a public function to play and so the support staff, of course, I think recognizes that.

There are functions of the Official Opposition and third party that are not functions of government caucus office, not

just in that public way but also in the House. Government members – I know they can, there is nothing to stop it from happening but they do not; it is not part of our practice at the moment. Government members do not take part in Question Period. There is nothing legislated to say that that could never be allowed. It can be requested, but to take part in a regular Question Period, with all the research that is required, is a function of both the Official Opposition in the big way and also of third party status as well.

There are different functions. However, I do agree with the provinces that have given the lump sum. If we were to say we would like to go with that, even though the report is not recommending it, then I would not be saying \$100,000 is enough. Then we would have to look at: How much are we talking about? While I understand some of the mathematics that Ms Burke did, I do not think it covers all the issues and then come to a conclusion that \$100,000 is adequate.

The subcommittee did have the opportunity to question the consultants and I think we had the right to do that because of the fact that we were the ones who were a part of the process of the hiring, et cetera, putting the proposal together, the RFP together and then of the hiring of the consultants, we were a part of that. They did not have a totally rational answer for why it was \$100,000, \$250,000 and \$100,000, in comparison to one province where it is \$400,000 right across, or another province where it is \$384,000 across, or \$308,000 across, et cetera.

It was: well, we are looking at our context, our budget, and we try to be – we sort of, they did not put it this way but it was, we tried to come in the middle of everything that we found out there. That was their rationale for what they came up with when they came up with \$100,000 and \$250,000. So if we were to say that we agree with the principle, as at least four provinces do, of having the base being the same across the

board, then I would argue a base of \$100,000 is not adequate.

The other thing that I would like to speak to is the comments with regard to the position of the third party. I would like to point out that this book is not defining the third party. We have that defined in the act and we have the principles that form the act in the Green report.

In the Green report the third party is recognized in the House, the registered third party is recognized in the House even if there is only one member. Chief Justice Green - I do not have the act in front of me, but we know the discussion that we have had around this. We have had major discussion around it and Chief Justice Green reiterates in his report, on a number of occasions in the report, the importance of the recognition of all parties in the House.

So I would like to remind us that in looking for how we are treating the third party, it is our act and the spirit of the Green report that guides us in doing that.

MR. SPEAKER: Mr. Parsons.

MR. PARSONS: I will not get into the details piece, I did that on the subcommittee and anybody who sits on the subcommittee, we had our opportunities, we had the consultants in and dealt with that. Maybe in fairness to the other Commission members, maybe that is what should be done. Rather than sit here and say we believe this and we believe that and we believe something else, the bottom line is we are trying to determine if we agree or disagree with certain recommendations that came out of a report and maybe all members should have had the benefit of having the consultants here so we could flesh out their rationale as to why they came up with this.

For example, when the report first came to the subcommittee that was the question that we asked: Where do you start your figures at all? Why was it ever \$100,000? We knew

where the \$100,000 came from in our case. We found ourselves in a situation that notwithstanding everybody's best intentions, we found ourselves unable after the last election to come up with a proper formula, and it was the Member for Humber East who put forward the interim proposition that we start with a base of \$100,000 and go out and get a consultant. That is how this all started.

I think there was a recognition at that time that we could all sit and argue amongst ourselves and we probably all are no doubt a bit biased as to who should get what and who should not get something else, and that was the recognition we had as a Commission, that let's go get someone else to do this. When that group came back - and by the way, these are not former politicians. These are all people who worked in the system, former ADMs and DMs who worked in various jurisdictions, who understood the system, who went out and sized up not only what goes on elsewhere in Canada but internationally, and also what the different needs are of different groups.

For example, they explained to us in the interim committee, the subcommittee, that one of the things that the government members' office does a lot of, apparently, is that they like to have staff to help people with appeals. That is fine, that is great. If that is the use that the government members, the backbench members, would like to make of their resources, that is great. That was recognized here by these persons, the same as Oppositions have obligations that government members do not, as has been alluded to here: preparation for Question Period, analysis of government policies and so on. Government members do not do that. Let's not kid ourselves. Government members, backbench members, do not do that. That is the role of the government and the ministers. So everybody had a different role and I think these people, they had no biases here. They went out, and our figure, when we called them in, and said: Where did you come up with \$100,000? Where did

you come up with \$250,000? Where did you come up with a figure of \$100 a month, for example, instead of \$62 a month?

We asked that question and these gentlemen explained it. They explained their rationales, explained their logic. We did not bring any of this here. This is not the biases of the Official Opposition or the third party of the government. We are dealing here with somebody outside who looked at the situation, sized up our bag of apples and said this is what we think you need to function.

They concluded, by the way, that everybody, all three caucuses on page twenty, that research funding is not adequate for their research, their policy and their administrative needs. Now, that is a fact. They knew that the \$100,000 was in place when they decided that. This is not a politician who is biased making that decision. That is somebody outside who looked at that, sees what needs to be done, and says it is not adequate for either caucus.

By the way, where is Judge Green in this equation? I mean, these gentlemen spoke with him; they read his report. The whole purpose again of Green is: we could not decide amongst ourselves so what we tried to do was to be rational, logical and reasonable, and let's get unbiased people to deal with this.

Yet, I fear we find ourselves here again now maybe showing our biases, and I would suggest strongly that we function pretty good since the Green report and since we have revised and come into a new Management Commission and we ought not to go down that road.

If there are concerns about the numbers, it is not for us to sit amongst ourselves and debate the numbers as to why they are this or why it should be 200 or 100, and try to give all kinds of justifications for it. Why not call in the persons who did the report? They have the facts; they did all the details.

I cannot sit here and argue with the Member for Stephenville East that it should be \$250,000 versus \$100,000. I did not make the decisions – and she can sit here and argue all she wants that it ought to be \$100,000 base. Not to say it is unfair what she is suggesting. I am just saying, in fairness to everybody here, if there is a concern, don't fight amongst ourselves about it. This is somebody outside who decided – and, by the way, the comments made by those persons who prepared this was that they didn't just look at what everybody's needs were – what our needs were as all three different caucuses - they considered the cost factors.

Some of them suggested that if we had our druthers we might have well picked numbers that were far beyond this – we could have picked Nova Scotian or Saskatchewan numbers – but they tried to balance the needs of the Province, from a cost perspective.

The only comment I would make in conclusion is, I think we are not going to get too far if we are going to sit here and debate these individually, because they are interlinked. The consultants did show how they were interlinked, and they did show how they came up with their justifications, and I see no reason why the report should not be accepted.

MR. SPEAKER: Before I recognize Ms Michael again, for the second time, on this particular recommendation –

MS MICHAEL: It is a follow-up, Mr. Speaker.

MR. SPEAKER: Before I do, the Chair will look for guidance again from the Commission, because obviously there are different views and opinions on recommendation 2.

Is it the intent, or was it the intent, of the Commission that we would reach that point and then continue with the debate? My

understanding was that any recommendations, where there would be different views and opinions, we would park that until we went through the complete set of recommendations that we could all agree on, and then we would revert to the recommendations that need to be further discussed and to exercise our right to vote after, but let's go through the complete recommendations first. Were those the views that were put forward to me, as the Chair? That was my understanding.

So, did the Commission want to park recommendation 2 and continue with the other recommendations, vote on the ones that we agree with, and then go back and debate recommendations 1, or 8 or 9 after, and that way at least we have some of them out of the way, rather than get bogged down on one that we can reach no further conclusion with?

Ms Michael.

MS MICHAEL: If we were to do that, Mr. Chair, I would recommend that say this discussion right now is hitting the base funding and, if we are going to park, we park all of the recommendations about the base funding, if you see what I mean.

MR. SPEAKER: We have already voted on one, and we can't go back and entertain things that we have already voted on; because, if we do, then we are not going to proceed at all.

MS MICHAEL: Well, our process is obviously -

MR. SPEAKER: Well, that is fine. The Chair is wide open here. We can spend the rest of our meeting on recommendation 2 - that is entirely up to the Commission - or we can go forward with the recommendations that we are all willing to accept and get those recommendations parked where we can deal with the ones that are contentious.

Ms Jones.

MS JONES: Thank you.

When you talk about parking the recommendations, does that mean we are still going to deal with them today?

MR. SPEAKER: Absolutely.

MS JONES: Okay.

MR. SPEAKER: Absolutely, we will deal with them once we go through the seventeen and if there are five that need further debate then we will continue with them.

MS JONES: Okay.

MR. SPEAKER: I thought that was the recommendation that came from the Commission. Let's leave recommendation number two for the time being, to revisit.

MS MICHAEL: Mr. Speaker, if I may?

MR. SPEAKER: Yes, Ms Michael.

MS MICHAEL: I really did want to make a follow-up comment to the comment. I would like to make it, just to have it on the record.

MR. SPEAKER: Sure, go ahead.

MS MICHAEL: Okay.

When I was making the comment with regard to the Green report, I wanted to find the place in the report of the consultants themselves and I could not talk (inaudible) both at the same time, but I want to point out that in section 5.1, beginning on page eighteen, and spelled out very clearly on pages nineteen and twenty, the consultants point out that the recommendations that they have made pertaining especially to the third party but to both - to both the Official Opposition and the third party - are done completely within the spirit and, in some cases, the direction of the Green report, and I think that we should remember that. We

are not just looking at one page and one page; we are looking at this whole report and the whole rationale that has been spelled out, and that was why I made the comment because I knew it was here in the report. I knew the consultants had made very direct reference to the Green report, so I just remind us all where it is in the report.

Thank you.

MR. SPEAKER: Thank you, Ms Michael.

The Committee will now continue to move to recommendation 3. Recommendation 3 states, "Maintain the \$302,600 funding for staff support to the Leader of the Official Opposition and the Opposition House Leader."

Ms Burke.

MS BURKE: I have a question on that, and I think it may be just a clarification.

It says that the assistant to the Opposition House Leader is \$49,000 and the assistant to the Government House Leader is \$43,000. So, is this simply a case where there is a step progression but it would be the same job?

Okay, I just wanted to clarify that because in the report it kind of stands out as to why and I thought that would have been the explanation.

MR. SPEAKER: Yes. My understanding is that the assistant to the Leader of the Opposition has gone through the step progression to reflect that salary, and the assistant to the Government House Leader will do the incremental steps to get up to that particular salary as well.

MS BURKE: In essence what we are saying is, instead of it being, say, \$49,000 there, that would depend, I guess - that is only an indication of where an individual would be on a step. If that position changed tomorrow, that \$49,000 could potentially be, I do not know, \$38,000 or \$39,000.

MR. SPEAKER: It is my understanding.

The Clerk.

CLERK: Thank you.

It shows a failing with dealing with block funding that is very serious. The \$49,000, if that position changed, it could be someone down on step 1 and there would be a \$10,000 saving. Conversely, if we approve a Minute addressing \$43,000 for the Government House Leader, we do not have enough money. We have instantly and automatically made us under budget, because that person will continue to go up to \$49,000.

On this one, number 3, I go back in history. Ms Jones and I have discussed this. The traditional staff complement to the Leader of the Opposition was by positions. It was a chief of staff, a communications person, an executive assistant and a secretary. That was going back some years. Ms Jones, as we were in this interim period, asked if she could have the block of funds to deal with, and the Commission agreed. That would be the \$256,000, I think it is, plus the salary for the Opposition House Leader's assistant; but traditionally it was by positions. If a lot of these decisions are made by positions at a certain classification level, then it is a much better way to Minute the decisions, and the budgets that are required as salaries change, steps increase and so on, are covered off, instead of blocks of funding.

There are a number of reasons, and I think, at least on the Leaders' one, we should stay with the core staff, the identified positions. There will still be the flexibility, within the per-member variable and the base funding, so that any flexibility for short-term contracts and so on are captured. Rather than just having the whole sum block funding, I think there should be some identified positions.

There is one identified position of office manager, which we come to later, which needs some further discussion, but the identification of key positions and classifications of them seems to me a desirable outcome for the effective administration here.

MR. SPEAKER: Ms Jones.

MS JONES: Thank you.

I want to make a couple of comments on this one, especially with regard to what the Clerk has proposed. It may be administratively convenient for his office and your office but it is certainly not conducive to trying to operate as an Opposition party in this Province with the current budgets that we have.

I want to go back a little bit because, first of all, the funding staff and support for the Leader of the Official Opposition has been determined by, I guess, precedent setting regulations and policy within the Legislature of this Province. This is not anything new, those positions have been allocated, those budgets have been allocated for quite a long time, and any support for the Leader of the Official party within the Legislature in Newfoundland and Labrador is based on the same kind of supports that are provided for as a minister of the Crown in terms of providing for the allowances of an executive assistant, a communications director and those kind of positions. Basically that is normally how it has always worked.

When I took over after the last election as the Leader of the Official Opposition, as I said earlier, we were left with no core staff budget for the Opposition office. At \$40,000 we could not get ourselves one researcher for a fifty-two week period. We were left in a situation where we had to start looking at what resources were available and how we were going to make some changes in order to even be able to operate as Official Opposition party in the Province.

That was when I went to the Clerk and asked that the allocation of support to the Leader of the Official Opposition be allocated in block funding as apposed to designated positions so that we could at least use a portion of that to hire a couple of research people to get us through the period of time under which this review was being done, because, as you know, all of this was being asked for on an interim basis simply because the consultant's report was not yet done, because we did not know what the new allocations would be and so on. That was the purpose of it. I wanted to outline that because there was no other reason.

If there was any way that we could have maintained the full complement of staff for the Leader of the Official Opposition, obviously that would have been our desire, because the way that funding was allocated to our party we have had to go without a lot of positions being filled and we have had to go without a lot of resources that other opposition parties in this country traditionally get to be able to operate. I do not know how much people understand that, but it is the reality of what we are dealing with. In every single report that was looked at and every recommendation that was made by an independent person regarding funding for the Opposition parties, it was always outlined that the Official Opposition in Newfoundland and Labrador has inadequate resources in order to be able to operate.

We feel that funding for the support to the Leader of the Official Opposition and the Opposition House Leader should be maintained. You know there have been many precedents established for it in our House of Assembly and if we were to make a change, I guess, in this allocation it would also require some legislative changes in our own orders and our own policies as a management committee and as the House of Assembly as well. Obviously it is our recommendation that this funding allocation be maintained.

MR. SPEAKER: Not to enter into debate but I am of the opinion that if the Minister of Education has a communications person working with her - and that particular communications person, I would think, is now hired in a competition with the Public Service Commission - then I think that the communications person with the Official Opposition Leader should be paid the same amount of money as that particular person with the minister. That is the fear that I have and I think it is something we need to - while we can deal with this particular recommendation I think somewhere down the road we have to enter into a discussion where people doing the same job within government should have their wages or their salary reflective of the particular position that they hold. There is nothing to stop the Leader of the Opposition from paying her communications person any amount that she wants to and I am not so sure - and no reflection on the present Leader of the Opposition - that we should be taking in excess of a quarter of a million dollars of taxpayers' money and saying, that is yours to spend how you want. That is in essence what we are doing here.

That is a debate that can happen when we get into getting those recommendations behind us and talking about the right way to structure the Official Opposition Office and the government members office so that people's positions are reflective of exactly the job that they do and everybody is paid the same amount of dollars and on the same level.

Ms Jones.

MS JONES: Just to make a comment on that: I am certainly not aware that the communications director or any of the other leader's staff are not paid on a comparable salary scheme with all the others across the ministerial departments. To my knowledge they all are. You know if they have more experience or more years of service I know that they are in higher brackets.

I do not think this is the place to have that discussion.

MR. SPEAKER: No.

MS JONES: If that is an issue and it needs to be raised with myself or someone else in the office, I am more than open to have that done. I am not aware that it is the case and it has not been brought to my attention before.

MR. SPEAKER: No, and I am not aware that it is. I am just raising the point of allowing block funding without identifying positions and salaries to be paid.

The Clerk.

CLERK: It is the case. In fact, the communications people in two caucuses are paid differently and you are also different from directors of communication in government departments, but the debate does need to happen with the dollars. There is no point in deciding block funds unless it is tied to positions. You will remember Ms Michael spoke about this last winter, the need for defined positions, defined salary levels. Taking arbitrary sums out of the air does not address if you will meet the various functions that a caucus needs.

I am not suggesting any change in the order of magnitude of resources. I am just saying one way of doing it is, instead of saying \$50,000, you say this position at this classification level. It is just a different approach. It is not to reduce any of the resources, but it would be a more efficient and organized way of providing these resources, if we did it by positions, which were classified rather than just a lump sum of block fund.

MR. SPEAKER: That could be another debate for the Commission, which I think should look at it and the hon. Opposition Leader, Ms Jones, can come then with her comments.

Is the Committee ready for the question on recommendation 3: to maintain the \$302,600 funding for staff support to the Leader of the Official Opposition and the Opposition House Leader.

Ms Burke.

MS BURKE: I just have one question in light of what we were having. If we approve the \$302,000 as is indicated here and there are step progressions – so if there are people who are working now in the Official Opposition office who are due a step increase, have we, by essence of putting the block funding, stopped their step increase?

MR. SPEAKER: The Clerk.

CLERK: No. When –

MS BURKE: If it is no, it is no. I do not need an explanation. I just did not want –

CLERK: But just to explain it. When Ms Jones asked for this, because she wanted the flexibility of block funding we took the highest step of the Chief of Staff, executive assistant, committee and so on. So that is the maximum for those four positions.

MS BURKE: Okay.

MR. SPEAKER: Can somebody make a motion that we accept recommendation 3?

Moved by Ms Michael, seconded by Ms Burke.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 3 is accepted.

Recommendation 4: maintain the \$100,000 base funding for the third party.

Comments? Discussion?

Somebody make a motion that we accept recommendation 4: to maintain the \$100,000 base funding for the third party.

Moved by Mr. Taylor; seconded by Ms Marshall.

All those in favor, 'aye'.

SOME HON MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 4 is carried.

Recommendation 5: Provide \$126,800 funding for staff support to the Leader of the Third Party.

That is extra funding that is not in the budget right now. It is a recommendation that was brought forward and it is new money.

Comments?

Ms Michael.

MS MICHAEL: I guess I would just like to speak to it, Mr. Speaker, very briefly because I think I have said some already.

If we read the report carefully, I think the consultants did make this recommendation based on careful consideration. As the current leader of the third party, I can say that this would greatly help the work that has to be done in a third party office.

I have alluded, for example, to communication. There is also the research capacity that has to be done, both with regard to Question Period as well as being able to speak to all of the policies of government that come up, not just in Question Period but come up more specifically when we are dealing with legislation and we are speaking to legislation in the House of Assembly. Everybody speaking has to know what he or she is

talking about and that is where the research comes in. So in looking at sort of core things that need to happen in both the Official Opposition office as well as in the office of a third party, those things have to happen.

I certainly recognize that the responsibility of the leader of the third party is not the same as the responsibility of the Leader of the Official Opposition in all of those cases, but the responsibility is there and in the spirit of the recognition by the consultants of the fact that - and it also comes out of the Green report - that all parties who are in a Legislature have a responsibility to play the role that they are given in that principle. I then obviously am pleased to see this recommendation and hope that the other members of the Management Commission understand the need for it as well.

MR. SPEAKER: Any further comments? If not, the Chair is ready for somebody to recommend acceptance of recommendation 5.

Moved by Ms Jones, seconded by Ms Burke that we approve recommendation number 5: to provide \$126,800 funding for staff support to the Leader of the Third Party.

The next recommendation is recommendation 6.

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: I am sorry.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

The motion is carried.

Ms Burke.

MS BURKE: Before we move on to the next recommendation there is one

outstanding issue with regards to staffing, and it was noted by the Clerk earlier, that the position for the support staff for the House Leader is not in any of the recommendations. So I do not know if we want to capture that now as we are doing staffing or we want to put that as number eighteen or?

MR. SPEAKER: The Clerk.

CLERK: No. The assistant to the Opposition House Leader was captured in number three. So it is the Leader's staff plus the Opposition House Leader's assistant but the Government House Leader assistant did not show up in any of the recommendation. It shows up in Table 2, the \$43,000. Somehow it was missed when the recommendation was being written. So we could do it at the end, but I think clearly it was intended as long as we do not close off without having addressed it.

MR. SPEAKER: Ms Burke in continuation.

MS BURKE: Yes, if it is not part of the recommendations and we are going to go through the recommendations, let's go through the recommendations and then afterwards this can be another issue that we could address. As long as we do not lose sight of it, I guess, was the point I wanted to make.

MR. SPEAKER: Ms Jones.

MS JONES: That is the point I was going to make.

MR. SPEAKER: Okay, all right. Yes, I think we can add that as recommendation 18 or to capture it in one of the other recommendations as an add.

We did vote on number five. The next recommendation is 6, and it reads: "Lower the annual per member allocation..." which is referred to as the variable allocation "...for caucus members from \$21,218 to \$18,000." That is an amount of money each member

receives that has been identified by another formula that was introduced I think in another IEC meeting and each caucus funding would reflect on the number of members that are elected and serve with that particular caucus.

Comments?

Ms Michael.

MS MICHAEL: Just to point out an answer that we received from the consultants on this one because I did ask them about this and in the spirit I think of all members having information that the subcommittee had. I did ask how they came up with the drop and I suggested, based on what they have on page twenty-four of their report, that it seemed to be that it was rather arbitrary and that they did it in order to be a bit conservative with regard to fiscal responsibility, because their explanation is that leaving the per member entitlements at \$21,218 would have resulted in annual funding requirements going up by \$93,322; and they said, yes, basically that was their reason, that because they are making recommendations that are increasing expenditures – I think it is by about 4.1 per cent, is it, that it will be going up with the recommendations - that they were looking for ways – and I think Mr. Parsons pointed this out – they were looking for ways to not just be too luxurious in recommendations, that they were making it in ways in trying to be fiscally responsible, so their recommendation was based on that.

Naturally, I accepted their explanation, but I think it is good for us to know what they were trying to do.

MR. SPEAKER: Any further comments or opinions?

Mr. Clerk.

CLERK: It might be helpful for the Commission just to hear this piece, although I could not find evidence of it. I went back

through the old IEC minutes to try to find at what point the \$20,000 per member, the variable amount, was identified, and to see if it would express why that figure was chosen in the first place.

I could not find it, but I am of the understanding – this may just be through discussing with members and former members – the thought was that would be 50 per cent of a salary, a researcher or communication - one person's salary - and that would be one staffer assigned to two members. When you look at the other jurisdictions this is a common practice, so the per member variable is sort of 50 per cent of a standard salary unit. It also speaks to why salaried classified positions are better than dollars.

The \$20,000 dollars, it is my understanding at the time, would have been half the standard \$40,000 salary of, say, a researcher. That salary will have increased since then. We are actually dropping this down to \$18,000. You cannot hire someone now at the \$36,000 level.

I mention this only to say these block sums of money are not really addressing the functionality. My understanding in it was to have one researcher serve two members. When you drop it down to \$18,000, a reasonable salary for a researcher means the researcher would serve three members.

So it is not entirely arbitrary. The drop from \$21,000 to \$18,000 may be, but the thought was it would be 50 per cent of a position.

MR. SPEAKER: Further comments?

If not, the Chair will entertain a motion to accept recommendation 6.

Moved by Ms Burke and seconded by Ms Marshall, that we lower the annual per member allocation for caucus members from \$21,218 to \$18,000.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

AN HON. MEMBER: Nay.

MR. SPEAKER: The recommendation is carried.

On motion, recommendation 6 carried.

MR. SPEAKER: It being 11:39 in the morning, do members want to take a brief recess and return in ten minutes to continue with the work of the Commission?

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Ten minutes? Does everybody agree that we take a ten minute recess?

MR. TAYLOR: I have another commitment at 12:00 o'clock, Mr. Speaker.

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: Okay, what I am hearing is that we will keep moving.

The next item on the agenda would be recommendation 7, "Exclude Members of the Executive Council and the Speaker of the House of Assembly from the calculation of the variable component of caucus funding for administration and research." Those are the sums of money that we just referred to in recommendation 6.

Any further debate or discussion needed?

If not, a vote is in order. Would somebody make a motion?

A motion is made by Mr. Taylor and seconded by Ms Michael that the committee approve recommendation 7.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 7, to exclude members of the Executive Council and the Speaker of the House of Assembly from the calculation of the variable component of caucus funding for administration and research, is carried.

On motion, recommendation 7 carried.

MR. SPEAKER: Recommendation 8, "Include Parliamentary Secretaries/Assistant and the Leaders of the Official Opposition and the Third Party in the calculation of the variable component of caucus funding for administration and research."

This recommendation here is to include – I think we have four parliamentary assistants and secretaries, a total of four?

AN HON. MEMBER: Five.

MR. SPEAKER: Five? A total of five.

AN HON. MEMBER: Four secretaries (inaudible).

MR. SPEAKER: Four secretaries and one assistant, and it would include the Leader of the Opposition and the leader of the third party in consideration to receive the variable funding that we just referred to.

Are there any comments?

If not, would somebody move that the Commission approve recommendation 8?

Moved by Ms Michael and seconded by Ms Marshall, that recommendation 8 include parliamentary secretaries/assistants and Leaders of the Official Opposition and the third party in the calculation of the variable component of caucus funding for administration and research be accepted.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

The motion is carried.

On motion, recommendation 8 carried.

MR. SPEAKER: Recommendation 9, "Adjust caucus base, staff support to leaders and variable funding arrangements for administration and research in caucuses to reflect any salary adjustments for employees in the Executive Branch of Government for 2008-09 and beyond."

That, I guess, would be the raises that we would get in staff progression, the normal thing that would happen.

Ms Jones moves that this recommendation 9 be accepted. Would somebody second that recommendation?

Seconded by Ms Michael.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

The motion is carried.

I will not reread the motion. I have read it in the beginning to exercise some time.

On motion, recommendation 9 carried.

MR. SPEAKER: Recommendation 10, "Allow caucuses greater discretion in allocating their administration and research funding (for example, permanent versus temporary employees, or leader support versus research and analysis)."

Comments?

Mr. MacKenzie.

CLERK: I understand some caucuses must have said they feel restricted, but I am not sure what greater discretion can actually be applied or allowed. I thought there was significant discretion now in terms of short-term contracts and so on. The only sorts of restrictions are probably those on personnel policy matters.

As an objective or philosophical statement, I do not disagree with it. Because it is not specific, it is not a minute that means something. There is no way to put it actually into effect; it is simply an expression of the Commission's desire, I guess, to have as much flexibility as possible.

That is all.

MR. SPEAKER: Any further discussion?

If not, the recommendation is moved by Mr. Taylor and seconded by Ms Jones.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 10 is accepted.

On motion, recommendation 10 accepted.

MR. SPEAKER: The next is recommendation 11, "Increase the current operational funding to caucuses for miscellaneous purchases to \$100 monthly, or \$1,200 annually, and increase the floor provision for small caucuses to \$800 monthly, or \$9,600 annually."

I think at the beginning of the Forty-Sixth General Assembly we put a base of \$500 monthly for small caucuses and now the recommendation is that we increase that to \$800 monthly to a maximum of \$9,600 annually. I understand the Clerk may want to make comments on this particular recommendation.

CLERK: If I could, yes. This really just harkens back to an earlier matter that is discussed in the report and is carried on in recommendation 13 about guidelines for the spending of this operational money.

On page 29 and page 30 of the report he lists various suggestions of what might be covered out of this funding. A lot of these could be budgeted for and probably should be budgeted for. For instance, we have talked to the Opposition caucus about newspaper subscriptions. That could just as easily be budgeted as being paid for out of this bank account. The government caucus has talked about travel for some of their staff, for instance the Appeals Officer. They are currently paying for travel out of this \$62.50 a month. That could be budgeted.

What I suggest we might do is we could decide something on an interim for the balance of this year, perhaps accept this recommendation, but as we are going through the Budget process we could look at what items actually would fit better as simply budgeted items, with an eye to perhaps, April 1 you do not need the \$100 a month or the \$62 a month. Once we establish the list of acceptable expenditures you may find it is \$50 a month that is needed or \$75 a month or so on. All of which with an eye to reducing the grant, the bank account, the complication caucuses are going to have, because there is also a recommendation here that you have to report on all your expenditures each year. It may be just as simple to budget an amount for caucus staff travel, newspapers or other matters that are currently being paid out of this fund and avoid just the complexity of having that bank account at the level it is and all the expense items in the report. There may be a simpler way to handle it.

I am not speaking to the level of resources, just a different way of paying the bills.

MR. SPEAKER: Here again it is a suggestion that we can bring forward and bring back at another meeting.

Ms Jones.

MS JONES: You know, there is some merit in what the Clerk is suggesting. I know for our caucus the \$500 a month was not adequate for us to do what we needed, just for Freedom of Information requests alone, media transcripts and subscriptions to newspapers. I mean, we were not able to find the amounts of money that we needed in that fund just to cover off some of those things. Then, if there were cases where you had memorial service to mark injured workers and things of this nature in which we had to go out and buy wreaths to lay, well then those months it became really tough because it was an extra \$100 that was coming out of your office account that you really probably did not budget for. You know we are open to look at some other ways of doing it, if it means that we can access the resource that we need without being placed under those kinds of restrictions.

The other piece is that, of course, increasing it to \$800 a month gives us more of a budget to work with to be able to meet those particular needs. We do not spend a lot of money on things like conference calls or any expenses for caucuses meetings but there are other things that we do need to spend money on such as website maintenance and just subscribing to the server services and all the rest of it that we are unable to do right now that we could incorporate into our budgets. We are certainly open to looking at it.

The other thing I would be open to is that even if you were to maintain the funding allocation at the level that it was and have it administered in the way it was, maybe there could be some more defined guidelines put around it and also maybe a reporting mechanism, because I do not think that exists right now. For example, some of our staff use this budget as well. If they need to

get taxis to go out to meetings or to represent people at appeals and so on somewhere in the city, we allow them to use that fund to be able to make claims for their taxi fare and things like that, as I am sure government members does as well.

Right now there is no accounting mechanism, so even if there was something like that in place so that we could actually have a proper budget with proper guidelines and then there is some accountability mechanism as well, because you are talking about if we increase it to \$800 a month, you know almost \$10,000 a year, that would be managed through each of our offices.

MR. SPEAKER: Any further comments?

If not, somebody move that recommendation 11 as read into the record be accepted. Moved by Ms Marshall, seconded by Ms Jones.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 11 is accepted.

On motion, recommendation 11 carried.

MR. SPEAKER: Recommendation 12, "Adjust the level of caucus funding for miscellaneous operational purchases annually starting 2009-10 in line with the Consumer Price Index for the Province."

Self explanatory; it would reflect what the Consumer Price Index is and it would move upward according to that amount.

Moved by Ms Marshall, seconded by Mr. Taylor.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye

MR. SPEAKER: All those against, 'nay'.

Properly moved and seconded and carried, that recommendation 12 be accepted as read into the record and as written.

On motion, recommendation 12 carried.

MR. SPEAKER: Recommendation 13, “Develop and approve House of Assembly Management Commission guidelines for eligible and non-eligible miscellaneous operational purchases by caucuses, and require that annual spending reports be submitted to the Management Commission by each caucus.”

That is the situation as referred to earlier by the Clerk, that the funding that is provided to individual members be accounted for and an annual report submitted to the Commission. There again, it is accountability and transparency for taxpayers’ dollars issued and how they are counted.

Moved by Mr. Taylor, seconded by Ms Burke.

All those in favour, 'aye'.

SOME HON MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 13 is carried.

On motion, recommendation 13 carried.

MR. SPEAKER: The next is recommendation 14, “Designate administrative staff, including an Officer Manager in each caucus, to liaise with the Office of the Clerk of the House of Assembly on financial and human resource management matters.”

The Clerk.

CLERK: This obviously came from us in administration. I think that is referenced in

here. It is our view that with a dedicated administrative person with a certain level of authority, like an office manager, everybody benefits, not merely us but the caucus benefits as well. For instance, we have been having discussions on budget. In two of the caucuses there was a staffer identified, in the third caucus there was not and we had to identify with one of the elected members. It slows things down. There are ways of getting more efficient and effective in the caucus operations on all these administrative matters.

We just approved in 13 the annual spending reports. Someone is going to have to manage that money, develop these reports and so on. The assistance to members on the rules – I mean, there is any number of administrative matters. With the whole regime that we now have as a result of Green, the whole purchasing, tendering, and everything else, if there was an office manager sort of managing that for each caucus, I think life would be simpler for all 48 members, not just the administrative staff of the House but for members and caucuses.

Now, there is a complexity in the way it is described in here, which recommendation 14 does not go into. If you remember back when he describes it, he talked about a position description being developed and classified. Currently, one of the caucuses has an office manager at the PSO 7 level that is around mid-sixties. There is no additional funding identified for this. The recommendation is that somebody be designated, not necessarily be hired as, at a certain pay level. Certain caucuses may choose to hire this classified position of office manager at such-and-such a pay level out of the money they have. For small caucuses – and I am thinking particularly of the third party – it would not be reasonable, I don’t think, to have one of your positions that. That would be one among a number of duties.

There is a complication here between the wording of 14 and the description and

discussion in the report which talks about a classified position which would suggest that all caucuses would have to hire this one individual to perform this function.

The term they use here, designate administrative staff, may suffice, that among other duties a caucus would say: you serve as our office manager. It would be left to the caucus. As I say, there is a disjuncture between recommendation 14 and the discussion in the report.

MR. SPEAKER: Comments?

Ms Michael.

MS MICHAEL: I am glad for the comments from the Clerk because I think if we were to approve this to mean a designated person with the kind of classification that is being talked about, then we have made decisions earlier on that I think were really affected by that. To me that would be part of the running of the caucus and part of base funding. If we use the kind of classification that Mr. MacKenzie just threw out there – was it the mid-sixties? Well, the mid-sixties out of \$100,000, there goes my researcher, for example.

This is complicated depending on how we approve it here today. If we approve it in the kind of way that would mean a position that could be upwards of \$60,000 or \$65,000, then I don't think we can lay that responsibility on the caucuses to pay for that staff person. If we talk about the duties then I think we leave it up to us, along with the thing of the greater discretion, of assigning how the duties happen.

I find this one problematic from the perspective of naming it. Maybe I should have spoken at the very beginning when we said we were going to approve recommendations one by one by one, because this was the one in particular that for me clicked right into the base funding and why I thought the base funding was too

low. I am a bit late. I should have said this right upfront.

MR. SPEAKER: Ms Michael, as a further add-on to your comments, would you object to having an office manager/researcher? Realizing the size of your caucus, and realizing the importance to have a liaison with the Clerk's office and to look after the funding that has been allocated to your office, somebody needs to be held accountable.

MS MICHAEL: I think, Mr. Speaker, I am suggesting that what I am saying is, if we say it in language, if we really mean including an office manager as a particular position, then we are tying our hands.

If we mean it, designate administrative staff to perform functions; then I agree with it. That is the very point I am making.

MR. SPEAKER: I think that is the spirit of what we are talking about, and I just refer to the Clerk for any further clarification.

CLERK: I just want to make that point; the actual wording can be amended to get that about designated staff to perform the duties of an office manager, for instance, or something like that, but the way it was written there would have immediately committed each caucus, no matter how small, to have one.

I should also say, as well, it did not show up in these recommendations, but earlier in the report – and this is germane to the government caucus - there is a recommendation – the term is actually used, recommendation, although it does not make it to the list – if there are more private members in the government caucus than ten, then the office manager would get admin support; and I know there is an issue in the government members caucus. For the office manager to manage everything without even any admin support is a challenge.

That is recommended earlier in the report, but it simply does not show up in this list. It would only apply in current circumstances to the government caucus.

MR. SPEAKER: Ms Burke.

MS BURKE: Just to clarify what we mean here in 14, and I know we are saying here administrative staff, including an office manager, maybe what we are looking at, if we want to put it in the right terms, is designate a staff person in each caucus to liaison with the Office of the Clerk of the House of Assembly on financial and human resource management matters.

That implies that each office has a measure of accountability, but technically it does not really matter who takes on that function within the caucus, as long as that is being done for accountability purposes and will be that liaison person.

So I think, even having to say administrative or office manager, we could just leave that out and just leave it at the staff person.

MR. SPEAKER: I think that would probably fill the bill, pardon the pun.

Mr. William MacKenzie.

CLERK: I would just ask each caucus to ensure that person has a certain degree of authority, because the word administrative is used at all sorts of levels. It would be someone who would have a certain degree of authority to sort of speak to Ms Lambe or myself on these matters – budget matters and so on – and caucuses should not short-change themselves. The government members' caucus has had an office manager for some time – I assume they will continue with that – just by virtue of their size and so on. If the other caucuses did not want to pursue it, I guess it is understandable as long as the functions were being performed elsewhere.

MR. SPEAKER: Ms Jones.

MS JONES: It is not that we don't want to pursue it. We are under some very tight financial situation, as an Opposition office. One of the first positions we have had to let go was our office manager, simply because our budget did not allow us to maintain a position at that level. We have tried to use the person who happens to be the receptionist, the secretary, and does all the odd jobs around the office, to as well liaise with the Clerk's office. It may not be the ideal situation for your office or for ours, but, with the lack of resources that we have, I just cannot see any other way that we could try and manage a position like that. We certainly do not have the budget to be able to allocate funds to it at this stage.

MR. SPEAKER: Is the general agreement to reprint 14 to reflect what Ms Burke had suggested? That would fill, I think, the Clerk's need to have somebody that he can identify, a person to call and a person who is responsible for carrying on the affairs of funding and liaison with the three parties?

Do you want to read that back, Mr. Clerk?

CLERK: What I heard Minister Burke suggest was that we just delete the phrase "including an office manager."

MS BURKE: (Inaudible) administrative staff to a staff person.

AN HON. MEMBER: Designated staff person.

MS BURKE: Designated staff person.

CLERK: Designated staff person.

MS BURKE: We need (inaudible).

CLERK: Okay, yes.

MR. SPEAKER: A designated staff person in each caucus, to liaise with the Office of the Clerk of the House of Assembly on financial and human resource matters.

Moved by Mr. Taylor, seconded by Ms Burke.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 14, as amended, is carried.

On motion, recommendation 14, as amended, carried.

MR. SPEAKER: Recommendation 15, "Adjust funding effective immediately when parties become entitled to additional amounts during years when there are no General Elections, whereas any downward adjustments become effective at the beginning of the next fiscal year to allow time for expenditure adjustments to be made."

I think the Clerk had some reservations about the wording in this one as well.

CLERK: Well, assuming there are not dramatic changes, there is a budget issue here in terms of forecasting this, but if this is simply, dare I say, one member crossing a floor, these are not dramatic changes.

If the creation of another third party were to be one of the changes – for instance, if a member were to write you and say: I have left my existing caucus; I am going to sit as a member of a fourth registered party - suddenly we have the same level of resources required which would not have been budgeted for. That is far-fetched, but it is just something to keep in mind.

More to the point is the phrase, "...during years when there are no General Elections". If the principle is accepted by the Commission, that phrase should be taken out. There will be an election in 2011, in October. If something changed in January of 2011, with this wording you could not

reflect it because that would be a year in which there would be a General Election.

For clarity, you should just delete that whole phrase, "...during years when there are no General Elections". If the Commission approves this in principle, it would just read, "Adjust funding effective immediately when parties become entitled to additional amounts... whereas any downward adjustments..." et cetera. It doesn't help any to have that phrase in there.

MR. SPEAKER: Do members agree?

Ms Burke.

MS BURKE: I just have one comment on it.

I know we sometimes think about the present situation and we just deal with that, but, in essence, we could create a situation at some point, I guess, during this term or in any other elections that we have in the Province, where the Official Opposition can change, based on numbers.

CLERK: Yes.

MS BURKE: So you may have an Official Opposition by one member. Right now we have it by a couple, but, in essence, somebody could switch parties or there could be a by-election and we could actually, at some point in a year, switch from being third party status to Official Opposition.

It doesn't change what is going on here, but it is something we have to be aware of.

MR. SPEAKER: Mr. Clerk.

CLERK: As I say, it is far-fetched but we are trying to do something for the future. There could be budget ramifications. Now, they could always be addressed through savings or special warrant or what have you, but to say that you would maintain the funding for the balance of that year, I

assume it is a calendar year, although it is a bit unclear, but the fact that there is a reference to a General Election – oh, no, it does say the next fiscal year. Anyways, it is just a thought. We could probably manage it through savings and otherwise, but it is a generous approach to say that you maintain your funding for the balance of that year.

MR. SPEAKER: Would we delete the part, “...during years when there are no General Elections”? Is that the will of the Committee? If it is, would somebody move acceptance to recommendation 15 with the amendment?

Moved by Ms Michael; seconded by Mr. Parsons.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 15, with the amendment, is carried.

On motion, recommendation 15, as amended, carried.

MR. SPEAKER: Recommendation 16, “Treat caucuses of any new registered parties the same as that of the Third Party.” I guess if any registered party gets elected and they are a registered party then their funding would reflect what the third party is presently receiving on a prorated basis.

Mr. Taylor.

MR. TAYLOR: It is probably not worth talking about, but I really have to tell you 16 and 17 make me uncomfortable. I know it is small, and it might even sound petty, but if a party gets legitimately elected to the House I have no opposition to them being provided with the same resources as anybody else would be provided with here, but if, as we sort of alluded to in a discussion there a little while ago, you take 16 and add 17 onto it

we could conceivably have ourselves in a situation - which I know is bizarre, but who knows, politics is a strange spot as we all know - we could conceivably have ourselves with four or five registered parties here, possibly not really legitimately. We could conceivably have somebody leave their present caucus, sit as an independent, look at this and say, well, obviously I cannot get anything beyond my normal member entitlement sitting as an independent but I will register as the Newfoundland and Labrador first party, for example; you know, just grab anything, any old name at all and register yourself as being an official party and we have to find ourselves – I don't know. The official third party right now is getting 244.8 under the proposed changes, so we have to find ourselves \$250,000 for a person who sits essentially as an independent but who registers as a fourth party.

As I said, it is almost too bizarre to even talk about but I just find it a bit uncomfortable.

MR. SPEAKER: I don't have the rules and regulations, but I am not so sure it is that easy to move across the floor today and call yourself another party. I think there is a route that you have to go, there are timeframes, there are commitments that you must meet, and it is not as simple as somebody crossing the floor and tagging themselves with a registered party or paying \$25 to the Chief Electoral Officer and becoming a registered party.

Ms Jones.

MS JONES: It may not be that simple but I think Mr. Taylor raises a good point. I will just reflect back. If these rules were in place when I sat in this House as an independent member - at that time I was invited to join a party called the Labrador Party which is an official registered political party in the Province of Newfoundland and Labrador and I opted not to, but if I had joined that party I would have had party status in this Legislature as one member, and I would

have been entitled to receive my \$240,000 in budget, just like the NDP party receives today. There is some merit in what he says. The only difference is, back in 1996 the rules did not allow for me to do that, simply because party status at that time was determined by having three elected members in the House of Assembly, not one.

So, because we have allowed for the NDP to maintain party status in our Legislature with only one elected member, we have now set a precedent whereby other parties may also follow. Just because people are elected as an independent or they are elected as one member of a party, based on these regulations, it does not exclude them. I am saying that only because this is what we are voting on and if we support it, this is what it allows. Having said that, I think that all parties should be treated alike, and that is that if the NDP party is going to be allowed to have official party status with one member in the Legislature, receive funding of \$244,000 annually, than any other party with one member should be permitted to do so as well. So either we adapt the regulation that is here, the recommendation, or we make a motion to change what is already in place.

MR. SPEAKER: Ms Michael.

MS MICHAEL: It is hard to know where to stand on this one because I agree with the principle. I guess that is where I stand. We have to remember, as I said earlier, and I do not have the act in front of me but it is in the act, recognizes that one person from a party, a registered party. That is what the act says and we have made decisions based on that. So if we have one person from a registered party, that person, we are saying, should get support. That is what is in our act, actually. I cannot remember if the act just refers to the third party, if the third party.

Do you have it there? Thank you.

MS E. MARSHALL: Well, I have my legislation. There is a definition for caucus there.

MS MICHAEL: Yes. No, I am going – that is not what I am talking about. It is over here. I am not going to find it right off, am I? I am talking about – it is here in the act, the part that we discussed when we were talking about status, and I have to try to find it. I thought it was section 12; just let me see for a minute.

MR. SPEAKER: If the Commission wants to, we can take that recommendation and make changes to it and bring it back to another Commission meeting, because we can build into that, having that member be a candidate in an election and have contested so many seats or have garnered a certain percentage of the vote. But you are right, if somebody is just going to move over there and associate themselves with a party, then it is open; you have it left open for all kinds of grief along the way.

Ms Michael.

MS MICHAEL: I think maybe we may want to defer this to get further discussion because under the definitions - you know, Ms Marshall just passed me the legislation, and we have the definition of caucus but then under registered party, registered political party means an organization formed for the purpose of contesting an election of members. You have the formal and then, further in, and I cannot find it, it is the reference to the third party being a registered political party and that was why the decision was made with regard to the funding. We have different things that would guide us. So I think we may want to look at all of that, and I did not think of looking at all of that in preparation for today. There were a few things on our minds the last few days, but I think there are several things we need to look at in helping us make this decision.

MR. SPEAKER: Ms Marshall, to that point?

MS E. MARSHALL: Yes, Mr. Speaker, not to belabour the point, but I do have to agree with what Ms Jones said earlier and the fact that we are providing funding to a third party who has one elected member in the House. Why would we as a Commission endorse that, yet if there was a fourth party with one elected member that that party would not be treated the same? So, I must say, I do agree with Ms Jones wholeheartedly.

MR. SPEAKER: As I see it, I think it is something that we all agree on. It is just a matter of the language that we are going to agree to, and with the indulgence of the Commission we could probably bypass recommendation 16 and have it brought back to another Commission meeting - I do not see it being something that we need to do today - and have it accepted at that time? Because I think there is merit to it, but it just needs to be rewritten.

Mr. Parsons.

MR. PARSONS: Yes, I think maybe it is a task for our new candidate (a) that we worked with earlier today, because we already have a conflict. The recommendation here uses the word caucus, caucuses. That is, as Ms Marshall points out, defined in our House of Assembly Accountability Act. Now, we are either living by the law or we are not. We have a House of Assembly Act which defines a caucus as being two or more persons. We have somewhere else in our rules, somewhere –

MS MICHAEL: No, no, it is in the act throughout the Registered Political Parties.

MR. PARSONS: Well, wherever, but it is somewhere else –

MS MICHAEL: It is in the act.

MR. PARSONS: We are definitely dealing with some potentially conflicting definitions here, is all I am saying. I just think we ought to have the proper information before all of us and the explanations before we get into it. How can we deal with it if we do not have that information here? Maybe the law clerk could help us out with that one.

MR. SPEAKER: Ms Burke.

MS BURKE: I agree with Mr. Parsons. I would like if we could just park this one for the day and come back with some analysis and some definitions and where it is legally and where we stand on it, because it is almost meaningless today when we do not have that forth party. It could split a number of ways. I think we just need to have a look at that analysis and our own definitions and what this actually means. In saying that, we have to move forward in a way too that makes sure what we are doing is within our legislation, whatever pieces of legislation that would be.

MR. SPEAKER: When we refer to our Standing Orders it even makes it more confusing, so it is all over the place.

Okay, we will leave 16 to be revisited at another meeting or even if we want to include it at all.

The next is recommendation 17, “Provide Members not affiliated with a registered party with no additional funding beyond their normal Member entitlements.”

Ms Burke.

MS BURKE: On that wording, can we just say: Provide members not affiliated with a registered party their normal member entitlements? Why are we saying, with no additional funding beyond? If they are entitled to their normal member entitlements, that is what they are entitled to?

MR. SPEAKER: I agree. Any other comments?

The Clerk.

CLERK: As I mentioned at the beginning, some of these, I think, when we come to actually articulate the decisions need some reworking. I do not even like, normal member entitlements. If what we are saying there is that the independent member gets the variable funding of \$18,000, if that is what that means, we should just say that, because I do not know what the normal entitlements would even be.

AN HON. MEMBER: (Inaudible).

CLERK: Yes, but, of course, this has not even addressed the whole notion of constituency assistance, it is just addressing the caucus elements. We should just specifically state, and if we want to bring in the constituency assistant, office, computer, phone lines and so on we could do all of that. Normal member entitlements, I think, is just looking for trouble; the debate.

We can take the point and just, if you will allow us, a bit of discretion in rewriting the Minute. They always go back for confirmation.

MR. SPEAKER: Ms Burke.

MS BURKE: I think that is fine based on the fact that there is no immediate need, that this is not something that is urgent that we are dealing with. It would provide direction and definition as we move forward, so I would be in agreement that we could probably put some better wording around that and bring it back for discussion.

MR. SPEAKER: I hear that the Commission views unanimously, that we take recommendation 16 and recommendation 17 and bring back some acceptable wording to the Commission for debate and acceptance or rejection at another

future caucus meeting. That is a great piece of work.

We have 2 in the list of recommendations that we are now going to return to, and that particular recommendation is to increase the base funding for the Official Opposition Caucus to \$250,000 annually, from the current level of \$100,000.

We have already said that we are not going to take a break. It is 12:18 p.m. and some of us have been here since 9:00 a.m. Maybe we might want to take a ten or fifteen minute break and reflect on this particular recommendation, and then come back and resume debate?

Ms Marshall.

Well, I am wide open.

MS E. MARSHALL: There is a number 18 now. We have to approve the funding for the Government House Leader assistant.

MR. SPEAKER: Number 18. Would somebody have the wording written that might be acceptable?

The Clerk.

CLERK: I could certainly write something up. I mean, if the principle is established and there seems to be consensus on the principle – this has always been, that position has always existed – I can certainly write something up. It is something as simple as: the assistant to the Government House Leader is maintained just as the assistant to the Opposition House Leader. I would rather avoid saying the \$43,000; find some wording about the position.

MR. SPEAKER: Ms Burke.

MS BURKE: We could probably look at it similar to recommendation 3, if you do not want to put the number to it, and maintain the funding for the staff support for the Government House Leader. You could just

use similar wording, I suppose, that is in the other recommendations.

MR. SPEAKER: Is that acceptable to the Commission, that we would use such language as maintain the staff support to the Government House Leader, the existing staff support to the Government House Leader?

Moved by Ms Marshall, seconded by Ms Jones, that we add recommendation 18 to reflect as has been read into the record.

All those in favor, 'aye'.

SOME HON. MEMBERS: Aye.

MR. SPEAKER: All those against, 'nay'.

Recommendation 18 is carried.

On motion, recommendation 18 carried.

MR. SPEAKER: The Clerk.

CLERK: One more item, because I realize you are going to see if we want to do a quick break before we go back to 2.

MR. SPEAKER: Recommendation 2.

CLERK: None of this is budgeted for. These increases are not budgeted for. We should, at the end of all the other decisions, have these subject to availability of funds. That is just being prudent.

We will have the projections up to September 30 for the next meeting. It looks like there are sufficient savings to handle it, but nonetheless we should call it subject to availability of funds.

Now, I have mentioned this before, I think, to Ms Jones, that none of this is budgeted for. Obviously, the parties who are getting increased resources don't want to wait. If that is a problem, we could say subject to availability of funds or in the absence thereof some other means. I can't say categorically yet that we have the savings.

There is a little issue there that we need to be aware of.

I just point it out. We could check in a couple of weeks time when we get the September 30th report on savings projections.

MR. SPEAKER: Ms Michael.

MS MICHAEL: I'm assuming that Mr. MacKenzie means, in this fiscal year subject to.

CLERK: That is right, yes.

MS MICHAEL: I also feel confident based on, number one, some of the fiscal stuff we have seen here today already with regard to expenditures and other things that Mr. MacKenzie explained to the sub-committee. I do feel confident that we are going to see that the savings are there. There has been an over-budgeting, not deliberately, but based on, you know, what was in the Green report we are going to find that there are major expenditures that are not going to happen.

MR. SPEAKER: Does the Commission want to entertain a fifteen-minute break and resume the meeting at, say, quarter to one, 12:45 p.m.?

AN HON. MEMBER: (Inaudible).

MR. SPEAKER: From 9:00 a.m. to 1:00 p.m.?

CLERK: From 9:00 a.m. to 1:00 p.m. If we were to go we would have to look for more broadcast time and so on.

MR. SPEAKER: That is fine. Let's continue. I will just ask the Deputy Speaker to take the Chair for five minutes.

DEPUTY SPEAKER (T. Osborne): I guess we will open discussion, then, on recommendation 2 that we did park for some period of time.

Anybody interested in speaking to recommendation 2?

The Leader of the NDP.

MS MICHAEL: Thank you very much, Mr. Chair.

Though we have passed the others, I will put my discussion in the context of the base funding issue. I will say, first of all, though, that I support recommendation 2. I would have preferred to have seen a higher base that was common right across the board, and the consultants didn't come through with that. What they chose to do was to recognize the greater responsibility of the Official Opposition caucus to that of the Government members' caucus and to that of the third party. That was the route they chose to go. I would have preferred if they had chosen a common base and then look at differentials based on that common base. They did not do that. If they had done that then I would have expected a higher common base, as we see in some of the other provincial legislations.

Since they did not choose to do that and because we got into the approval of the first one, for example, the first recommendation and got that done, and sort of tied our hands, then I do not think that we should penalize the Official Opposition, because in my mind it would be penalizing them because of approving that number one first, which was approving a very low base, if you were talking about a common base.

They do have extra responsibilities in the Official Opposition caucus. There is absolutely no doubt about that. I think that recognizing that by having a larger base for them just makes common sense to me. As I said, I would have preferred the consultants to come up with a proposal based on a higher common base for all of the caucuses; they did not do it, but to let that stop us from recognizing the greater responsibility of the Official Opposition caucus, I think – well, it

would not be acceptable to me and I would vote against it.

MR. SPEAKER (Osborne): Mr. Parsons.

MR. PARSONS: Again, the only comment I will make is the consultants did the report as a package. We cannot – I think we are being illogical to say we accept the fact that there should be a base but we do not accept their figure of what the base should be for the Official Opposition. If that is the case, then we are cherry picking and we are being political here. These independent consultants have acknowledged that there is a greater need in the Official Opposition. So, if we are going to accept the base, we accept – we just cannot say there is – we decided that, that we were going to have a base, how can we say: Yes, there is a base but not accept their logic that they used for the figures? That is all I am saying.

I will be voting in favour of it, obviously. I know the circumstances under which the Official Opposition worked since the last election. I know that the funding there was not adequate. We waited and sure enough the independent consultants have verified that, that it is not adequate. So if we are simply going to say, no, we accept the base but not the amount they recommended, I think we are being political and again, we have come nowhere in terms of having a proper, usable, functional formula for addressing the issue, which was, by the way, the name of the report: What resources should caucuses have for different functions?

MR. SPEAKER: Ms Jones.

MS JONES: Yes, I want to make a couple of comments here as well. First of all, to say that the report was initiated, I guess, in the first place simply because the Official Opposition felt that there was not adequate resources to run an Official Opposition party in this Province and to carry out their responsibilities.

When we brought this issue to the review of the Management Commission, at the time the Management Commission decided that they would give the Opposition party a base budget of \$100,000 but would also refer it to a consultant to look at it, and in doing so, admitting that the \$100,000 was not adequate, in my mind, and therefore asked that it would go to an independent consultant for review, and in the meantime, that \$100,000 as a core base budget would be allocated.

Well, the review has been done. If you look through the report that was submitted by the consultants, it is very clear, their recommendations are very clear – especially on page 20 and 21 - in which they draw their conclusions from the research that they did, that the funding for all three caucuses was not adequate to meet their research policy and administrative needs. The needs are judged to be the largest in the Official Opposition caucus.

Therefore, they recommended \$100,000 in core funding, new funding, to be allocated to the government members party, in which all of the Management Committee agreed this morning needed to be done. They also agreed that there would be \$100,000 in core funding to the third party, along with \$126,000 in funding allocation for the leader of that party – all of which this committee decided, based on the report, the research and the recommendations of the consultants, was necessary.

Now, they are also recommending that the allotment of \$100,000 in core funding to the Official Opposition is inadequate, and that the need is much greater, and they are recommending \$250,000 as a base core budget. I do not see any reason why any member of this committee would take argument with that. They have admitted in their report that there was not any funding model in any other jurisdiction that they could identify that could be completely adapted in our Province. They have recognized that there were other needs and

other funding arrangements and combinations of funding that needed to be taken into consideration.

They also highlighted in their report, and, in doing so, expressed that there was some high priority for funding to Opposition parties based on the fact that there were certain duties that were vested in the Official Opposition and to a lesser extent in the third party that must be discharged in order to have an effective parliamentary democracy.

Those things are outlined very clearly, very specifically in this report. They made those recommendations not lightly, but on very careful research, on very careful evaluation of what the roles of each caucus were, what the expectations are and what the premise is based on for other jurisdictions in Canada.

I think that we should take seriously what they are recommending. Out of the other seventeen recommendations this Committee, with the exception of a couple in which we need other information, have pretty well adopted almost all of the recommendations in its entirety as has been proposed, which tells me there was tremendous confidence in this consulting firm to do the job that they were asked to do. Obviously, the Committee feels that their work was thorough, that their recommendations were well founded. I strongly feel that any opposition to number two recommendation here which is the core funding of the Opposition party can only be founded in political bias and not founded in any facts whatsoever.

Mr. Speaker, we certainly support that recommendation. We know, as an Opposition, that we cannot function and continue to function at the rate that we are and be effective with the amount of funding that we have. It is no secret that we go without having a number of positions within the Opposition office that we cannot fill because we do not have the budget for it. We provide opposition to sixteen or eighteen government departments on hundreds and

hundreds of issues with very limited resources. If it is the objective of the Management Committee to stifle the work of the Official Opposition and their view on issues and informative perspectives on issues, then they can do so by not allowing for the core funding recommendations that are made for here. If anyone realistically thinks that you can have an Official Opposition party in this Province with a core funding of \$100,000 for research and policy, they know very little about the job that needs to be done or is required to be done in this Legislature.

In the consultants report, as well, he goes on to recognize the need for increased research resources for the Official Opposition on a number of fronts, and one is not only the role and the duties that they are vested with as an Official Opposition but also because of the increased involvement of Opposition members in other committees of the House of Assembly, such as the Management Commission, the Public Accounts Committee and the Estimates Committees. All of those committees require a certain amount of work and preparation on behalf of the members of those caucuses as well. Again, they are highlighting the need to have proper staffing complements within their offices.

We would certainly invite any members of the Management Commission to come into our offices, to look at the resources that we have and to evaluate how we have been able to allocate those resources, if that is something that they would certainly desire to do.

I think, just looking at the recommendations of consultant that are here, it is very clear that the need is an obvious need. If it wasn't, they would not be making the recommendations that they are today.

MR. SPEAKER: Any further discussion? Further comments?

Is the committee ready for a vote?

Recommendation 2, to increase the base funding for the Official Opposition Caucus to \$250,000 annually, from the current level of \$100,000.

All those in favor, 'aye'.

SOME HON MEMBERS: Aye.

MR. SPEAKER: Maybe we will have a show of hands.

All those against recommendation 2, a show of hands.

It looks like there is a tie vote.

Chief Justice Green, in his recommendations, stated that the Speaker shall break a tie vote. I sensed that something may come forward at a meeting where the Speaker would have to vote. I reviewed the legislation. There is nothing in the legislation that says the Speaker will vote. It is silent. I briefly went over the numbers, and I have already voted on this issue at another meeting prior to now, when the caucus funding was an issue. I have just tabulated very briefly the figures there, looking at the Official Opposition with the recommended funding that we have put forward this morning to have funding to the tune of some \$470,000 and the third party to have funding to the tune of \$244,000. These are just figures that I have written down as I have been listening to members talk. That is reflective of some of the recommendations that have been brought forward here, where the third party would receive approximately one-half of what the funding for the Official Opposition would be, but the Speaker is not going to vote today.

The Speaker is going to ask members to reflect on what the recommendation is. I am not going to shrug my responsibility, but I would like to review the figures myself and make sure that the figures that I have put down roughly are accurate figures, to see where it is. If members want to - and will,

certainly - bring this back, since it is a contentious issue, at another meeting, or to arrange another meeting of the Commission, if it is still a tie vote then I will vote at that particular meeting, but I am not prepared, with the knowledge that I have today, and the figures that I have in front of me, to cast the deciding vote.

Any further debate or discussion?

Ms Michael.

MS MICHAEL: Mr. Chair, the one thing that I would like to say is that this is holding – I know we all know that, because of what the Clerk said, all of these decisions are based on money being available, but this particular motion, or this particular recommendation, by what has happened here right now, is holding the Official Opposition in limbo, and I really find it unfair. I am really quite disturbed. I find it unfair.

I don't know why one recommendation has been picked out like that. It is logically explained in the whole of the report. When we look at what is happening with other provinces across Canada, what is being recommended is small c – putting it deliberately this time – conservative. It did not go with a package as rich as even Nova Scotia. Nova Scotia has a \$400,000 base for all caucuses - all caucuses – and then adds on from there, recognizing the differentials between the Official Opposition, the third party.

I am really shocked. I am really shocked by what has happened. I have to say it, and I want it on record, and I have not heard a logical explanation from the members who have voted against it – all of whom are members of the government. I have not heard a logical reason from them why they have voted the way they have here this morning with regard to recommendation 2, and I am very disturbed.

MR. SPEAKER: Thank you, Ms Michael.

Mr. Parsons.

MR. PARSONS: My only comment again is, and I said this, I think it was political. I am surprised that even the Conservative government member who sat on the subcommittee that dealt with this never raised any concerns, has not uttered one word here today, but yet voted against it, and that surprises me terribly.

When we had an opportunity to voice any concerns, and all concerns, when we met in committee on this issue, not one single concern was raised. Yet -

MR. SPEAKER: Mr. Parsons, if I could, and I think you will agree, when the subcommittee met it was not a point of meeting to approve or disapprove, and that was clearly stated by me at the time at that particular meeting, and it was not a point – in fact, one member of the subcommittee was not present and it was unfair to expect anybody to express an opinion at that particular time, and it was not done.

Ms Jones.

MS JONES: I just don't understand why government members, back some months ago, on this committee, felt that there was a need for a consultant's report at all. Obviously, when there was \$100,000 in core funding put in place for the Official Opposition, it was obviously felt that this should now be referred to an independent consultant to look at what base budget amounts would be.

If you reflect back, at that time we were asking for the equivalent of base budgets that were being offered in some other provinces – around \$400,000 a year in core funding for the Opposition office – and therefore it was referred out to a consultant to look at what would be a more appropriate amount, what would be an effective amount for the Opposition party, the Official Opposition in Newfoundland and Labrador,

to carry out its responsibilities to the Legislature.

Why would government members support a consultant's report, and pay the money to have it done, to come back here today and to vote down the only recommendation regarding caucus resources for the Opposition party, which was what drove the report in the first place – not any of the other issues that were in it; it was that one issue that drove the report in the first place – why they would vote it down and not provide any rationale for the reason they have taken those particular views.

Mr. Speaker, I can only surmise that, once again, the Management Commission will not prove to be an effective body to legislate all parties in the House of Assembly, especially when it comes to fiscal balance and resources, as long as politics is going to play a part in that agenda.

We are no further ahead today than we were six or eight months ago when we started this process. The Official Opposition in Newfoundland and Labrador will still be stifled, because they do not have the resources to do their job and to do it appropriately.

I think the report is very legitimate in its findings, and if you look at our neighbouring provinces, like Nova Scotia, like New Brunswick, where Official Opposition parties are receiving \$800,000 to \$1 million a year to do the job that they do, and to do it effectively, yet in Newfoundland and Labrador we cannot get half of that, I think it is a sad commentary from this management committee in the way that they are viewing the resources of the Official Opposition party in this Province.

MR. SPEAKER: Thank you, Ms Jones.

Mr. Taylor.

MR. TAYLOR: Mr. Speaker, I figured, since you said you were not going to break

the tie today, that the debate today would be put off until another day – that is what I thought you said – but apparently that is not the case, so I will say this: It is not fair for the Opposition parties to characterize this in the manner that they just did.

As a result of going through the seventeen recommendations that were there, we just approved an additional \$150,000 today in funding for the Opposition to carry out their duties. We didn't approve the additional \$150,000, but half of what was in that report from –

MS JONES: (Inaudible).

MR. TAYLOR: I shut up while you were talking; I would appreciate if you did the same.

MR. SPEAKER: Order, please!

I ask Mr. Taylor to conclude his remarks.

MR. TAYLOR: I will conclude by saying that there was \$300,000 in additional funding recommended, roughly, by this report, for the Opposition parties, and we approved half of it today.

Mr. Speaker, you asked us to reflect on this between now and when we meet again, and that is what we all should do.

MR. SPEAKER: Ms Michael, is it a continuation of the debate? Because, for all intents and purposes, I think the debate – and I have allowed you already to speak.

MS MICHAEL: (Inaudible) request that the members look at one thing when they are thinking, in preparation for the debate.

MR. SPEAKER: Ms Michael.

MS MICHAEL: Thank you, Mr. Speaker.

I would really ask the members to look closely at Table C-1 in the report, which identifies New Brunswick and Nova Scotia,

which are the two Atlantic Provinces - don't even go outside of that – the two Atlantic Provinces that most reflect who we are as a Province, and to look at what the funding is for the Official Opposition.

MR. SPEAKER: That concludes the business of the Commission for today.

One second. Yes, Mr. Clerk.

(Inaudible).

An adjournment is in order. Would somebody move that the Commission meeting -

Ms Burke.

MS BURKE: Just based on what the Clerk had said earlier, I don't know if we needed to make this point, or if has already been minuted, that this is pending funding.–

CLERK: Subject to budgetary approval.

MS BURKE: That is already minuted?

CLERK: That is already (inaudible).

MS BURKE: Okay.

MR. SPEAKER: Can somebody move that the Commission meeting be adjourned?

MR. TAYLOR: So moved.

MR. SPEAKER: Moved by Mr. Taylor, seconded by Ms Burke.

This Commission now stands adjourned.

I thank members and I thank the House of Assembly staff for their co-operation and indulgence.

This meeting is now adjourned.